



**CONSOLIDATED
FINANCIAL STATEMENTS**

YEARS ENDED DECEMBER 31, 2025 AND 2024

(EXPRESSED IN CANADIAN DOLLARS)



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Royal Road Minerals Limited

Opinion

We have audited the consolidated financial statements of Royal Road Minerals Limited and its subsidiaries (collectively the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and December 31, 2024, the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of material accounting policies (hereinafter referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes the events and conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is the matters that, in our professional judgement, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no other key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, which includes Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

PKF Antares is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audits or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement leader on the audit resulting in this independent auditor's report is Timur Lidzhiev.

PKF Antares

**Professional Corporation
Chartered Professional Accountants**

Calgary, Alberta
April 24, 2026

PKF Antares Professional Corporation Chartered Professional Accountants
Suite 700, 602 12 Avenue SW, Calgary, Canada T2R 1J3
T: +1 403 375 9955, www.pkfantares.com

PKF Antares is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

Royal Road Minerals Limited
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2025	As at December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,540,706	\$ 7,978,352
Prepaid expenses and advances	197,409	120,230
Amounts receivable (note 4)	151,619	412,265
Total current assets	6,889,734	8,510,847
Non-current assets		
Investment in Royal Road Arabia LLC joint venture (note 5)	1,605,376	1,133,317
Property and equipment (note 6)	254,476	145,277
Right-of-use asset (note 7)	107,427	36,717
Total non-current assets	1,967,279	1,315,311
Total assets	\$ 8,857,013	\$ 9,826,158
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 199,909	\$ 270,423
Lease liability (note 7)	17,809	44,367
Total current liabilities	217,718	314,790
Non-current liabilities		
Lease liability (note 7)	89,618	-
Total non-current liabilities	89,618	-
Total liabilities	307,336	314,790
Shareholders' equity		
Share capital (note 8)	47,072,281	42,480,222
Contributed surplus	3,310,982	3,053,539
Translation of foreign operations	2,645,761	2,727,614
Accumulated deficit	(44,479,347)	(38,750,007)
Total shareholders' equity	8,549,677	9,511,368
Total liabilities and shareholders' equity	\$ 8,857,013	\$ 9,826,158

Nature of operations and going concern (note 1)
Subsequent events (note 18)

Approved on behalf of the Board:

"Tim Coughlin" Director

"Marcus Stone" Director

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

Royal Road Minerals Limited

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

	Year Ended December 31,	
	2025	2024
Expenses		
Loss from exploration activities in Royal Road Arabia joint venture (note 5)	\$ 1,969,777	\$ 1,983,180
Exploration and evaluation expenditures (note 12)	1,391,892	1,158,272
Professional fees (note 13)	419,993	370,658
General and administrative	864,367	844,023
Employee salaries and benefits (note 13)	797,210	960,086
Stock based compensation (note 10)	162,029	191,508
Social initiatives expenses	-	78,207
Gain on disposal of property and equipment	-	(8,462)
Loss from operations	(5,605,268)	(5,577,472)
Other items		
Interest income	74,382	214,760
Foreign exchange gain (loss)	(249,939)	615,715
Other income	4,485	120,731
	(171,072)	951,206
Net loss for the year	(5,776,340)	(4,626,266)
Other comprehensive income (loss)		
Exchange gains (losses) arising on translation of foreign operations	(81,853)	38,575
Total comprehensive loss for the year	\$ (5,858,193)	\$ (4,587,691)
Net loss per share - basic and diluted (note 11)	\$ (0.02)	\$ (0.02)

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

Royal Road Minerals Limited
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31,	
	2025	2024
Operating activities		
Net loss for the year	\$ (5,776,340)	\$ (4,626,266)
Adjustments for:		
Depreciation and amortization	104,422	52,124
Stock based compensation	162,029	191,508
Loss from exploration activities in Royal Road Arabia joint venture	1,969,777	1,983,180
Gain on disposal of property and equipment	-	(8,462)
Accretion expense	2,496	6,461
Exchange differences on translation of foreign operations	239,988	(611,159)
Changes in non-cash working capital items:		
Amounts receivable	260,646	(22,534)
Prepaid expenses and other assets	(77,179)	(84,586)
Accounts payable and accrued liabilities	(70,514)	(16,740)
Net cash used in operating activities	(3,184,675)	(3,136,474)
Investing activities		
Purchase of property and equipment	(173,911)	(104,799)
Proceeds from sale of property and equipment	-	38,700
Additional investment in Royal Road Arabia joint venture	(2,441,836)	(2,709,774)
Proceeds from term deposit	-	6,880,798
Net cash provided by (used in) investing activities	(2,615,747)	4,104,925
Financing activities		
Proceeds from issuance of shares (note 8)	4,999,054	-
Share issuance costs (note 8)	(264,581)	-
Lease payments	(48,306)	(45,510)
Net cash provided by (used in) financing activities	4,686,167	(45,510)
Net change in cash and cash equivalents	(1,114,255)	922,941
Effect of foreign currencies on cash and cash equivalents	(323,391)	560,599
Cash and cash equivalents, beginning of year	7,978,352	6,494,812
Cash and cash equivalents, end of year	\$ 6,540,706	\$ 7,978,352
Supplemental disclosure		
Fair value of share issue cost warrants (note 8)	\$ 142,414	\$ -

