

The following management discussion and analysis (“MD&A”) 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, 2010 and the audited consolidated financial statements and the notes thereto for the year ended December 31, 2009. The information contained herein is stated as of April 29, 2010 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. Similarly, statements about the need for future financings are also 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, 2010 and year ended December 31, 2009 and includes relevant information up to April 29, 2010. 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 process of acquiring and exploring mineral properties. The Company has interests in properties located on the island of Newfoundland within the province of 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 January 18, 2010, the Company announced it had commenced a diamond drilling program to further test the Clementine West prospect to explore for high-grade massive sulphides proximal to a large zone of stringer-stockwork mineralization located within the Company's 100% owned Buchans project. On March 16, 2010, the Company announced results from the four-hole, 1,474 metre program indicating additional stringer-stockwork mineralization had been intersected; however no high-grade massive sulphides were encountered.

On April 1, 2010, the Company announced that it was commencing a planned 1,150 metre five-hole diamond drilling program designed to test the Range Zone prospect located within the Company's Long Range Nickel joint venture. Results will be made available upon completion of the program. The current drill program represents one component of the approved 2010 program which is expected to also include additional airborne surveys over claims acquired in the fall of 2009 as well as additional ground geophysical surveys and diamond drilling on the original property.

On February 8, 2010, the Company announced the resignation of Joseph Gutnick as Executive Chairman and a director; and Peter Lee was appointed to the Board of Directors. On February 19, 2010 the Company announced further changes in the Board of Directors and management. Will Felderhof resigned as President and Chief Executive Officer, Terry Coughlan resigned as a director, and David Felderhof resigned as a director and Vice President. Menachem Vorchheimer was appointed acting President and Chief Executive Officer, and Peter Lee was appointed Chairman of the Corporation.

On April 21, 2010, the Company announced that it had been advised by Acadian that Acadian had entered into an agreement to sell its shares of the Company. The closing is scheduled for April 30, 2010. As a condition of the sale, Acadian agreed to continue to provide management services to the Company for up to 90 days to assist with an orderly transition to new management.

Results of Operations

The net loss for the first quarter of 2010 of \$309,356 is compared to a net loss of \$105,051 in the same quarter of 2009, General and administrative expenses increased in 2010 to \$314,671 (2009-\$174,415) due to an increase in salaries expense by \$160,173, primarily from settling the contractual obligation arising on the departure of the former Vice President of the Company in 2010. In 2009 the Company was receiving interest in relation to a loan with Acadian Mining Corp ("Acadian") which was paid in full on November 25, 2009, therefore in 2010 interest income has decreased substantially.

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
	\$	\$	\$	\$	\$
Q1/10	5,315	(309,356)	(0.003)	16,001,689	14,415,450
Q4/09	28,816	191,910	0.002	15,978,520	14,724,806
Q3/09	64,745	(91,510)	(0.001)	16,068,947	14,532,896
Q2/09	78,556	(87,634)	(0.001)	16,162,475	14,624,406
Q1/09	69,364	(105,051)	(0.001)	16,314,877	14,712,040
Q4/08	147,612	701,797	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

The material break down of general and administrative expenses for the periods ended March 31, 2010 and 2009 are as follows:

	2010 \$	2009 \$
Professional fees	28,118	46,566
Depreciation	1,439	2,508
Office and general	10,024	16,977
Salaries	239,437	79,264
Rent	14,374	13,373
Travel and entertainment	3,194	6,591
Filing fees	6,960	6,575
Investor relations and information	10,050	1,518
Transfer agent fees	1,075	1,043
TOTALS	314,671	174,415

Liquidity and Cash Reserves

As at March 31, 2010, the Company had \$2,897,889 in cash and short term equivalents versus \$3,233,380 at the beginning of the year. During the quarter the cash decrease of \$335,491 was primarily attributable to the operating loss of \$309,356. The Company's expenditures on mineral resource properties of \$368,279 were offset with a receipt of \$375,000 from its joint venture partner in the Long Range project being a cash call for exploration costs on the Long Range Nickel joint venture.

