



ROYAL ROAD
MINERALS

ROYAL ROAD MINERALS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019

Introduction

The following interim Management's Discussion & Analysis ("Interim MD&A") of Royal Road Minerals Limited (the "Company" or "RRM" or "Royal Road") for the three and nine months ended September 30, 2019 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2018. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2018 and 2017, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2019, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of November 28, 2019, unless otherwise indicated.

For the purposes of preparing this Interim 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.sedar.com.

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.

Description of Business

The Company is a mineral exploration and development company specializing in highly prospective but under prospected regions. The Company is now focused on the exploration and development of its Colombian and Nicaraguan properties.

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 "RZR". The Company's registered and head office is located at 4 Wharf Street, Ground Floor, St. Helier, Jersey, Channel Islands, JE2 3NR.

On January 20, 2017, the Company made a formal offer to purchase all of the outstanding common shares of Caza Gold Corp. ("Caza") on the basis of 0.16 of an ordinary share of RRM for each common share of Caza. In March 2017, the Company completed the compulsory acquisition of all of the remaining outstanding common shares of Caza. Consideration was measured at fair value of the Company's shares, being 24,054,258 shares at \$0.09 per share and total transaction cost of \$177,138 as the transaction is an asset purchase.

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

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On September 6, 2017 the Company announced that it had executed a strategic alliance agreement with Hemco S.A. forming a strategic alliance for mineral exploration in Nicaragua. The objective of the alliance is to identify and explore gold and copper targets in Nicaragua in the areas covered by Royal Road's and Hemco's respective specified existing licenses, which together cover large regions of highly prospective and under-explored land areas and include in excess of 35 currently identified prospect areas. The Alliance will bring together two experienced project generation and exploration teams with track records of success. Royal Road and Hemco will share their collective experience and databases, co-fund early stage exploration programs, and jointly seek to advance their current projects and pursue new projects in Nicaragua. In particular, the Alliance is initially focused on defining reserves in excess of two million ounces of gold (or gold equivalent) recoverable.

On March 20, 2018, the Company announced that, through its wholly owned Nicaraguan subsidiary, Nicaza S.A., it has entered into a collaborative agreement (the "Collaboration Agreement") with Nicaraguan environmental Non-Governmental Organization, the Centro de Entendimiento con la Naturaleza (the "CEN").

The Collaboration Agreement provides for Royal Road and the CEN to work together to design and implement inclusive strategies involving different stakeholders in the Company's areas of influence and allowing the parties to put into practice, effective methods to protect biodiversity, water sources and soil. Under the terms of the Collaboration Agreement, the CEN will provide socio-environmental advice and Royal Road will ensure best practices and favourable conditions for the execution of jointly-developed socio-environmental strategies.

On May 31, 2019 the Company announced that it had closed the acquisition of Northern Colombia Holdings Limited from Compañía Kedahda Limited, an affiliate of AngloGold Ashanti Limited. Northern Colombia Holdings, through its subsidiaries, owns Exploraciones Northern Colombia SAS, which holds or has rights to a title package comprised of mining concession agreements covering approximately 35,747 hectares of land, and the rights with respect to applications that have been made to acquire mining concessions over approximately 168,841 hectares of land, in prospective mineral belts in the Nariño, Cauca, Antioquia and Caldas departments of Colombia.

Colombia

In Colombia, the Company has made or acquired 114 licence applications in the Nariño Province of Colombia. The Company has also completed the Transaction (as defined below) to acquire the Titles, a title package comprised 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 prospective mineral belts in the Nariño, Cauca, Antioquia and Caldas departments of Colombia, as described below (see Corporate Update - Royal Road Minerals to Acquire Colombian Exploration Assets, below).

The Company has 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), in accordance with the final peace agreement, between the Government of Colombia and the FARC-EP on November 24, 2016. The Company is also actively reviewing copper and gold acquisition and other joint-venture opportunities in Colombia.

Nicaragua

In Nicaragua, the Company operates a 50-50 Strategic Alliance with Hemco, a subsidiary of Grupo Mineros de Colombia (MINEROS:CB), a mining group listed on the Bogotá stock exchange, and is advancing drilling on the Luna Roja gold project, and the Caribe gold project.

