

ANNUAL REPORT

For the Year Ended December 31, 2014

Dear Shareholders,



As we head into the 2015 Annual General Meeting, I would like to take the opportunity to thank you for continued trust and patience as we navigate these challenging markets.

While the last year continued to be an extremely challenging year for our sector, we stayed focused; rigorously following the Project Generator model and working diligently on the things that will help us succeed in the long run. Since the very beginning our goal has been to discover a world-class ore body and in 2014, despite the continued challenges, we made good progress towards that.

Over the last year we made many bold moves, most notably the acquisition of an entire Mexican exploration company, in which we acquired twelve high-potential projects at low cost, as well as a geological database and technical team that gives us the knowledge and operational ability to effectively compete in Mexico. While the markets have not yet recovered, I am proud to say that our focus, dedication and investments are beginning to pay off. With $2.6M in the bank, we have adequate cash to sustain company operations until the end of 2016, leaving us well positioned to continue taking advantage of the numerous opportunities this market presents.

Despite a challenging exploration environment, we were also able to execute on the two areas most vital to our business model – acquiring high-quality projects and partnering them with well-funded partners. 2014 saw us acquire uranium assets in New Mexico, zinc assets in Alaska, advance, with partner funding, our Rio Sonora copper project in Mexico and our Alaska Peninsula copper project with First Quantum. All of this leaves us well positioned for 2015.

While we will not under-estimate the potential difficulties that the market will bring throughout the remainder of the year, we carry forward with a spirit of optimism. Recently, we announced that we have signed a strategic alliance with a major gold mining company for exploration in Alaska. We optimistically look forward to executing on a First Quantum-funded drilling program at our Alaska Peninsula project and continuing to further explore and partner our Mexican assets, all the while generating new projects and partners for the future.

As a well-financed exploration company with a clear vision of the future, we will continue to stay focused on the long-term, while balancing the mandatory demands of the short-term. We believe doing so will balance the risks that are present today with the tremendous opportunities for value creation in the future.

We thank you for being a shareholder of Millrock and for your optimism, trust and patience as we navigate these markets. We will continue to engage in the activities that will strengthen our position and we look forward to better and strong days, for all of us, ahead.

Gregory Beischer
President, CEO & Director



ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The consolidated financial statements of Millrock Resources Inc. have been prepared by management in accordance with International Financial Reporting Standards ("IFRS").

Management maintains systems of internal control designed to provide reasonable assurance that the assets are safeguarded and financial information is accurate and reliable. All transactions are authorized and duly recorded, and financial records are properly maintained to facilitate financial statements in a timely manner. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee of the Board of Directors has reviewed the financial statements with management and the external auditors. Ernst & Young LLP, an independent firm of chartered accountants, appointed as external auditors by the shareholders, have audited the consolidated financial statements and their report is included herein.

"Gregory Beischer"

_____

Gregory Beischer
President and Chief Executive Officer

"Keith Granberry"

_____

Keith Granberry
Chief Financial Officer

Vancouver, Canada
April 28, 2014

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Millrock Resources Inc.

We have audited the accompanying consolidated financial statements of Millrock Resources Inc., which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Millrock Resources Inc. as at December 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Ernst & Young LLP

Vancouver, Canada

April 28, 2015

Chartered Accountants

MILLROCK RESOURCES INC.
(An Exploration Stage Company)

Consolidated Statements of Financial Position

As at December 31, 2014, and December 31, 2013
(expressed in Canadian dollars)

ASSETS		**31-Dec-2014**		**31-Dec-2013**
Current assets				
Cash and cash equivalents	$	3,778,151	$	1,613,607
Security deposit and restricted cash - Note 6		160,745		130,828
Marketable securities - Note 7		57,389		68,199
Amounts receivable		87,602		15,429
Prepaid expenses and deposit		377,024		73,861
Total current assets	$	4,460,911	$	1,901,924
Non-current assets				
Advances on exploration expenditures		-		10,873
Exploration and evaluation assets - Note 9		2,317,409		1,673,077
Property, plant and equipment - Note 8		57,478		29,810
Total non-current assets	$	2,374,887	$	1,713,760
TOTAL ASSETS	**$**	**6,835,798**	**$**	**3,615,684**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	596,897	$	159,396
Income tax payable		62,724		99,869
Project cost advance received		44,386		24,255
Due to related parties - Note 14		98,162		-
Deferred tax liability		59,600		-
Total current liabilities	$	861,769	$	283,520
Total liabilities	**$**	**861,769**	**$**	**283,520**
Shareholders' equity				
Share capital - Note 11	$	30,241,769	$	25,247,857
Reserves				
Share-based payments - Note 12		3,579,681		3,053,097
Warrants - Note 12		331,372		317,880
Other comprehensive income		5,478		36,061
Deficit		(28,184,271)		(25,322,731)
Total shareholders' equity	**$**	**5,974,029**	**$**	**3,332,164**
TOTAL LIABILITES AND SHAREHOLDERS' EQUITY	**$**	**6,835,798**	**$**	**3,615,684**

These financial statements were approved and authorized for issue by the Board of Directors on April 28, 2015.
They were signed on its behalf by:

Approved by the directors *Gregory Beischer* *Darryl Cardey*

Gregory Beischer Darryl Cardey

See accompanying notes to the consolidated financial statements

MILLROCK RESOURCES INC.
(An Exploration Stage Company)

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31, 2014 and 2013
(expressed in Canadian dollars)

	For the Year Ended	
	December 31, 2014	**December 31, 2013**
Revenue		
Overhead recovery fees	$ 23,225	$ 127,457
	23,225	127,457
General and administrative expense		
Accounting, audit and legal	207,988	518,903
Amortization and depreciation - Note 8	32,848	90,846
Consulting, directors and salaries - Note 14	505,781	762,446
Foreign exchange (gain)/loss	11,778	(22,098)
General exploration	450,864	289,980
Investor relations	177,117	131,555
Office and miscellaneous expense	362,264	424,351
Stock-based compensation - Note 12	120,191	10,942
	1,868,831	2,206,925
Loss before other items	**$ (1,845,606)**	**$ (2,079,468)**
Other items		
Loss on disposal of assets - Note 8	-	(678)
Write-off of exploration and evaluation assets - Note 9	(1,102,833)	(4,825,600)
Gain/(Loss) on marketable securities - Note 7	26,532	(159,132)
Net loss before income taxes	**$ (2,921,907)**	**$ (7,064,878)**
Income tax recovery (expense)	60,367	(24,229)
Net loss before other comprehensive loss	**$ (2,861,540)**	**$ (7,089,107)**
Other comprehensive income/(loss)		
Unrealized gain/(loss) on marketable securities - Note 7	(37,343)	-
Cumulative translation adjustment	6,760	31,348
Comprehensive loss for the period	**$ (2,892,122)**	**$ (7,057,760)**
Basic and diluted loss per share	**$ (0.25)**	**$ (0.87)**
Weighted average number of shares outstanding - basic and diluted	**11,770,692**	**8,146,872**

See accompanying notes to the consolidated financial statements

MILLROCK RESOURCES INC.
(An Exploration Stage Company)

Consolidated Statements of Cash Flows

For the years ended December 31, 2014 and 2013
(expressed in Canadian dollars)

	For the Twelve Months Ended	
	2014	**2013**
Cash provided from (used for)		
Operating activities		
Net loss	$ (2,861,540)	$ (7,089,107)
Items not involving cash		
Amortization and depreciation	32,848	90,846
Loss on disposal of assets	-	678
Gain on marketable securities	(26,532)	159,132
Write-off of exploration and evaluation assets	1,102,833	4,825,600
Stock-based compensation	120,191	10,942
	$ (1,632,200)	**$ (2,001,909)**
Net change in non-cash working capital items		
Amounts receivable	$ (72,173)	$ 12,549
Prepaid expenses	(303,163)	17,521
Accounts payable and accrued liabilities	442,459	75,533
Income tax payable	(37,145)	(1,737)
Project cost advance received	20,131	(555,982)
Due to related parties	98,162	(14,210)
Total cash outflows from operating activities	**$ (1,483,928)**	**$ (2,468,235)**
Cashflows from investing activities		
Advances on exploration expenditures	$ 10,873	$ (10,873)
Purchase of Mexico properties - Note 5	(290,746)	-
Net expenditures on exploration and evaluation assets	(765,814)	(866,697)
Purchase of equipment and property - Note 8	(62,311)	6,278
Proceeds from sale of equipment	-	3,267
Total outflows from investing activities	**$ (1,107,998)**	**$ (868,025)**
Cashflows from financing activities		
Security deposit and restricted cash	$ (29,917)	$ 554,849
Share issuance costs - Note 11	(263,112)	(3,161)
Shares issued for cash - Note 11	5,049,500	452,250
Total inflows from financing activities	**$ 4,756,471**	**$ 1,003,938**
Increase (Decrease) in cash and cash equivalents	**$ 2,164,544**	**$ (2,332,322)**
Cash and cash equivalents, beginning of the period	**1,613,607**	**3,945,929**
Cash and cash equivalents, end of the period	**$ 3,778,151**	**$ 1,613,607**

See accompanying notes to the consolidated financial statements

MILLROCK RESOURCES INC.
(An Exploration Stage Company)

Consolidated Statements of Changes In Shareholders' Equity

For the years ended December 31, 2014 and 2013
(expressed in Canadian dollars)

	Common Shares (Note 11)		Reserves				
	Shares*	Amount	Share-based Payment	Warrants	Other Comprehensive Income	Deficit	Total Shareholders' Equity
Balance, December 31, 2012	**7,989,489**	**24,769,518**	**3,042,155**	**317,880**	**4,713**	**(18,233,624)**	**9,900,642**
Issuance of common shares for exploration and evaluation assets	14,500	29,250	-	-	-	-	29,250
Issuance of units comprised of common shares and warrants for cash pursuant to private placements	670,000	452,250	-	-	-	-	452,250
Stock-based compensation	-	-	10,942	-	-	-	10,942
Share issue costs and finder's fee	-	(3,161)	-	-	-	-	(3,161)
Cumulative translation adjustment	-	-	-	-	31,348	-	31,348
Loss for the year	-	-	-	-	-	(7,089,107)	(7,089,107)
Balance, December 31, 2013	**8,673,989**	**25,247,857**	**3,053,097**	**317,880**	**36,061**	**(25,322,731)**	**3,332,164**
Issuance of common shares for exploration and evaluation assets	731,230	475,674	-	-	-	-	475,674
Anti-Dilution right - Note 5	-	-	151,734	-	-	-	151,734
Issuance of units comprised of common shares and warrants for cash pursuant to private placements	10,099,000	5,049,500	-	-	-	-	5,049,500
Share issue costs and finder's fee	-	(531,262)	254,658	13,492	-	-	(263,112)
Deferred Stock Based Compensation			120,191				120,191
Cumulative translation adjustment	-	-	-	-	6,760	-	6,760
Unrealized loss on available-for-sale marketable securities	-	-	-	-	(37,343)	-	(37,343)
Loss for the year	-	-	-	-	-	(2,861,540)	(2,861,540)
Balance, December 31, 2014	**19,504,219**	**30,241,769**	**3,579,681**	**331,372**	**5,478**	**(28,184,271)**	**5,974,029**

* Please note that Millrock consolidated its shares 10:1 on October 24, 2014.
All share capital balances have been adjusted to be shown on a consolidated basis.

