

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 audited financial statements and the notes thereto for the years ended December 31, 2007 and 2008. The information contained herein is stated as of April 17, 2009 and is subject to change after that date.

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.

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"). The Company's financial statements are expressed in Canadian (CDN) dollars. All amounts in this report are in CDN dollars unless otherwise noted.

The common shares of the Company are listed and posted for trading on the TSX Venture Exchange under the symbol "RRO". The Company's head office is in Halifax, Nova Scotia, Canada.

This MD&A is prepared in conformity with National Instrument 51-102 F1 and has been approved by the Board of Directors prior to release. The financial statements have been prepared by management and are audited by the Company's auditors, Wasserman Ramsay, Chartered Accountants.

Date

The following management discussion and analysis is for the quarter and year ended December 31, 2008 and includes relevant information up to April 17, 2009. 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 the proceeds from equity through financings.

Major Activities During the Year

The Company formed a committee of independent directors to investigate a possible combination of the Company with Buchans River Ltd. ("Buchans River"). On May 2, 2008 the Company and Buchans River jointly announced they had approved a letter agreement to combine their assets and operations. Royal Roads announced on July 23, 2008 that the shareholders of Buchans River had approved a Plan of Arrangement ("Arrangement") between the companies at a special meeting of Buchans River's 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" Buchan River shareholders. The Arrangement was approved by the Supreme Court of Nova Scotia on July 24, 2008.

Pursuant to the 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. This resulted in Royal Roads issuing 38,445,581 common shares and 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. The amalgamation with Buchans River provides synergies, and economies of scale in the exploration and development of mineral properties, with a stronger balance sheet for the Company

On July 30, 2008 Royal Roads announced that following the completion of the business combination with Buchans River, 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. Further changes were made on December 2, 2008 whereby Stacey Stone, CA, replaced John Rawding as Chief Financial Officer of the Company.

Royal Roads received approval from the TSX Venture Exchange on December 18, 2008 to extend the expiry date of the 3,887,500 common share purchase warrants that were issued in connection with the May 2007 Royal Roads private placement by 18 months. The Company also received approval from the TSX Venture Exchange to extend the expiry date of the 4,649,998 common share purchase warrants originally issued by Buchans River in May 2007, by 18 months, now expiring in July 2010.

On November 28, 2008, the Company announced it had entered into a joint venture agreement with Benton Resources Corp. and Golden Dory Resources Ltd. on a 222 km² property in central Newfoundland, to explore a newly recognized environment prospective for magmatic nickel sulphide deposits. The joint venture property comprises mineral claims formerly controlled by the individual joint venture participants, including Royal Roads' 74 km² Long Range property. Subsequently on March 24, 2009, the Company announced a \$250,000 2009 exploration program for the joint venture property. Also since 2008 year end, the Company announced it had regained a 100% interest in its Burtons Pond property, formerly optioned to Prominex Resource Corp.

Results of Operations

The net income for 2008 of \$373,498 compared to a net loss of \$1,216,975 in 2007, the improvement was mainly due to recognition in 2008 of \$1,478,197 in benefits on the application of historical operating losses against the future income taxes arising on the issue of flow through shares. General and administrative expenses increased significantly in 2008 to \$988,894 (2007-\$626,338) due to salaries expense increasing by \$253,515, primarily from settling the contractual obligation arising on the departure of the former President of the Company. Professional fees increased by \$143,827 in 2008, due to additional legal activities on the combination with Buchans River. These two increases were off set by the reduction in the equity interest loss on Buchans River from \$172,972 for 2007 to an equity gain of \$40,730 for the period in 2008 prior to the amalgamation. Buchans River was fully consolidated as of July 28, 2008. There was also no stock based compensation expense recognized in 2008 compared to an expense of \$652,990 in 2007 bringing the overall net operating loss down \$577,018 from the prior year.

Selected Financial Data (Annual)

The following is selected annual information from the audited financial statements for each of the three most recently completed years.