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

Royal Road Minerals Limited
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital	Contributed Surplus	Translation of Foreign Operations	Accumulated Deficit	Total
Balance, December 31, 2023	\$ 42,480,222	\$ 5,085,523	\$ 2,689,039	\$ (36,347,233)	\$ 13,907,551
Options expired	-	(2,223,492)	-	2,223,492	-
Stock based compensation	-	191,508	-	-	191,508
Total comprehensive loss for the year	-	-	38,575	(4,626,266)	(4,587,691)
Balance, December 31, 2024	42,480,222	3,053,539	2,727,614	(38,750,007)	9,511,368
Shares issued for cash, net of costs	4,592,059	142,414	-	-	4,734,473
Options expired	-	(47,000)	-	47,000	-
Stock based compensation	-	162,029	-	-	162,029
Total comprehensive loss for the year	-	-	(81,853)	(5,776,340)	(5,858,193)
Balance, December 31, 2025	\$ 47,072,281	\$ 3,310,982	\$ 2,645,761	\$ (44,479,347)	\$ 8,549,677

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

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

1. Nature of Operations and Going Concern

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". On May 21, 2025, the Company's ordinary shares commenced trading on the OTCQB marketplace under the symbol "RRDMF". The Company's registered and head office is located at 5 Seale Street, Saint Helier, Jersey, Channel Islands, JE2 3QG.

The Company carries on its operations in Colombia through its wholly-owned subsidiaries, Minerales Camino Real, SAS ("RRM Colombia") and Exploraciones Northern Colombia Exploration ("ENC"); in Morocco through its wholly owned subsidiary Minéraux Chemin Réel SARL; in Nicaragua, through its wholly-owned subsidiary, Minerales Camino Real Nicaragua SA ("RRM Nicaragua") in liquidation and in Argentina through its wholly-owned subsidiary, Minerales Camino Real Argentina ("RRM Argentina") currently inactive. In the Kingdom of Saudi Arabia, the Company operates through Royal Road Arabia LLC ("RRA") a Saudi Arabian joint venture vehicle owned on a 50-50% basis by Royal Road and MIDU Company Limited ("MIDU"). Royal Road is operator and the board of RRA is made up of an equal number of directors appointed by Royal Road and MIDU.

Going concern

These consolidated financial statements are presented on a going concern basis, when contemplating the Company's continuing capacity to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2025, the Company has no source of operating revenue and has accumulated deficit of \$44,479,347. The Company is in the exploration stage and is expected to incur further losses in the advancement of its mineral properties. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing to fund its operations and meet its obligations as they come due.

Management intends to obtain additional financing through equity issuances in the capital markets to fund ongoing operations and exploration activities. While the Company has been successful in raising financing in the past, there can be no assurance that such funding will be available in the future or on terms acceptable to the Company.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Material Accounting Policies

(a) *Statement of compliance*

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these consolidated financial statements are based on IFRS issued and effective as of December 31, 2025. The Board of Directors approved the statements on April 24, 2026.

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

2. Material Accounting Policies (Continued)

(b) Basis of preparation

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

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. The Company and its subsidiaries are as follows:

Name	Place of incorporation	Ownership	
		December 31, 2025	December 31, 2024
Royal Road Minerals Limited	Jersey, Channel Islands	100%	100%
Royal Road Accelerator (Jersey) ⁽¹⁾	Jersey, Channel Islands	nil%	100%
Royal Road Minerals Canada Limited	Ontario, Canada	100%	100%
Minerales Camino Real Nicaragua S.A	Nicaragua, South America	100%	100%
Minerales Camino Real, SAS	Colombia, South America	100%	100%
Exploraciones Northern Colombia Exploration	Colombia, South America	100%	100%
Minerales Camino Real Argentina	Argentina, South America	100%	100%
Minéraux Chemin Réel SARLAU	Morocco, Africa	100%	nil%

⁽¹⁾ Royal Road Accelerator (Jersey) was wound up during the year ended December 31, 2025, and accordingly has been derecognized from the Company's financial statements.