1. General Information

Millrock Resources Inc. ("Millrock" or the "Company") is a public Company listed on the TSX Venture Exchange. The Company's shares trade on the TSX Venture Exchange under the symbol "MRO". The registered office of the Company is located at 789 West Pender, Suite 800 Vancouver, British Columbia, Canada V6C 1H2.

The Company's principal business activities include exploration and development of mineral resources. All of the Company's projects are considered to be in the exploration stage and the Company has not yet determined whether these properties contain mineral resources that are economically recoverable ("ore reserves"). The Company utilizes the "Project Generator" business model. Through research and early stage exploration, the Company generates new exploration ideas, acquires mineral rights and performs exploration work to clearly identify drilling targets. Option-in agreements are made with partners that fund drilling and more advanced exploration to earn an interest in the Company's properties.

2. Basis of Preparation and Going Concern

The Company prepares its consolidated financial statements in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are effective as of December 31, 2014.

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and meet its obligations over the next twelve months. Realization value may be substantially different from carrying value as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. As of December 31, 2014, the Company had not yet achieved profitable operations, had working capital of $3,599,142 (2013: $1,618,404) and accumulated deficit of $28,184,271 (2013: $25,322,731). Management has carried out an assessment of the going concern assumption and has concluded that the Company has sufficient cash and cash equivalents and other financial assets to continue operating at current levels for the ensuing twelve months. The Company's ability to continue as a going concern is dependent upon its ability to continue some of its existing partnerships, partner additional exploratory prospects, generate overhead recovery fees, and receipt of option payments.

2.1 Upcoming Changes in Accounting Standards

The following standards and amendments to existing standards have been published and are mandatory.

IFRS Standards Issued and Adopted

IFRIC 21 Levies
IFRS 10 (Amendment) Consolidated Financial Statements
IFRS 12 (Amendment) Disclosure of Interest in Other Entities
IAS 27 (Amendment) Investment Entities

IAS 36 (Amendment) Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets

The Company has evaluated and is in compliance with the above new and revised IFRS standards and has determined there to be no material impact on the consolidated financial statements.

IFRS Standards Issued But Not Yet Effective

IFRS 9 (Amendment) Financial Instruments
IFRS 11 (Amendment) Accounting for Acquisition of Interests in Joint Operations
IAS 16 (Amendment) Property, Plant and Equipment
IAS 38 (Amendment) Intangible Assets

Management intends to adopt the above standards in the Company's consolidated financial statements as of their effective dates, and is currently considering the impact of the adoption of these standards.

3. Significant Accounting Policies

The significant accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements and have been applied consistently by the Company's subsidiaries.

3.1 Principles of Consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the parent Company and its subsidiaries (the "Group") as at December 31, 2014. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The condensed consolidated financial statements of the Company include the following significant subsidiaries:

Name of Subsidiary	Place of Domicile	Percentage Ownership
Millrock Exploration Corp	USA	100%
Millrock Alaska LLC	USA	100%
Millrock Mexico Holdings Corp	Canada	100%
Recursos Millrock	Mexico	100%

3.2 Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the accounts of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The consolidated financial statements are presented in Canadian dollars (the "presentation currency"). The Canadian dollar is the functional currency of the parent Company and Millrock Mexico Holdings. The US dollar is the functional currency of each of the Company's United States subsidiaries. The Mexican peso is the functional currency of Recursos Millrock.

On December 16, 2013 the Company underwent a re-organization of its corporate structure, which affected the currency of the underlying transactions of a significant foreign subsidiary. It was determined that the functional currency of this subsidiary had changed from the Canadian dollar to the US dollar. The historical carrying value of the non-monetary accounting balances were translated on the date of the re-organization to the US dollar. These balances will be translated at the rate in effect on the reporting date of the financial statements as at the end of each period, with the differences arising from translation being recognized as a cumulative translation adjustment on the consolidated statement of loss and comprehensive loss.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions as well as from the translation of monetary assets and liabilities not denominated in the functional currency of the subsidiaries and parent company are recognized in the consolidated statements of loss.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated to Canadian dollars at the period end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting translation adjustments are included in the other comprehensive income reserve in shareholders' equity. Additionally, foreign exchange gains and losses, related to certain intercompany loans that are permanent in nature, are included in other comprehensive income reserve.

3.3 Property, Plant and Equipment

(i) Cost and Valuation

Property, plant and equipment are carried at cost less accumulated amortisation and depreciation and any impairment in value. When an asset is disposed of, it is derecognized and the difference between its carrying value and net sales proceeds is recognized as a gain or loss in the consolidated statements of loss.

Property, plant and equipment are recorded at cost on initial acquisition. Cost includes the purchase price and the directly attributable costs of acquisition or construction required to bring an asset to the location and condition necessary for the asset to be capable of operating in the manner intended by management.

(ii) Depreciation

Property, plant and equipment are depreciated and amortized over a straight line basis over the estimated useful life of the asset. Where components of an asset have a different useful life and cost that is significant to the total cost of the asset, depreciation is calculated on each separate component. Depreciation methods, useful lives and residual values are reviewed at the end of each year.

Furniture and fixtures	3 years
Office equipment	3 years
Leasehold improvement	1 year
Software	1 year
Vehicle	3 years
Building	39 years

3.4 Exploration and Evaluation Assets

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for, and development of mineral properties to which the Company has rights. Exploration expenditures typically include costs associated with acquisition of rights to explore, prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore.

Evaluation expenditures reflect costs incurred at exploration projects related to establishing the technical and commercial viability of mineral deposits identified through exploration or acquired through a business combination or asset acquisition. Costs incurred prior to the acquisition of a mineral property are charged to the statement of comprehensive loss as incurred under the heading of General Exploration. Evaluation expenditures include the cost of:

i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities to classify deposits as either a mineral resource or a proven and probable reserve;

ii) determining the optimal methods of extraction and metallurgical and treatment processes;

iii) studies related to surveying, transportation and infrastructure requirements;

iv) permitting activities; and

v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

From time to time, the Company may acquire or dispose of mineral interests pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as acquisition cost additions or recoveries when the payments are made or received.

From time to time the Company may issue shares for option-in agreements in respect of acquisition of mineral interests. These equity-settled share-based payment transactions are measured by reference to the fair value of the equity instruments granted with the corresponding increase in equity.

3.5 Impairment of Non-Financial Assets

Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment test is performed when (a) the right to explore in a specific area has expired or will expire in the near future without expectation to renew, (b) exploration or evaluation expenditures of any significance are not planned or budgeted, (c) no mineral resources in a specific area have been discovered which have the potential for commercial viability and the Company has decided to halt further activities in the area, or (d) sufficient indications exist that the minerals in a specific area can be developed, however the asset is unlikely to recover in full the carrying cost.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Projects which have estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. During exploration the Company tracks the total capitalized cost of each property and allocates these costs evenly to the underlying titles, which make up the project. When the Company forfeits its rights to an exploration title an impairment charge is recorded for the carrying value of the title.

3.6 Financial Assets

(i) Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either financial assets held for trading or financial assets designated by the Company as fair value through profit and loss upon initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities of greater than twelve months after the end of the reporting period, which are classified as non-current assets. The Company's loans and receivables comprise amounts receivable, due to related parties,

advances on exploration expenditures, and project cost advance received in the consolidated statements of financial position.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. The Company's available-for-sale financial assets comprise marketable securities.

(ii) Recognition and Measurement

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss category are recognized in the consolidated statements of loss. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated statements of loss as part of other income when the Company's right to receive payments is established. Gains or losses arising from changes in the fair value of available-for-sale financial assets are recognized in other comprehensive income/loss in the consolidated statements of comprehensive loss.

When marketable securities classified as available-for-sale are sold, the fair value adjustments recognised in other comprehensive income and accumulated in other comprehensive income reserves are reclassified to the consolidated statements of loss.

(iii) Impairment of Financial Assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. In the case of marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset that was previously recognized in profit or loss – is removed from equity and recognized in the consolidated statements of loss. All impairment losses are recognized in profit or loss. Any cumulative

loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. Impairment losses recognized for marketable securities are not reversed.

3.7 Amounts Receivable

Amounts receivable are primarily comprised of amounts due from earn-in partners as a result of cash calls on particular projects in which earn-in partners have elected to participate. Amounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

3.8 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held with financial institutions, and other short-term highly liquid investments with original maturities of three months or less.

3.9 Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity.

3.10 Financial Liabilities

Financial liabilities are initially recorded at fair value and designated upon inception as Fair Value through Profit and Loss ("FVTPL") or classified as other financial liabilities.

Financial liabilities classified as other liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method. The Company has classified its accounts payable, accrued liabilities, project cost advance received, note payable and due to related parties as other liabilities.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income or loss. The Company has no financial liabilities classified as FVTPL.

3.11 Current and Deferred Income Tax

Income tax expense is recognized in the consolidated statements of loss except to the extent that it relates to items recognized either in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or in equity, respectively. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the consolidated statements of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3.12 Share-Based Payment Transactions

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled transactions and, when determinable, are recorded at the value of the goods and services received. If the value of the goods and services received are not determinable, then the fair value of the share-based payment is used.

The Company uses a fair value based method (Black-Scholes Option Pricing model) for all share options granted to directors, employees and certain non-employees. This model employs assumptions for risk free interest rates, dividend yields, expected lives, and volatility based on historical data. For directors and employees, the fair value of the share options is measured at the date of the grant.