Year	Revenue	Net Income (Loss)	Income (Loss) per Share	Total Assets	Shareholder Equity
	\$	\$	\$	\$	\$
2008	220,393	373,498	.00	16,540,192	14,817,091
2007	161,537	(1,216,975)	.02	12,877,234	11,842,805
2006	13	86,096	.00	1,456,596	1,410,493

The material break down of general and administrative expenses for the years ended December 31, 2008 and 2007 are as follows:

	2008	2007
	\$	\$
Professional fees	338,535	194,709
Depreciation	10,768	4,937
Office and general	114,889	74,956
Salaries	557,574	304,059
Rent	37,876	28,107
Travel and entertainment	59,039	99,681
Filing fees	25,773	20,647
Investor relations and information	101,261	88,456
Stock based compensation		652,990
Transfer agent fees	34,430	10,432
Capital Tax	85,678	
TOTALS	1,365,823	1,478,974

Fourth Quarter Results

The income for the fourth quarter of 2008 was \$770,493 compared to a loss of \$388,154 for the fourth quarter of 2007. As previously stated in the Results of Operations section, the change in net income was mainly due to the recognition in the fourth quarter of 2008 of \$1,478,197 in benefits on the application of historical operating losses against the future income taxes arising on the issue of flow through shares. Interest income increased \$132,910 from the previous quarter due to the recognition of accrued interest on the related party loan, which is described in detail in the Related Party note to the financial statements and MD&A. There were no significant changes in the expenses quarter over quarter or year over year, all expenses incurred during the fourth quarter were considered normal course of business.

Selected Financial Data (Quarterly)

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
	\$	\$	\$	\$	\$
Q4/08	132,909	770,494	.00	16,540,192	14,817,091
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

Liquidity and Cash Reserves

As at December 31, 2008 the Company had \$1,274,576 in cash and short term equivalents versus \$2,515,335 at the beginning of the year. On the acquisition of Buchans' River (details are described in Note 6 to the financial statements) the Company acquired \$3,197,277 in cash. The overall decrease in cash, however, was primarily due to the Company entering into a loan arrangement with and advancing \$2,654,513 to a related party, Acadian Mining Corporation ("Acadian"). Included in the amount receivable from Acadian is accrued interest of \$124,898 details of the arrangement are described in the Related Party Note in both the financial statements and the MD&A.

The Company also had \$828,134 in flow through funds held in cash. These funds are required to be spent by the end of 2009 on exploration purposes.

The Company has budgeted exploration expenditures of \$850,000 for 2009; of which \$85,000 has been spent to date. Given the current difficult markets for junior explorers, exploration programs will be scaled back until capital market conditions improve

Management has estimated that the Company will have adequate funds from existing working capital to meet its corporate, administrative and property obligations for the coming year. If the Company is to advance or develop its mineral properties further, it will be necessary to obtain additional financing, and while the Company has been successful in the past, there can be no assurance that it will be able to do so in the future.

Property Expenditures

In the year ended December 31, 2008, \$2,734,754 (2007 - \$2,581,682) of expenses relating directly to the ongoing exploration of the Company's mineral claims were capitalized. Royal Roads exploration expenses were \$855,922 with the bulk of the expenditures directed towards the ongoing exploration of the Company's Tulks North mineral claims. The remainder of the expenses capitalized were relating to the ongoing exploration of the Buchans' River mineral claims.

The breakdown of the material expenditures on these properties for the years ended December 31, 2008 and 2007 are as follows:

December 31, 2008	Tulks North \$	Buchans \$
Assays & Analyses	174,235	371,740
Drilling	386,238	758,915
Geology (includes wages)	253,374	597,326
Geophysics surveys & mapping	4,623	86,091

December 31, 2007	Tulks North \$
Assays & Analyses	172,449
Drilling	1,484,016
Geology (includes wages)	640,297
Geophysics surveys & mapping	253,307

