

Royal Road Minerals

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

Royal Road Minerals Limited (CVE:RYY) 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: RYY

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.

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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.

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