For grants to non-employees where the fair value of the goods or services is not determinable, the fair value of the share options is measured on the date the services are received.

The fair value of share-based payments is charged either to profit or loss or the related asset as applicable, such as exploration and evaluation assets, with the offsetting credit to contributed surplus. For directors and employees, the share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods where vested. For non-employees, the share options are recognized over the related service period. When share options are exercised, the amounts previously recognized in contributed surplus are transferred to share capital.

In the event share options are forfeited prior to vesting, the associated fair value recorded to date is reversed. The fair value of any vested share options that expire remain in contributed surplus.

3.13 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.14 Revenue Recognition

Revenue for the Company is derived from overhead recovery fees. It is recognized when the services are provided, when persuasive evidence of an arrangement exists, the fixed price is determinable, and there is reasonable assurance of collection. Overhead recovery fees are generated when the Company operates an exploration program under a budget approved by the earn-in partner. The Company charges the earn-in partner a pre-determined fee based on a percentage of the total exploration expenditures incurred.

3.15 Finance Income and Expenses

Finance income comprises interest income on funds. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Finance expenses comprise interest expense on borrowings and unwinding of the discount on provisions. All borrowing costs are recognized in profit or loss using the effective interest method, except for those amounts capitalized as part of the cost of qualifying property, plant and equipment.

3.16 Earnings per Share

The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise warrants and share options.

4. Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The three most significant areas requiring the use of management's judgments, assumptions and estimates relate to the following:

1. Impairment: Management determines at each reporting period whether there are any indicators of impairment applying to each specific property. Where an indicator exists, a formal assessment of the impairment is made. These indicators are presented in Note 3.5. If no indicators of impairment are identified, no impairment test is performed.

2. Share-based payments: Management uses valuation techniques in measuring the fair value of share options granted. The fair value is determined using the Black-Scholes option pricing model. This is presented in Note 12. Changes in assumptions used in the valuation could have a material impact on the Company's financial statements.
3. Income taxes: Management makes certain assumptions regarding the nature and value of taxable transactions among the consolidating entities with regard to cross-border transfer pricing. These estimates are reviewed each reporting period using management's best judgement.
4. Purchase price allocation accounting: Management makes certain assumptions regarding the nature and value of properties, assets and liabilities when acquiring another company. This includes assumptions on the value of total consideration given for a transaction. These are further detailed in Note 5. Changes in assumptions used in the valuation could have a material impact on the Company's financial statements.

5. Acquisition

On June 6, 2014, the Company acquired Pembrook Mexico Holdings Corp ("PMXH") under the terms of a letter agreement dated May 23rd, 2014, between Millrock Resources and Pembrook Mining Corp. ("Pembrook"). PMXH, through its Mexican subsidiary, wholly owns eleven mineral properties and two optioned mineral properties in Mexico. Subsequently, Millrock has changed the name of Pembrook Mexico Holdings Corp to Millrock Mexico Holdings Corp.

The Company has determined that this transaction represents an asset acquisition with the Company identified as the acquirer.

The tables below present the purchase price and the allocation of the purchase price with respect to the valuation of individual asset groups and determination of tax values of the assets and liabilities acquired. For the purpose of these consolidated financial statements, the purchase consideration has been allocated to the fair value of assets acquired and liabilities assumed, based on management's best estimates and all available information at the time of the PMXH acquisition. The fair value of shares issued was based on the value of the shares on the day of closing which was $0.65. In the acquisition agreement it is stated that on the anniversary date, if Pembrook has not sold any shares of Millrock they will be entitled to a share issuance to maintain their 7.76% ownership in Millrock. The anti-dilution valuation shown below is based on the calculation of weighted probabilities that Millrock will have to issue shares to Pembrook on June 6, 2015 to maintain their original ownership. The anniversary payment is due on June 6, 2015 and was not discounted due to the short time period. The exploration bond acquired in the transaction is repayable to Pembrook when collected. This has been recorded as part of the purchase price consideration. The anniversary payment and bond payable are both recorded in accounts payable.

	Purchase Price Consideration
729,730 MRO Shares (issued)	474,324
Cash	290,746
Anniversary payment (in cash or shares)	250,000
Anti-dilution valuation	151,734
Bond Payable	149,828
Transaction costs	21,111
Total	1,337,743

	Purchase Price Allocation
Assets	
Cash	50,181
Accounts receivable	7,682
Prepaid expenses	11,816
Deposits	163,056
Equipment	47,997
Exploration & evaluation assets	1,152,227
	1,432,959
Liabilities	
Accounts payable	31,016
Deferred tax liability	64,200
	95,216
Net assets acquired	1,337,743

6. Security Deposit and Restricted Cash

Security deposit and restricted cash consists of a security deposit for the Company's credit cards and advances from earn-in partners who have forwarded funds to the Company for use on specific properties. The security deposit for the year ended December 31, 2014 was $160,745 (December 31, 2013: $130,828).

7. Marketable Securities

Marketable securities are available for sale investments consisting of investments in quoted equity shares. The fair value of the listed quoted equity shares has been determined directly by reference to published price quotations in an active market.

Millrock owns 1,136,656 shares of Coventry Resources and 574,505 shares of Chalice Gold Mines, Ltd. On February 8, 2014, 574,505 shares of Chalice Gold Mines were distributed to the Company as the result of Chalice Gold Mines acquiring the Cameron Gold Project from Coventry.

	12/31/2014			12/31/2013		
Quoted equity shares	# of shares	per share	Fair Value	# of shares	per share	Fair Value
Chalice Gold Mines, Ltd TSX-V: CXN	574,505	0.09	51,705	-	-	-
Coventry Resources Inc. ASX: CYY	1,136,656	0.005	5,683	1,136,656	0.06	68,199
Total Marketable Securities			$ 57,389			$ 68,199

The Company recognized $89,048 of gain on acquisition, being the value of the Chalice shares on the date of acquisition. Subsequent to acquisition up to December 31, 2014, the fair value of the Chalice shares decreased by $37,343. This unrealized loss was recorded in Other Comprehensive Income. The Company impaired the Coventry shares as they had a significant and prolonged decline in value resulting in a loss of $62,516.

8. Property, Plant and Equipment

	Furniture and fixtures	Office equipment	Leasehold improvement	Software	Vehicle	Total
Cost						
Balance at December 31, 2012	**$ 16,720**	**$ 251,282**	**$ 15,695**	**$ 71,800**	**$ 36,354**	**$ 391,851**
Additions	-	6,278	-	-	-	6,278
Disposals	-	(7,258)	-	-	-	(7,258)
Foreign currency translation	1,155	16,258	1,083	4,960	2,511	25,967
Balance at December 31, 2013	**$ 17,875**	**$ 266,560**	**$ 16,778**	**$ 76,760**	**$ 38,865**	**$ 416,838**
Additions	-	28,724	-	-	33,587	62,311
Foreign currency translation	1,622	22,007	1,522	6,964	1,110	33,225
Balance at December 31, 2014	**$ 19,497**	**$ 317,291**	**$ 18,301**	**$ 83,724**	**$ 73,562**	**$ 512,374**
Depreciation and impairment losses						
Balance at December 31, 2012	**$ 12,430**	**$ 155,803**	**$ 15,695**	**$ 66,581**	**$ 27,345**	**$ 277,854**
Depreciation for the year	3,170	73,170	-	5,235	9,271	90,846
Disposals	-	(3,120)	-	-	-	(3,120)
Foreign currency translation	967	12,205	1,084	4,944	2,248	21,448
Balance at December 31, 2013	**$ 16,567**	**$ 238,058**	**$ 16,778**	**$ 76,760**	**$ 38,865**	**$ 387,028**
Depreciation for the year	1,311	27,479	-	-	4,058	32,848
Foreign currency translation	1,576	21,621	1,522	6,964	3,335	35,019
Balance at December 31, 2014	**$ 19,455**	**$ 287,158**	**$ 18,301**	**$ 83,724**	**$ 46,259**	**$ 454,896**
Carrying amounts						
Balance at December 31, 2012	**$ 4,290**	**$ 95,479**	**$ -**	**$ 5,219**	**$ 9,009**	**$ 113,997**
Balance at December 31, 2013	**$ 1,308**	**$ 28,502**	**$ -**	**$ -**	**$ -**	**$ 29,810**
Balance at December 31, 2014	**$ 42**	**$ 30,133**	**$ -**	**$ -**	**$ 27,303**	**$ 57,478**

With the acquisition of Millrock Mexico Holdings (Formerly Pembrook Mexico Holdings) the company added $33,587 of vehicles and $14,410 of office and computer equipment.

9. Exploration and Evaluation Assets

This section describes each of Millrock's projects, and if a partner is earning in to the project, the agreement is described. An individual project may consist of one or more properties which were acquired by underlying agreements with mineral right holders or by claiming mineral rights by staking. Where an underlying property agreement exists, its terms are described. In most, but not all cases, the earn-in partner is responsible to make the cash payments and exploration expenditures to keep the properties that form the project in good standing.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee a clear title. Property title may be subject to unregistered prior agreements and regulatory requirements. The Company is not aware of any disputed claims of title.

