

The following discussion and analysis of the financial position and results of operations for Royal Roads Corp. (the "Company" or "Royal Roads") should be read in conjunction with the unaudited financial statements and the notes thereto for the quarter ended September 30, 2008 and the audited financial statements and the notes thereto for the year ended December 31, 2007. The information contained herein is stated as of November 28, 2008 and is subject to change after that date. The financial information relating to Buchans River Ltd. is presented on a consolidated basis in accordance with generally accepted accounting principles.

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration results, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Date

The following management discussion and analysis is for the quarter ended September 30, 2008 and includes relevant information up to November 28, 2008. Additional information relating to the Company can be viewed on SEDAR at www.sedar.com.

Description of Business

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.

Major Activities During The Quarter

On July 23, 2008 Buchans River Ltd. and Royal Roads Corp. announced that the shareholders of Buchans River had approved a Plan of Arrangement between the companies at a special meeting of Buchans River shareholders where 65.5% of the issued and outstanding shares of Buchans River were represented in person or by proxy. The resolution approving the Arrangement was approved by 98.88% of the votes cast at the meeting and was also approved by 98.11% of the votes cast by "minority" Buchans River shareholders.

On July 28, 2008 Buchans River Ltd. and Royal Roads Corp. announced that the Plan of Arrangement between Buchans River and Royal Roads was complete having been approved by the Supreme Court of Nova Scotia on July 24, 2008. Pursuant to the Plan of Arrangement Buchans River was amalgamated with 6985742 Canada Inc., a wholly-owned subsidiary of Royal Roads, and shareholders of Buchans River (except Royal Roads) received 1.55 common shares of Royal Roads in exchange for each common share of Buchans River they own on July 25, 2008, the Effective Date of the Arrangement. In addition, all warrants and stock options of Buchans River outstanding on the Effective Date were exchanged for economically equivalent warrants and options of Royal Roads, based upon the same exchange ratio. Royal Roads issued

38,445,581 common shares in connection with the Arrangement and had 112,127,489 common shares, 13,923,099 warrants and 10,705,500 stock options outstanding following the Arrangement. Since that time, 1,804,599 warrants and 2,430,000 options have expired and Royal Roads now has 132,521,489 shares outstanding on a fully diluted basis.

Shares of Buchans River have subsequently been delisted from trading on the TSX-V and Buchans River has ceased to be a reporting issuer effective July 25, 2008.

On July 30, Royal Roads announced that following the completion of the business combination with Buchans River Ltd., Royal Roads' directors and officers changed to be comprised of Warren MacLeod, William Felderhof, David Felderhof, Edmund Merringer, Steven Poad, Terry Coughlan and William Rogers. John Rawding and Scott Harkness resigned from the board of directors of Royal Roads effective July 30, 2008 to be replaced by Terence Coughlan and William Rogers, both of whom served as directors of Buchans River. Subsequently, on August 13, 2008, Royal Roads announced Mr. MacLeod resigned his position as President and Chief Executive Officer and from the board of directors effective August 12, 2008. Mr. G. William Felderhof replaced Mr. MacLeod as President and Chief Executive Officer of Royal Roads.

Results of Operations

The net loss year to date was \$396,996 (2007 – \$834,876), the net loss for the quarter was \$559,876 (2007 - \$358,568). The operating loss increased from the prior quarter by \$201,308 due to three main factors. Increases in professional fees of \$101,791 relating to additional legal activities on the combination with Buchans and salaries expense increases of \$249,018, primarily from settling the contractual obligation arising on the departure of the former President of the Company, contributed to the rise in the loss. These two increases were off set by the reduction in the equity interest loss on Buchans River Ltd. from \$143,338 to \$7,772 in the same quarter, Buchans operations were fully consolidated after July 28, 2008.

Selected Financial Data

The following is selected quarterly information from the unaudited financial statements for each of the eight most recently completed quarters.