Corporate and Operational achievements

Corporate Update

Appointment and resignation of directors and officers

(i) On July 12, 2019, the Company announced the appointment of Aamer Siddiqui as Chief Financial Officer, replacing Ardem Keshishian, who resigned from this position and as a director of the Company.

(ii) On May 13, 2019, the Company announced the appointment of Ms. Liz Wall to the board of directors. Ms. Wall has more than 20 years of global experience assessing and addressing social and environmental risks and impacts associated with extractive sector investments in developing countries. Ms. Wall has a bachelor of engineering in mining, a master of science and a master of philosophy (Oxford). Originally trained as a mining engineer, a Rhodes Scholarship allowed Ms. Wall to pursue further studies in poverty reduction and environmental management. She has worked in more than 40 countries, commencing her career with Rio Tinto in both project and corporate roles, focusing on health, environment and community aspects, before moving to the International Finance Corp. (World Bank Group) as a social development and environmental specialist. Ms. Wall has established a successful consulting business (Shared Resources Pty. Ltd.), has held a number of board-appointed roles and is regularly in the position of advising major mining companies on significant investment decisions. Recognizing the evolving expectations of social and environmental performance, Ms. Wall retains close connections to fellow practitioners, delivers training courses on key topics, and authors books and papers on topics in this area.

Royal Road Minerals Acquires Colombian Exploration Assets

On May 25, 2018, the Company was successful in its bid to acquire a group of companies from AngloGold Ashanti Limited. ("Anglo"). The acquisition included Northern Colombia Holdings Limited, Northern Colombia Investment One Limited, and Northern Colombia Investment Two Limited; which collectively owned all issued and outstanding shares of the operating company Exploraciones Northern Colombia Exploration ("ENC"), the subject of the transaction.

The Company paid cash of \$6,293,040CAD to acquire all outstanding net assets of ENC which was the fair market value of the net assets of ENC on the date of acquisition.

Acquisition of the Minority Interest in the Colombian Subsidiary

In August, 2019, the Company agreed to acquire the remaining 2% minority equity interest in Minerales Camino Real S.A.S (the "Minority Purchase Transaction"). Upon the completion of the Minority Purchase Transaction, Minerales Camino Real S.A.S. will become a wholly owned subsidiary of the Company. Under the terms of the Minority Purchase Transaction, the Company will issue 1,200,000 ordinary shares as consideration for the minority equity interest. The closing of the Minority Purchase Transaction is subject to the approval of the TSXV.

The Minority Purchase Transaction constitutes a "related party transaction" within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101") because the minority equity interest is being acquired from Ivan Devía Manchola, the Company's Chief Operating Officer. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction exceeds 25% of the Company's market capitalization. Notwithstanding the availability of these exemptions, the TSXV has

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informed the Company that it requires the Company to obtain disinterested shareholder approval as a condition of its acceptance of the Minority Purchase Transaction. The Company intends to seek such approval at its next annual general meeting of its shareholders.

Private Placement Financing

On May 24, 2019, the Company closed its previously announced private placement, pursuant to which an aggregate of 40,000,000 ordinary shares in the capital of the company were issued at a price of \$0.20 per ordinary share for aggregate gross proceeds of \$8,000,000.

As part of the offering, the Company issued 26,133,158 ordinary shares to Agnico Eagle Mines Limited (“Agnico”). The ordinary shares purchased by Agnico, together with the 16,379,550 ordinary shares owned by Agnico prior to the completion of the offering, represented approximately 19.9% of the issued and outstanding ordinary shares of the Company on completion of the offering.

In connection with the offering, the company paid a total in cash for commission and fees of \$631,391 and 2,400,000 broker warrants in connection with the offering. Each broker warrant entitles the holder to acquire one ordinary share at a price of \$0.20 until May 23, 2021.

The fair value of the Broker Warrants at the date of issue of \$321,060 was estimated using the Black Scholes valuation model with the following weighted average assumptions: a 2 year expected term; a 136% expected volatility based on historical trends; risk free interest rate of 1.52%; share price at the date of grant of \$0.20; and an expected dividend yield of 0%.