Royal Roads Exploration Projects

Royal Roads owns exploration properties for base metals and gold located in Newfoundland, Canada. Properties include the 100% owned Buchans, Tulks North, West Tally, Burnt Pond, Barasway de Cerf, Burtons Pond and Great Northern Zinc. In addition, to the 100% owned properties, the Company is engaged in two joint venture properties where Royal Roads is funding exploration with other junior exploration companies. Joint venture properties consist of the Long Range Nickel project which is being explored together with Benton Resources Corp. and Golden Dory Resources Corp. with Royal Roads acting as the project operator, and the Tulks Hill joint venture which is being explored with Prominex Resource Corp. who are the project operator. The Company also has a back-in right on the Granite Lake property allowing Royal Roads to either retain a 3% net smelter return, or purchase a 35% interest in the property from Playfair Mining Ltd.

Of the aforementioned projects, the Buchans and Tulks North properties are considered Royal Roads' principal exploration projects as they are owned 100% by the Company, are the focus of the Company's effort in Newfoundland, and host inferred and or indicated base metal resources in three discreet deposits; Daniels Pond, Lundberg, and Engine House. In addition, the Long Range Nickel joint venture is considered a key project as it is to be a focus of one of the Company's exploration programs in 2009. The latter three projects are therefore described in more detail below, whereas the remaining properties are briefly discussed under Other Properties as they are not expected to be targeted for significant exploration in 2009.

Buchans Property

The Buchans property is owned 100% by Royal Roads and covers all past producing mines and undeveloped prospects within the former Buchans base metal mining camp. Royal Roads' property covers 13,433 hectares (approximately 134 km²), giving the Company exclusive control of one of Canada's richest past producing base metal districts with historic production totaling 16.2 million tonnes grading 14.51% zinc, 1.33% copper, 7.56% lead, 126 g/t silver and 1.37g/t gold, mined between 1928 and 1984.

The Buchans project was the principal focus of Royal Roads' exploration activities in 2008 with independent consultants, Mercator Geological Services, contracted to complete National Instrument 43-101 compliant inferred resource estimates for two zones of near surface, lower grade stringer-stockwork mineralization. Known as the Lundberg and Engine House deposits, these deposits were evaluated by diamond drilling in 2008 as possible bulk tonnage, open pit mineable resources located adjacent to the former Lucky Strike massive sulphide orebody. At Lucky Strike, former mine operators, Asarco, mined 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. These grades demonstrate the potential of the property for discovery of world-class, exceptionally high value deposits with substantial precious metal credits. As previous exploration was almost exclusively focused on underground high grade deposits, Royal Roads undertook a review of lower grade, near surface mineralization that might be amenable to bulk tonnage, open pit mining, from which the Lundberg and Engine House deposits were identified. In 2008, the Company completed approximately 8,058 metres of diamond drilling in 53 surface drill holes to enable estimation of inferred resources at both deposits in conjunction with data from 136 historic drill holes. Both zones remain open for further expansion by drilling, including Lundberg, where mineralization is presumed to extend beyond the limits of the known resource at surface towards the northeast beneath less than 10 metres of overburden. Resource estimates for the Lundberg and Engine House deposits are presented as Tables 1a, 1b, 2a and 2b below.

Table 1a. 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 1b. 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 2a. 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 2b. 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.*

In addition to work at Lundberg and Engine House, significant exploration efforts were focused in 2008 towards discovery of new high grade deposits within the current property. To this end the Company undertook further geophysical programs (i.e., Titan 24 geophysical surveys) and diamond drilling in conjunction with the Company's compilation efforts. In particular, during the fourth quarter of 2008, the Company advanced its efforts to compile historical exploration and development information throughout the property and in January 2009, received a summary report and associated digital files for preliminary compilation of the property as compiled by independent consultants, Mercator Geological Services. Focused largely on historic drilling, the compilation includes a digital database containing most of the property's past drilling results and assays including 1,230 of 1,330 drill holes drilled from surface, and 145 of 2,264 holes drilled from historic underground development. Royal Roads has since assumed control of the compilation and continues to input additional data using in-house staff.