Quarter	Revenue	Net Income (Loss)	Income (Loss) per Share	Total Assets	Shareholder Equity
	\$	\$	\$	\$	\$
Q3/08	22,576	(559,876)	(.008)	17,045,306	14,046,598
Q2/08	46,424	(252,491)	(.003)	12,378,995	10,890,549
Q1/08	3,781	484,068	.007	12,771,411	11,143,040
Q4/07	51,866	(388,154)	(.013)	12,877,234	11,842,805
Q3/07	74,392	(358,568)	(.005)	12,603,190	12,218,964
Q2/07	14,958	(819,778)	(.011)	12,821,299	12,532,135
Q1/07	20,321	349,525	.007	8,748,651	6,809,344
Q4/06	8,366	(264,420)	(.006)	8,589,512	6,832,126

Liquidity and Cash Reserves

At quarter end the Company had \$3,695,110 in cash and short term equivalents versus \$2,130,030 at the beginning of the quarter, the increase was primarily due to the consolidation with Buchans River. The Company also had \$884,892 in cash held for exploration purposes raised in its Flow Through Share offerings completed in May, 2007.

Subsequent to quarter end the Company entered into a loan arrangement with a related party and advanced an additional \$1,760,953 which decreased the Company's cash position. Details of the arrangement are described in the Related Party Note in both the financial statements and the MD&A.

The Company will be planning and budgeting additional exploration programs for 2009 in the next quarter and intends to fund budgeted expenditures with existing cash. Given the current difficult markets for junior explorers, exploration programs will be scaled back until the market conditions improve.

Property Expenditures

In the quarter ended September 30, 2008, \$77,412 (2007 - \$270,295) of expenses relating directly to the ongoing exploration of the Company's Tulks North mineral claims were capitalized and \$595,172 of expenses relating directly to the ongoing exploration of the Company's Buchans River mineral claims were capitalized.

Tulks North Property, Central Newfoundland

The Tulks North Property is strategically located in the centre of the Victoria Lake mining camp of central Newfoundland, Canada and comprises 727 mineral claims covering 18,175 hectares (approximately 32 km x 5 km). The property encompasses the northern half of the Tulks volcanics belt, one of three volcanic belts located within the Victoria Lake mining camp that hosts VMS base metal deposits. The belt is host to several VMS deposits currently being explored by a variety of junior exploration companies. The property is located 20 km west of Teck's Duck Pond base metal mine which hosted proven and probable reserves of 5.2 million tonnes grading 3.3% Cu, 5.8% Zn, 0.9% Pb, 59 g/t Ag and 0.8 g/t Au prior to commencing production in early 2007. The property is also located near the former producing Buchans mine which represents one of Canada's richest past producing base metal mines, having produced 16.2 million tonnes grading 14.51% zinc, 1.33% copper, 7.56% lead, 126 g/t silver and 1.37g/t gold, between 1929 and 1984.

In late 2006, the Company's new management team initially focussed its efforts on the known Daniels Pond deposit and upgrading the level of confidence in the resource from the National Instrument 43-101 (NI 43-101) Inferred category up to the Indicated category. Over 13,000 metres were drilled on the Daniels Pond deposit in 2007 and early 2008 and successfully upgraded a large portion of the deposit from the Inferred category to the Indicated category. The current resource defined at Daniels Pond is represented in Table 1 below.

Table 1. Daniels Pond Deposit Mineral Resource Estimate by Zn% Cut-off – Effective March 11, 2008.

Category	Cut-off (Zn %)	Tonnes	Combined Zn%+Pb%+Cu%	Zn %	Pb %	Cu %	Ag g/t	Au g/t
Indicated	1.5	1,162,000	6.88	4.44	2.12	0.31	87.79	0.60
	2.0	929,000	7.98	5.13	2.50	0.34	101.40	0.63
	2.5	787,000	8.79	5.65	2.77	0.37	111.03	0.68
Inferred	1.5	445,000	5.89	3.88	1.74	0.27	81.63	0.52
	2.0	332,000	7.04	4.61	2.13	0.30	85.86	0.53
	2.5	236,000	8.70	5.59	2.79	0.32	112.31	0.55

Table adapted from: *Technical Report On The Daniels Pond Deposit And Property Holdings Of Royal Roads Corp. Red Indian Lake Area, Newfoundland, Canada. Prepared for Royal Roads Corp. by Peter C. Webster, B.Sc., P.Geo., and P. James F. Barr, B.Sc., Mercator Geological Services Limited. Effective Date March 11, 2008.*

