

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 consolidated financial statements and the notes thereto for the quarter ended March 31, 2009 and the audited consolidated financial statements and the notes thereto for the year ended December 31, 2008. The information contained herein is stated as of May 27, 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 consolidated financial statements of the Company have been prepared by management 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.

Date

The following management discussion and analysis is for the quarter ended March 31, 2009 and includes relevant information up to May 27, 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 Quarter

The Company announced on February 3, 2009, it had regained a 100% interest in its Burtons Pond property, formerly optioned to Prominex Resource Corp.

On March 24, 2009, the Company announced a \$250,000 exploration program for the Long Range Nickel joint venture property for 2009 to explore a newly recognized environment prospective for magmatic nickel sulphide deposits. Subsequently on May 9, 2009, the Company and partner Benton Resources Ltd. ("Benton") had increased their respective interests in the joint venture to 50% as a result of the departure of Golden Dory Resources Ltd. who formerly held a 20% interest. Royal Roads and Benton have each increased their share of funding by \$25,000 to maintain the previously budgeted program of \$250,000.

Results of Operations

The net loss for the first quarter is \$105,051 compared to a net income of \$484,068 for the first quarter of 2008. The decline was mainly due to the 2008 recognition of \$507,125 in benefits on the application of historical operating losses against the future income taxes arising on the issue of flow through shares. Expenses increased in 2009 to \$174,415 (2008-\$107,920) primarily due to salaries expense increase. In 2008 there were significant recoveries from Buchans River which reduced the Company's costs. In the current quarter, Buchans River's accounts are consolidated.

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
	\$	\$	\$	\$	\$
Q1/09	69,364	(105,051)	(0.001)	16,314,877	14,712,040
Q4/08	132,909	707,797	0.006	16,540,192	14,817,091
Q3/08	22,576	(559,876)	(0.008)	17,045,306	14,046,598
Q2/08	46,424	(252,491)	(0.003)	12,378,995	10,890,549
Q1/08	3,781	484,068	0.007	12,771,411	11,143,040
Q4/07	51,866	(388,154)	(0.013)	12,877,234	11,842,805
Q3/07	74,392	(358,568)	(0.005)	12,603,190	12,218,964
Q2/07	14,958	(819,778)	(0.011)	12,821,299	12,532,135
Q1/07	20,321	349,525	0.007	8,748,651	6,809,344

The material break down of general and administrative expenses for the quarters ended March 31, 2009 and 2008 are as follows:

	2009	2008
	\$	\$
Professional fees	46,566	27,565
Depreciation	2,508	3,003
Office and general	16,977	15,242
Salaries	79,264	10,472
Rent	13,373	5,575
Travel and entertainment	6,591	18,889
Filing fees	6,575	3,019
Investor relations and information	1,518	23,505
Transfer agent fees	1,043	650
TOTALS	174,415	107,920

Liquidity and Cash Reserves

As at March 31, 2009, the Company had \$1,020,363 in cash and short term equivalents versus \$1,274,576 at the beginning of the year. During the quarter the cash decrease of \$210,404 was attributable to the operating loss of \$105,051 and the reduction of payables by \$120,264.

The Company also had \$768,230 in flow through funds held in cash. These funds are required to be spent by the end of 2009 on Canadian Exploration Expenditures.

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 may be necessary to obtain additional financing. 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

During the quarter ended March 31, 2009, \$103,713 (2008 - \$659,585) of expenses relating directly to the ongoing exploration of the Company's mineral claims were capitalized. The breakdown of the material expenditures on these properties are as follows:

March 31, 2009	Tulks North \$	Buchans \$
Geology (includes wages)	20,109	42,070
Geophysics surveys & mapping	15,475	11,695

March 31, 2008	Tulks North \$
Assays & Analyses	81,619
Drilling	311,704
Geology (includes wages)	255,011
Geophysics surveys & mapping	4,623

Exploration Projects

Royal Roads owns exploration properties for base metals and gold located in Newfoundland and Labrador, Canada. Properties include the 100% owned Buchans, Tulks North, West Tally, Burnt Pond, Barasway de Serf, Burtons Pond and Great Northern Zinc. In addition to its 100% owned properties, the Company is engaged in two joint ventures; the Long Range Nickel project and the Tulks Hill base metals project. The Long Range project is being explored with partner Benton and is operated by Royal Roads. The Tulks Hill joint venture is being explored with Prominex Resource Corp. ("Prominex") who is also the project operator. The Company also has a non-participating joint venture on its Granite Lake tin-molybdenum project where Playfair Mining Ltd ("Playfair") are operator and Royal Roads retains back-in rights on the property that allow the Company to either retain a 3% net smelter return, or purchase a 35% interest in the property.

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 efforts, and host inferred and/or indicated base metal resources. Among these mineral resources are three deposits including the Daniels Pond deposit on the Tulks North property, and the Lundberg and Engine House deposits on the Company's Buchans project. In addition, the Long Range joint venture is considered a key project as it is a focus for the Company's exploration in 2009. The latter three projects are 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 100% owned 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, ("Mercator") 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 may 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 and together with data from 136 historic drill holes Mercator compiled inferred resource estimates for both deposits. 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 below as Tables 1a, 1b, 2a and 2b.