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 Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of loss and comprehensive loss 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 Company. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(d) Foreign currencies

The individual financial statements of each entity in the Company are prepared in the currency of the primary economic environment in which the entity operates (its "functional currency"). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Canadian dollars, which is the functional currency of the parent.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise. The functional currencies of the Company's Colombian, Saudi, Moroccan, Nicaraguan and Argentinian subsidiaries are the Colombian Peso, Saudi Riyal, Moroccan Dirham, Nicaraguan Cordoba and the Argentinian Peso, respectively. The functional currency of Royal Road Minerals Limited is the Canadian Dollar.

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

2. Material Accounting Policies (Continued)

(d) *Foreign currencies (continued)*

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's operations are expressed in Canadian dollars using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transaction are used. Exchange differences arising, if any, are recognized directly into other comprehensive loss and transferred to the Company's translation of foreign operations reserve. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed.

(e) *Joint arrangements*

Joint arrangements exist where there is joint control and the arrangement may be either a joint venture or joint operation. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. A joint operation on the other hand is an arrangement where the parties have rights to the assets, obligations and liabilities relating to the arrangement. The results are included in the consolidated statements of earnings using the equity method of accounting. The consolidated financial statements include the Company's share of both earnings and other comprehensive income from the date that significant influence or joint control commences until the date that it ceases. Joint ventures are carried in the consolidated balance sheets at cost plus post-acquisition changes in the Company's share of net assets of the entity, less any impairment in value.

During 2023, the Company entered into a joint venture in the Kingdom of Saudi Arabia via its 50% owned vehicle Royal Road Arabia (note 5).

(f) *Exploration and evaluation*

Exploration and evaluation assets acquired are initially recognized at fair value as exploration and evaluation assets. Exploration and evaluation expenditures other than those acquired as a result of a business combination or an asset acquisition are expensed as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activities. The Company records property option receipts in operations rather than as a reduction of exploration and evaluation asset.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

(g) *Impairment of exploration and evaluation*

The Company is required to assess exploration and evaluation assets for impairment. As part of this assessment, management must make an assessment as to whether there are indicators of impairment. If there are indicators, management performs an impairment test on the major assets within this balance.

The recoverability is dependent on a number of factors common to the resources sector. These include the extent to which the Company can continue to renew its exploration and evaluation licenses with local authorities, establish economically recoverable reserves on its properties, the availability of necessary financing and future profitable production or proceeds from the disposition thereof.

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

2. Material Accounting Policies (Continued)

(h) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Where an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment for depreciation purposes.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of loss.

Expenditure to replace a component of an item of property equipment that is accounted for separately is capitalized and the existing carrying amount of the component written off. Other subsequent expenditure is capitalized if future economic benefits will arise from the expenditure. All other expenditure, including repair and maintenance, is recognized in the consolidated statement of loss as incurred.

Depreciation is recognized in the consolidated statement of loss on a declining balance basis over the estimated useful lives of the related assets, based on the cost of each asset less its estimated residual value. Depreciation commences when the assets are available for use. The estimated useful lives are as follows:

Vehicles	20%
Equipment	30%
Office equipment	15%
Computer equipment	30%

(i) Leases and right-of-use assets

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonable certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

2. Material Accounting Policies (Continued)

(i) *Leases and right-of-use assets (continued)*

Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.

(j) *Impairment of property and equipment with finite lives*

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of the fair value less costs to sell and value in use. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the property and equipment at the date the impairment is reversed does not exceed what the cost less accumulated depreciation would have been had the impairment not been recognized.

(k) *Taxation*

The Company has no taxable profit and no current income tax.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of the related asset or liability in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and increased or reduced to the extent that it is probable, or no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

2. Material Accounting Policies (Continued)

(k) Taxation (continued)

Deferred tax assets and liabilities are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realized based on tax rates that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognized as an expense or income in the profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting in a business combination.

(l) Financial instruments

Below is a summary showing the classification and measurement bases of the Company's financial instruments:

Classification	IFRS 9
Cash and cash equivalents	Amortized cost
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial instruments are measured on initial recognition at fair value, and, in the case of financial instruments other than those classified as "fair value through profit and loss" ("FVTPL"), directly attributable transaction costs.

(i) Recognition and Measurement

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss ('FVTPL'). The directly attributable transactions costs of financial assets and liabilities as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classification of such assets and liabilities.

(ii) Classification of financial assets

Amortized cost:

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of financial assets is the amount at which the financial asset is measured at initial recognition minus the principal payments, plus the cumulative amortization using effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

2. Material Accounting Policies (Continued)

(l) *Financial instruments (continued)*

All of the Company's financial assets are measured at amortized cost. The Company's financial assets at amortized costs primarily include cash and cash equivalents and other receivables included in current assets.

