

The following discussion and analysis of the financial position and results of operations for Royal Roads Corp. (the "Company") should be read in conjunction with the audited financial statements and the notes thereto for the years ended December 31, 2005 and 2004.

Management provides information that it believes to be relevant to the assessment and understanding of the Company's results of operations and financial condition. Certain statements in this document contain forward-looking assumptions and information which is subject to both identified and unidentified risks and uncertainties. No assurance can be provided as to future performance and results. Management's projections involve risks and readers are cautioned that actual results may differ materially from those stated, anticipated or implied in these forward-looking statements.

Date

The following management discussion and analysis is for the period ended September 30, 2006 and includes relevant information up to November 27, 2006 ("Report Date"). Additional information relating to the Company can be viewed on SEDAR at www.sedar.com.

Description of Business and Report Date

The Company is a mineral exploration company engaged in the business of acquiring and exploring mineral properties. The Company has interests in properties in Newfoundland and Labrador, Canada. The Company's properties are currently at an "exploration stage".

The Company has no producing properties, no operating income or cash flow and funds its operations through the proceeds from equity financings.

Takeover Offer From Acadian Gold

On June 27, 2006 the Company announced that the Company and Acadian Gold Corporation had entered into a support agreement contemplating an offer by Acadian Gold Corporation to acquire all the outstanding common shares of the Company on a fully diluted basis by way of a friendly takeover bid. On July 19, 2006 Acadian Gold Corporation mailed a formal offer and take over bid circular to the shareholders of the Company. The consideration under the offer was 0.4 common share of Acadian Gold Corporation for each one common share of the Company.

On August 23, 2006 the take over offer closed with 30,213,971 common shares tendered under the offer.

Major Activities After The Quarter End

The company completed a private placement of 8,998,998 equity units at \$0.22 per equity unit and 4,354,142 flow-through shares at \$0.28 per share on November 27th, 2006. The earlier announced \$2,268,000 private placement offering was significantly oversubscribed and was increased to \$3,200,000 to satisfy strong investor demand.

Each equity unit is comprised of one Royal Roads share and one-half of one Royal Road's warrant. Each whole warrant entitles the holder to acquire one Royal Roads share for \$0.32 until February 23, 2008. The common shares, the warrants and the flow-through shares are all subject to a hold period of 4 months and one day.

The company has agreed to pay finder's fees of up to \$123,372 and to issue up to 847,637 broker warrants in connection with the offering. Each broker warrant is subject to a hold period of 4 months and one day and entitles the holder thereof to purchase one common share of Royal Roads for \$0.28 until November 23, 2007.

On October 2, 2006, Royal Roads announced that it had entered in to a support agreement and lock-up agreement with respect to its proposed take-over bid for the shares of Buchans River Ltd. The offer was to exchange 0.75 of a common share and pay \$0.10 cash for each share of Buchans River Limited tendered by Buchans shareholders on or before December 14th, 2006. Buchans River Limited is an exploration company with mineral claim holdings in Newfoundland and has 15,689,670 shares outstanding on a fully diluted basis.

The proceeds of the sale of Royal Roads equity units will be used to fund the costs and cash component of the Buchans River take-over bid and for general corporate purposes. The proceeds from the flow-through share component of this offering will be used by Royal Roads to further develop its Tulks North Property in Newfoundland, Canada.

Tulks North Property, Central Newfoundland

The Tulks North Property comprises 641 mineral claims covering 16,075 hectares (approximately 32 km x 5 km) and is strategically located in the centre of the world-class Buchans base metal camp in central Newfoundland, Canada. The property is located approximately 15 km south of the formerly producing Buchans Mines (one of Canada's richest base metal mines which produced 16.2 million tonnes grading 14.51% zinc, 1.33% copper, 7.56% lead, 126 g/t silver and 1.37g/t gold); 25 km west of the Duck Pond deposit currently being developed by Aur Resources Inc. ("Aur") (5.5 million tonnes grading 5.8% zinc, 3.3% copper, 58.0 g/t silver and 0.8 g/t gold) (Aur Annual Report 2002); and ties on to Messina Minerals Inc.'s ("Messina") Tulks South property which is currently the target of a 43,000 metre diamond drilling program (4 drill rigs) (Messina press release June 6, 2006).

On October 24th, 2006, the company announced that it had completed a 43-101 compliant technical report on the Tulks North Base Metal Property in Newfoundland, Canada, that includes an updated and revised resource estimation for its Daniel's Pond zinc-silver-lead deposit. The revised inferred resource estimate presented in the following table incorporates drill results from an additional 9 drill holes announced in press releases dated March 23rd, 2005 and May 30th, 2005.

Daniels Pond Deposit Inferred Resource Estimation:

Parameters	No. of Intersections	Cu%	Pb%	Zn%	Ag g/t	Au g/t	Average Width Metres	Tonnes Millions
Zn 1% cut-off S.G. 3.5	58	0.37	1.80	4.03	82.20	0.43	3.7	4.21
Zn 2% cut-off SG 4.0, width >2m	24	0.57	4.40	8.37	196.90	0.68	4.2	1.69

The company is currently planning to conduct a geophysical gravity survey in early 2007 over the Daniel's Pond deposit and the area extending to the northeast up to the Parking Lot Zone. These gravity results will be interpreted in conjunction with a previously un-interpreted gravity survey further to the north-east covering the Daniel's Pond Extension Zone with a view to identifying further drill targets for 2007. In addition to a continuing work program on Daniel's Pond, the company will plan an extensive exploration program over a number of additional targets on the rest of the property.

Results of Quarterly Operations

Revenues generated from the sublet of a building totalled \$500 in the quarter.