In the fourth quarter of 2008, Royal Roads initiated further review of results generated by Titan 24 geophysical surveys completed in late 2007 and early 2008. The Titan 24 survey was completed over an area of more than 20 km², covering several former orebodies (previously mined), and undeveloped prospects. The review was undertaken by independent consultants, Mira Geosciences Limited, with support from Royal Roads technical staff, and brought together Titan 24 survey data with historic exploration and development data into a three dimensional dataset using sophisticated GOCAD computer software. From this work, Royal Roads identified numerous discrete geophysical anomalies located specifically within rock units known to host all past producing orebodies in Buchans. On April 1, 2009, the company submitted an application for exploration grants totalling \$100,000, available from the government of Newfoundland and Labrador to support drilling of some of the Titan 24 targets. In addition, on March 1, 2009, the Company applied for another \$100,000 grant to support further drill testing of its Clementine West prospect, located 7 kilometres west of the former mine site. Previously, in early 2008, drilling by the Company intersected large widths of base metal sulphide stringer-stockwork mineralization up to 118 metres core length at the Clementine West prospect. This mineralization is similar to mineralization associated with high-grade massive sulphides at Buchans, particularly mineralization intersected beneath the former Lucky Strike and Oriental orebodies. Contingent on receipt of exploration grants from the government of Newfoundland and Labrador (i.e. matching grants covering up to 50% of actual costs capped at a maximum of \$100,000), the Company plans to complete between 2,000 and 4,000 metres of drilling to test Titan 24 targets and the Clementine West prospect in the second half of 2009.

Tulks North Property

The Tulks North property is located in the centre of the Victoria Lake mining camp of central Newfoundland and covers 18,175 hectares (approximately 182 km²). 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 (Volcanogenic Massive Sulphide) base metal deposits. The belt hosts several deposits being explored by other junior exploration companies including Messina Minerals and Mountain Lake Resources. Royal Roads' Tulks North property is located 20 kilometres west of Teck's operating Duck Pond base metal mine which hosted proven and probable reserves of 5.2 million tonnes grading 3.3% copper, 5.8% zinc, 0.9% lead, 59 g/t silver and 0.8 g/t gold prior to commencing production in early 2007

(Thundermin Resources Inc., press release dated May 16, 2001). The property is also located approximately 10 kilometres south of Buchans, and is separated from Royal Roads' Buchans project by a large lake known as Red Indian Lake.

In 2007, the Company focussed its efforts on expanding 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 to the Indicated category. The new mineral resource estimates were calculated by Mercator Geological Services ("Mercator") of Dartmouth, Nova Scotia using data from 133 drill holes comprising 27,603 metres, of which 71 holes comprising 13,338 metres were drilled by Royal Roads in 2007 and early 2008. The Mercator estimates upgraded a large portion of the deposit to the Indicated category while allowing the Company to more accurately define the dimensions and characteristics of the mineralization. The net result of the additional drilling data, as well as better constrained historic data, was an overall decrease in the size and grade of the deposit from the previous Inferred resource estimate completed by Taiga Consultants Ltd. ("Taiga"), of Calgary, Alberta on November 7, 2006. The Taiga estimate had been completed using results of drilling completed up to 2006. As the new Mercator resource estimates are based on significantly more complete and comprehensive information, the Taiga resource estimates are no longer considered valid and should not be relied upon. The current resource estimates for the Daniels Pond deposit are represented in Table 3 below.

Table 3. 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.*

In the course of completing delineation drilling, new results highlighted additional target areas where further drilling might add additional resources at depth below the known resource, including significant potential to extend the deposit to the northeast, down-plunge of known mineralization. In the first quarter of 2008, the Company completed eight additional holes totalling 2,050 metres to test several of these target areas beneath the deposit before halting the program prematurely due to the onset of spring thaw. The program returned several intersections (see News Release No. 06-08, April 22, 2008 for assays) meeting requirements for inclusion into the deposit's resource estimates, and the estimates may be revised at a future date. As the program was halted before completion, the potential northeast plunge of the deposit remains a prospective target for future exploration.