Management has estimated that the Company will have adequate funds from existing working capital to meet its corporate, administrative and property obligations for the next 12 months. 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 period ended March 31, 2010, \$368,278 (2009 - \$103,713) 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, 2010	Tulks North \$	Buchans \$	Long Range Nickel \$
Assays & Analyses	-	7,037	10,040
Drilling	-	128,022	-
Geology (includes wages)	-	88,888	73,259
Geophysics surveys & mapping	-	21,125	44,116

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

Exploration Projects

Royal Roads owns exploration properties for base metals and gold located on the island of Newfoundland within the province of Newfoundland and Labrador, Canada. These include the Buchans, Tulks North, West Tally, Burnt Pond, Barasway de Cerf, Burtons Pond and Great Northern Zinc, all of which are 100% owned. Certain of these properties are subject to underlying production royalties. 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 Resources Corp. (Benton) and is operated by Royal Roads. The Tulks Hill joint venture is being explored with Prominex Resource Corp., (“Prominex”) which is the project operator. The Company also had a non-participating joint venture on the Granite Lake tin-molybdenum project where Playfair Mining Ltd (“Playfair”) was the operator. The Company now holds a 3% net smelter royalty (“NSR”), of which the Company must pay two-thirds to Newfoundland Mining & Exploration Ltd. Playfair has the right to purchase up to one-half of the royalty for \$500,000 for each one-sixth of the NSR acquired (\$500,000 for 0.5 %NSR or \$1.5 million for 1.5% NSR).

Of the aforementioned projects, the Buchans, Tulks North and Long Range properties are considered Royal Roads’ principal exploration projects and are the focus of the Company’s efforts. Both the Buchans and Tulks North properties host inferred and/or indicated base metal resources. Among these mineral resources are three deposits namely the Daniels Pond deposit on the Tulks North property, and the Lundberg and Engine House deposits on the Buchans property. The Long Range joint venture is considered a key project due to the recent discovery of nickel and copper mineralization (news releases – Oct 29, Nov.3, and Nov 18, 2009), and will be actively explored in 2010. The three principal projects are described in more detail below, whereas the remaining properties are briefly discussed under “Other Properties” as they are not targeted for significant exploration in 2010.

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 has been a principal focus of Royal Roads’ exploration activities since 2007 with exploration programs having been completed to explore for additional high-grade ore bodies similar to the historic production from the past mine operations in Buchans as well as in exploration for lower-grade, bulk tonnage resources that may be amenable to open pit mining. Among the highlights achieved by the Company since 2007 is the completion of 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. With respect to exploration for new high-grade deposits, since 2007, the Company has undertaken significant compilation efforts designed to identify new target areas where high-grade deposits may yet be discovered as well as completed several advanced geophysical surveys and diamond drilling programs that have met with varying levels of technical success.

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 contracted Mercator Geological Services to compile inferred resource estimates for both deposits. The Lundberg deposit is interpreted 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. Both deposits remain open for potential further expansion by drilling.

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 %	Combined 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 mineability. 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.*

Tulks North Property

The Tulks North property is located in the centre of the Victoria Lake mining camp of central Newfoundland and covers 17,225 hectares (approximately 172.25 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 Volcanogenic Massive Sulphide (“VMS”) base metal deposits. The belt hosts several deposits being explored by other junior exploration companies, including Messina Minerals Inc., and Mountain Lake Resources Inc. Royal Roads’ property is located 20 kilometres west of Teck Resources Ltd’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 the 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 estimated by Mercator Geological Services Limited, 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 delineation drilling of the deposit in 2007 and early 2008, several additional target areas were identified with potential for additional resources below the known resource. Of particular interest is the northeast section where there is potential to extend the mineralization down-plunge. In early 2008, the Company completed additional drilling to test certain of these target areas and returned several intersections (see Royal Roads News Release No. 06-08, April 22, 2008 for assays) meeting requirements for future inclusion into the deposit’s resource estimates. The 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 principal base metal exploration efforts on its flagship Buchans project. The Tulks North project has sufficient expenditures to maintain the core property in good standing for several years.