General and administrative expenses for the quarter ended September 30, 2006 were \$67,131 compared to \$14,270 in 2005. The increase in expenses was primarily due to significant increases in legal fees relating to the take-over bid.

The loss for the period was \$66,631 or \$0.002 per common share.

Related Party Transactions

During the quarter, the Company paid fees of \$59,454 (2005-\$25,860) 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 \$1,200 to a company controlled by a Director.

Selected Annual Information

The following is selected quarterly information from the unaudited financial statements for the eight previous periods ended September 30, 2006.

	Sep 30, 06 (\$)	Jun 30, 06 (\$)	Mar 31, 06 (\$)	Dec 31, 05 (\$)
Total Revenues	500	109	65	0
G & A Expense	67,131	34,187	10,214	41,434
Loss for the period	66,631	34,078	10,149	41,434
Loss per share	.002	.001	0.00	.001
Total Assets	1,374,676	1,374,676	1,404,065	1,456,596
Total long-term liabilities	Nil	Nil	Nil	Nil
Cash dividends per share	Nil	Nil	Nil	Nil
For the 3 Months Ended	Sep 30, 05 (\$)	Jun 30, 05 (\$)	Mar 31, 05 (\$)	Dec 31, 04 (\$)

For the 3 Months Ended	Sep 30, 05 (\$)	Jun 30, 05 (\$)	Mar 31, 05 (\$)	Dec 31, 04 (\$)
Total Revenues	0	0	69	33
G & A Expense	14,270	36,937	76,135	14,249
Loss (Gain) for the period	14,270	36,937	22,135	14,216
Loss per share	.0004	.001	.002	0.00
Total Assets	1,416,043	1,365,555	1,228,264	1,228,264
Total long-term liabilities	Nil	Nil	Nil	Nil
Cash dividends per share	Nil	Nil	Nil	Nil

Discussion of Property Expenditures

In the period ended September 30, 2006 \$3,304 of expenses relating directly to the ongoing development of the Tulks North Property were capitalized. (2005 \$1,744)
The Company did not receive any benefits from Newfoundland Junior Company Assistance Program in the most recent quarter.

Liquidity and Cash Reserves

As at September 30, 2006, the Company had \$61,407 in cash and cash equivalents versus \$53,907 at June 30, 2006. Cash increased as a result of the issue of \$87,500 in share capital on the exercise of warrants and option, the increase was offset by the payment of \$59,454 in legal costs relating to the take over by Acadian Gold Corporation.

Known liabilities of the company were paid in full prior to the quarter end.

The company completed a private placement of 8,998,998 equity units at \$0.22 per equity unit and 4,354,142 flow-through shares at \$0.28 per share on November 27th, 2006. The details of this offering are disclosed above under "Major Activities After The Quarter End".

Outstanding Share Data

The share capital of the Company consists of an unlimited number of common shares, without nominal or par value and an unlimited number of preferred shares, without nominal or par value of which 38,801,869 common shares were issued and outstanding as at September 30, 2006 and no preferred shares were issued. Following is a description of the outstanding equity securities and convertible securities of the Company issued as at the most recent year end December 31, 2005.

	Number of Securities	Amount (\$)
Common shares	38,801,869	3,546,268
Stock Options and Warrants		
Stock Options (expire July 2, 2009)	350,000	\$0.10

Stock Options and Warrants

The Company has established a stock option plan for its directors, officers, consultants and employees under which the Company is authorized to grant options to acquire a maximum

number of common shares equal to ten (10%) per cent of the total issued and outstanding common shares of the Company from time to time. To date the Company has granted options to purchase 900,000 common shares of the Company to directors, officers and consultants of the Company exercisable at \$0.10 per common share. These stock options vest as to one third thereof upon issuance and as to one third thereof on July 2, 2005 and July 2, 2006 and expiry on July 2, 2009. The Company has also granted options to purchase 250,000 common shares to a director of the Company exercisable at \$0.12 per common share. Subsequent to the quarter ended September 30, 2006, 350,000 options exercisable at \$0.10 per common share were exercised into common shares on November 6, 2006 for total proceeds of \$35,000.

Stock-based compensation relates to the fair value of stock options granted to directors, officers, employees and consultants calculated at the date of the grant and expensed over the vesting period of the option. The fair value is determined using the black-scholes option-pricing model which takes into account the risk free interest rate, the expected life of the options, the expected volatility and expectation of dividends being paid during the life of the options. Stock-based compensation expenses related thereto based on the fair value method for options outstanding during the period amounted to \$0, (2005 - \$Nil).

Subsequent to the quarter end the Company granted options to purchase 1,800,000 shares to officers and directors at \$0.22, the market value of the traded stock the day of issue.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, deposits and accounts payable and accrued liabilities. As at September 30, 2006 there were no significant differences between the carrying amounts of these financial instruments as reported on the balance sheets and their estimated fair values. Management does not believe that the Company is exposed to significant interest risk.

The Company's financial instruments that are exposed to a credit risk consist primarily of cash and cash equivalents and accounts receivable. Cash and cash equivalents are with major Canadian financial institutions. Accounts receivable consists of Goods and Services Tax recoverable and government grants and is subject to a maximum credit risk of the value of the refunds and grants should an audit result in complete denial of amounts claimed.

Contractual Obligations

Other than described herein, as at the end of the quarter, September 30, 2006 the Company had no material contractual obligations or lease arrangements.

Off-balance Sheet Obligations

As at the end of the quarter, September 30, 2006 the Company had no off-balance sheet obligations.

Critical Accounting Estimates

Significant accounting policies used by the Company are disclosed in note 2 of the financial statements for the financial year ended December 31, 2005. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses.

Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates.

Signed

D. Warren MacLeod
President

Signed

John C. Rawding, CA
Chief Financial Officer