The ordinary shares purchased by Agnico, together with the 16,379,550 ordinary shares owned by it prior to the completion of the offering and represented approximately 19.9% of the issued and outstanding ordinary shares of the Company on completion of the offering. In connection with this investment, the Company and Agnico entered into an investor rights agreement, pursuant to which Agnico, provided that it owns at least a 9.5% interest in the Company (calculated in accordance with the investor rights agreement), has the right to participate in equity financings by the Company in order to maintain its pro rata ownership in the company at the time of any such financing or acquire up to a 19.9% ownership interest in the company (after giving effect to the financing). Provided that it owns at least 9.5% of the issued and outstanding ordinary shares, Agnico is also entitled to designate one nominee for election or appointment to the Company's board of directors and, if the company has nine or more directors, Agnico is entitled to designate an additional nominee to serve as a director.

The net proceeds received by the Company from the offering are being used to finance the Company's previously announced acquisition of NC Holdings and for working capital and general corporate purposes. All ordinary shares issued in the offering are subject to a statutory four-month-and-one-day hold period.

Exercise of Stock Options

On July 19, 2019 a former executive of the Company exercised 1,000,000 stock options at a price of \$0.10. The options had a fair value of \$52,000 which has been moved to share capital.

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").

Regional Exploration, La Llanada Goldfield and Nariño Region

The Company has filed applications for concession contracts on a first-come, first-served basis covering prospective areas amounting to approximately 350 thousand Hectares in the Western Cordillera of Nariño Province, Colombia. The area under application extends down to the Ecuador border, sits upstream from the Magui-Payan and Barbacoas alluvial goldfields and surrounds many known small workings, but is relatively unknown from a geological and economic perspective due to previous security and access issues. In July 2017, the Agencia Nacional de Minería (ANM), the licensing authority in Colombia, commenced the process of converting the Company's Nariño applications into Concession Contracts. A Concession Contract is a license to operate; contracts are signed initially for a term of 30-years and cover the Exploration, Construction and Exploitation stages of mine development.

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

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

The ECOMUN Agreement includes the following key terms:

- Social and environmental programs conducted under the ECOMUN Agreement will be managed by a Management Committee comprised of representatives from Royal Road, ECOMUN, local communities and nominated independents.
- Community Liaison Committees will be established and will report to the Management Committee.
- The parties will collaborate to formalize currently illegal mining operations in the area of influence with a specific focus on eradicating the use of mercury and assisting operators in meeting their operational, environmental and social obligations under the law.
- ECOMUN will provide Royal Road with collaboration and assistance with obtaining the social license necessary for it to carry out exploration and potential future development of mineral projects in Nariño Province.
- ECOMUN will work decisively in order to obtain the support of community leaders in the area of influence.
- ECOMUN will assist Royal Road in working with local ethnic and non-ethnic communities to enable it to gain the support for its operations and to implement its social and community programs.

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- The activities of the parties are to be carried out in accordance with ECOMUN's corporate purpose of achieving the reincorporation of members of the FARC-EP into civilian life.
- In all aspects pertaining to environmental and social risk management, Royal Road will follow performance standards that are in line with the Equator Principles.
- In exchange for ECOMUN's performance of its obligations under the proposed definitive agreement, Royal Road will grant to ECOMUN a net smelter royalty equal to one percent (1%) of the gold and copper produced from its mining projects in Nariño Province. This royalty is entirely for the benefit of local communities and both parties and the Management Committee will collaborate to ensure fully transparent distribution of funds.
- Additionally, Royal Road will grant a net smelter royalty (the "NSR") equal to one percent (1%) of the gold and copper produced from its mining projects in Nariño Province on a case by case basis, directly to community managed institutions.
- The royalty applies to individual mine projects and is non-transferable up to the point of commercial production of the projects, provided that if ECOMUN or community managed institutions wish to transfer or alienate the NSR prior to such time, ECOMUN or community managed institutions must offer to transfer the NSR to Royal Road's subsidiary, which will then have the exclusive right to purchase the NSR for a sum in Colombian pesos equivalent to ten million United States of America dollars (US \$10,000,000) per 1% of the NSR, with proceeds destined entirely for the benefit of local communities and both parties and the Management Committee collaborating to ensure a fully transparent distribution of funds.

