

Royal Road Minerals

13:59 23 Dec 2019

Royal Road Minerals inks letter of intent with Mineros SA for Colombia gold mining joint venture

Royal Road Minerals Limited (CVE:RZR) said Monday that it has inked a letter of intent with Mineros SA for setting up a gold mining joint venture in Colombia.

In the last 15 years, more than 50 million ounces of new gold have been discovered in Colombia, where all major mining groups have a presence.

In a statement, Royal Road Minerals said the letter of intent with Mineros SA is linked to the company's Guintar and Niverengo concessions and its Margaritas title application in Antioquia, Colombia.

READ: Royal Road Minerals on the hunt for Tier 1 gold and copper mines in Nicaragua and Colombia

Mineros is a publicly listed Colombian gold miner, while Royal Road currently operates in Nicaragua under a separate 50:50 joint venture formed in September 2017 with Mineros subsidiary and local gold producer, Hemco Nicaragua SA.

"We are pleased to expand our close relationship with Mineros and to have the opportunity to replicate our successful partnership in Nicaragua," said Royal Road Minerals CEO Tim Coughlin.

"Exploration work at the GNM Project will focus primarily on drill testing the recently permitted Niverengo and Guintar projects with a view to defining an initial inferred resource in the second half of 2020," added.

As a follow-up, the firms intend to negotiate and cement a definitive agreement before January 30, 2020. The company said the agreement would contain the following basic terms:

- Mineros will pay Royal Road Minerals US\$1 million on execution of the definitive agreement.
- Mineros and Royal Road will agree to an initial exploration program and budget for the exploration of the GNM Project.
- Mineros will fund all exploration costs up to a total of US\$2.5 million.
- After spending US\$1 million, Mineros will have the option to acquire 25% of the GNM Project and transfer titles and title applications to a new special purpose company, initially to be owned 75% by Royal Road and 25% by Mineros.
- After spending at least US \$2.5 million, Mineros will acquire 50% of the project company and the parties will then operate it on a joint venture basis.
- The parties will jointly fund the operations of the company and the parties' respective interests will be subject to dilution under a standard formula, provided that if any party dilutes to 30%, it would have a one-time right to contribute

Price: 0.365

Market Cap: \$83.76 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

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.

action@proactiveinvestors.com

any funding shortfall and restore its pre-dilution ownership interest.

- If a party's interest is diluted to below 15%, such interest would convert to 1.5% net smelter royalty.
- The company will be the operator of the exploration of the GNM Project for so long as it maintains not less than a 50% ownership interest in the GNM Project.

The Royal Road Minerals boss said that they would also be pushing to ensure the "rapid conversion" of the "exciting" Margaritas application area to a concession contract so that scout drilling can start as soon as possible.

Contact the author Uttara Choudhury at uttara@proactiveinvestors.com

Follow her on Twitter: [@UttaraProactive](https://twitter.com/UttaraProactive)

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Royal Road Minerals named herein, including the promotion by the Company of Royal Road Minerals in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).