Elsewhere on the Tulks North property, the Company completed 822 metres of drilling in five holes to test the Daniels Extension and Harbour Round prospects. While drilling at the Daniels Extension prospect failed to return significant results, drilling in the Harbour Round Pond area met with encouraging results. At this prospect, a single hole was drilled to test a historic, one kilometre long, base metal in soil anomaly as defined by zinc in soil values of up to 1,220 ppm. The hole intersected stringer stockwork base metal sulphide mineralization assaying up to 1.83% combined base metals (Cu+Pb+Zn) comprised of 1.02% copper, 0.01% lead and 0.80% zinc over a core length of 1.50 metres. These results are considered significant as the anomalous copper assays compare favourably with stockwork mineralization located immediately below the high grade Daniels Pond deposit, located 2.5 kilometres to the northeast. It has therefore been postulated that the intersected mineralization may represent an along strike extension of alteration and mineralization associated with the Daniels Pond deposit and that the deposit may be part of a

very large mineralized system with significant exploration potential remaining to the southwest. Further work was recommended for the Harbour Round Pond prospect in 2008 (renamed Caribou by Royal Roads), including a recommendation that deep-seeking geophysics be completed over the large soil anomaly and surrounding area. This work was not undertaken as the corporate priorities of Royal Roads shifted in July 2008 when it completed a takeover of Buchans River Limited. In light of subsequent and pronounced negative market conditions and lower base metal prices, the Company has not undertaken further exploration in this prospective area.

Long Range Nickel Joint Venture

The Long Range Nickel joint venture is located in central Newfoundland, 65 km southwest of Buchans and covers 22,200 hectares (approximately 222 km²). The project was acquired to explore a recently recognized nickel-copper-sulphide bearing gabbro complex, prospective for magmatic nickel sulphide deposits. To date, mineralization has been found in minor amounts in two bedrock showings where gabbro hosts disseminated, magmatic-textured, pentlandite, chalcopyrite and pyrrhotite. Assays have yielded anomalous nickel and copper values up to 0.28% nickel and 0.36% copper, suggesting massive sulphide accumulations could host nickel and copper grades comparable to other magmatic nickel sulphide deposits in North America, including Vale-Inco's Voisey's Bay mine in Labrador and Kennecott's Eagle deposit in northern Michigan.

The property is located close to infrastructure including a 15 MW hydroelectric facility located 25 kilometres northeast of the claims. Power lines connecting the facility to the provincial grid cross the property. A paved highway also traverses the property and provides access to port facilities 50 kilometres to the west.

Royal Roads is the project operator and holds a 40% interest in the joint venture, while Benton and Golden Dory own 40% and 20% respectively. The property is subject to net smelter royalties of up to 2%, of which 1% can be purchased for \$1 million. Portions of the property are also subject to underlying option agreements requiring cash payments and share issuances for the joint venture to earn a 100% interest.

On March 24, 2009, the joint venture partners announced approval of a \$250,000 exploration program and budget for 2009. The program includes prospecting, ground geophysical surveys and diamond drilling designed to follow-up conductive anomalies identified by airborne geophysical surveys completed by Geotech Ltd. in 2008. The work is expected to extend into the third quarter of 2009, with prospecting and geophysical surveys to be complete in July, followed by diamond drilling. Among the targets selected for further work is a 600 metre long VTEM conductive anomaly described by Geotech Ltd. as "a relatively strong conductor consistent with massive sulphides". This target has been selected for testing by diamond drilling, and it is anticipated that additional targets will be developed from results of prospecting and ground geophysical surveys. Approximately 30 conductive airborne geophysical anomalies have been selected for ground follow-up.