Since executing the ECOMUN Agreement, Royal Road and ECOMUN have established the Management Committee, commenced health-safety and technical training of ex-combatants, commenced social engagement with local communities and initiated reconnaissance field work in Nariño.

The Company has also commenced the formalization of informal mine operations in Nariño. On October 2, 2019 the Company announced that it had entered into a formalization agreement and a related earn-in option and royalty agreement with Sociedad Minera San Antonio S.A.S. a company representing the interests of informal miners that have been carrying out small-scale mining activities at the El Gualtal (formerly "La Locura") gold mine, located within ENC's mining concession contract FD5-10k, in Samaniego Municipality of Nariño Province. The agreements were negotiated and entered into by the Company with San Antonio under the framework of the Colombian government's National Policy for Mining Formalization adopted by the Ministry of Mines and Energy. Under the terms of the Formalization Agreement, a specific portion of the area under the Company's concession contract will be returned by ENC so that a new concession contract over such returned area may be granted to San Antonio for the benefit of over 1000 informal miners, enabling the implementation of legal and responsible mining operations at the El Gualtal gold mine. In exchange, ENC will receive a quarterly royalty equivalent to 3% of the doré extracted from the El Gualtal Concession and has been granted the sole and exclusive right to carry out all exploration activities on the El Gualtal Concession and the right to acquire 70% of the El Gualtal Concession, subject to the completion of certain exploration milestones. The Company is also in the process of finalizing similar such formalization arrangements with other informal mine operators in La Llanada and Los Andes municipalities.

Nicaragua

Luna Roja Property (Nicaragua)

The newly identified Luna Roja project forms a part of the Company's 50-50 Strategic-Alliance agreement with Mineros Nicaragua-Hemco (a subsidiary of Colombia's Grupo Mineros S.A. MINEROS:CB) and is located in the highly prospective Golden Triangle of northeastern Nicaragua, a region characterized by epithermal style gold veins, skarn and porphyry-style mines that have combined to produce in excess of an estimated 8 million ounces of gold since the early 1900's. Mineros Nicaragua-Hemco own and operate the Bonanza gold mine in the Golden Triangle. Royal Road Minerals is operator of the Strategic Alliance.

The Luna Roja project is a gold-skarn mineralized system. Gold skarn generally occurs as massive bodies with individual outcrops ranging from 2 to 25 meters in width and 2 to 50 meters in strike length. Skarn bodies are subvertical or dip steeply towards the southwest and where exposed, the skarn system extends over a known strike distance of 1100 meters and over a width of 380 meters. The system remains open under recent cover rocks and is interpreted to continue down-plunge towards the southeast. The Company has previously collected 318 continuous rock-chip channels from 50 localities across the project. So far, the company has collected 318 continuous rock-chip channel samples from 50 localities over an area of 550 x 250 meters across the project, with results including:

- 40.65 meters at 2.5 grams per tonne gold
- 23.5 meters at 5.1 grams per tonne gold
- 21.85 meters at 1.1 grams per tonne gold
- 13.4 meters at 0.9 grams per tonne gold
- 12.0 meters at 7.1 grams per tonne gold
- 8.4 meters at 7.2 grams per tonne gold
- 8.3 meters at 3.2 grams per tonne gold
- 7.25 meters at 2.0 grams per tonne gold
- 5.05 meters at 2.3 grams per tonne gold
- 6.5 meters at 4.0 grams per tonne gold
- 6.15 meters at 8.1 grams per tonne gold
- 6.0 meters at 6.4 grams per tonne gold
- 5.5 meters at 12.2 grams per tonne gold
- 5.2 meters at 7.0 grams per tonne gold
- 4.8 meters at 9.1 grams per tonne gold

Follow up grid-based deep auger soil-sampling has identified a coherent and strong gold anomaly extending beyond outcropping occurrences and defining an area of some 1500 by 500 meters (see Press Release March 12, 2019). 184 soil samples were collected from 25 meter centers on 200 meter spaced lines using a hand-held auger and sampling at depths of three to four meters below soil and saprolite. Results range from below detection limit to a maximum of 21.9 grams per tonne gold and the mean of all results is 0.32 grams per tonne gold.