Exploration and Evaluation Assets

	Alaska											Arizona					USA
	Bluff*	Council*	Cristo	Estelle	Pluton*	Humble	Fortymile	Peninsula	Stellar	Uncle Sam*	Q4P	Galiuro	Dry Mtn.*	San Jose*	Monsoon*	Other	Total
Balance at December 31, 2013	$ -	$ -	$ 2,062	$ 623,972	$ -	$ 3,551	$ 451,721	$ 149,434	$ 241,226	$ -	$ 3,726	$ 17,101	$ -	$ -	$ -	$ 180,284	$ 1,673,077
Addition during the year																	
Option costs:																	
Option payments - cash	-	-	-	-	-	-	-	85,208	-	-	-	11,039	-	-	-	55,953	152,200
Shares issued	-	-	-	-	-	-	-	-	-	-	-	1,350	-	-	-	-	1,350
	-	-	-	-	-	-	-	85,208	-	-	-	12,389	-	-	-	55,953	153,550
Exploration costs:																	
Non-reimbursable costs	-	-	-	7,079	-	-	-	1,198	-	-	-	-	-	-	-	-	8,277
Acquisition	-	-	-	627	-	3,976	9,543	12,508	18,175	-	954	38,328	-	-	-	60,914	145,025
Drilling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Geochemistry	-	-	-	-	-	-	-	36,407	-	-	-	242	-	-	-	160	36,809
Geology	-	-	-	5,359	-	-	-	117,662	21,752	-	-	8,389	-	-	-	13,324	166,486
Geophysics	-	-	-	-	-	-	-	104,463	-	-	-	-	-	-	-	-	104,463
Environmental and permitting	-	-	-	53	-	107	107	-	-	-	-	-	-	-	-	-	267
External relations	-	-	-	544	-	-	-	11,930	-	-	-	-	-	-	-	-	12,474
Support and equipment	-	-	-	9,192	-	-	-	375,732	17,365	-	-	6,103	-	-	-	11,777	420,168
	-	-	-	22,855	-	4,083	9,650	659,900	57,292	-	954	53,062	-	-	-	86,174	893,970
Less:																	
Recoveries	-	-	-	5,989	-	-	-	799,106	-	-	-	-	-	-	-	-	805,095
Option payments received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shares received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on option payments received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on shares received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write off	-	-	2,202	404,434	-	-	362,183	-	248,801	-	-	85,213	-	-	-	-	1,102,833
	-	-	2,202	410,423	-	-	362,183	799,106	248,801	-	-	85,213	-	-	-	-	1,907,928
Net additions	-	-	(2,202)	(387,569)	-	4,083	(352,533)	(53,998)	(191,509)	-	954	(19,762)	-	-	-	142,127	(860,408)
Foreign currency translation	-	-	140	48,748	-	415	33,541	10,807	19,154	-	360	2,661	-	-	-	22,486	138,312
Balance at December 31, 2014	$ -	$ -	$ -	$ 285,151	$ -	$ 8,049	$ 132,729	$ 106,243	$ 68,871	$ -	$ 5,040	$ -	$ -	$ -	$ -	$ 344,897	$ 950,980

*Property was fully written off in 2013

Exploration and Evaluation Assets

	Mexico							Corporate
	Coatan	Las Cuarentas	Guadalcazar	Ramard	Rio Sonora	Other	Total	Total
Balance at December 31, 2013	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,673,077
Addition during the year								
Purchase price allocation	$ 41,299	$ 426,235	$ 387,069	$ 52,849	$ 234,731	$ 10,044	$ 1,152,227	$ 1,152,227
Option costs:								
Option payments - cash	-	-	-	-	-	-	-	152,200
Shares issued	-	-	-	-	-	-	-	1,350
	-	-	-	-	-	-	-	153,550
Exploration costs:								
Non-reimbursable costs	-	-	-	-	-	-	-	8,277
Acquisition	9,644	18,849	55,789	5,468	63,158	4,622	157,530	302,556
Drilling	-	-	-	-	-	-	-	-
Geochemistry	2,613	10,953	6,055	3,832	90,486	5,379	119,318	156,127
Geology	406	4,144	11,229	25,655	196,221	10,838	248,493	414,979
Geophysics	-	-	-	-	-	-	-	104,463
Environmental and permitting	-	-	-	-	-	-	-	267
External relations	-	-	-	-	-	-	-	12,474
Support and equipment	1,851	1,666	3,210	5,433	53,496	954	66,610	486,778
	14,514	35,612	76,283	40,388	403,361	21,793	591,951	1,485,921
Less:								
Recoveries	-	-	-	-	279,571	-	279,571	1,084,666
Option payments received	-	-	-	-	-	-	-	-
Shares received	-	-	-	-	-	-	-	-
Gain on option payments received	-	-	-	-	-	-	-	-
Gain on shares received	-	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-	1,102,833
	-	-	-	-	279,571	-	279,571	2,187,499
Net additions	14,514	35,612	76,283	40,388	123,790	21,793	312,380	(548,029)
Foreign currency translation	(3,716)	(32,291)	(31,824)	(5,601)	(22,978)	(1,767)	(98,178)	40,134
Balance at December 31, 2014	$ 52,097	$ 429,556	$ 431,528	$ 87,636	$ 335,543	$ 30,070	$ 1,366,428	$ 2,317,409

Exploration and Evaluation Assets

	Alaska										Arizona					
	Bluff	Council	Cristo	Estelle	Pluton	Humble	Fortymile	Stellar	Uncle Sam	Q4P	Galiuro	Dry Mtn.	San Jose	Monsoon	Other	Total
Balance at December 31, 2012	$1,140,188	$940,377	$10,039	$1,487,227	$24,739	$37,327	$ 462,598	$ 210,096	$ -	$ 80,698	$221,325	$ 125,437	$ 308,779	$ 290,915	$321,682	$5,661,428
Addition during the year																
Option costs:																
Option payments - cash	-	-	-	-	-	-	-	-	-	-	-	-	-	40,344	78,078	118,422
Shares issued	-	-	-	-	-	-	-	-	-	-	3,750	3,750	3,750	18,000	-	29,250
	-	-	-	-	-	-	-	-	-	-	3,750	3,750	3,750	58,344	78,078	147,672
Exploration costs:																
Non-reimbursable costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition	-	40	1,651	51,736	-	3,291	19,870	38,959	6,866	1,209	23,780	136	6,015	64,414	51,160	269,127
Drilling	-	-	-	135	-	-	-	-	-	-	-	302,218	652	74,781	-	377,786
Geochemistry	-	-	-	1,638	-	-	-	31,686	-	-	-	15,355	833	30,424	546	80,482
Geology	-	2,263	490	137,290	14,365	3,143	2,288	236,718	-	7,327	14,819	71,056	18,824	127,751	91,631	727,965
Geophysics	-	-	-	2,230	-	-	-	34	-	-	-	-	4,034	150,227	-	156,525
Environmental and permitting	-	-	-	-	-	545	-	353	-	-	-	6,543	-	2,961	3,486	13,888
External relations	-	-	-	3,051	-	1,361	-	-	-	-	-	-	-	-	11,623	16,035
Support and equipment	262	4,881	632	181,558	48	13,203	6,853	189,566	6,592	2,727	29,526	44,084	28,585	57,819	63,721	630,058
	262	7,184	2,773	377,636	14,413	21,543	29,011	497,317	13,458	11,263	68,125	439,392	58,943	508,377	222,168	2,271,866
Less:																
Recoveries	-	-	-	273,816	-	-	-	245,485	-	-	-	56,074	58,943	548,251	-	1,182,569
Option payments received	-	-	-	-	-	-	-	-	-	-	-	102,250	255,625	51,125	-	409,000
Shares received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on option payments received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on shares received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write off	1,140,450	947,561	10,761	970,538	39,152	55,339	42,394	222,039	13,458	88,256	276,194	410,255	56,904	258,260	294,039	4,825,600
	1,140,450	947,561	10,761	1,244,354	39,152	55,339	42,394	467,524	13,458	88,256	276,194	568,579	371,472	857,636	294,039	6,417,169
Net additions	(1,140,188)	(940,377)	(7,988)	(866,718)	(24,739)	(33,796)	(13,383)	29,793	-	(76,993)	(204,319)	(125,437)	(308,779)	(290,915)	6,207	(3,997,631)
Foreign currency translation	-	-	11	3,461	-	20	2,506	1,338	-	21	95	-	-	-	1,829	9,281
Balance at December 31, 2013	$ -	$ -	$ 2,062	$ 623,972	$ -	$ 3,551	$ 451,721	$ 241,226	$ -	$ 3,726	$ 17,101	$ -	$ -	$ -	$329,718	$1,673,077

Alaska Properties

(a) Cristo Property, Alaska

Millrock staked the St. Eugene and Monte Cristo properties in February 2010. Later in the year, Millrock staked additional, intervening claims that joined the two pre-existing blocks together. The combined properties were renamed Cristo property. Millrock owns a 100% interest in the claims. Because the claims have been staked in one of the areas of interest subject to the Altius Resources Inc. (Altius) strategic alliance, production of minerals will be subject to a royalty payable to Altius. The claim block was significantly reduced in the fourth quarter of 2013 and some costs associated with exploration of the mineral asset were written off. All the remaining claims that comprised the Cristo property were abandoned in 2014 and corresponding costs were written off.

(b) Estelle Property, Alaska

In February 2009, the Company negotiated an agreement with the underlying property owners, Hidefield Gold Plc. and Mines Trust Co. As a result of the agreement the Company became the owner of a 100% interest in the claims subject to a net smelter royalty of 3.0% payable from any production that occurs on any of the claims that comprised the property at the time of purchase (1.0% to Hidefield, 1.0% to Mines Trust of which 0.5% may be bought back for US$1,000,000, and 1.0% to International Tower Hill Mines).

On May 4, 2010 the Estelle project became the subject of an agreement between Millrock and Teck American Inc. a wholly-owned subsidiary of Teck Resources Limited (“Teck”). Presently the ownership levels of the project, as of the balance sheet date are Teck 64.8% and Millrock 35.2%. The joint project partners carried out geophysical and geological surveys. The results were reviewed in the third quarter of 2013 and a series of drill targets established. The partners also agreed to reduce the claim block resulting in a partial write off in 2013. No work on the property was done in 2014 except for camp maintenance. The claim block was further reduced in size and a further write-off was made.

(c) Humble Property, Alaska

On November 29, 2010 the Company announced that it had staked the block of claims that comprise the project. Millrock currently owns a 100% interest in the claim block which was significantly reduced in the fourth quarter of 2013. Altius owns a royalty on the claims. Millrock reduced the size of the claim block, took a partial write off in 2013 and further reduced the block to a core holding in 2014. The Company is seeking a partner for the project.

(d) Fortymile Property, Alaska

This project, owned 100% by Millrock, was acquired by staking in 2007. Millrock has advanced the project each year since that time. The claim holding was reduced during the fourth quarter of 2013 and a portion of the carrying value was written off. The claim block was further reduced in 2014 and a proportional amount of the carrying value was further written off. Millrock is seeking a partner for the project.

(e) Peninsula Property, Alaska

The Alaska Peninsula project is comprised of mineral lands owned by Bristol Bay Native Corporation. Millrock has previously signed an Exploration Agreement with an Option to lease through which the Company can secure a 100% leasehold interest for mining. The agreement covers a tract of land that covers three known porphyry copper-gold occurrences on the Alaska Peninsula. First Quantum Minerals ("FQM") signed a Right of First Refusal in the first quarter of 2014 and funded a sampling, mapping and geophysics survey. At the end of the year FQM decided to enter into a joint venture option agreement and fund a drilling program to take place in the third quarter of 2015.

