



# CEOCFO

## Interviews & News!

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### Royal Roads Corp. And Buchans River Ltd. - Exploring And Developing Base Metal Properties Within The Famous Buchans Mining Camp In Central Newfoundland – Which Was One Of The Richest Base Metal Mines In The World

#### Mining Base Metal Properties



**Warren G. MacLeod**  
President and CEO

**BIO:**  
Mr. Warren G. MacLeod, holds a BA in Geography from York University and

has been actively involved in the mining industry since 1989. Mr. MacLeod was with Caledonia Mining Corporation and one of its predecessor companies from 1989 to 1997. His final position with Caledonia Mining was Managing Director of European Operations. Thereafter, Mr. MacLeod managed a private mineral exploration company with assets in Mexico from 1997 to 2000. From 2001 to late 2006, Mr. MacLeod operated Globalrecycle.net, an online marketplace for the recycling industry. On December 18, 2006, Mr. MacLeod was appointed the President and Chief Executive Officer of the Corporation.

#### Company Profile:

Buchans River is a resource company based in Halifax, Nova Scotia, Canada and is focused on exploring and developing base metal properties in the famous Buchans mining camp in central Newfoundland and Labrador, Canada. Buchans River is 26.39% controlled by Royal Roads Corp. (RRO - TSX-V) ("Royal Roads") which currently owns 8,890,953 Buchans River shares. Royal Roads is a Halifax-based resource company also developing base metal properties in Newfoundland and Labrador. Together, Royal Roads and Buchans River control a total of 33,700 hectares within central Newfoundland's Victoria Lake and Buchans mining camps, including the historic Buchans mine (owned by Buchans River) and the Daniels Pond deposit (owned by Royal Roads). Buchans River also controls several exploration properties outside of the Buchans camp, including several under joint venture to Prominex Resource Corp. (PXR - TSX-V) and Playfair Mining Ltd. (PLY - TSX-V), which are being actively explored.

**Royal Roads Corp. (RRO – TSX-V)  
and Buchans River Ltd.  
(BUV – TSX-V)**

**Suite 2001, 1969 Upper Water Street  
Halifax NS Canada B3J 3R7  
Phone: 902-444-3637**

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFOinterviews.com**

**CEOCFO:** Mr. MacLeod, what's the focus today at Buchans River and Royal Roads?

**Mr. MacLeod:** "The focus of both Buchans River and Royal Roads Corporation is really to explore and develop the base metals within the Buchans mining camp in central Newfoundland. This is an historic camp that got its fame on the back of the Buchans mine, which was run by Asarco from 1928 to 1984. It was one of the richest base metal mines in the world. They had produced about 16.4 million tonnes, that's over 23% combined base metals, which is an extremely high grade. They are one of the highest in the world. Back in 1984, the zinc price was only in the range of between 20 and 40 cents. Today, it is around about a dollar and earlier in this year, it was well over that. Therefore, at today's prices, we can certainly go back into these historic camps such as Buchans and not only look for ore that has been left in the ground that was uneconomic at that time, but we also have the added benefit of applying new technology that didn't exist at that time, for looking for new deposits."

**CEOCFO:** Please explain a little bit about the relationship between Buchans and Royal Roads.

**Mr. MacLeod:** "First of all, they are two different public companies at the present time, each with very large land packages within the Buchans mining camp in very close proximity to each other. They also have common management, and a lot of common shareholders. We are in the process right now, of trying to merge these two companies. That will ultimately be decided at the Buchans shareholders' meeting in late July (2008). In terms of what we are doing, I'll just break it into two parts, to begin with.

First of all, I'll talk about the Royal Roads ground. We've been working on developing the Daniels Pond zinc deposit over the past year. We've now upgraded the resource from the Inferred category to a National Instrument 43-101 Indicated category. Basically in layman's terms, that means we've got a much higher confidence of the amount of mineralization in the ground and the grades of mineralization. Economically, it makes sense for Royal Roads to look at combining its Daniels Pond deposit with other deposits in the area, to combine within a central milling strategy. We quickly identify Buchans as a company that would fit this strategy.

We took control of it back in 2006 and since then Buchans has been focusing on a number of its own projects. Right now, one of the projects that is related to Daniels Pond is what we call the Lundberg zone. This is a very large resource, close to 12 million tonnes, of about 1.83% combined base metals. This is a historical resource at the present time but we've just finished a drilling program on Lundberg whereby we'll get a NI 43-101 compliant resource pulled together. That grade sounds low, but there is a higher grade area within the Lundberg zone as well. We feel confident that by combining Lundberg with other high-grade resources in the area; i.e. Daniels Pond, that we will be one step closer towards realizing a central milling strategy within this area. Of course on top of all this, we are throwing in what we call the Blue Sky project.