(iii) Classification of financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

(iv) Impairment

The Company recognizes loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

(m) *Equity*

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(n) *Stock based compensation*

Equity-settled awards, including stock options are accounted for using the fair value-based method. Under the fair value-based method, compensation cost of a stock option is measured at fair value at the date of the grant and is expensed over the stock option's vesting period, with a corresponding increase to contributed surplus.

When these stock options are exercised or expired, the proceeds, together with the amount recorded in contributed surplus, are recorded in share capital.

(o) *Restoration and rehabilitation*

A provision for restoration and rehabilitation is recognized when there is a present obligation as a result of exploration and development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of dismantling and removal of facilities, restoration and monitoring of the affected areas. The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and rehabilitation provision relating to exploration and evaluation is capitalized into the cost of the related asset and amortized on the same basis as the related asset. Changes in the estimate of the provision of restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognized as a finance cost rather than being capitalized into the cost of the related asset.

The Company has no current obligations for restoration and rehabilitation.

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

2. Material Accounting Policies (Continued)

(p) Segment information

The Company operates in one business segment, mineral exploration.

The Company has identified its operating segments based on the internal reports that are reviewed and used by executive management (collectively, the Chief Operating Decision Maker, or “CODM”) in assessing performance and in determining the allocation of resources. The CODM considers the business from a geographic perspective and assesses the performance of geographic segments based on measures of profit and loss as well as assets and liabilities. These measures include operating expenditures, expenditures on exploration, property and equipment, non-current assets and total debt, if any.

During the year ended December 31, 2025, the Company operated under four geographic segments engaged in mineral exploration and development in Jersey, South America, Morocco and the Kingdom of Saudi Arabia. Financial information about each of these operating segments is reported to the CODM on at least a monthly basis. As the operations comprise a single segment, amounts disclosed in the consolidated financial statements also represent segment amounts.

(q) Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(r) Adoption of new and amended accounting pronouncements

In 2025, there have been no new or amended accounting pronouncements that have had a material impact on Company’s financial statements.

(s) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions with the exception of the standard detailed below:

IFRS 18 Presentation and Disclosure in the Financial Statements

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The Company is currently evaluating the impact of this standard on its financial statements. The Company will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18.

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

2. Material Accounting Policies (Continued)

(r) *New standards and interpretations not yet adopted (continued)*

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. This amendment is not expected to have a material impact on the entity in the current or future reporting periods. The Company will apply the new standard from its mandatory effective date of January 1, 2026.

3. Critical Accounting Judgments

Critical judgments in applying the Company's accounting policies

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The most significant critical judgment that members of management have made in the process of applying the entity's accounting policies are as follows:

Functional currency

Management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. As part of this approach, management gives priority to indicators like the currency that mainly influences costs and the currency in which those costs will be settled and the currency in which funds from financing activities are generated. The functional currency of the parent is the Canadian dollar. The Company has determined the functional currency of its Colombian, Saudi, Moroccan, Nicaraguan and Argentinian subsidiaries to be the Colombian Peso, Saudi Riyal, Moroccan Dirham, Nicaraguan Cordoba and Argentinian Peso, respectively.

Impairment of exploration and evaluation assets

Management reviews the carrying values of exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Factors which could trigger an impairment assessment include, but are not limited to, an expiry of the right to explore in the specific area during the period or will expire in the near future, and is not expected to be renewed; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and management has decided to discontinue such activities in the specific area; interruptions in exploration and evaluation activities; and a significant drop in current or forecasted base and precious metal prices.

Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Black-Scholes Option Pricing Model was developed for use in estimating the fair value of traded options which were fully tradable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility, expected life of the instrument, forfeiture rate, and future risk-free rate. Because the Company's stock options and warrants have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

4. Amounts receivable

	As at December 31, 2025	As at December 31, 2024
Receivable from sale of exploration and evaluation assets	\$ 54,845	\$ 97,855
Other receivables ⁽¹⁾	96,774	314,410
Total	\$ 151,619	\$ 412,265

⁽¹⁾ Amount owed from RRA (notes 5 and 13). These amounts unsecured, non-interest bearing and are expected to be settled in the short term.

5. Investment in Royal Road Arabia LLC joint venture

In June 2023, Royal Road entered into a Joint Venture Share Holder Agreement (the "Agreement") with MSB Holding Limited ("MSB") with respect to establishing a joint-venture company for the exploration of copper and gold resources in the Arabian Shield.