The Company received its drilling permits for the Luna Roja project in late April 2019, drilling commenced in late May 2019 and concluded with 17-holes being drilled for a total of 2472 meters.

Significant intersections include:

- LR-DDH-003 49m at 2.8 g/t gold (including 22m at 5.3 g/t gold)
- LR-DDH-005 23m at 2.1 g/t gold
- LR-DDH-008 18m at 2.7 g/t gold
- LR-DDH-011 45m at 1.1 g/t gold
- LR-DDH-012 49m at 2.4 g/t gold (including 18m at 5.4 g/t gold)
- LR-DDH-013 80m at 1.1 g/t gold (including 10m at 2.8 g/t gold)
- LR-DDH-016 69m at 1.5 g/t gold (including 15m at 2.5 g/t gold)

The drilling program at Luna Roja aimed to test the sub-surface extension of surface gold mineralization identified in the saw-cut channel samples. Results indicate that gold mineralization remains open at depth (down to 150 meters vertical depth, LR-DDH-005) and open along-strike to the northwest and southeast. The southernmost and final drill hole of the program, LR-DDH-017 is located approximately 450 meters to the southeast of previous drilling and intersected 8 meters at 0.9 grams per tonne gold from surface. Geological mapping suggests that LR-DDH-017 was collared into a window of skarn mineralization located stratigraphically below an overlying sequence of marble and skarnoid rocks. These drilling results, together with geological observations, suggest that gold mineralization at Luna Roja extends along an antiformal fold hinge, significantly southwards and under limestone cover, for a total mineralized system of approximately 1400 meters in strike distance.

A ground geophysical program is planned at Luna Roja in order to better define drilling targets and the extension of gold mineralization under the limestone cover.

Caribe Project, Golden Triangle (Nicaragua)

In February 2018, during reconnaissance follow-up of airborne geophysical anomalies, the Company's exploration team identified a new prospect known as "Caribe" (see Press Release May 15, 2018). Topographically, the Caribe area is relatively planar, outcrop is limited to creek exposures and there is no previous record of mineralization in the area. Initial grab sampling of strongly weathered, argillic-altered and variably-brecciated felsic volcanic float material returned anomalous gold with associated anomalous values in molybdenum and arsenic. Follow-up deep auger soil sampling was then conducted using a 3-meter long hand-auger to access the residual soil horizon located below the organic and saprolitic layers. Soil-sampling to-date has identified a strongly anomalous area of gold geochemistry (range 20 to 983ppb, mean 149ppb gold) of 600 by 400 meters in area which remains open to the north and east. Additionally, 18 small 1 meter square and 2 to 3 meter deep shafts were dug in order to expose bed-rock, assist mapping and collect channel and grab rock-chip samples. The highest grab rock-chip sample collected from these shafts to-date returned 3.5 grams per tonne gold from quartz-veinlet stockwork hosted in strongly oxidized rhyodacite with potassium feldspar alteration.

Shaft and float mapping at Caribe reveal that gold mineralization is associated predominantly with stringer-style veinlets hosted in strongly argillic-altered felsic volcanic rocks located in the immediate roof and/or adjacent to dioritic intrusive rocks. Due to intense weathering the preservation of hypogene assemblages is highly localized, but where observed, suggests that hydrothermal alteration is represented by strongly pervasive chlorite, locally pervasive epidote and microcrystalline-quartz-rich stringers with associated potassic feldspar and pyrite.

An initial 4-hole, 413 meter, exploratory drilling program commenced at Caribe in August 2019 and was completed in mid-September 2019.

All drill holes intersected gold with significant intersections including:

CB-DDH-001 28m at 1.1 g/t gold
CB-DDH-002 14m at 1.0 g/t gold
CB-DDH-004 18m at 1.0 g/t gold

Drill holes CB-DDH-003 and CB-DDH-004 ended in gold grade, with the last samples returning 2.1 and 2.3 grams per tonne gold respectively.

Further ground geophysics and a follow up drilling program is planned at Caribe for early 2020.

Piedra Iman Property (Nicaragua)

The Piedra Iman project was acquired by Royal Road through its acquisition of Caza. The project covers a large alteration zone identifying an intrusion-related iron oxide copper – gold (IOCG) system. Title has been received for 7,947.27 Ha.

