



Royal Road

ROYAL ROAD MINERALS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2023

Introduction

The following Management Discussion and Analysis (“MD&A”) of the financial condition and results of operations of Royal Road Minerals Limited. (“RRM” or “Royal Road” or the “Company”) was prepared by management as at April 29, 2024 and was reviewed and approved by the Audit Committee. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited consolidated financial statements of the Company and notes thereto for the year ended December 31, 2023. The information provided herein supplements but does not form part of the financial statements. All amounts are stated in Canadian dollars 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 the Kingdom of Saudi Arabia, Morocco, and Colombia. It is also in the process of exiting Argentina and liquidating its Nicaraguan subsidiary.

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.

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.

On January 31, 2024, the Company announced that Mr. Ghassane Benchekroun was appointed to as Director of the Company and Ana Juarez resigned as Director.

In January 2024, the Company announces the cancellation of an aggregate of 7.2 million employee incentive stock options exercisable into common shares at a price of \$0.40 and has granted an aggregate of 3 million options to purchase common shares of Royal Road exercisable at a price of \$0.15 per common share for a period of two (2) years to a director and two employees 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 license 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 Guintar 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 Guintar 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%.

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

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, Royal Road entered into a Joint Venture Share Holder Agreement (the "Agreement") with MSB Holdings 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, 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.

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 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.

As at the date of this MD&A, RRA has been capitalized for a total of SAR 12,500,000 (equivalent to USD \$3,333,333) of which 50% has been contributed by the Company for SAR 6,250,000 (equivalent to USD \$1,666,667). For the 2024 year the estimated budget of the Company's 50% owned subsidiary Royal Road Arabia is USD \$2.4 million.

In January 2024, the RRA was awarded the status of Preferred Bidder of the Jabal Sahabiyah exploration license by the Ministry of Industry and Mineral Resources (MIMR) in a competitive Licensing Round. The license is in process of clearing administrative procedures and will be assigned to Royal Road Arabia once these are completed. Royal Road Arabia is also in the process of securing a competitive exploration license package in the KSA via the first come first serve mechanism of the MIMR.

Morocco

In October 17, 2023, the Company announced that its 50%-owned Saudi Arabian subsidiary, RRA entered into an option agreement to acquire up to 100% of Izugar 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 Arabia is currently defining drilling targets and expects to initiate RC drilling activities in Q3 2024.

Argentina

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

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

The Agreement comprises:

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

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In third quarter of 2023, the Company executed a 1962 metre diamond drilling programme in the Santo Domingo project. In April 2024, the Company notified the owner of the mining property that it will terminate the Option Agreement to acquire his property in Argentina.

Regional Exploration

Expenditures in the Company's projects are as below:

	Year Ended
	December 31, 2023
<u>Colombia Projects</u>	
GNM	\$ 147,584
Formalization	93
Northern Block Regional	7,895
Southern Block Regional	40,084
Admin	241,608
Other	14,560
Total Colombia	<u>451,824</u>
<u>Nicaragua Project</u>	
Piedra Imán	64,850
Other	126,679
	<u>191,529</u>
<u>Argentina Project</u>	
Santo Domingo	3,207,357
<u>Other Project</u>	
	144,491
Total Direct Exploration	<u>\$ 3,995,201</u>

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 an uncertain global geopolitical environment. 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 advancing mineral exploration activities in the Kingdom of Saudi Arabia and Morocco.

Critical judgments in applying the Company's accounting policies

In the application of the Company's accounting policies, which are described in Note 2 in the financial statements, 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, Nicaraguan and Argentinian subsidiaries to be the Colombian Peso, Saudi Riyal, 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.

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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.

Financial Performance

SUMMARY OF SELECT ANNUAL INFORMATION			
	2023	2022	2021
Revenue	-	-	-
Operating Expenses	(15,785,510)	(13,790,773)	(10,444,242)
Comprehensive Income (Loss)	(13,847,517)	(12,150,851)	16,129,396
Basic and Diluted Income (Loss)	(0.06)	(0.05)	0.06
Total Assets	14,273,906	28,062,571	39,659,584