Long Range Nickel Joint Venture

The Long Range Nickel joint venture is located in central Newfoundland within the province of Newfoundland and Labrador, 65 kilometres southwest of Buchans and covers an area of 38,150 hectares (382 km²) in six properties. The project was acquired to explore a recently recognized nickel-copper-sulphide bearing gabbro complex, prospective for magmatic nickel sulphide deposits. Prior to acquiring the property, limited prospecting by independent prospectors, had identified minor sulphide mineralization in two bedrock showings where gabbro hosts disseminated, magmatic-textured, pentlandite, chalcopyrite and pyrrhotite. Assays from these original showings yielded low grade nickel and copper values up to

0.28% nickel and 0.36% copper, suggesting if massive sulphide accumulations were discovered, the more concentrated mineralization 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 40 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.

During the summer of 2009, follow-up prospecting of an airborne geophysical anomaly lead to discovery of a copper mineralized zone hosted by gneissic country rocks, referred to as the Range Zone. Subsequent drilling completed in the fall of 2009 returned an intersection of semi-massive to massive sulphides averaging 0.39% copper and 0.032% cobalt over 29.11 metres (estimated true width) This prospect is being tested by additional drilling in 2010 as part of a, \$1.17 million, budget and program approved by the joint venture partners for 2010. In September of 2009 the joint venture also discovered a nickel-copper zone hosted by prospective olivine gabbro and referred to as the Portage Nickel Prospect. Results from the Portage Prospect included bedrock assays of up to 2.70% nickel, 0.58% copper and 0.24% cobalt in grab samples, as well as sawed channel samples averaging 0.99% nickel, 0.22% copper and 0.05% cobalt over 3.0 metres. A drilling program was undertaken during the fall of 2009 and returned favorable results including an intersection of 1.36% nickel, 0.36% copper and 0.039% cobalt over a 1 metre core length. Further drilling and ground geophysical surveys are planned to further explore this prospect area in 2010. Other activities to be undertaken in 2010 include airborne geophysical surveys over most of the joint venture property, particularly claims acquired in late 2009 and early 2010.

Other Properties

Tulks Hill Property

In November 2007, Prominex Resources Corp. ("Prominex") earned a 51% interest in the Company's Tulks Hill property hosting the Tulks Hill massive sulphide deposit in central Newfoundland, within the province of Newfoundland and Labrador. Having earned a 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 has not submitted an exploration budget and program for further work since completing the last phase of exploration on the property in 2008.

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.* The Company acquired 100% of the outstanding shares of Buchans River Ltd. effective July 25, 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 was altered when Playfair submitted a report in January 2008 notifying the Company that it had met the conditions of the joint venture by spending \$50,000 and issuing to Royal Roads 100,000 shares of Playfair. The Company now holds a 3% net smelter royalty ("NSR"), of which the Company must pay two-thirds to Newfoundland Mining & Exploration Ltd. Playfair has the right to purchase up to one-half of the royalty for \$500,000 for each one-sixth of the NSR acquired (\$500,000 for 0.5 %NSR or \$1.5 million for 1.5% NSR).

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 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. Minimal field programs were undertaken on these properties in 2009 to maintain the claims in good standing.

Burtons Pond Property

On February 3, 2009, the Company announced regaining a 100% interest in its Burtons Pond property in northern Newfoundland within the province of Newfoundland and Labrador, 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 Company is currently seeking joint venture partners to pursue further exploration on this project.

