

# Royal Road Minerals

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## Royal Road Minerals acquires extensive portfolio of high quality Colombian assets from AngloGold

Royal Road Minerals (CVE:RZR) is to acquire a major portfolio of projects in Colombia from AngloGold Ashanti.

The deal has its roots in a decision AngloGold took in April 2018 to focus on its more advanced assets in Colombia. That left it with a considerable portfolio of projects that it was looking to divest.

And these weren't just leftovers either. On the contrary, AngloGold's exploration efforts in Colombia have been considerable over the years, and an original 5,000 square kilometre land package back in 2009 had by 2018 been whittled down to 2,000 square kilometres.

To put it another way: this ground contains all the high-priority targets that Anglo had been able to identify, and ones which it would have moved on too, if it hadn't been for the board-level decision to change tack.

What's more, because it's AngloGold we're talking about here, the targets that the exploration geologists had in mind when they identified the existing 2,000 square kilometre package as worth holding onto were of the order of five million ounces.

For a junior company of Royal Road's size, getting its hands on ground like that is quite some coup, and one that, not surprisingly, chief executive Tim Coughlin is excited about.

He sees potential to move forward with the assets on a number of levels, including possible joint ventures over the larger gold-copper porphyry targets at El Molino and Caramanta in the south, while Royal Road itself presses on ahead with work on the higher grade vein targets at the La Llanada, El Tambo and Güinter projects.

Royal Road has 60 days from the date of the transaction to come up with the initial US\$5m payment called for in the agreement, and the thinking at this stage is that that money's likely to come from a strategic partner rather than a capital raise.

Apart from anything else, Coughlin is a little shy of going into the equity markets for the full amount, but more to the point, he's already got some serious support on hand in the shape of major corporate shareholders.

What precise role these major corporate shareholders will be playing in regard to the new Colombian ground isn't yet known, but there will certainly be discussions going on in and around PDAC, where Coughlin is expecting to be able to market the deal heavily.

"For the initial payment of US\$5m we have various options," he says. "There are two obvious end-members and various combinations in-between"

**Price:** 0.295

**Market Cap:** \$76.9 m

### 1 Year Share Price Graph



### Share Information

**Code:** RZR

**Listing:** TSX-V

**52 week High Low**  
0.48 0.125

**Sector:** General mining & base metals

**Website:** [www.royalroadminerals.com](http://www.royalroadminerals.com)

### Company Synopsis:

Royal Road Minerals was founded in 2010. The Company is focused on the discovery of Tier 1 gold and copper deposits where they are most likely and most needed. Our team has made several major discoveries and is unique in its approach as first-movers in post-conflict and transitioning environments.

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One thing he is sure about though, is that Royal Road will need to get to work on the properties double quick.

"That's the message from the market," he says.

"We've got to get drill rigs out there and start to prove the concept. It may not necessarily be the bulk tonnage porphyry-style projects that we start on, but rather the higher grade vein-hosted projects where immediate potential is more obvious."

After all, depending on how one ranks projects these days, the gold-copper porphyries are probably the most attractive in the package, and also likely to be the most expensive to drill.

Royal Road already has C\$3mIn in the bank, so it's some way towards its funding goal already, although the likelihood is that in addition to the US\$5mIn initial payment the company will also look to bring in some extra cash to pay for that accelerated work programme.

The overall acquisition cost is spread over several payments related to the delivery of certain resource targets and the achievement of production, and could come to a total of US\$40mIn dollars over time. But the likelihood is that the bulk of those payments will be rolled into any project finance package that gets put together, so the real test for Royal Road will be whether it can raise the initial finance and the subsequent payment for meeting the resource target.

On that score, it's worth remembering that Coughlin and his team are mining and mining finance experts who've had plenty of experience in the industry over the years. Many of them, including Coughlin himself, were involved in the creation and development of Lydian, which went on to construct Armenia's first gold mine at Amulsar.

Since those days, the focus has been more on Latin America, where Royal Road is beginning to build a significant track record. There's also a portfolio of Nicaraguan assets that are drill ready, and Coughlin says the rigs will be turning there soon too.

It looks as though 2019 is shaping up into a busy year.

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