(f) Stellar Property, Alaska

On September 9, 2012 Millrock announced that it had acquired a new copper-gold project by staking of claims which it has called Stellar. The Company is investing substantial effort and expense to research all available information and to acquire some data by purchase agreement. Millrock owns a 100% interest in the project subject to a royalty payable to Altius pursuant to the terms of the strategic alliance with that company. On August 6, 2013 Millrock announced that it had granted a Right of First Refusal to a major mining company. The mining company funded exploration program costs of approximately US$300,000. The work was completed and results received. In the fourth quarter of 2013 the mining company decided not to pursue further work on the project. The claim holding was reduced during the fourth quarter and a portion of the carrying value was written off. The claim block was further reduced in 2014 and a proportional amount of the carrying value was further written off. Millrock is actively seeking other potential partners.

(g) Q4P, Alaska

The Q4P program was a strategic alliance with Vale Exploration Canada Inc. and Vale Exploration USA, Inc. both wholly owned subsidiaries of Vale S.A. (Vale) that ended in 2012. Vale had optioned the property but also terminated their option on these specific claims. Millrock significantly reduced the claim block and carrying value in 2013. The claim block has now been reduced to a core holding and corresponding costs written off. The Company is seeking a partner.

Arizona Properties

(h) Galiuro Property, Arizona

On January 14, 2008, the Company entered into an agreement to purchase the Galiuro property located in southeastern Arizona. The mineral rights held by Millrock were significantly reduced in 2013. Some of the rights were returned to the underlying owner and others were allowed to lapse. The carrying value of Galiuro has been written off, however, Millrock retained rights near the Fourmile prospect and maintained the agreement with the underlying owner throughout 2014. Subsequent to the end of 2014 the Fourmile property was dropped and the claims are being returned to the owner. All remaining costs have been written off.

Mexico Properties

On June 6, 2014 Millrock entered an agreement to purchase PMXH, now known as Millrock Mexico Holdings, and all of its assets, which include the shares of a wholly-owned Mexican subsidiary and its nine 100%-owned mineral properties which include: Rio Sonora, Los Cuarentes Este, Los Cuarentes Oeste, Los Chinos, Ramard, Los Chivos, Villa Hidalgo, Violeta and La Union. The mineral rights contained within the properties at the time of purchase are subject to a royalty payable to Pembrook Mining Corporation. The royalty payable is 1.5% on gold and silver and 1.0% on other metals. The purchase also included two mineral properties under option. The first is Guadalcazar, under option from the Servicio Geologico Mexicano, and the second is Caotan, under option from Riverside Resources Inc. Millrock is preparing to market the projects to interested joint venture partners.

(i) Rio Sonora, Mexico

On October 20, 2014 Millrock entered into a letter of intent with a third party concerning the Rio Sonora project in northern Sonora, Mexico, pursuant to which the third party agreed to fund a $250,000 initial exploration program and thereby gain the exclusive right to enter an option to joint venture agreement on the project. The date for exercise of the exclusive right was extended by mutual agreement to March 15, 2015.

(j) Other Properties

Currently the Company has several other very early stage properties in its portfolio. These properties are grouped together as “Other Properties” until such time as Millrock has adequately demonstrated mineral potential that warrants individual description, or until Millrock has made an agreement with another Company on the mineral rights. The Company regularly evaluates prospects known to exist on open ground and on the claims of others. Annually the costs associated with these evaluations are written off if the work does not result in development of a project, or claim holding by Millrock.

10. Project Cost Advance Received

These costs represent advances from earn-in partners that have not been expended as at December 31, 2014 and 2013.

11. Share Capital

The Company’s authorized share capital consists of an unlimited number of voting common shares without par value. The Company has reserved shares for issuance under stock option agreements as described under Note 12. Issued and outstanding shares: 19,504,219 common shares (December 31, 2013: 8,673,989). The Company’s other equity instruments are anti-dilutive so the Company’s basic and diluted number of shares outstanding are the same.

On October 13, 2013, the Company closed a placement for total proceeds of $452,250. The financing consists of 670,000 units at a price of $0.675 per unit. Each unit consists of one common share of the

Company and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of $1.50 per share for a period of five years from the closing date.

On June 6, 2014, the Company acquired Pembrook Mexico Holdings Corp (later changed to Millrock Mexico Holdings Corp) from Pembrook. A portion of the consideration given for the transaction was and issuance of 729,730 shares. Also given as consideration was assurance that Pembrook Mining's shares would not be diluted below 7.76% of Millrock's issued and outstanding shares as long as they did not sell any of their shares prior to the one year anniversary. As at December 31, 2014 the Company would be obligated to issue 783,798 additional shares to Pembrook to satisfy that portion of consideration given.

On June 19, 2014, the Company closed a placement for total proceeds of $1,004,500. The financing consists of 2,009,000 units at a price of $0.50 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of $1.00 per share until June 19, 2019.

On October 22, 2014, the Company closed a placement for total proceeds of $4,045,000. The financing consists of 8,090,000 units at a price of $0.50 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of $0.70 per share until October 21, 2016, and thereafter at a price of $1.00 per share until October 21, 2019. Upon completion of the private placement the Company consolidated its shares at 10:1. All share capital amounts are shown in these financial statement are presented on a 10:1 consolidated basis.

	Number of Shares	Share Capital	Share-based payment	Warrants
Balance December 31, 2012	**7,989,489**	**$ 24,769,518**	**$ 3,042,155**	**$ 317,880**
Issued for mineral properties	14,500	29,250	-	-
Issued for cash pursuant to Private placements	670,000	452,250	-	-
Share issue costs and finder's fee	-	(3,161)	-	-
Stock based compensation	-	-	10,942	-
Balance December 31, 2013	**8,673,989**	**$ 25,247,857**	**$ 3,053,097**	**$ 317,880**
Issued for mineral properties	1,500	1,350	-	-
Issued for acquisition	729,730	474,324		
Anti-Dilution right - Note 5	-	-	151,734	-
Issued for cash pursuant to Private placements	10,099,000	5,049,500	-	-
Share issue costs and finder's fee	-	(531,262)	254,658	13,492
Deferred Stock Based Compensation	-	-	120,191	-
Balance December 31, 2014	**19,504,219**	**$ 30,241,769**	**$ 3,579,680**	**$ 331,372**

12. Share-Based Payments

(a) Share Option Plans

The Company has a stock option plan whereby the maximum number of shares reserved for issue shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot

exceed 5% of the issued and outstanding number of common shares at the date of grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX). Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company. Unless otherwise stated share purchase options vest when granted.

The vesting schedule for employees and non-employees is immediate. Non-employees providing outside services have various expiry dates determined at the time of issuance.

On July 17, 2013 the Company granted 15,000 incentive stock options to employees exercisable at $1.00 per share for a period of five years.

No options were granted in 2014.

The fair value of the options granted in 2013 was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2014	2013
Dividend yield	Nil	Nil
Expected volatility	-	156%
Risk-free rate of return	-	1.25%
Expected life of options	-	5 years

Total share-based payments recognized in the consolidated statements of loss during the year ended December 31, 2014 was $120,191 (December 31, 2013 was $10,942). Share based payments in 2014 were accrued for employees that received a portion of their salary in shares. The shares base payments were valued based on the services provided, and were issued in the first quarter of 2015. No share based payment costs were capitalized to exploration and evaluation assets during the year ended December 31, 2014 (December 31, 2013 was $0). Expected volatility is based on the volatility of historical share price during the previous five years.

Information regarding the Company's outstanding and exercisable share purchase options is summarized as follows:

Stock options	Options	Weighted Average Exercise Price
Outstanding & Exercisable at December 31, 2012	**684,000**	**$0.36**
Cancelled	(5,000)	$4.75
Cancelled	(5,000)	$2.10
Cancelled	(5,000)	$8.90
Cancelled	(10,000)	$2.10
Expired on April 1, 2013	(5,000)	$3.60
Cancelled	(2,500)	$2.50
Cancelled	(5,000)	$1.80
Cancelled	(12,500)	$2.50
Cancelled	(7,000)	$7.50
Cancelled	(5,000)	$4.75
Cancelled	(24,000)	$2.10
Granted July 17, 2013	15,000	$1.00
Expired on August 21, 2013	(58,000)	$0.03
Cancelled	(3,500)	$0.08
Cancelled	(2,500)	$2.10
Outstanding & Exercisable at December 31, 2013	**549,000**	**$3.70**
Forfeited	(2,500)	$6.00
Forfeited	(2,500)	$2.10
Expired on May 8, 2014	(32,500)	$1.80
Forfeited	(10,000)	$6.00
Forfeited	(5,000)	$2.10
Forfeited	(5,000)	$7.50
Forfeited	(5,000)	$2.10
Expired on December 28,2014	(60,000)	$2.50
Outstanding & Exercisable at December 31, 2014	**426,500**	**$3.93**

The following table summarizes the Company's outstanding and exercisable share purchase options as of December 31, 2014:

Number of Options	Exercise Price	Expiry Date
20,000	$ 4.00	19-Jul-15
35,000	$ 4.00	25-Aug-15
73,000	$ 7.50	4-Nov-15
1,000	$ 8.50	8-Feb-16
40,000	$ 6.40	2-May-16
25,000	$ 6.00	19-Aug-16
6,500	$ 4.80	31-Jan-17
176,000	$ 2.10	21-Jun-17
35,000	$ 2.30	15-Nov-17
15,000	$ 1.00	17-Jul-18
426,500		

The weighted average remaining life of options outstanding at December 31, 2014 is 1.86 years (2013 – 2.51 years).

(b) Share Purchase Warrants and Agent Warrants

On October 13, 2013, the Company issued 670,000 units which consisted of shares and warrants exercisable at $1.50 per share.

On June 19, 2014, the Company issued 2,009,000 units which consisted of shares and warrants exercisable at $1.00 per share. The Company issued 120,600 finder's options exercisable at $0.50.

On October 22, 2014, the Company issued 8,090,000 units which consisted of shares and warrants exercisable at $0.70 per share until October, 21, 2016 and thereafter exercisable at $1.00 until October 21, 2019. The Company issued 428,000 finder's options exercisable at $0.50. The Company issued 35,040 finder's fee warrants exercisable at $0.70 until October, 21, 2016 and thereafter exercisable at $1.00 until October 21, 2019.