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 elsewhere within the Buchans 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 first quarter of 2009 Royal Roads identified numerous targets for high grade Buchans-style sulphide deposits based on compilation of historical exploration data along with results from deep-seeking, Quantec Titan 24 geophysical surveys completed in 2007 and early 2008. Targets represent discrete geophysical anomalies located in favourable rocks 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 previously applied for a \$100,000 grant to support further drill testing of its Clementine West prospect, located 7 kilometers 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 meters core length at Clementine West. This mineralization is similar to mineralization associated with high-grade massive sulphides at the former Buchans mine, 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' property is located 20 kilometres west of Teck's operating Duck Pond base metal mine. Duck Pond is reported to have 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 Tulks North 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. The highlight of this property is the Daniels Pond base metal sulphide deposit.

In 2008, after completion of extensive drilling in 2007 and 2008, the Company announced resource estimates for the Daniels Pond deposit as calculated by Mercator of Dartmouth, Nova Scotia, effective March 11, 2008. The estimates upgraded a large portion of the deposit to the Indicated category. Current resource estimates for the deposit are presented 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 of the deposit in 2007 and early 2008, several additional target areas were identified where further drilling might add additional resources below the known resource, in particular in the northeast section where there is potential to extend the mineralization down-plunge. In early 2008, the Company completed additional drilling to test some of these target areas and returned several intersections (see News Release No. 06-08, April 22, 2008 for assays) meeting requirements for inclusion into the deposit's resource estimates, though the resource estimates have not yet been revised to include those results. As the program was halted before completion, the potential northeast plunge of the deposit remains a highly prospective target for future exploration. Other work completed by the Company in 2008 also identified several priority targets for future work; however the Company has for the time being elected to focus its base metal exploration efforts on its flagship Buchans project. The Tulks North project has sufficient expenditures to maintain the property in good standing for several years.

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 potential 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 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 50% interest in the joint venture, while Benton owns the remaining 50%. 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.

A \$250,000 exploration program and budget has been approved for 2009 and 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. 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 may 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. In July of 2008, the joint venture announced NI 43-101 compliant 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. Prominex have yet to submit an exploration 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 Resources Ltd.'s ("Teck") Duck Pond mine property and cover approximately 1,000 hectares (10 km²). Both projects were flown by airborne geophysical surveys in 2008. Results 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 minimal field programs are planned for the second half of 2009. Programs will include prospecting and ground checking of conductive anomalies in search for VMS deposits similar to Teck's Duck Pond mine.

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. 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 mines 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 herof, 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. In addition, the company plans to advance exploration on its Long Range Nickel joint venture with partner Benton with prospecting and geophysical programs expected to be completed in late summer possibly followed by an initial diamond drilling program. 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. The Company has also applied for Junior Company Exploration grants from the Newfoundland government to support 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 programs proposed for the Buchans property.

In addition to the aforementioned programs, in the first quarter of 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.Ge., 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 there were no options or warrants issued.

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 (2008-112,127,489) common shares were issued and outstanding as at quarter end and no preferred shares were issued and outstanding.

	May 28, 2009	March 31, 2009	December 31, 2008
Shares Outstanding	112,127,489	112,127,489	112,127,489
Fully Diluted Shares Outstanding	131,971,489	131,971,489	131,971,489
Capital Stock	\$16,736,911	\$16,736,911	\$16,736,911

As at March 31, 2009 and December 31, 2008 the Company had 12,118,500 warrants outstanding with a value of \$1,011,012 and 7,725,500 options outstanding at a weighted average of \$0.28.

Related Party Transactions

During the quarter, the Company was charged rent and reimbursed overhead expenses, including salaries in the amount of \$54,062 (2008 - \$20,892) by Acadian Mining Corporation (“Acadian”), which held 29.18 % of the outstanding common shares of the Company as at March 31, 2009. The Company charged Acadian \$66,363 in interest on the advances described below which substantially offset the overhead charges.

At quarter end there were \$2,784,683 in inter-company advances due from Acadian, due November 28, 2009 which bear interest at 10% per annum, calculated from the date of the advance and payable quarterly. Included in the balance due from Acadian is \$130,170 of accrued interest on the loan advance of \$2,654,513. The Company has a first fixed and floating charge on all the assets of Acadian as 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 the financial statements and below in the Financial Instruments section. The accrued interest amount of \$130,170 is payable on or before June 24, 2009. Acadian is currently in the final steps of a restructuring process which includes a private placement of \$10 million. This placement is subject to completing due diligence by June 1, 2009, Acadian shareholders approval on June 9, 2009 and certain regulatory approvals. Completion of this private placement will fund the repayment of the loan on or before the November 28, 2009 due date.

Financial Instruments

The Company’s financial instruments consist of cash and cash equivalents, accounts receivable, deposits and accounts payable and accrued liabilities. As at March 31, 2009, 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 Acadian, a related party \$2,654,513 during the prior year (see Note 11(ii) to the financial statements). At March 31, 2009 the Company’s maximum exposure is the full amount of the loan plus the accrued interest of \$130,170 for a total of \$2,784,683. Although management does not consider the loan to be impaired at quarter 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. See Related Party section above for additional information.

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’s 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 March 31, 2009 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 March 31, 2009, 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 certificates of annual and interim filings, news releases and technical reports referred to herein, are available on SEDAR at www.sedar.com under the Company's name.