SUMMARY OF SELECT QUARTERLY INFORMATION				
	2023			
	December 31	September 30	June 30	March 31
Total Assets	14,366,188	22,823,491	24,321,973	26,103,267
Working Capital	13,386,751	15,444,711	16,865,537	18,634,921
Shareholders' Equity	13,999,833	22,170,243	23,817,627	25,368,269
Operating Expenses	(9,658,159)	(2,469,921)	(1,933,359)	(1,724,071)
Net Loss	(9,472,014)	(2,382,758)	(1,881,761)	(1,728,735)
Basic and Diluted Loss per Share	(0.04)	(0.01)	(0.01)	(0.01)
	2022			
	December 31	September 30	June 30	March 31
Total Assets	28,062,571	35,795,805	35,871,501	37,103,083
Working Capital	20,355,031	23,787,834	25,023,416	26,247,698
Shareholders' Equity	27,087,952	34,130,112	34,964,110	36,202,841
Operating Expenses	(6,739,236)	(2,324,655)	(2,490,937)	(2,235,945)
Net Loss	(6,949,145)	(923,630)	(1,973,751)	(2,482,893)
Basic and Diluted Loss per Share	(0.03)	(0.00)	(0.01)	(0.01)

December 31, 2023

Net loss consisted primarily of impairment of exploration and evaluation assets of \$6,167,438 and exploration and evaluation expenditures of \$1,388,253. Other expenditures included \$727,731 and \$497,024 for loss on sale of exploration and evaluation assets and loss from joint venture, respectively.

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September 30, 2023

Net loss consisted primarily of exploration and evaluation expenditures of \$1,368,877 and stock based compensation of \$275,196. The exploration expenditure is within quarterly spending expectations. Other expenditures included \$409,287 and \$173,093 for employee salaries and benefits and general and administrative expenditures, respectively.

June 30, 2023

Net loss consisted primarily of exploration and evaluation expenditures of \$721,828 and stock based compensation of \$276,474. Other expenditures included \$382,798 and \$264,969 for employee salaries and benefits and general and administrative, respectively.

March 31, 2023

Net loss consisted primarily of exploration and evaluation expenditures of \$516,243 and a loss from joint operations with Hemco of \$130,531. Other expenditures included \$321,286 and \$459,741 for general and administrative expenditures and employee salaries and benefits, respectively.

December 31, 2022

Net loss consisted primarily of impairment of exploration and evaluation assets of \$3,517,137, exploration and evaluation expenditures of \$811,341 and a loss from joint operations with Hemco of \$1,062,168. Other expenditures included \$466,192 and \$390,552 for employee salaries and benefits and general and administrative expenditures, respectively.

September 30, 2022

Net loss consisted primarily of exploration and evaluation expenditures of \$556,427 and a loss from joint operations with Hemco of \$817,840. The exploration expenditure is within quarterly spending expectations. Other expenditures included \$411,944 and \$226,698 for employee salaries and benefits and general and administrative expenditures, respectively.

June 30, 2022

Net loss consisted primarily of exploration and evaluation expenditures of \$436,780 and a loss from joint operations with Hemco of \$527,303. Other expenditures included \$446,982 and \$426,434 for employee salaries and benefits and stock-based compensation, respectively.

March 31, 2022

Net loss consisted primarily of exploration and evaluation expenditures of \$445,597 and a loss from joint operations with Hemco of \$618,337. Other expenditures included \$357,815 and \$500,944 for general and administrative expenditures and employee salaries and benefits, respectively.

For the three months ended December 31, 2023, compared with the three months ended December 31, 2022:

For the three months ended December 31, 2023, the Company's net loss was \$9,472,014 compared to a net loss of \$6,949,145 for the comparable period. The increase in net loss of \$2,522,869 was as result of the following:

- During the three months ended December 31, 2023, the Company recorded an impairment of exploration and evaluation assets of \$6,167,438 compared to \$3,517,137 for 2022. In 2023, the impairment was due to civil unrest in Colombia and the Company's Colombian exploration titles being placed under force majeure. In 2022, the impairment related to property claims returned to the Nicaraguan authorities.
- During the three months ended December 31, 2023, exploration and evaluation expenditures increased by \$576,912 compared the 2022 comparable period. Exploration and evaluation expenditures will vary based on budgeted plans.