The drill program highlighted a number of new targets for future programs to explore for additional resources at depth below the current resource, including a possible northeastern down-plunge extension of the mineralization. Several of these targets remain to be tested; however, given current market conditions and depressed metal prices, the Company has elected to focus its near term exploration efforts on its Buchans project, which is favoured with excellent infrastructure and discovery potential for high grade base metal deposits as demonstrated by historical production. During the quarter, the Company received the results from bore hole Pulse EM geophysical surveys at the Daniels Pond deposit, the last exploration activity completed on the property in 2008. Results were somewhat inconclusive as most of the deeper

holes were blocked and could not be completely surveyed; however, results were more encouraging on the deposit's northeast end in the same area where the deposit is believed to remain open down plunger.

Buchans Property

All properties formerly controlled by Buchans River and now controlled by Royal Roads by way of a Plan of Arrangement completed in July 2008 are located in Newfoundland, and include five 100% owned groups of licenses comprising the Buchans, West Tally, Burnt Pond, Barasway de Cerf and Great Northern Zinc projects as well as three other projects currently under option to other parties including the Tulks Hill, Burtons Pond and Granite Lake properties. Of these, the Buchans project is considered Royal Roads' principal exploration project. The remaining properties are discussed further below under sections entitled **Joint Ventures** and **Other Properties**. These second priority properties are not currently the subject of significant exploration programs, and are being kept in good standing by either bonds, excess work credits, or minimal exploration activity.

The Buchans project has been the principal focus of exploration during the reporting period with the company's independent consultants, completing National Instrument 43-101 compliant Inferred resource estimates for two zones of near surface, lower grade stringer-stockwork mineralization being evaluated as possible bulk tonnage, open pit mineable resources. These deposits are the Lundberg and Engine House deposits, and are located adjacent to the former Lucky Strike high-grade massive sulphide orebody where former mine operators, Asarco, produced 5.6 million tonnes averaging 17.39% zinc, 8.20% lead, 1.51% copper, 113.6 g/t silver and 1.68 g/t gold prior to the Buchans mine closing in 1984. Tables showing the resource estimates are presented below.

Table 2a. Lundberg Inferred Resource Estimate – Zn% Threshold.

Lundberg Inferred Resource Estimate - Zn % Threshold – Effective November 3, 2008								Percentage of Resource Tonnage within 100 m of Surface*
Zn % Threshold	Tonnes	Zn %	Pb %	Cu %	Combined Cu Pb Zn %	Ag g/t	Au g/t	
1.00	15,690,000	1.96	0.83	0.38	3.17	6.57	0.08	61.79%
1.50	9,300,000	2.46	1.03	0.43	3.92	8.26	0.10	66.40%
2.00	5,340,000	3.02	1.25	0.49	4.76	10.27	0.12	70.62%
2.50	3,170,000	3.56	1.46	0.53	5.55	12.28	0.14	72.83%
3.00	1,880,000	4.13	1.66	0.57	6.36	14.32	0.14	75.68%
3.50	1,090,000	4.79	1.93	0.62	7.34	16.46	0.15	81.35%

Table 2b. Lundberg Inferred Resource Estimate – 1% combined Zn+Pb+Cu threshold.

Lundberg Inferred Resource Estimate - 1% Cu Pb Zn Combined Threshold - November 3, 2008								Percentage of Resource Tonnage within 100 m of Surface*
	Tonnes	Zn %	Pb %	Cu %	Combined Cu Pb Zn %	Ag g/t	Au g/t	
	20,700,000	1.68	0.72	0.38	2.78	5.92	0.07	57.91%

Table 3a. Engine House Inferred Resource Estimate - Zn% Threshold.