The Piedra Imán project was initially explored in the early 1970's by Noranda Inc. Noranda's work included the drilling of 17 shallow diamond drill holes and the development of one exploration adit. Noranda's drilling and underground sampling intersected significant widths of copper mineralization including DDH-851 (36.6 meters at 1.13% Copper), DDH-876 (14.8 meters at 1.65% Copper), DDH-846 (14.3 meters at 1.42% Copper) and DDH-818 (9.1 meters at 1.50% Copper). Samples were only sporadically assayed for gold, but drilling results included one interval of 3.6 meters at 6.3 grams per tonne gold. These results were provided in analogue format, are historic in nature and have not been verified by a qualified person. Historic maps indicate that the exploration adit intersected gold and copper along its strike length with gold only mineralization dominating the southwestern end of the adit and

combined copper and gold mineralization dominating the northeastern extent of the adit. There are no reports available to verify the style of adit sampling or to confirm the underground grades labelled on historic maps. Noranda abandoned the project due to the onset of hostilities related with the Sandinista revolution in 1974.

Caza completed detailed mapping at Piedra Iman, along with reconnaissance exploration within the peripheral regions.

On the June 21, 2017, Royal Road released results from saw cut channel sampling at Piedra Iman. A total of 9 channels were cut and sampled on 1 meter intervals over a total strike distance of approximately 400 meters. Best results were:

- Channel 4 – 20 meters at 1.10% copper and 5 meters at 0.95% Copper
- Channel 8 – 8 meters at 1.05% copper and 1.13 grams per tonne gold
- Channel 7 – 5 meters at 0.28% copper and 2.50 grams per tonne gold
- Channel 2 – 9 meters at 0.70% copper
- Channel 5 – 6 meters at 0.87% copper

Highest individual results for copper and gold were 1 meter at 2.69% and 1 meter at 7.5 grams per tonne respectively.

In November 2017, Royal Road commenced a 9-hole reverse circulation drilling program at Piedra Iman. Drilling mostly targeted the copper intersections returned by Noranda in the 1970's. Results included best intersections of PI006; 8 meters at 9.3 grams per tonne gold and 31 meters at 0.5% copper, PI-008; 103 meters at 0.36% copper and PI-007, 40 meters at 0.38% copper. Gold and copper mineralization are hosted in the same magmatic breccia but are spatially distinct, with gold generally occurring structurally below and possibly adjacent to the copper mineralization. The drilling results failed to confirm the copper intersections reported by Noranda in the early 1970's but imply that a possibly separate gold mineralized breccia body is located subjacent to the copper mineralization and may correspond with gold grades intersected by Noranda in the exploration adit.

The historic exploration adit is now fully-open along its approximately 270 meter length and saw-cut channel sampling has advanced from the adit entrance to the point where Noranda reported historic channel sampling results of 52 meters at 6.2 grams per tonne gold (1974; not JORC compliant). Breccia-style mineralization associated with albite, actinolite, tourmaline and magnetite has been identified along this section. The Company's drilling (see Press Release March 1, 2018) revealed that this style of alteration is associated with gold mineralization (best result; 8 meters at 9.3 grams per tonne gold). Results from underground saw-cut channel sampling were not significant enough to warrant further exploration at this stage, but geological mapping implies potential at depth. The Company is considering a joint-venture on the project with a view to completing a magnetic and radiometric survey and defining deep drilling objectives.

Los Andes Project (Nicaragua)

The Los Andes project was acquired by Royal Road through its acquisition of Caza.

The Los Andes district is located 90 km from Managua in the Department of Boaco. Access is via a major paved highway from Managua. The property consists of a number of gold and copper-gold targets occurring around a well-defined caldera structure. The targets are typically high sulfidation epithermal and porphyry in style, with some low-sulfidation epithermal style mineralization around the peripheries. The entire Los Andes property covers 15,603.13 Ha of titled claims, 100% controlled by the Company under five mineral concessions: Los Andes, Los Andes I and Los Andes Union in the center of the trend (total of 5338.23 Ha); El Pochote in the south (8674.90 Ha); and El Espejo in the north (1590.00 Ha).