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- Loss from joint operation with Hemco for the three months ended December 31, 2023 decreased by \$1,061,870 compared to the prior period. The joint operation with Hemco was terminated during the second fiscal quarter of 2023.
- During the three months ended December 31, 2023, stock-based compensation expense increased by \$115,446 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 year ended December 31, 2023, compared with the year ended December 31, 2022:

For the year ended December 31, 2023, the Company's net loss was \$15,465,268 compared to a net loss of \$12,329,419 for the comparable period. The increase in net loss of \$3,135,849 was as result of the following:

- During the year ended December 31, 2023, the Company recorded an impairment of exploration and evaluation assets of \$6,167,438 compared to \$3,517,137 for 2022. In 2023, the impairment was due to civil unrest in Colombia and the Company's Colombian exploration titles being placed under force majeure. In 2022, the impairment related to property claims returned to the Nicaraguan authorities.
- During the year ended December 31, 2023, exploration and evaluation expenditures increased by \$1,745,056 compared the 2022 comparable period. Exploration and evaluation expenditures will vary based on budgeted plans.
- Loss from joint operation with Hemco for the year ended December 31, 2023 was \$166,855 compared to \$3,025,648 for the 2022 comparable period. The joint operation with Hemco was terminated during the year ended December 31, 2023.
- During the year ended December 31, 2023, stock-based compensation expense increased by \$144,028 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 December 31, 2023, the Company has a working capital of \$13,386,751 (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.

Capital 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, 2023 totalled \$13,907,551 (December 31, 2022 - \$27,087,952). 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 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.

Financial Risks

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 consists 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.

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, 2022, the term deposit was invested at a fixed rate.

Foreign exchange risk

As at December 31, 2023, the cash and cash equivalents was \$6,494,812 (December 31, 2022 - \$21,108,499). The Company's cash and cash equivalents are denominated in the following currencies:

Royal Road Minerals Limited
Management's Discussion & Analysis – Quarterly Highlights
For the Years Ended December 31, 2023
Discussion dated: April 29, 2024

As at December 31,	2023	2022
Denominated in Canadian dollars	454,034	1,165,650
Denominated in Australian	620	719
Denominated in US dollars	5,719,692	19,593,520
Denominated in British pound	208,927	145,245
Denominated in Colombian pesos	97,238	167,393
Denominated in Nicaraguan Cordoba	2,579	26,587
Denominated in Swiss Franc	79	73
Denominated in Argentine Peso	8,041	8,579
Denominated in Euro	1,344	733
Denominated in Saudi Riyal	2,258	-
	6,494,812	21,108,499

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.

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

	Year Ended	
	December 31,	
	2023	2022
Salaries	\$ 814,272	\$ 1,170,315
Stock based compensation	\$ 353,916	\$ 249,503
Professional fees	\$ 30,005	\$ 30,000

Subsequent Events

In January 2024, the Company cancelled an aggregate of 7.2 million stock options with an exercise price of \$0.40. In addition, the Company granted 3 million stock options to a director and two employees with an exercise price of \$0.15 for a period of two years from date of grant.

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 16,900,000 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+ (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.

Nature of Mineral Exploration and Mining

The Company's future is dependent on the Company's exploration and evaluation programs. The exploration and evaluation of mineral deposits involves significant financial risks over a prolonged period of time, which a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures on the Company's exploration properties may be required in constructing mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary feasibility studies or final feasibility studies on the Company's projects or the current or proposed exploration programs on any of the properties in which the Company has exploration rights will result in any profitable commercial mining operation. The Company cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing Mineral Reserves. The Company's exploration and evaluation may be hampered by mining, heritage and environmental legislation, industrial accidents, industrial disputes, cost overruns, land claims and compensation and other unforeseen contingencies.

The Company does not currently operate a mine on any of its properties. There is no certainty that the expenditures made by the Company towards the search for and evaluation of mineral deposits will result in discoveries that are commercially viable. Whether a deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of metal concentrates, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Company not receiving an adequate return on invested capital or have a material adverse effect on the Company's business and financial condition. In addition, assuming discovery of a commercial ore-body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond the Company's control.

Limited Operating History

The Company's properties are in the exploration stage and are not commercially viable at this time. The Company has not recorded any revenues from mining operations and there is no certainty that the exploration expenditures towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore or that the Company will generate revenue, operate profitably or provide a return on investment in the future. There can be no assurance that significant additional losses will not occur in the future. The operating expenses and capital expenditures may increase in subsequent years with advancing exploration, evaluation, development of properties if proven successful and/or production of the properties. The Company does not expect to receive revenues from operations in the foreseeable future. The Company expects to incur losses until such time as its properties enter into commercial production and generate sufficient revenue to fund its continuing operations. The development of the

Company's properties will require the commitment of substantial resources and there can be no assurance that the Company will be able to finance its operations externally.