Future Plans

As of the date hereof, the Company plans to continue advanced exploration on its Buchans project, including further diamond drilling to test its Buchans North Prospect which is still in the planning stages. Also in Buchans, the Company completed a program of line cutting and IP geophysical surveys over portions of the Lundberg deposit as well as the former Oriental mine. The 55 line kilometre IP survey was completed in December of 2009 and results were received in March, 2010. Results have been forwarded to an independent consulting geophysicist to determine the location and priority of target anomalies that may warrant further exploration

On March 9, 2010, the Company announced approval of a CDN\$1,175,000 Exploration Program and Budget for 2010 on their 38,150 hectare Long Range Nickel joint venture in central Newfoundland. Following up on the discoveries made in fourth quarter of 2009, the Program includes diamond drilling on the Range Zone copper discovery, as well as ground geophysics and drilling on the Portage nickel and copper discovery. The Program also includes frontier exploration on recently acquired properties underlain by prospective gabbro. Frontier exploration activity includes over 1,400 line kilometres of airborne geophysical surveying as well as follow-up prospecting over five new properties, totaling more than 200 square kilometres, acquired since September 2009.

Qualified Persons

Paul Moore, M.Sc., P.Geo., Vice President of Exploration of Royal Roads, is a Qualified Person as defined in National Instrument 43-101 and has reviewed the 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 112,127,490 (2009-112,127,490) common shares were issued and outstanding as at quarter end and no preferred shares were issued and outstanding.

	April 29, 2010	March 31, 2010	December 31, 2009
Shares Outstanding	112,127,490	112,127,490	112,127,490
Fully Diluted Shares Outstanding	126,432,988	127,065,488	127,452,987
Capital Stock	\$16,736,911	\$16,736,911	\$16,736,911

As at March 31, 2010 the Company had 8,537,498 (2009-12,118,500) warrants outstanding with a value of \$1,011,012 and 6,400,500 (2009-6,788,000) options outstanding at a weighted average exercise price of \$0.28.

Related Party Transactions

During the quarter, the Company was charged rent and management fees and related expenses in the amount of \$45,000 (2009 - \$54,062) by Acadian, which held 29.18% of the outstanding common shares of the Company as at March 31, 2010. During the current quarter the Company has paid these fees along with the fees outstanding at December 31, 2009 of \$60,979 relating to the costs incurred during the fourth quarter of 2009.

Loans and advances between the Company and Acadian and its subsidiaries stood at a balance due from Acadian of \$2,583,566 at December 31, 2008, as evidenced by a promissory note. They were due November 28, 2009, bore interest at 10% per annum payable quarterly and were secured by a fixed first charge on all assets of Acadian.

On November 25, 2009 Royal Roads received \$2,622,179 from Acadian, representing the \$2,583,566 loan balance due plus accrued interest since September 30, 2009 of \$38,613. The loan has now been repaid in full and the security on Acadian's assets has been released. Total interest paid on the loan during the prior year was \$236,081 which is included in interest revenue on the Statement of Loss and Comprehensive Loss and Deficit.

Subsequent Events

On April 21st, 2010, the Company announced that it had been advised by Acadian that Acadian had entered into an agreement to sell its shares of the Company. The closing is scheduled for April 30, 2010. As a condition of the sale, Acadian agreed to continue to provide management services to the Company for up to 90 days to assist with an orderly transition to new management.

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, 2010, 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.

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 consolidated financial statements dated March 31, 2010. 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 the March 31, 2010 quarter end 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 has implemented a four stage conversion process into IFRS. Phase 1 – preliminary plan and scoping, Phase 2 – detailed assessment, conversion planning and development, Phase 3 – Implementation and parallel reporting and Phase 4 – ongoing monitoring and IFRS updates. As of March 31, 2010 the Company has completed Phase 1 which included putting together an initial project plan with Audit Committee oversight, education, scoping relevant IFRS and identification of policy differences between IFRS and Canadian GAAP. The Company has now moved to Phase 2.