The shares issued with the private placement units were fair valued using the market price on the date of the transaction. The residual value of zero was allocated to the share purchase warrants.

The fair value of the finder options and warrants granted was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2014	2013
Dividend yield	Nil	Nil
Expected volatility	139%-168%	-
Risk-free rate of return	1.01%-1.07%	-
Expected life of options	3 to 5 years	-

As of December 31, 2014 the Company had outstanding and exercisable warrants and agent warrants for the purchase of 12,602,140 common shares, as follows:

Issued Date	Number of Warrants	Exercise Price	Expiry Date
Outstanding at December 31, 2012	**1,249,500**		
Issued for private placement - October 13, 2013	670,000	$ 1.50	9-Oct-18
Outstanding at December 31, 2013	**1,919,500**		
Issued for private placement - June 19, 2014	2,009,000	$ 1.00	19-Jun-19
Agent warrants issued, finders' option for private placement, June 19, 2014	120,600	$ 1.00	19-Jun-19
Issued for private placement - October 22, 2014 **	8,090,000	$ 0.70	21-Oct-16
Agent warrants issued, finders' option for private placement, October 22, 2014	428,000	$ 0.50	21-Oct-19
Agent warrants issued, finders' warrents for private placement, October 22, 2014 **	35,040	$ 0.70	21-Oct-16
Outstanding at December 31, 2014	**12,602,140**		
Weighted average price		**$ 1.10**	

**Note these warrants have tiered exercise price of $0.70 until Oct. 21, 2016 and $1.00 thereafter until Oct. 21, 2019

13. Financial Instruments

(a) Fair Value of Financial Instruments

The Company's financial instruments that are measured at fair market value on a recurring basis in periods subsequent to initial recognition and the fair value hierarchy used to measure them are presented in the table below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The table set out below summarizes the Company's financial instruments and shows the level within the fair value hierarchy in which they have been classified. The fair value of these financial instruments approximates their carrying value due to the short term nature of their settlement:

Financial Instrument	Level	December 31, 2014
Cash and Cash Equivalents	1	$ 3,778,151
Security Deposit and Restricted cash	1	$ 160,745
Marketable Securities	1	$ 57,389
Accounts Receivable	3	$ 87,602
Account Payable & Accrued Liabilities	3	$ 596,897

The carrying values of all categories of financial instruments are presented on the consolidated statement of financial position.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and amounts receivable are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalent by placing these instruments with large financial institutions. Deposits are insured by the governments up to US$250,000 in the US and CAN$100,000 in Canada, therefore the maximum amount that may be exposed to credit risk totaling cash, restricted cash, and amounts receivable for the year ended December 31, 2014 is $3,636,498 ($1,409,864 as of December 31, 2013).

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current.

(d) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has cash and working capital items of $63,602 (December 31, 2013: $171,996) denominated in US dollars. A ten percent change in the exchange rate would result in a $6,360 (December 31, 2013: $17,171) impact to the Company's net income (loss). The Company has Mexican peso cash and working capital items of $313,690 (December 31, 2013: $0). A ten percent change in the exchange rate would result in a $31,369 (December 31, 2013: $0) impact to the Company's net income (loss). The Company does not have a formal policy to manage risk; however, management actively monitors movement in foreign currency and forecasts foreign currency payments. Foreign exchange risk is mitigated by the offset of assets against liabilities.

(e) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the net loss in consolidated financial statements is interest income on Canadian dollar cash and cash equivalents. The Company is not exposed to significant interest rate risk.

(f) Capital Management Risk

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to pursue the exploration and development of its mineral properties, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or bring in earn-in partners. Due to the Company's business, the Company regularly enters into earn-in agreements where funds are forwarded as part of the option-in agreement. As such, these funds are restricted as of December 31, 2014.

The Company presently derives most of the funding required for its exploration projects from other companies that are earning in to the Company's projects. As the projects mature the Company will be dependent on the capital markets as its main source of operating capital and the Company's capital resources will be largely determined by the strength of the junior resource markets, the status of the Company's projects in relation to these markets and its ability to compete for investor support of its projects.

14. Related Party Transactions

The Company incurred charges with key management personnel and companies with directors and officers in common as follows:

	Year Ended December 31	
	2014	**2013**
Consulting, directors and compensation	$ 727,405	$ 742,718
Stock based compensation	120,291	10,942
	$ 847,696	**$ 753,660**

These charges were in the normal course of operations and were measured by the exchange amount which is the amount agreed upon by the transacting parties.

As of December 31, 2014, there was $98,162 (December 31, 2013: $14,210) due to related parties for accrued directors' fees and bonuses. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.

A former director of the Company is a shareholder and director of Mines Trust Company which is a party to the Estelle project underlying mineral property agreement. This director resigned in 2014.

15. Non-Cash Transactions

Investing and financing activities that do not have a direct impact on current cash flow were excluded from the cash flow statements. During the year ended December 31, 2014, 731,230 (December 31, 2013: 145,000) shares valued at $475,674 (December 31, 2013: $29,250) were issued pursuant to mineral property acquisition agreements. The values were determined based on the market value of the shares when issued.

16. Commitments

The Company is committed to pay $47,955 in office rentals for the year 2015.

17. Income Taxes

Income tax recovery recognized in the consolidated statements of loss for 2014 is $60,367 (December 31, 2013 was income tax expense of $24,229)

Income tax reconciliation

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial tax rate to loss before income taxes. These differences result from the following items:

Companies of consolidated group:	2014	2013
Loss per Financial Statements	(2,921,907)	(7,089,107)
Income tax rate	26.00%	25.75%
At statutory income tax rate	(759,696)	(1,825,445)
Permanent differences	32,958	347,664
Rate differences related to origination and reversal of temporary differences	(3,449)	(218,480)
Foreign income tax and other rate differences	(296,364)	(634,105)
Temporary income tax differences not recognized	1,111,248	1,433,068
Write down (reversal of write down) of deferred tax asset(Expired loss)	-	-
Benefit of tax attributes forfeited	-	748,957
Change in estimates (true up)	(145,009)	172,276
Deferred tax due to other temp differences	-	-
Other	(55)	294
OCI movement on FV adjustment of investment	-	-
Income Tax Provision	(60,367)	24,229
Current tax (recovery) / expense	(60,367)	24,229
Deferred tax expense	-	-
	(60,367)	24,229

Deferred Tax Asset and Liability Recognized

The Company has recognized the following deferred income tax liability:

Deferred tax liability		
Exploration and evaluation assets	(59,600)	-
Deferred tax asset		
Stock based compensation	-	-
	(59,600)	-

Temporary Differences Not Recognized

The Company has unrecognized deductible temporary differences aggregating $24,164,479 (2013 - $20,678,819), noted below, that are available to offset future taxable income. The potential benefit of these deductible temporary differences has not been recognized in these consolidated financial statements as it is not considered probable that sufficient future taxable profit will allow the temporary differences to be recovered.

	2014	2013
Non-capital losses	15,306,645	13,432,904
Capital loss	3,933,291	3,635,856
Exploration and evaluation assets	3,650,064	2,482,017
Others	1,274,479	1,128,042
Temporary differences not recognized	**24,164,479**	**20,678,819**

Loss Carry-Forwards

As of December 31, 2014, the Company has available non-capital losses for income tax purposes aggregating $15,306,645 (2013 - $13,432,904) in Canada and USA which are available to be carried forward to reduce taxable income in the future years and for which no deferred income tax asset has been recognized, and which expire as follows:

Expires in	Canada	USA
2014	48,865	-
2015	201,647	-
2026	147,848	-
2027	552,192	-
2028	1,419,725	-
2029	1,671,319	-
2030	2,114,658	-
2031	3,019,772	-
2032	2,064,108	-
2033	2,186,735	-
2034	734,228	1,145,548
	14,161,097	1,145,548

The Company has accumulated Mexican losses of approximately $2,900,000, which may be carried forward for 10 years from the year in which they originated.
The Company has accumulated capital losses of $3,933,291 (2013 - $3,635,856), which may be carried forward indefinitely and applied against future capital gains.

Changes in Mexican tax law

In December 2013, the Mexican President passed a bill that increased the effective tax rate applicable to the Company's Mexican operations. The law is effective January 1, 2014, and increases the future income tax rate to 30%, creates a 10% withholding tax on dividends paid to non-resident shareholders (subject to any reduction by an Income Tax Treaty), and creates a new Extraordinary Mining Duty equal

to 0.5% of gross revenues from the sale of gold, silver and platinum. In addition, the law requires taxpayers with mining concessions to pay a new 7.5% Special Ming Duty. The Extraordinary Mining Duty and Special Mining Duty will be tax deductible for income tax purposes. The Special Mining Duty will generally be applicable to earnings before income tax, depreciation, depletion, amortization, and interest. In calculating the Special Mining Duty there will be no deductions related to development type costs but exploration and prospecting costs are deductible when incurred.

18. Subsequent Events

On March 12, 2015 Millrock announced that it had entered into a collaboration agreement with a major mining company. The work will be focused on specific, defined, collaboration areas in Alaska, which the Major and Millrock consider have the potential for high grade gold deposits

On March 13, 2015 Millrock announced that it had granted 1,070,000 stock options to officers, employees, and consultants, and 263,253 shares at a deemed price of $0.50 per share in settlement of the deferred compensation.

On March 15, 2015 the company that funded the Rio Sonora project initial exploration program chose not to continue with the project. Millrock is seeking a new partner for the project.



Management Discussion & Analysis

For the Years Ended December 31, 2014 and 2013
up to April 28, 2015

Introduction

This is Management's Discussion and Analysis ("MD&A") for Millrock Resources Inc. ("Millrock" or "the Company") and has been prepared based on information known to management as of April 28, 2015. This MD&A is intended to help the reader understand the condensed consolidated audited financial statements of Millrock.

The Company, in compliance with the Canadian Institute of Chartered Accountants ("CICA") Accounting Standards Board ("AcSB"), adopted the use of the International Financial Reporting Standards ("IFRS") and transitioned from Canadian Generally Accepted Accounting Principles ("Cdn GAAP") to IFRS by the required date of January 1, 2011. This MD&A should be read in conjunction with the consolidated financial statements for the year ended December 31, 2014 and supporting notes. These consolidated financial statements have been prepared using accounting policies consistent with IFRS.