In August 2023, Royal Road Arabia LLC ("RRA") a Saudi Arabian joint venture vehicle was incorporated and was 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.

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

- Whilst each party holds 50% of the issued shares of RRA, the board of RRA shall be made up of an equal number of directors appointed by Royal Road and MSB. If a party's shareholding in RRA is reduced to 30% or less of the issued shares of RRA, that party shall no longer be entitled to appoint any directors to the board.
- Royal Road will act as operator for RRA and all operations in relation to the joint venture will be conducted on the basis of an approved program and budget prepared by Royal Road and approved by the board of RRA.
- If a party to the joint venture 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 RRA to be diluted on a pro-rata basis.
- Provided that it owns more than 30% of the total issued shares in RRA, 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.

In October 2023, RRA, 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. Royal Road and MSB made initial investments of 2,500,000 Saudi riyals (\$903,747) each. In January and October 2024, Royal Road and MSB made additional investments of 7,500,000 Saudi riyals (\$2,709,774) each. In April and December 2025, Royal Road and MSB made additional investments of 6,562,500 Saudi riyals (\$2,441,836) each.

On May 7, 2024, the Company's 50% joint venture partner MSB transferred its share ownership and its underlying rights and obligations under the Agreement to MIDU. MIDU is a part-owned Saudi Arabian subsidiary of MSB.

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

5. Investment in joint venture with Royal Road Arabia LLC (Continued)

RRA is considered a joint venture for accounting purposes and accordingly is accounted for using the equity method.

Investment in Royal Road Arabia LLC

Balance, December 31, 2023	\$	406,723
Additional investment		2,709,774
Loss pick-up from associate		(1,983,180)
Balance, December 31, 2024		1,133,317
Additional investment		2,441,836
Loss pick-up from associate		(1,969,777)
Balance, December 31, 2025	\$	1,605,376

The following tables summarize, in aggregate, the financial information of RRA.

	As at December 31, 2025	As at December 31, 2024
Statement of Financial Position		
Current assets		
Cash and cash equivalents	\$ 2,026,092	\$ 1,545,456
Prepaid expenses and other assets	574,836	471,521
Other receivables	292,989	111,509
Total current assets	2,893,917	2,128,486
Non-current assets		
Exploration and evaluation assets	459,013	481,122
Property and equipment	295,474	171,716
Total non-current assets	754,487	652,838
Total assets	3,648,404	2,781,324
Current liabilities		
Accounts payable and accrued liabilities	391,829	341,214
Reserve	45,823	173,476
Total liabilities	437,652	514,690
Net assets	\$ 3,210,752	\$ 2,266,634
Statement of Loss and Comprehensive Loss		
	Year Ended December 31, 2025	Year Ended December 31, 2024
Expenses		
Exploration and evaluation expenditures	\$ 3,100,712	\$ 3,330,590
General and administrative	657,158	474,688
Depreciation	181,684	161,081
Net loss and comprehensive loss for the year	\$ 3,939,554	\$ 3,966,359

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

6. Property and equipment

	Equipment	Office equipment	Computer Equipment	Vehicles	Total
Cost					
December 31, 2023	\$ 175,288	\$ 1,819	\$ 24,847	\$ -	\$ 201,954
Additions	-	-	2,498	102,301	\$ 104,799
Disposal	(43,538)	\$ -	-	-	(43,538)
Foreign exchange translation	(9,635)	-	-	-	(9,635)
December 31, 2024	122,115	1,819	27,345	102,301	253,580
Additions	3,567	-	-	170,344	173,911
Disposal	(2,087)	-	-	-	(2,087)
Foreign exchange translation	12,546	-	-	-	12,546
December 31, 2025	\$ 136,141	\$ 1,819	\$ 27,345	\$ 272,645	\$ 437,950
Accumulated depreciation					
December 31, 2023	\$ 106,360	\$ 389	7,124	-	113,873
Depreciation	10,394	215	5,817	-	16,426
Disposal	(13,548)	-	-	-	(13,548)
Foreign exchange translation	(8,448)	-	-	-	(8,448)
December 31, 2024	94,758	604	12,941	-	108,303
Depreciation	7,905	182	4,321	54,529	66,937
Disposal	(2,087)	-	-	-	(2,087)
Foreign exchange translation	10,321	-	-	-	10,321
December 31, 2025	\$ 110,897	\$ 786	\$ 17,262	\$ 54,529	\$ 183,474
Net carrying value					
As at December 31, 2024	\$ 27,357	\$ 1,215	\$ 14,404	\$ 102,301	\$ 145,277
As at December 31, 2025	\$ 25,244	\$ 1,033	\$ 10,083	\$ 218,116	\$ 254,476

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

7. Right-of-use assets and lease liabilities

The following table summarizes the operating right-of-use assets as of December 31, 2025 and 2024:

	As at December 31, 2025	As at December 31, 2024
Balance, beginning of period	\$ 36,717	\$ 67,563
Addition ⁽¹⁾	107,427	-
Depreciation	(37,485)	(35,699)
Foreign exchange translation	768	4,853
Balance, end of period	\$ 107,427	\$ 36,717

⁽¹⁾ In December 2025, the Company entered into a lease agreement for office premises.