Other Properties

Tulks Hill Property

In November 2007, Prominex Resources Corp. earned a 51% interest in the Company's Tulks Hill property hosting the Tulks Hill massive sulphide deposit in central Newfoundland. Having earned their majority interest, Prominex is operator of a joint venture formed by Prominex and the Company to explore the property. In July of 2008, the joint venture announced NI 43-101 resource estimates based largely on historic drilling results as well as recent drilling results obtained from a December 2007 drilling program on the T-3 zone of the deposit. These resource estimates are presented below as Table 4. At time of writing this report, Prominex had not submitted a Budget and Program for further work in 2009.

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).

Granite Lake Property

The Company's interest in the Granite Lake tin-tungsten-molybdenum property under option to Playfair Mining Ltd., was reduced when Playfair submitted a report in January 2008 notifying the Company that they had met the conditions of the joint venture by spending \$50,000 and issuing to Royal Roads 100,000 shares of Playfair. 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, the Company will pay the equivalent of 2% of the NSR to Newfoundland Mining & Exploration Ltd. In the event the Company elects to purchase a 35% participating interest, then the Company will pay Newfoundland Mining & Exploration Ltd., 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.

West Tally Pond and Burnt Pond Properties

The West Tally and Burnt Pond base metal projects are located near Teck's Duck Pond mine property and covers approximately 1,000 hectares (10 km²). Both projects were flown by airborne geophysical surveys in July, 2008. Results received in October, 2008 indicate the presence of conductive anomalies warranting further follow-up on both properties. Historical data for the properties were compiled during the first

quarter of 2009 and a minimal field program is planned for the second half of 2009. The program will include prospecting and ground checking of conductive anomalies in search for VMS deposits similar to Teck's Duck Pond mine.

Great Northern Zinc Property

The Great Northern Zinc project is located in northwestern Newfoundland and covers an area considered prospective for carbonate hosted zinc deposits akin to the former Daniels Harbour zinc mine located 140 kilometres southwest of the property. The property covers an area totalling 7.25 km² including several zinc sulphide prospects. The highlight of the property is the Round Pond zinc prospect which hosts an outcropping zone of low grade zinc mineralization where past explorers estimated historic, uncategorized, non-NI-43-101 compliant resource estimates at varying grade thresholds; including Cominco who in 1971, estimated a resource of 136,000 tonnes at 2.5% zinc. Also, less than 800 metres to the southwest of the Round Pond prospect, Phillips Management outlined an additional outcropping, unnamed resource of 89,000 tonnes at 1.5% zinc. The Round Pond prospect occurs near a shallow dipping, dolomite-limestone contact that remains essentially unexplored down dip. This contact may host significant exploration potential for discovery of higher grade zinc mineralization analogous to the Daniels Harbour mine. Daniels Harbour is reported to have produced 6,531,730 tonnes averaging 8.0% zinc between 1975 and 1990 (Lane 1990). Historic data was compiled for Royal Roads' property in the fourth quarter of 2008 and first quarter of 2009 and a minimal field program designed to review the geology and mineralization within the property is planned for the second half of 2009.

Burtons Pond Property

On February 3, 2009, the Company announced regaining a 100% interest in its Burtons Pond property in northern Newfoundland, which was previously optioned to Prominex Resource Corp. This 7.25 km² property covers a portion of the Betts Cove Ophiolite Complex in north-central Newfoundland and hosts the Burtons Pond gold prospect. The prospect consists of gold and copper-bearing stockwork mineralization where previous drilling returned assays of up to 10.2 grams per tonne gold, 15.2 grams per tonne silver and 1.64% copper over a core length of 3.0 metres. The ophiolite complex hosts two historic, former-producing, massive sulphide deposits at Tilt Cove and Betts Cove, as well as the former Nugget Pond gold mine which operated between 1997 and 2001. The historic Tilt Cove mine is located approximately 10 kilometres northeast of the property and is estimated to have produced more than 8 million tonnes of ore grading 1 to 12% copper, including 42,425 ounces of gold. The historic Betts Cove mine is located 400 metres east of the property and is reported to have produced approximately 119,000 tonnes of ore averaging about 10% copper. The former Nugget Pond mine, located 3 kilometres northeast of the property, produced approximately 489,000 tonnes of ore containing approximately 168,700 ounces of gold, for an average production grade of 10.74 grams per tonne. The Company is evaluating results generated by its former joint venture partner, and may consider seeking joint ventures to pursue further exploration on this project in the near future.