The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's Audit Committee meets with management regularly to review the consolidated financial statements, including the MD&A, and to discuss other financial, operating and internal-control matters.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

Gregory A. Beischer, a director of the Company and its president and chief executive officer, is the qualified person (as defined in NI 43-101) who approved the technical information in this MD&A.

Description of Business

Millrock Resources Inc. ("Millrock" or the "Company") is engaged in the acquisition, exploration and development of mineral properties prospective for gold, copper and other valuable metals. The Company follows a Project Generator – Joint Venture business model that capitalizes on Millrock's knowledge and ability to identify high quality exploration targets and execute excellent exploration programs. The Company has a focus on geologic terrains and models that can produce huge metallic deposits in two outstanding mining jurisdictions: Alaska and Mexico. This business model shares risk by partnering with other companies that invest capital to move exploration projects toward development and production. As of the report date Millrock has twenty-two active exploration projects, eight gold, copper and zinc properties in Alaska, a uranium project in New Mexico, and twelve gold, silver and copper projects in Mexico. During 2014, two companies were earning in to Millrock's projects: Teck American Incorporated, a subsidiary of Teck Corporation ("Teck"), and First Quantum Minerals Ltd ("First Quantum") and another company, which for now wishes to remain anonymous, funded work on a Millrock project in Mexico.

The Company has established a strong property portfolio prospective for the discovery of large-scale intrusion-related gold and copper-gold porphyry deposits. Millrock is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Nunavut, and trades on the TSX Venture Exchange under the symbol MRO. The Company also trades on the OTCQX marketplace in the United States.

Forward Looking Statements

This document may contain "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of mineral resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The following forward looking statements have been made in this MD&A:

- The Company discusses the potential to upgrade mineral exploration projects by way of early stage exploration;
- Drill programs are planned for various noted properties;

Risks and Uncertainties

i) Exploration and Development Risk

The Company's properties in Alaska and Arizona are in early exploration stages and are without a known body of commercial ore. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are

the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), commodity prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Company. The Company attempts to mitigate its exploration risk by maintaining a diversified portfolio that includes several metal commodity targets in a number of geologic and political environments. Management also balances the exploration risks through option agreements with other companies.

Beyond exploration and development risk, management is faced with a number of other risk factors. The more significant ones include:

ii) Financial Markets

Presently, the Company obtains the majority of its working capital from other companies that are funding exploration on Millrock projects in order to earn an interest in the mineral rights. However, the Company will be dependent on the equity markets as its main source of operating working capital and funding for any advanced exploration and development activities that may be needed on its projects. The Company's capital resources are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. Consequently, there can be no assurance that equity financing will be available to the Company in the amount required at any time or for any period or if available, that it can be obtained on terms satisfactory to the Company.

iii) Metal Prices

The price of gold is affected by numerous factors including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, supply and demand, political, economic conditions and production levels. In addition, the price of gold has been volatile over short periods of time due to speculative activities. The price of other metals and mineral products that the Company may explore for all have the same or similar price risk factors. The prevailing price of metals and speculation on future price of metals by the investing public can have strong impacts on the share prices of exploration companies like Millrock.

iv) Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in the USA and as such, a large portion of its expenses are incurred in U.S. dollars, which could cause a significant change in the results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations as the Company considers these risks at a minimum.

v) Cash Flows and Additional Funding Requirements

The Company currently has no revenue from mining operations; however it does generate revenues from overhead recovery fees charged to partners for administration of project development work. If any of its exploration programs are successful and optionees of properties complete their earn-in, the Company would have to provide its share of ongoing exploration and development costs in order to maintain its interest or be reduced in interest or to a royalty interest. Additional capital would be required to put a property into commercial production. The sources of funds currently available to the Company are the sale of its, marketable securities, equity capital or the offering of an interest in its projects to another party.

vi) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and cash equivalents and amounts receivable are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness. The majority of the Company's cash is held through large Canadian and US financial institutions with a high investment grade rating.

vii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk through the management of its capital structure and financial leverage. The Company insists on pre-payment of costs for exploration programs that have been approved by partner companies. Work does not commence unless funds to cover the cost of the work have been received. Accounts payable and accrued liabilities are due and paid within the current operating period.

viii) Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any short-term investments included in cash due to the short term nature.

ix) Market Volatility for Marketable Securities

The Company's marketable securities consist of shares of exploration companies that are historically very volatile. There is no assurance that the Company will be able to recover the current fair market value of those shares. The Company also may not be able to sell the shares it holds in other companies in an illiquid market.

x) Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the financing of its business by the issuance of securities and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued shares of common stock, or securities convertible into common stock, would result in dilution, possibly substantial, to present and prospective holders of common stock. The Company usually seeks joint venture partners to fund in whole or in part

exploration projects. This dilutes the Company's interest in properties. This dilution is undertaken to spread or minimize the risk and to expose the Company to more exploration opportunities. However, it means that any increased market capitalization or profit that might result from a possible discovery would be shared with the joint venture partner. There is no guarantee that the Company can find a joint venture partner for any property.

xi) Material Risk of Dilution Presented by Large Number of Share Purchase Options and Warrants

At year end there were 426,500 stock options and 12,602,140 warrants outstanding. Directors and officers held 285,000 of the options and 118,000 of the warrants, and 141,500 of the options were held by employees and consultants of the Company. As of the year end there were 19,504,219 shares issued and outstanding. On a fully diluted basis including stock options and warrants the Company has a capitalization of 32,532,859 shares. Subsequent to year end the Company issued 263,252 shares to satisfy deferred compensation obligations to employees and issued 1,070,000 stock options. Therefore at report date the Company has 19,767,471 shares outstanding and a fully diluted capitalization of 33,866,111.

xii) Trading Volume

The relatively low trading volume of the Company's shares reduces the liquidity of an investment in its shares. Trading volumes fluctuate with market conditions and seasons. The Company attempts to reduce this risk by having multiple projects that are continually generating news and therefore investor interest and trading volume.

xiii) Volatility of Share Price

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries or discouraging exploration results, changes in financial results, and other factors could have a significant effect on share price.

xiv) Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other exploration and mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

xv) Dependence on Management

The Company depends heavily on the business expertise of its management. There is risk to the Company's ability to execute its business plans if some or all of the current management team were to suddenly leave the Company or become incapable of performing their individual and collective responsibilities. The Company has mitigated the risk of its managers leaving for other companies through competitive compensation, cash bonuses and by providing options to purchase Millrock stock. Some of the senior managers hold substantial share positions in Millrock and are motivated to remain with the Company. The Company has also developed the

necessary depth such that it can replace senior managers with more junior staff if necessary. Despite the mitigation measures the Company still depends heavily on its current management.

xvi) Title Risk

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee a clear title. Property title may be subject to unregistered prior agreements and regulatory requirements. The Company is not aware of any disputed claims of title

xvii) Environmental

The Company's exploration and development activities are subject to extensive laws and regulations governing environment protection. The Company is also subject to various reclamation related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by non-governmental organizations has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

xviii) Laws and Regulations

The Company's exploration activities are subject to extensive federal, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

xix) Mineral Resource Estimates

The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. No assurances can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated.

Use of the Terms "Mineral Resources" and "Mineral Reserves"

Any reference in this MD&A to Mineral Resources does not mean Mineral Reserves. Under NI 43-101, a Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material

is mined. Mineral Resources are sub-divided, in order of increasing geologic confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

The terms "Mineral Reserve," "Proven Mineral Reserve" and "Probable Mineral Reserve" are Canadian mining terms as defined in accordance with NI 43-101 and the CIM Standards. These definitions differ from the definitions in SEC Industry Guide 7 under the U.S. Securities Act. Under SEC Industry Guide 7, a reserve is defined as part of a mineral deposit which could be economically and legally extracted or produced at the time the reserve determination is made. Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "Mineral Resource," "Measured Mineral Resource," "Indicated Mineral Resource" and "Inferred Mineral Resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. "Indicated Mineral Resource" and "Inferred Mineral Resource" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Indicated Mineral Resource or Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an Inferred Mineral Resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this MD&A filed herewith or incorporated by reference herein contain descriptions of mineral deposits that may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under United States federal securities laws and the rules and regulations promulgated thereunder.

CAUTIONARY NOTE TO U.S. INVESTORS REGARDING MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Cautionary Note – The United States Securities and Exchange Commission ("SEC") permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. Millrock Resources Inc. uses certain terms such as "measured", "indicated", "inferred", and "mineral resources," which the SEC guidelines strictly prohibit U.S. registered companies from including in their filings with the SEC. Accordingly, information contained in this MD&A contains descriptions of our mineral deposits that may not be comparable to similar information made public by U.S. companies which are subject to the reporting and disclosure requirements under United States federal securities laws and the rules and regulations promulgated thereunder. While Millrock is not a U.S. registered

company, it does trade through the OTCQX marketplace, its projects are all in the U.S., the Company owns two U.S.-based subsidiary companies, the main operational office is in Anchorage, Alaska, and there are a substantial number of U.S. shareholders of Millrock. For these reasons Millrock cautions U.S. investors regarding mineral resource and mineral reserve estimates that may be mentioned in this MD&A.

Additional Information

Financial statements, MD&A documents and additional information relevant to the Company and the Company's activities can be found on SEDAR at www.SEDAR.com, and/or on the Company's website at http://www.millrockresources.com.

General

The Company continued to advance its business objectives throughout 2014 despite exceptionally challenging conditions in the mining exploration business sector. Millrock made two major moves to position itself for the future. First, it purchased a Mexico-centered mineral exploration company. Along with the Mexico purchase Millrock closed a $1,004,500 private placement. Second, it consolidated its stock on a 10:1 basis and raised equity financing of $4,045,000. The Company is now on good footing for a resurgence in mineral exploration.
Despite the challenges Millrock continued to be an active explorer. In total, the Company expended $1,639,471 on exploration in 2014, of which $1,084,666 was supplied by partner companies that are earning into Millrock's projects. Additionally, the Company spent $450,864 on general exploration separate from the Company's capitalized projects.