Engine House Inferred Resource Estimate - Zn % Threshold - November 3, 2008								Percentage of Resource Tonnage within 100 m of Surface*
Zn % Threshold	Tonnes	Zn %	Pb %	Cu %	Combined Cu Pb Zn %	Ag g/t	Au g/t	
1.00	890,000	2.37	0.95	0.96	4.28	11.29	0.15	58.73%
1.50	600,000	2.89	1.1	1.05	5.04	12.17	0.16	60.56%
2.00	370,000	3.62	1.27	0.97	5.86	12.71	0.19	60.40%
2.50	240,000	4.35	1.41	0.94	6.7	12.34	0.22	52.04%
3.00	190,000	4.77	1.5	0.93	7.2	12.32	0.23	56.35%
3.50	140,000	5.28	1.56	0.91	7.75	12.33	0.23	56.28%

Table 3b. Engine House Inferred Resource Estimate - 1% combined Zn+Pb+Cu threshold.

Engine House Inferred Resource Estimate - 1% Cu Pb Zn Combined Threshold - November 3, 2008								Percentage of Resource Tonnage within 100 m of Surface*
Tonnes	Zn %	Pb %	Cu %	Combine d Cu Pb Zn %	Ag g/t	Au g/t		
1,120,000	2.04	0.85	0.82	3.71	9.79	0.12	64.79%	

*This value does not reflect any economic parameter, as an Inferred Mineral Resource Estimate does not imply minability. Tables adapted from: *Technical Report on the Mineral Resource Estimate for the Lundberg and Engine House deposits Buchans Area, Newfoundland, Canada.* Prepared for Royal Roads Corp. by Peter C. Webster, B.Sc., P.Geo., and P. James F. Barr, B.Sc., Mercator Geological Services Limited. Effective Date November 3, 2008.

During the quarter, the Company also advanced efforts to compile historical exploration and development data for the property and received preliminary results for Titan 24 geophysical surveys completed over a 20 km² area covering several of the camp's former mines and undeveloped prospects. A data review by Quantec identified 130 prioritized anomalies from the survey which are currently being further reviewed to remove anomalies attributable to mine workings. Final processed data is anticipated in Q1 2009. During the quarter and continuing presently a comprehensive compilation of data from the Company's Clementine West prospect located 7 km west of Buchans has been initiated as a means of formulating plans for future exploration and drilling of this prospect. The prospect is considered prospective, as drilling completed by the Company in March 2008 intersected large widths of base metal sulphide stringer-stockwork mineralization up to 118 metres core length, akin to mineralization known to feed high-grade massive sulphides previously mined in Buchans at the Lucky Strike and Oriental orebodies. Identification of this mineralization is considered significant as it may lead to discovery of a new high-grade massive sulphide deposit like those previously mined in Buchans. The Company is currently formulating plans for further exploration on this prospect.

Joint Ventures

Tulks Hill Property

In November 2007, Prominex Resource Corp. earned a 51% interest in the Company's Tulks Hill Property which hosts the Tulks Hill massive sulphide deposit in central Newfoundland. Having earned their majority interest, Prominex is now the operator of a joint venture formed by Prominex and the Company to operate the Property. Also in November 2007, a budget and program was approved by both companies, whereby the Company contributed approximately \$344,000 to a drilling program designed to delineate the T-3A & T-3B lenses of the Tulks Hill massive sulphide deposit prior to the finalization of a NI 43-101 resource estimate on the T-3 zone. The program was completed in December 2008 and was based on

recommendations by independent consultant Scott Wilson, Roscoe Postle Associates Inc. (“RPA”) and Prominex management. On July 24, 2008 the Company announced initial resource estimates, completed by Scott Wilson, RPA for the T-3 zone. Table 4 summarizes the Resource Estimate from the Scott Wilson RPA Report.

Table 4. Scott Wilson RPA Mineral Resource Estimate of the Tulks Hill T3 Lens, July, 2008.