Caza completed detailed mapping and sampling at Los Andes over an area of 10 square kilometers. A series of andesitic volcanic rocks exhibit features typical of high sulfidation system, including silicification, argillic and advanced argillic alteration. Surface mapping and sampling outlined a large area along a 2.5 kilometers trend with anomalous gold, silver, copper and trace elements, coincident with the alteration. Gold values up to 1.8 grams per tonne gold along with silver values up to 197 grams per tonne silver had been collected in rock samples within this area of alteration. In April 2015, a high resolution helicopter-borne magnetic and radiometric survey covering some 55 square kilometers over the main Los Andes area was completed. The survey totaled approximately 550 line kilometers at 100 meter spacing flown at a 50 meter altitude. Review of the initial results had identified a number of anomalous areas and had enhanced the structural model of the Los Andes trend. A magnetic high was centered over the Quisaltepe area, interpreted as a large, buried intrusive body. At least four other magnetic highs, likely intrusive bodies, associated with alteration and surface geochemical anomalies, were identified as follow-up prospects. Two short exploration drilling campaigns were conducted in 2015. In October 2015, five shallow diamond drill holes were completed for a total of 1,161 meters. The drill holes intersected strong argillic and silica alteration with anomalous values of silver and copper.

QZP-003 was located in the Quisaltepe area and was the only drill hole collared into an outcropping porphyry body and associated pyrite alteration. The last 130 meters of QZP-003 intersecting intensely altered and pyritic breccia anomalous in copper and which is interpreted as a “pyrite-shell”, related to potential underlying porphyry-style copper (± gold) mineralization.

Recent modelling and re-interpretation of the geochemical data collected from over 1500 rock samples, together with new soil geochemical analyses and short-wave Infrared (SWIR) satellite imagery, have highlighted an area of “porphyry core-indicator” and “porphyry core-specific” minerals and metals supporting the interpretation of an underlying porphyry copper-gold body. The geochemical and geophysical anomalies indicate that any potentially economic mineralization would be located at a depth in excess of 200 meters below the surface. The Royal Road exploration team has carefully positioned two scout drill holes to test the underlying porphyry copper-gold target and now has all permits, drill pads and drill access in place to drill-test the property.

Golden Triangle (Nicaragua)

The Golden Triangle is a well-known historic mining region located in northeastern Nicaragua. The area is host to three historic mines, Santa Rita–Rosita (Skarn Cu-Au), La Luz–Siuna (Skarn Au-Cu) and Bonanza (Low Sulfidation Epithermal). Since 1900 the district has produced in excess of 8 million ounces of gold from mainly epithermal vein systems, porphyry deposits and skarns.

Hemco owns and operates the Bonanza gold mine and manage an innovative artisanal toll-treatment program from two bespoke plants. Mining at Bonanza commenced in the 1880's. Colombia's Mineros SA acquired Hemco and commenced management of the project in 2013. Today the mine is operated as a combined underground and open-pit operation.

Access is via light plane (Cessna Grand Caravan) from the capital Managua or via variably sealed and poor quality unsealed road. Flight time is approximately one hour.

The Golden Triangle area is hosted in calc-alkaline volcanic and intrusive rocks of reportedly island arc affinity and late Cretaceous Paleocene age. The arc was apparently accreted to the Chortis Block of southern Honduras during the Paleocene. It is generally accepted that porphyry and skarn style copper and gold mineralization was emplaced during the early Paleocene and before the younger low-sulfidation vein systems.

Hemco has identified more than 30 prospect areas from within their license areas and in excess of 44 gold mineralized low-sulfidation vein systems. Hemco's current focus is on defining brownfield resources from low sulfidation vein systems within a deliverable distance of the Bonanza mine site. The Strategic Alliances focus is on identifying gold deposits in excess of 2 million ounces gold. Initial emphasis will be on porphyry-skarn style systems of-which at-least two (the El Turco breccia, trench results: 21 meters at 2.2 grams per tonne gold and 16 meters at 4.3 grams per tonne gold and the Bambanita skarn up to 68 grams per tonne gold in rock chips) are already known.

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. During the year, equity markets in Canada showed signs of improvement, with equities increasing significantly during this period. Strong equity markets are favorable conditions for completing a public merger, financing or acquisition transaction. 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.