The following table summarizes the operating lease liabilities as of December 31, 2025 and 2024:

	As at December 31, 2025	As at December 31, 2024
Balance, beginning of period	\$ 44,367	\$ 79,192
Addition ⁽¹⁾	107,427	-
Interest	2,496	6,461
Lease payments	(48,306)	(45,510)
Foreign exchange translation	1,443	4,224
Balance, end of period	\$ 107,427	\$ 44,367
Current portion	\$ 17,809	\$ 44,367
Non-current portion	89,618	-
Total lease liabilities	\$ 107,427	\$ 44,367

⁽¹⁾ In December 2025, the Company entered into a lease agreement for office premises. The discount rate used for the lease was 10%.

Maturity analysis - contractual undiscounted cash flows

As at December 31, 2025

Less than one year	\$ 30,061
One to five years	106,369
Total undiscounted lease obligations	\$ 136,430

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

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 December 31, 2025, the issued share capital amounted to \$47,072,281. The change in issued share capital for the years presented were as follows:

	Number of Shares	Amount
Balance, December 31, 2023 and December 31, 2024	265,695,801	\$ 42,480,222
Shares issued for cash (i)	27,772,523	4,999,054
Issuance costs - cash (i)	-	(264,581)
Issuance costs - warrant valuation (i)	-	(142,414)
Balance, December 31, 2025	293,468,324	\$ 47,072,281

(i) On November 27, 2025, the Company closed a non-brokered private placement through the issuance of 27,772,523 Ordinary Shares at a price of \$0.18 per Ordinary Share for gross proceeds of \$5,000,000. In connection with the closing, the Company paid share issue costs in the aggregate amount of \$264,581 and issued an aggregate of 1,396,215 broker warrants. Each broker warrant entitles the holder thereof to acquire one Ordinary Share at a price of \$0.18 per Ordinary Share for a period of thirty-six (36) months from the closing of the Offering.

The broker warrants were assigned a fair value of \$142,414 using the Black-Scholes option pricing model with the following assumptions: share price \$0.195, dividend yield 0%, forfeiture rate of 0%; expected volatility 75% (based on the historical price history of the Company's common shares), risk-free interest rate 2.39%.

9. Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2023 and December 31, 2024	-	-
Issued (note 8(b)(i))	1,396,215	0.18
Balance, December 31, 2025	1,396,215	0.18

The following table reflects the warrants issued and outstanding as of December 31, 2025:

Number of Warrants Outstanding	Exercise Price (CAD\$)	Weighted Average Contractual Life (years)	Expiry Date
1,396,215	0.18	2.91	November 27, 2028

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

10. Stock Options

The 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 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 Option Plan.

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

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2023	21,600,000	\$ 0.28
Granted (i)	3,000,000	0.15
Cancelled / forfeited	(13,200,000)	0.35
Balance, December 31, 2024	11,400,000	0.17
Granted (ii)(iii)	5,650,000	0.15
Cancelled / forfeited	(2,000,000)	0.15
Balance, December 31, 2025	15,050,000	\$ 0.16

(i) On January 31, 2024, the Company granted 3,000,000 stock options to a director and two employees at an exercise price of \$0.15 per common share, expiring on January 31, 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 \$141,000 using the Black-Scholes option pricing model with the following assumptions: share price \$0.105, dividend yield 0%, forfeiture rate of 0%; expected volatility 99% (based on the historical price history of the Company's common shares), risk-free interest rate 4.17%.

(ii) On February 1, 2025, the Company granted 4,400,000 stock options to employees and consultants of the Company at an exercise price of \$0.15 per common share, expiring on February 1, 2027, 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 \$158,400 using the Black-Scholes option pricing model with the following assumptions: share price \$0.10, dividend yield 0%, forfeiture rate of 5% (based on expected turnover); expected volatility 85% (based on the historical price history of the Company's common shares), risk-free interest rate 2.66%.

(iii) On May 19, 2025, the Company granted 1,250,000 stock options to directors of the Company at an exercise price of \$0.15 per common share, expiring on May 19, 2027, 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 \$46,250 using the Black-Scholes option pricing model with the following assumptions: share price \$0.10, dividend yield 0%, forfeiture rate of 5% (based on expected turnover); expected volatility 88% (based on the historical price history of the Company's common shares), risk-free interest rate 2.53%.