One of those projects at Buchans is what we call the Quantec Titan 24 project. This is a geophysical technology-based project. Historically, two of the main ore bodies at Buchans were discovered using traditional IP. This is a geophysical technique that could look in to the ground to a depth of about 200 meters or so, and back in 2000, a new system was developed by Quantec called Titan 24. This is a new system that combines IP with another geophysical technique called MT. To put it in simple terms, this new system can now see between 750 meters to 1.5 kilometers down in to the ground.

We've just finished a survey over a significant area, in very close proximity to the old workings and we've just been presented the final results of that survey. Essentially, we are now looking in to the

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ground much deeper than the previous Buchans explorers have ever been able to see. We are seeing fantastic anomalies and drill targets.

One of the exciting steps forward over the next year will be to start a drilling campaign on all these Titan 24 targets. Keep in mind that these targets that we are identifying, we hope have the potential to be similar to the historical ore bodies in that area that had been mined by Asarco - ore bodies that are very high grade, in all 23% combined zinc, lead and copper. What excites us about combining Buchans and Royal Roads is that not only do we have resources that we are working with at the present time to ultimately take steps towards getting a mine up and running in the future, but we also have the exciting Blue Sky projects, where we've got very good prospects for new discoveries."

**CEOCFO:** Exploration is always expensive; would you tell us a bit about the financial picture for the companies today?

**Mr. MacLeod:** "What we usually do with our funding is, we try and budget a year ahead. Right now we've combined our financing efforts doing it privately ourselves, going out and looking for investors on our own merit. In addition, some of our financings have been what we call broker financings, where we are using institutions to help us find investors.

Buchans has completed three financings since late 2006 and Royal Roads has completed two financings, since that time. They have been multi-private placements. Mostly Canadian investors and institutions have participated, although we are starting to pick up some support in Europe, particularly Germany and Holland.

It's a combination of what we call hard dollars and flow-through dollars. A flow through dollar component is a tax incentive program here in Canada in which, Canadians can get tax breaks if they invest in exploration projects such as the ones we offer. Between the two companies, over the last couple of years, we raised roughly \$15 million. The bulk

of that money is put straight into the ground in the form of drilling programs, geophysical programs, soil sampling, and geochemical programs. The true focus is really one on continuing development of our existing resources and number two, looking for new discoveries."

**CEOCFO:** Would you give us your take on the commodity picture today?

**Mr. MacLeod:** "For our two companies the primary commodity that we pay closest attention to is zinc. That is definitely the primary commodity that was produced by Asarco in the Buchans mines. Right now, our forecast as we look forward looking at softer zinc prices up to about 2010 to 2011 and after that point in time, beginning to strengthen again. We use a forecast by various institutions; BMO and Brook Hunt are certain parties whose forecasts we look at very closely.

We feel fairly comfortable with the idea of zinc really starting to pick up after 2011. This gives us the time we need to get all of our ducks lined up to ultimately aim at getting a mine in production, for the uptake on that cycle in 2011. There is a lot we have to do.

We have to develop our resources. We have to get the NI 43-101 report and put together these resources. We have to do an economic scoping study to determine whether or not these resources have the potential to become mines. If we get positive responses from that, we will go into the next stage of pre-feasibility studies and then final feasibility studies. Of course, all of these stages are predicated on getting the okay from the stage before. Of course, we also have to do environmental assessments, base line studies and metallurgical test work. Therefore, there is a whole series of activities that we have to engage in over the next little while.”

**CEO CFO:** Will you continue to do this 100% ownership or do you see partnerships and joint ventures?

**Mr. MacLeod:** “It will be a combination. Certainly, right now at what we consider our core properties we are keeping 100% ownership.

Looking at the joint venture side of things, Royal Roads have picked up a nickel prospect to the southwest of our core holdings that we may do a JV with. Of course, there is a lot of weight behind the argument that the best way to develop a junior is through joint ventures. We will be applying a combination of 100% ownership and joint ventures, depending on the attributes of each property.”

**CEO CFO:** In closing, what sets you apart from other companies and why should investors be picking Royal Roads and Buchans River out of the crowd?

**Mr. MacLeod:** “It is simple really. We were very quick to get off the mark in late 2005, early 2006 when the commodity cycle really started to pick up again. We

came into the Buchans mining camp and were able to pick up two companies that I would say were fairly idle. They really were not effectively recognizing the assets that they had and developing them with vigor. Given the fact, that these last positions are on top of the old Buchans mine and around the old Buchans mine which was arguably, one of the best placed metal mines in the world, it really makes this company a beautiful company to take a look at now. We have dominant land position, covering some of the best geology in the entire region.

For people out there, who are looking for really under valued companies, I can't think of better companies to look at than Royal Roads and Buchans River. Together they only have a market cap of roughly \$15 million. Consider not only how much metal is in the ground that we have already identified through our resource reports, but also the potential that we have, given the fact that we have got such a fantastic land position.”





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