**ROYAL ROADS CORP.**
BALANCE SHEET
March 31, 2006
(Unaudited)

**ASSETS**

| | 2006 | Dec. 31, 2005 "Audited" |
|---|---|---|
| | $ | $ |
| **Current assets:** | | |
| Cash and cash equivalents | 75,433 | 130,048 |
| Accounts receivable | 12,372 | 11,488 |
| | 87,805 | 141,536 |
| **Mineral Properties** | 1,316,260 | 1,315,060 |
| | 1,404,065 | 1,456,596 |

**LIABILITIES AND SHAREHOLDERS' EQUITY**

| | 2006 | Dec. 31, 2005 "Audited" |
|---|---|---|
| | $ | $ |
| **Current liability:** | | |
| Accounts payable and accrued liabilities | 3,721 | 46,103 |
| **Shareholders' equity:** | | |
| Share capital – issued | 3,458,768 | 3,458,768 |
| Contributed surplus | 45,086 | 45,086 |
| Deficit | (2,103,510) | (2,093,361) |
| | 1,400,344 | 1,410,493 |
| | 1,404,065 | 1,456,596 |

**ROYAL ROADS CORP.**
STATEMENT OF OPERATIONS AND DEFICIT
FOR THE THREE MONTHS ENDED MARCH 31, 2006
(Unaudited)

| | Three months ended Mar 31/06 | Three months ended Mar 31/05 |
|---|---|---|
| | $ | $ |
| **Revenue:** | | |
| Interest | 65 | 13 |
| **Expenses:** | | |
| Audit and accounting | 250 | 470 |
| Consulting fees | ----- | ----- |
| Legal | 1,706 | 8,266 |
| Office | 1,947 | 776 |
| Regulatory | 3,968 | 3,350 |
| Transfer agent | 2,100 | 1,693 |
| Travel | ----- | 543 |
| Shareholder information | 243 | 1,370 |
| | 10,214 | 16,468 |
| **Net Loss for the period** | (10,149) | (16,455) |
| **Deficit, beginning of period** | (2,093,361) | (2,007,265) |
| **Deficit, end of period** | (2,103,510) | (2,023,720) |
| Loss per share | ----- | ----- |

**ROYAL ROADS CORP.**
STATEMENT OF CHANGES IN CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2006
(Unaudited)

| | Three months ended Mar 31/06 | Three months ended Mar 31/05 |
|---|---|---|
| | $ | $ |
| **Operating activities:** | | |
| Loss for the period | (10,149) | (16,455) |
| **Changes in non-cash working capital components** | | |
| Accounts receivable | (884) | (31,688) |
| Accounts payable and accrued liabilities | (42,382) | 93,842 |
| | (53,415) | 45,699 |
| **Financing activities:** | | |
| Issuance of share capital | ----- | 19,000 |
| **Investment activities:** | | |
| Acquisition of mineral properties | (1,200) | (251,857) |
| Increase (decrease) in cash during the period | (54,615) | (187,158) |
| Cash, beginning of period | 130,048 | 238,370 |
| Cash, end of period | 75,433 | 51,212 |

**ROYAL ROADS CORP.**

Summary of Note Disclosure to the Financial Statements

March 31, 2006
(unaudited)

1. These financial statements have been prepared by management of Royal Roads Corp. and have not been reviewed by the auditor of Royal Roads Corp.

2. These financial statements should be read in conjunction with the notes to the audited financial statements as at December 31, 2005. These interim statements as at March 31, 2006 follow the same accounting policies and methods of application as the December 31, 2005 audited financial statements.

3. Royal Roads Corp. is involved in the exploration for base and precious metals on certain mineral properties in New Brunswick, Newfoundland and Labrador.

4. Share Capital

| | Number of Common shares | $ |
|---|---|---|
| Balance, Dec. 31, 2005 | 38,089,369 | 3,501,918 |
| Less: Share issue costs | | (43,150) |
| | | 3,458,768 |
| No changes to Mar. 31, 2006 | | |

| Stock Options Outstanding | | $ per share |
|---|---|---|
| Granted to directors, officers and consultants | | |
| (expire July 2, 2009) | 900,000 | $ 0.10 |
| (expire December 7, 2010) | 250,000 | $ 0.12 |
| Warrants Outstanding | | |
| Full share warrants (expire September 26, 2006) | 162,500 | $ 0.20 |

5. Related party transactions

During the three months ended March 31, 2006 the Company paid fees of $1,541 (2005 - $8,184) to a legal firm of which a director of the Company is also a partner at the law firm.

During the same period, the Company paid rent of $1,800 (2005 - $Nil) to a company controlled by a director of the Company.