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

10. Stock Options (Continued)

The Company had the following stock options outstanding as of December 31, 2025:

<u>Number of Options</u>		<u>Exercise Price</u>	<u>Weighted Average Remaining Contractual Life (years)</u>	<u>Expiry Date</u>
<u>Outstanding</u>	<u>Exercisable</u>			
1,000,000	1,000,000	\$ 0.15	0.08	January 31, 2026
9,400,000	9,400,000	\$ 0.17	0.33	May 2, 2026
3,400,000	2,266,667	\$ 0.15	1.09	February 1, 2027
1,250,000	833,334	\$ 0.15	1.38	May 19, 2027
15,050,000	13,500,001		0.57	

11. Net loss per share

	<u>Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Net loss for the year	\$ (5,776,340)	\$ (4,626,266)
Net loss per share - basic and diluted	\$ (0.02)	\$ (0.02)
Weighted average number of shares outstanding - basic and diluted	268,282,831	265,695,801

(i) Diluted loss per share does not include the effect of 1,396,215 warrants and 15,050,000 stock options as they are anti-dilutive.

12. Exploration and Evaluation Assets and Expenditures

Exploration and evaluation expenditures consisted of:

	<u>Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Morocco	\$ 936,823	\$ 562,058
Colombia	441,917	525,271
Nicaragua	-	2,628
Argentina	13,152	59,898
Other	-	8,417
Total exploration and evaluation expenditures	\$ 1,391,892	\$ 1,158,272

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

12. Exploration and Evaluation Assets and Expenditures (Continued)

Kingdom of Morocco

On August 29, 2024, the Company entered into a binding letter of intent (the "LOI") with Carbomine SARL ("Carbomine"), which provides the Company with an option to acquire 100% of the Lalla Aziza mining license ("Lalla Aziza"), located in the Kingdom of Morocco.

Summary of legally binding terms of the LOI are as follows:

- Royal Road will pay to Carbomine the sum of US\$50,000 upon execution of the LOI (paid);
- For a period that is 120 days from the date of the LOI (terminating on December 29, 2024) Royal Road shall, on a sole and exclusive basis, be entitled to conduct an exploration work program at Lalla Aziza (completed);
- On or before the date being 60 days following completion of the exploration program to the satisfaction of Royal Road, Royal Road shall be entitled in its sole and absolute discretion to proceed with drill testing targets at Lalla Aziza (completed);
- If Royal Road elects to proceed with a drilling program at Lalla Aziza, it shall commit to a program of at-least 2000 total aggregate meters and the parties shall enter into a definitive agreement incorporating the binding terms and following the form and function of the LOI (completed and accepted);
- Upon receipt of all requisite drilling permits, Royal Road shall make a one-time payment of US\$200,000 to Carbomine (paid on December 11, 2024);
- On or before the date being 60 days after completion of the drilling program, Royal Road shall have a one-time option to acquire the Lalla Aziza license for a payment of US\$1,500,000.
- Further Payments/Consideration:
 - Upon the completion of the first bankable feasibility study on the property and the drawdown of project finance for the purpose of such feasibility study, the Company shall pay Carbomine the sum of US\$2,500,000;
 - Upon commencement of commercial production the Company shall grant a 2.5% net smelter royalty to Carbomine; and
 - Following acquisition of the Lalla Aziza license and until completion of the bankable feasibility study, Royal Road shall pay an annual fee of US\$300,000 to Carbomine.

On July 14, 2025, the Company notified Carbomine of its intention to exercise its option to acquire 100% of the Lalla Aziza Mining License subject to the terms of the agreement, subject to completion of the exercise of the option and the receipt of all relevant regulatory approvals in respect of the assignment or transfer of the Mining License to the Company and the confirmation from the relevant regulatory authorities in the form acceptable to the Company that it is the legal owner of the mining license free from all encumbrances. As at December 31, 2025, all conditions have not been met to complete the acquisition of the License.

Colombia

In 2022, the Company focused most of its efforts in target generation and drilling the Guintar Niverengo Margaritas project (referred to as Guintar Aleman Margaritas "GAM" 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 suspended 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 would 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%.

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

12. Exploration and Evaluation Assets and Expenditures (Continued)

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.
- 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.

In December 2024, the Company paid US\$75,000 once certain regulatory approvals of El Aleman title were obtained.

In January 2026, the Company paid US\$150,000 on the conversion of the Application into a concession contract: the "Chuscalita" title.

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 Cauca 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.