Tulks Hill Deposit							
Mineral Resources Above the Adit							
Zone	Category	Tonnes	% Cu	% Zn	% Pb	g/t Ag	g/t Au
2	Indicated	290,000	0.91	5.03	2.00	38.81	1.24
3	Indicated	30,000	0.52	2.67	1.53	61.52	0.59
Total	Indicated	320,000	0.87	4.81	1.96	40.94	1.18
Mineral Resources Below the Adit and Elsewhere							
Zone	Category	Tonnes	% Cu	% Zn	% Pb	g/t Ag	g/t Au
1	Indicated	4,000	0.79	1.09	0.41	26.19	0.31
2	Indicated	44,000	0.76	1.77	0.56	19.53	2.76
3	Indicated	5,000	0.52	2.46	1.39	57.95	0.66
4	Indicated	58,000	1.12	1.42	0.60	15.09	0.06
Total	Indicated	111,000	0.94	1.55	0.60	18.24	1.15

Table adapted from: *Technical Report On The Tulks Hill Cu-Zn Project, Newfoundland & Labrador, Canada Prepared for the Tulks Hill Joint Venture between Prominex Resources Corp (Operator) and Buchans River Limited. Effective Date July 22, 2008.* Mineral Resources are estimated at a cut-off grade of 1.1% Copper equivalent (CuEq) and a minimum horizontal width of 2.0 m for a mineralized zone. Average density of mineralized rock is 4.38 t/m³. (totals may not add due to rounding)

Prominex has not submitted a Budget and Program for further work in 2008 and informal discussions with Prominex management, suggests there is a possibility that Prominex will not propose further work for the remainder of 2008.

Burtons Pond Property

The Company currently has a 100% interest in the Burtons Pond property presently under option to Prominex. The option agreement allows for Prominex to earn a 70% interest in the property by spending \$625,000 in exploration expenditures, making a total of \$35,000 in staged cash payments and making a total of 400,000 common shares in staged payments to the Company. To date Prominex have made their staged cash and share payments and have until December 22, 2008 to complete a total of \$625,000 in exploration expenditures before they earn their 70% interest in the property. Prominex are currently estimated to be short \$247,140.37 in property expenditures required to maintain the option beyond December 22, 2008.

Granite Lake Property

The Company's interest in the Granite Lake property under option to Playfair Mining Ltd., was reduced when Playfair submitted a report in January 2008 notifying the Company that they have met the conditions of the joint venture by spending \$50,000 and paying 100,000 shares. According to the terms of the agreement, the Company has until the earlier of 24 months from the exercise of the option by Playfair (i.e., before January 31, 2010), or the expenditure of \$300,000 on the property by Playfair before it can make a one time election to either a) purchase from Playfair a 35% participating interest in the property for an amount equal to 65% of all expenditures incurred on the property or b) elect to retain a 3% net smelter royalty. Playfair will retain the right to purchase half of the royalty for \$1.5 million. In the event the Company elects to retain the 3% NSR, then the Company will pay the equivalent of 2% of the NSR to Newfoundland Mining & Exploration Ltd., ("Newminex"). In the event the Company elects to purchase a 35% participating interest, then the Company will pay Newminex 66.66% of all net revenues received by the Company, in the event the joint venture with Playfair generates revenue, after all costs incurred by the Company to purchase and maintain the 35% participating interest.

Long Range Property

In November of 2007, Royal Roads acquired, by staking, a 100% interest in mineral claims covering 73.5 km² in a newly recognized prospective environment for nickel sulphide deposits known as the Long Range Nickel project. The project is located to the southwest of Tulks North and represents the first time that exploration activity in this region has focused on nickel. The Company entered into a joint venture agreement on November 24, 2008 with Benton Resources Corp. ("Benton") and Golden Dory Resources Limited ("Golden Dory"), which companies control mineral claims adjoining those staked by the Company. Royal Roads is the project operator and holds a 40% interest in the joint venture, with the balance of 60% held by Benton (40%) and Golden Dory (20%). Results from an airborne survey collectively commissioned previously by the joint venture partners are expected shortly

Other Properties

Other properties controlled by Royal Roads are the West Tally, Burnt Pond, Barasway de Cerf and Great Northern Zinc projects. Of these, the West Tally and Burnt Pond projects are located near Teck's Duck Pond mine property. Both of these projects were flown by airborne geophysical surveys in July, 2008. Results were received in October, 2008 and indicate the presence of conductive anomalies warranting further follow-up on both properties. Historical data will be integrated with the new geophysical results and then further evaluated for possible ground follow-up. filed for assessment in 2009. This report will also include recommendations for further work.