There can be no assurance that the Company's exploration programs will result in locating commercially exploitable mineral ores or that its properties will be successfully developed. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Requirement for Further Financing

The further exploration of the various mineral properties in which the Company holds interests and the acquisition of additional properties depends upon the Company's ability to obtain financing through joint ventures of projects, debt financing, equity financing or other means. There can be no assurance that the Company will be able to raise the balance of the financing required or that such financing can be obtained without substantial dilution to shareholders. Failure to obtain additional financing on a timely basis could cause the Company to reduce or terminate its operations or lose its interest in one or more of its properties.

In order to continue exploring the Company's mineral properties and acquiring additional properties, management will be required to pursue additional sources of financing. While management has been successful in obtaining such financing in the past, there is no assurance that it will be successful in the future. Failure to obtain sufficient financing may result in delaying or indefinitely postponing exploration, evaluation, development of or production on any or all of the Company's properties if they are proven successful, or even loss of property interest. It may also prevent the Company from meeting its obligations under agreements to which it is a party as a result of which, its interest in the properties may be reduced. There can be no assurance that additional capital or other types of financing, if needed, will be available or, if available, the terms of such financing will be favourable to the Company.

The amount of administrative expenditures is related to the level of financing and exploration activities that are being conducted, which in turn may depend on our recent exploration experience and prospects, as well as general market conditions relating to the availability of funding for exploration-stage resource companies. As a result, there may not be predictable or observable trends in our business activities and comparison of financial operating results with prior years may not be meaningful.

Title Matters

The Company has taken reasonable measures, in accordance with industry standards for properties at the same stage of exploration as those of the Company to ensure proper title to its properties. However, there is no guarantee that title to any of its properties will not be challenged or impugned. Title insurance generally is not available for mining claims in Canada and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be limited. The Company's properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate the properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes, carry out and file assessment work, may invalidate title to portions of the properties where the mineral rights are not held by the Company.

Market Factors and Volatility of Mineral Prices

There is no assurance that a profitable market will exist for the sale of mineralized material which may be acquired or discovered by the Company. There can be no assurance that ore prices received will be such that the Company's properties can be mined at a profit. Prices of minerals have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control. Commodity prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and

regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

Future mineral prices cannot be accurately predicted. A severe decline in the price of a mineral being produced or expected to be produced by the Company would have a material adverse effect on the Company, and could result in the suspension of mining operations by the Company if such mining operations have commenced. Factors impacting the price of ore include political and economic conditions in mineral producing and consuming countries and production levels and costs of production in other jurisdictions.

Environmental Regulations and other Regulatory Requirements

The Company is subject to substantial environmental and other regulatory requirements and such regulations are becoming more stringent. All phases of exploration and development operations are subject to environmental regulations. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests which are presently unknown to the Company and which have been caused by previous or existing owners or operators of the properties.

Although the Company intends to comply fully with all environmental regulations, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Conflicts of Interest

Certain directors and officers of the Company may become or are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict is required under the *Companies (Jersey) Law 1991* to disclose his interest.

Market Price of Common Shares

Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in precious and base metal mineral prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Company's securities, if listed on an exchange, to be

delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value.

Foreign Jurisdictions

Certain of the Company's projects are located in foreign jurisdictions and are subject to risks relating to political stability and changes in laws relating to foreign ownership, government participation, taxation, royalties, duties, rates of exchange, exchange controls, export controls, land use and operational safety, and the potential for terrorism or military repression. Because a significant percentage of its operating costs, exploration expenditures and lease maintenance and acquisition costs are denominated in Colombian Pesos, the Company's results of operations are subject to the effects of fluctuations in exchange rates and inflation. The Company does not engage in any hedging activities to minimize such risks.

Climate change

The Company is exposed to risks from climate change including a possible increase in severity of extreme weather events, such as tornados, droughts, floods, and fires. Climate change may also result in longer-term shifts in precipitation and temperature and increased variability in weather. Climate change-related risks may also be associated with the transition to a lower-carbon global economy, which may be reflected in changes to fiscal and environmental policies, legal actions, technology changes, market responses, and reputational considerations. The effect of these environmental and economic, and legal shifts on the Company are difficult to quantify at the present time.

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.