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

12. Exploration and Evaluation Assets and Expenditures (Continued)

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.

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:

	Year Ended December 31,	
	2025	2024
Salaries	\$ 316,335	\$ 558,210
Stock based compensation	41,600	98,796
Professional fees	30,200	30,286
	\$ 388,135	\$ 687,292

As at December 31, 2025, the Company was owed \$96,774 (December 31, 2024 - \$314,410) from RRA (note 4).

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

14. Segmented Information

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

Year ended December 31, 2025	Jersey	South America	Morocco	Saudi Arabia	Total
Net loss	\$ (2,529,708)	\$ (340,032)	\$ (936,823)	\$ (1,969,777)	\$ (5,776,340)
Year ended December 31, 2024	Jersey	South America	Morocco	Saudi Arabia	Total
Net loss	\$ (1,591,210)	\$ (489,817)	\$ (562,059)	\$ (1,983,180)	\$ (4,626,266)
As at December 31, 2025	Jersey	South America	Morocco	Saudi Arabia	Total
Non-current assets	\$ 340,832	\$ 17,908	\$ 3,163	\$ 1,605,376	\$ 1,967,279
As at December 31, 2024	Jersey	South America	Morocco	Saudi Arabia	Total
Non-current assets	\$ 160,600	\$ 21,394	\$ -	\$ 1,133,317	\$ 1,315,311

15. Capital Risk Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of its properties. The capital of the Company consists of share capital, warrants, contributed surplus and accumulated deficit, which at December 31, 2025 totalled \$8,549,677 (December 31, 2024 - \$9,511,368). The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Properties in which the Company currently has an interest are in the exploration stage, as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and seek to raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

16. Financial Instruments Risk

The Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values because of their current nature.

Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of bank deposits which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

16. Financial Instruments Risk (Continued)

Interest rate risk

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management considers interest rate risk to be minimal given that, as at December 31, 2025, the term deposit was invested at a fixed rate.

Foreign exchange risk

As at December 31, 2025, cash and cash equivalents totalled \$6,540,706 (December 31, 2024 - \$7,978,352). The Company's cash and cash equivalents are denominated in the following currencies:

As at December 31,	2025	2024
Denominated in Canadian dollars	\$ 15,365	\$ 334,006
Denominated in Australian dollars	851	194
Denominated in US dollars	6,065,386	7,429,976
Denominated in British pound	120,132	118,810
Denominated in Colombian pesos	303,227	85,786
Denominated in Moroccan dirham	28,585	-
Denominated in Swiss Franc	87	79
Denominated in Argentine Peso	-	3,102
Denominated in Euro	4,949	4,060
Denominated in Saudi Riyal	2,124	2,339
	\$ 6,540,706	\$ 7,978,352

A 5% increase in foreign exchange rates, with all other variables held constant, would result in an increase (decrease) in net loss of approximately \$343,000, primarily due to the remeasurement of cash and cash equivalents denominated in foreign currencies.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's mineral exploration properties. The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of gold and copper. The Company does not currently hedge its commodity price exposure and monitors market prices of commodities in assessing project advancement decisions and capital allocation strategies.

17. Income Taxes

Reconciliation of income tax expense:

Year Ended December 31,	2025	2024
Loss before income taxes	\$ (5,776,340)	\$ (4,626,266)
Combined statutory tax rate	0%	0%
Expected income tax expense (recovery) based on statutory rates	-	-
Increase (decrease) to the income tax expense resulting from:		
Differences in foreign tax rates	206,599	217,850
Change in deferred income tax asset not recognized	(206,599)	(217,850)
Income tax (recovery) expense	\$ -	\$ -

Royal Road Minerals Limited

Notes to the Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

17. Income Taxes (Continued)

The temporary differences and unused tax losses that give rise to deferred income tax assets are presented below:

As at December 31,	2025	2024
Non-capital losses carried forward	\$ 3,127,655	\$ 2,924,668
Deferred tax asset (liability)	3,127,655	2,924,668
Change in deferred income tax asset not recognized	(3,127,655)	(2,924,668)
Deferred tax asset (liability)	\$ -	\$ -

The potential benefit of these losses and deductible temporary differences in excess of the deferred tax liabilities have not been recognized in these financial statements as it is not considered probable that future profit will allow the deferred tax assets to be recovered.

18. Subsequent events

(i) Subsequent to December 31, 2025, the Company issued 1,000,000 common shares upon the exercise of stock options at an exercise price of \$0.15 per share, for aggregate gross proceeds of \$150,000.

(ii) In January 2026, the Company paid US\$150,000 on the conversion of the Application into a concession contract: the "Chuscalita" title in Colombia.