New Accounting Policies

IFRS 16, Leases. In January 2016, the IASB issued the final publication of the IFRS 16 standard, which will supersede the current IAS 17, Leases (IAS 17) standard. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The accounting treatment for lessors will remain largely the same as under IAS 17.

The standard is effective for annual periods beginning on or after January 1, 2019. The Company has adopted this policy in the three months ended June 30, 2019 and there was no material impact.

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. There is no assurance that the Company's funding initiatives will continue to be successful to fund its planned exploration activities, which are focused on drilling in Nicaragua and drill preparation and regional exploration in Colombia or the completion of the Transaction.

Overall Performance

Results of Operations

For the three months ended September 30, 2019, compared with the three months ended September 30, 2018:

For the three months ended September 30, 2019, the Company's net loss was \$1,811,124 (\$0.01 per share), compared to a net loss of \$240,788 (\$0.00 per share) for the three months ended September 30, 2018. The increase in net loss of \$1,570,336 is a result of the following:

- Exploration and evaluation expenditure of \$946,434 for the three months ended September 30, 2019 compared to \$270,582 for the previous period. These expenditures relate to exploration on the mineral properties in Colombia and Nicaragua.
- During the three months ended September 30, 2019, there was a loss from joint operations of \$471,099 compared to \$nil for the three months ended September 30, 2018.
- During the three months ended September 30, 2019, there was no recovery from joint venture contributions whereas there was \$629,800 in the prior period reducing the overall expenditures.

For the nine months ended September 30, 2019, compared with the nine months ended September 30, 2018:

For the nine months ended September 30, 2019, the Company's net loss was \$3,625,967 (\$0.02 per share), compared to a net loss of \$1,807,907 (\$0.00 per share) for the nine months ended September 30, 2018. The increase in net loss of \$1,818,060 is a result of the following:

- During the nine months ended September 30, 2019, there was a loss from joint operations of \$851,118 compared to \$nil for the nine months ended September 30, 2018.
- During the three months ended September 30, 2019, there was no recovery from joint venture contributions whereas there was \$897,800 in the prior period reducing the overall expenditures.

The Company's total assets at September 30, 2019 were \$11,612,047 (December 31, 2018 - \$7,292,646) against total liabilities of \$190,797 (December 31, 2018 - \$212,902). The increase in total assets is a result of the financing that concluded in the nine months ended September 30, 2019; which was used to acquire Northern Colombia Holdings Limited and liquidity provided from exercise of stock options.

Liquidity and Financial Position

At September 30, 2019, the Company had cash and cash equivalents of \$1,399,596 and liabilities of \$190,797 compared to cash of \$3,397,378 and liabilities of \$212,902 at December 31, 2018. The decrease in cash and cash equivalents of resulted from cash used in operating activities of \$3,537,314 and investing activities of \$6,193,344. The cash expenditures were offset from a net inflow of cash from financing in the period of \$7,732,609.

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.

Royal Road Minerals Limited
Interim Management's Discussion & Analysis – Quarterly Highlights
For the Three and Nine Months Ended September 30, 2019
Discussion dated: November 28, 2019

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of September 30, 2019, the Company is compliant with TSXV Policy 2.5.

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 subsidiary have been eliminated on consolidation.

The amounts due to related parties of the Company at the reporting date, as disclosed below, arose due to transactions entered into with the related parties in the ordinary course of business.

Compensation of key management personnel of the Company

The remuneration of directors and other members of key management personnel for the three and nine months ended September 30, 2019 and September 30, 2018 presented were as follows:

	Three months ended September 30, 2019 \$	Three months ended September 30, 2018 \$	Nine months ended September 30, 2019 \$	Nine months ended September 30, 2018 \$
Salaries	80,890	214,596	348,576	443,156
Stock based compensation	-	140,273	52,000	212,000
Total salaries and benefits	80,890	354,869	400,576	655,156

The Company paid certain of its key management personnel through companies associated with certain executive officers and directors.

Subsequent Transactions

Share Options Issued

Subsequent to September 30, 2019 the Company issued 9,550,000 options to purchase commons shares of the Company at an exercise price of \$0.25 to certain directors and management of the Company.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for the fiscal year ended December 31, 2018, available on SEDAR at www.sedar.com.