Future Plans

As of the date of this report the Company plans to pursue advanced exploration on its Buchans project including a diamond drilling program of up to 4,000 metres of drilling designed to test Titan 24 geophysical targets near the former Buchans mine site, as well as test a large zone of stockwork mineralization and adjacent geophysical targets at its Clementine West prospect, located 7 kilometres west of the former mine. In addition, the company plans to advance exploration on its Long Range Nickel joint venture with partners Benton Resources and Golden Dory Resources with prospecting and geophysical programs expected to be completed in late summer followed by diamond drilling. Several other properties will also receive minimal exploration programs including the West Tally, Burnt Pond, and Great Northern Zinc properties. These programs 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. The Company has also applied for Junior Company Exploration grants from the Newfoundland government to support both drill programs proposed for the Buchans property. Depending on the availability of grant funds, matching grants of up to

\$100,000 per program may be received by the Company in support of its drilling program proposed for the Buchans property.

In addition to the aforementioned programs, in early 2009, Royal Roads embarked on a generative program focused on identification and acquisition of advanced, drill-ready, gold projects.

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 year 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 options 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.

	April 17, 2009	December 31, 2008	December 31, 2007
Shares Outstanding	112,127,489	112,127,489	73,681,908
Fully Diluted Shares Outstanding	131,971,489	131,971,489	88,595,480
Capital Stock	\$16,736,911	\$16,736,911	\$14,658,218

Related Party Transactions

During the year the Company paid rent and reimbursed overhead expenses including salaries in the amount of \$207,893 to Acadian Mining Corporation ("Acadian"), which held 29.18 % of the outstanding common shares of the Company as at December 31, 2008. These amounts for overhead costs are non-interest bearing, unsecured and are due on demand.

At year end there were \$2,779,411 in inter-company advances due from Acadian which bear interest at 10% per annum, payable quarterly due November 28, 2009. Included in the balance due from Acadian is \$124,898 of accrued interest on the Loan advance of \$2,654,513. The Company has a first fixed and floating charge in the amount of \$2.7 million on all the assets of Acadian and Annapolis Properties Corp. as partial security for the loan. The Company does not consider this loan to be in the normal course of business and the risks involved are described in the Financial Instruments note to both the financial statements and the MD&A.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, deposits and accounts payable and accrued liabilities. As at December 31, 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 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.

The Company is also exposed to credit risk from its related party loan receivable. The Company advanced a related party \$2,654,513 during the year (see Note 10(ii)). At December 31, 2008 the company's maximum exposure is the full amount of the loan plus the accrued interest of \$124,898 for a total of \$2,779,411. Although management does not consider the loan to be impaired at year end the Company does feel that there is a significant potential credit risk associated with it. The loan is not considered to have been made in the normal course of operations.

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.

Changes in Accounting Policies

All changes in accounting policies are disclosed in Note 2 to our December 31, 2008 financial statements.

International Financial Reporting Standards

In February 2008, the CICA announced that Canadian GAAP for publicly accountable enterprises will be replaced by International Financial Reporting Standards ("IFRS") for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The standard also requires that the comparative figures for 2010 be based on IFRS. The Company is currently in the planning stages and

cannot at this time determine the impact of the transition to IFRS. As at December 31, 2008, the Company is in the process of completing a preliminary study which is to analyze the existing financial reporting and identify the key impact areas of IFRS.

OTHER INFORMATION

The financial statements and additional information regarding the Company, including the Company's annual information form, certificates of annual and interim filings, news releases and technical reports referred to herein, are available in SEDAR at www.sedar.com under the Company's name.