The Great Northern Zinc project is located in northwestern Newfoundland and covers Zn prospects akin to the former Daniels Harbour Zinc mine in western Newfoundland. The properties total 7.25 km². The highlight of the property is the Round Pond zinc prospect which hosts a zone of lower grade zinc mineralization situated on a favourable dolomite-limestone contact that is poorly explored down dip, where higher grade bodies analogous to those at Daniels Harbour would be expected to occur. Daniels Harbour produced 6,531,730 tonnes averaging 8.0% zinc between 1975 and 1990 and was operated by Teck Corporation. Historical data is being compiled and evaluated to enable planning for an initial phase work program.

Future Plans

As of the date of this report the Company has scaled back planned field work for the remainder of 2008 and is allocating resources primarily toward completion and submission of assessment reports documenting work completed to date in 2008. Exploration programs for 2009 are currently in the planning stage and will be tailored to target the highest priority prospects in the context of the current difficult capital markets.

Where applicable the Company will be applying for Junior Company Exploration grants from the Newfoundland government for future programs which, depending on availability, can grant matching funds

for approved eligible costs, to a maximum of \$100,000 per program on the island on advanced mineral exploration projects by junior exploration companies registered to do business in the province.

Qualified Persons

Paul Moore, M.Sc., P.Geo., Vice President of Exploration of Royal Roads, is a Qualified Person in compliance with National Instrument 43-101 and has reviewed the preceding technical information in this document.

Stock Options and Warrants

During the quarter options and warrants were issued on the Plan of Arrangement with Buchans River to replace existing Buchans River options and warrants. There were 9,207,499 warrants and 4,975,500 option issued under the arrangement. 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.

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 112,127,489 (2007-73,681,908) common shares were issued and outstanding as at quarter end and no preferred shares were issued.

	November 28, 2008	September 30, 2008	December 31, 2007
Shares Outstanding	112,127,489	112,127,489	73,681,908
Fully Diluted Shares Outstanding	132,521,489	136,756,088	88,595,480
Capital Stock	\$17,251,832	\$16,999,594	\$14,658,218

Related Party Transactions

During the quarter the Company paid rent and reimbursed overhead expenses including salaries in the amount of \$49,375 to Acadian Mining Corporation (“Acadian”), which held 29.18 % of the outstanding common shares of the Company as at September 30, 2008. These amounts for overhead costs are non-interest bearing, unsecured and are due on demand.

At quarter end there were \$539,877 in inter-company advances due from Acadian which bear interest at 10% per annum, payable quarterly and are secured by a first fixed and floating charge on all the assets of Acadian, ScoZinc Ltd. and Annapolis Properties Corp. At November 28, 2008 the inter-company balance was \$2,292,460. Acadian is attempting to secure permanent financing and intends to settle the advances when the financing is secured.

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, 2008, 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 deposits with major Canadian banks and Government of Canada Treasury Bills. Accounts receivable consists of Goods and Services Tax recoverable 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.

Effective July 1, 2007, the Company adopted the CICA new accounting requirements on the classification of financial instruments as liabilities or equity in Section 3855, Financial Instruments – Recognition and Measurement. The CICA amended its disclosure requirements surrounding the presentation of financial instruments that may be settled in cash or by an issuer's own equity instruments, at the issuer's discretion, as liabilities in Section 3861 – Financial Instruments – Disclosure and Presentation. Adoption of this new standard did not have an impact on the Company financial statements.

Contractual Obligations

At the end of the quarter there were no material contractual obligations outstanding.

Off-balance Sheet Obligations

At the quarter end 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. 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 estimate amounts that differ materially from current estimates.

Disclosure Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining the Company's disclosure controls and procedures (as defined in Multilateral Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings). The Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the design and operation of the Company's disclosure controls and procedures as of September 30, 2008 have concluded that the Company's disclosure controls and procedures were adequate and effective to ensure that material information relating to the company and its consolidated subsidiaries required to be disclosed in the Company's reports filed or submitted under the Multilateral Instrument would have been known to them.

Signed

"G. William Felderhof"
President and Chief Executive Officer

Signed

"John C. Rawding"
Chief Financial Officer

Directors:

G. William Felderhof, Chair of the Board
Terrence Coughlan
David Felderhof

Edmund Merringer
Steven Poad
William Rogers