Phase 1 had identified some areas where there is the most potential for a significant impact. These areas do not represent a complete list of expected changes and may be subject to change as the Company progresses through the second phase. These areas are:

- IFRS 1 – First Time Adoption of International Financial Standards requires that an entity apply all standards effective at the end of its first reporting period retrospectively, and provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions in certain areas. The Company is currently analyzing the various exemptions available and will elect those determined to be most appropriate. The IFRS 1 exemptions that are the most significant to the Company are noted against each specific area that we have identified to date.
- Property, Plant & Equipment – the Company will need to analyze and componentized specific assets, which are largely made up of assets at our mine site. The Company is in the process of reviewing its fixed asset ledger to ensure compliance with IFRS accounting but does not expect this difference to have a material impact upon the transition to IFRS. Under IFRS 1 exemptions, adoption of IAS 16 “*Property, Plant and Equipment*” would require the Company to restate all property, plant and equipment balances from the date of acquisition until the transition date to IFRS of January 1, 2010. The applicable IFRS 1 election allows the Company to report property, plant and equipment in its opening balance sheet on the transition date at a deemed cost instead of actual cost. This deemed cost will most likely be determined by a fair value measure at the date of

transition. The exemption can be applied on an asset-by-asset basis. The Company is currently evaluating this exemption.

- Stock based compensation - is largely consistent with Canadian GAAP and requires estimates of the fair value of stock options to be made at the date of the grant and recognition of the related expense in income as the options vest. For stock options that vest in installments, IFRS 2 requires the Company to determine the fair value of each installment as a separate share option grant. Currently the Company records forfeitures as they occur, however under IFRS, the Company is required to make an estimate of the forfeiture rates for the use in determination of the total share based compensation expense. The Company is assessing the impact of this difference on its financial statements. The use of the Black- Scholes model is an acceptable method to estimate the fair value of the options at the date of grant, and is consistent with the Company's current practice.
- Financial Statement Disclosure -there are generally more extensive presentation and disclosure requirements under IFRS compared to Canadian GAAP.
- Extractive Activities Project – the IASB currently has an Extractive Activities project underway to develop accounting standards for extractive activities. A working draft of the discussion paper has been released with the official discussion paper scheduled for release in the first quarter of 2010. Any changes to IFRS as a result of the project will not be effective until after the Company implements IFRS in 2011. Therefore the Company's accounting policies specific to mining and related activities may be impacted once final IFRS are released on this topic, subsequent to IFRS adoption. The Company will monitor any developments in this project.

During the first quarter the Company moved into the second phase which involves a detailed impact assessment and gap analysis, drafting IFRS policies, planning and tracking a conversion approach and application of IFRS 1 "First Time Adoption of International Financial Reporting Standards". The Company has not yet made any final decisions on policies or elections on IFRS 1 and therefore continued this phase into the second quarter of 2010. The third phase will be implementation where we will finalize our IFRS policies while revising accounting and business processes, create financial statement templates, consider tax implications, revise internal controls over financial reporting and calculate an opening balance sheet for January 1, 2010. The Company anticipates moving into phase 3 during the later part of the fiscal year. The fourth phase will be post implementation when we will be fully IFRS compliant reporting and will involve ongoing education and training planning with continuous monitoring of changes in IFRS.

Other areas that have had an impact on the Company relating to IFRS include:

- **Information systems** - the Company is evaluating the potential impact of IFRS on its information systems and business processes and does not anticipate any changes or material impacts with our current systems being capable of collecting financial information necessary for IFRS compliance.
- **Internal controls over financial reporting** - as part of the assessment of IFRS in phase two of the Company's project, internal controls over financial reporting and disclosure controls and procedures will be considered. For example, any changes in accounting policies could result in additional controls or procedures being required to address the reporting of the Company's first time adoption and on-going reporting requirements. The certifying officers plan to complete the design, and initially evaluate the effectiveness of any key controls implemented as a result of IFRS in the fourth quarter of 2010, to prepare for certification under IFRS in 2011.
- **Financial reporting expertise** – given the current size of the Company the IFRS project team is comprised only of senior management with the CFO being the lead on the project reporting to the President and Audit Committee. The CFO has attended various external IFRS training sessions that covered overall general IFRS standards as well mining industry specific training. The CFO has held an IFRS information session with the Company's Audit Committee of the Board of

Directors. During this session the members were provided with the Company's project plan, and presented the expected areas of significance. The Audit Committee receives quarterly updates on the status of the project.

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.