Highlights for the Year Ended December 31, 2014 and for the Subsequent Period up to April 28, 2015

i) **Purchase of Pembrook Mexico Holdings:** The Company entered into an agreement to purchase Pembrook Mexico Holdings (**"**PMXH") and all of its assets, which include the shares of a wholly-owned Mexican subsidiary and its nine 100%-owned mineral properties, two mineral properties under option, an extensive geological database and various exploration equipment.

ii) **Financing:** On June 19, 2014 the Company closed a financing that raised gross proceeds of $1,004,500 through the sale of 20,090,000 units (the "Units") priced at $0.05 per Unit. Each Unit consists of one common share and one share purchase warrant (the "Warrants"), with each Warrant entitling the holder thereof to purchase one additional common share at a price of $0.10 per share for a period of five years.

iii) **Alaska Peninsula Project, Alaska:** Millrock carried out airborne magnetic and radiometric surveys, soil sampling, geological mapping and prospecting on the Alaska Peninsula project. The work was funded by First Quantum Minerals ("First Quantum") under a Right of First Refusal ("ROFR") agreement. The results were favourable. First Quantum has indicated that it will exercise its ROFR and enter an Option to Joint Venture Agreement to fund further work that is planned to include drilling in 2015.

iv) **Financing and Share Consolidation:** On October 23, 2014 the Company closed a financing that raised gross proceeds of $4,045,000 through the sale of 80,900,000 units (the "Units") priced at $0.05 per Unit. Each Unit consists of one common share and one share purchase warrant (the "Warrants"), with each Warrant entitling the holder thereof

to purchase one additional common share at a price of $0.07 per share for a period of two years, and thereafter at a price of $0.10 per share for an additional period of three years. Millrock also announced that immediately following the closing of the financing, it would consolidate its stock on a 10:1 basis. The reverse split and the financing were completed subsequent to the end of the quarter.

Outlook

Continued adverse market conditions have reduced the amount of capital available from major mining companies but Millrock continues to develop projects that are of interest. The Company has cut overhead expenditures in pace with reduced revenues. Even with these reductions it is anticipated that some revenue will be derived from exploration overhead recovery fees and possibly option payments but this income will not offset all overhead costs. Millrock will have to bring in additional funds through new partnerships.

Millrock will continue to generate projects throughout Alaska and Mexico through research and early stage exploration work. Since many exploration companies have little cash they are dropping their assets or selling that at low cost. Millrock intends to take advantage of the situation by building its property portfolio in anticipation of more favourable markets in the future.

Operations Review

Alaska Properties

Millrock owns and operates eight mineral exploration projects in Alaska in four distinct regions: the Kahiltna Terrane of south-central Alaska (Estelle, Cristo and Distin); the Togiak Terrane of southwest Alaska (Humble and Audn), the Tintina Gold Belt of eastern Alaska (Stellar, Fortymile) and the Alaska Peninsula of southwest Alaska. The following provides a summary description of the properties at which there were active exploration field operations or office work, or any related corporate developments.

Alaska Peninsula Project, Alaska (copper, gold), Alaska Peninsula: An agreement with Bristol Bay Native Corporation ("BBNC") provides Millrock with the opportunity to explore and develop mineral deposits in an exceptionally large land package. The area of interest comprising the agreement covers approximately 650,000 hectares. There are three known, but little explored, porphyry occurrences named Kawisgag, Mallard Duck Bay and Bee Creek. All three occurrences are located near deep tidewater coastlines. Only Bee Creek has ever been tested with drilling. Millrock believes there is good potential to discover valuable copper and gold deposits. First Quantum agreed to fund exploration on the project valued at US$600,000. The exploration program, consisting of airborne magnetic, geological mapping, and rock and soil sampling, was executed in the third quarter. The results were very encouraging. Classic alteration patterns for porphyry copper deposits were defined at each prospect from rocks sample analysis. Zoned metal anomalies from soil sampling match well with the alteration patterns. Drill testing is warranted at each of the three prospects.

Arizona Properties

No work of significance was done on the Arizona properties. Efforts to entice partners were not successful. Most of the various properties have been dropped or returned to the owner and costs written off.

Mexico Properties

On June 6, 2014 the Company entered an agreement to purchase PMXH and all of its assets, which include the shares of a wholly-owned Mexican subsidiary and its nine 100%-owned mineral properties, two mineral properties under option, an extensive geological database and various exploration equipment. The projects, primarily located in the State of Sonora, Mexico, have potential for large-scale copper-gold porphyry deposits, high-sulphidation epithermal gold deposits, high-grade vein gold deposits, and skarn and replacement-style silver-zinc-lead deposits.

Following is a brief synopsis of the main PMXH project assets. The Company is working on summary descriptions of each project and has begun marketing the projects to potentially interested funding partners.

Rio Sonora Project, Sonora, northern Mexico, Cu-Au, 100%: This is a large land position situated between Cananea and La Caridad mines. The target is a buried copper porphyry beneath conglomerate valley fill. Copper occurrences and alteration in surrounding rocks provide support for geophysical targets beneath the conglomerate. A company funded an exploration program valued at approximately $250,000. Geological mapping, rock and soil sampling was done and existing geophysical surveys were reprocessed and interpreted. Geochemical anomalies coincident with geophysical features were identified. Mapping showed that post-mineral Tertiary rocks cover the entire property but are think to the eastern and southeastern portion of the property.

Los Cuarentas Este Project, Sonora, Mexico, Cu (Au), 100%: This property is situated on a very large, intense, zoned alteration system typical of porphyry copper deposits. Very little work has been done by prior workers because no actual intrusive porphyry rock is exposed at surface and base metal occurrences are limited. A buried porphyry copper-molybdenum deposit is possible.

Los Cuarentas Oeste Project, Sonora, Mexico, Au-Ag, 100%: The property is situated on a continuation of the mineralized structure associated with the adjoining Mercedes gold-silver mine that is operated by Yamana Gold Inc. There is potential for high-grade epithermal gold deposits on this property.

Violeta Project, northern Sonora – Au veins/breccias, 100%: This is a fractional claim block in the core of a known mineralized system in northern Sonora. The surrounding claims are owned by another company that has expressed interest in purchasing this key land block.

Los Chinos Project, Sonora near Hermosillo, orogenic Au, 100%: This project targets Herradura-type gold deposits. It is located along a juxtaposed contact of high grade Proterozoic metamorphic rocks against relatively un-metamorphosed but deformed metasedimentary rocks of Jura-Cretaceous age. Several known gold showings suggest a favourable exploration environment. Preliminary exploration has defined some interesting gold values, including a newly discovered zone of oxidized pegmatite and quartz veining in the Proterozoic rocks.

Ramard Project, Sonora, epithermal / vein Au, 80 km north of Hermosillo, 100%: The claims cover a historic, polymetallic stream sediment anomaly as well as a known epithermal stockwork vein showing. Two areas of high grade gold in vein float with magnetite stockworks are present. Additionally, a large skarn system was recently discovered. The skarn contained

anomalous silver, lead and zinc. Millrock carried out soil sampling and prospecting on the claims in 2014.

Villa Hidalgo, Sonora, vein Au, 100%: This claim is on the southern extension of the Sacaton-Cananea-Caridad porphyry trend and was acquired on the basis of favourable geology and colour anomalies. Reconnaissance exploration has led to the discovery of auriferous stockwork zones near some historic mine workings. Further mapping and prospecting are warranted.

La Union Project, Sonora, Au-Ag, 100%: This project is situated in the Herradura district of northwest Sonora. Mapping has identified an area with high-grade silver-gold (and lead-zinc) veins.

Los Chivos Project, Central Baja California, orogenic gold, 100%: Reconnaissance exploration has defined some high grade vein mineralization in the district and there may be potential for larger Herradura-style orogenic gold deposits. Adjacent claims will need to be secured in order to make a comprehensive land package.

Guadalcazar Project, San Luis Potosí, central Mexico, Au-Ag, 100% Option from Servicio Geologico Mexico: At this project a skarn zone with strong silver is known. Pembrook, from a 2013 drilling program, has reported high grade silver over significant drill intervals including 22 m @ 148 gpt Ag.

Coatan Project, Chiapas, southern Mexico, Au, 100% Option from Riverside: Early stage exploration has defined several drainages covering ten km of strike that yield transported float of high sulphidation gold mineralization consisting of vuggy silica, silicification and iron oxides with strong gold-silver. Community relations work will be necessary to gain access.

Material Financial Information

Year Ended December 31, 2014 Compared to the Year Ended December 31, 2013

The Company had overhead recovery fees of $23,225 for the year ended December 31, 2014 compared to overhead recovery fees of $127,457 for the year ended December 31, 2013, and a net operating loss of $2,861,540 as compared to its net operating loss of $7,089,107 for yearend 2013. The revenue decline resulted from reduced overhead recovery fees received from earn in partners. The Company also had substantial property write offs of $1,102,833.

The decrease in General and Administrative expense year over year resulted from a decrease in accounting and legal fees of $310,915, a decline in consulting, directors and salaries costs of $256,665, a decline in office expense of $62,087; all of which were partially offset by an increase in general exploration expense of $160,884, and an increase in investor relations of $45,562 from year end 2013 to year end 2014.

General and Administrative expenses overall for the year ended December 31, 2014 totalled $1,868,831 as compared to $2,206,925 for the corresponding year end 2013. The five largest expense items are consulting, directors and salaries expenses of $505,781, accounting, audit and legal of $207,988, office and miscellaneous expense of $362,264, general exploration of $450,864, and investor relation expenses of $177,117. These items comprise approximately 91% of the total general and administrative expenses of the Company.

Consulting, directors and salaries costs amounted to approximately 27% of the total general and administrative expenses for the year end December 31, 2014 compared to 34% for the year ended 2013. The decrease in consulting, directors and salaries expenses was due primarily to salary deferment by employees

Accounting, audit and legal fees amounted to approximately 11% of the Company's administrative expenses for year ended December 31, 2014, compared to 23% for the year ended 2013. The prior year had an increase in total fees due to additional work regarding tax filings and the Company's corporate re-organization and the current year has returned to normal levels.

Office and miscellaneous expense amount to approximately 19%, of the total general and administrative expenses for the year ended December 31, 2014, compared to 19% for the year ended 2014. The decrease is due to tightening of overhead budgets in the Company's U.S. and Canadian offices.

General exploration expenses amounted to approximately 24% of the total general and administrative expenses for the year ended December 31, 2014, compared to 13% for the year ended 2013. This increase arose because the company continued to pursue a number of projects in keeping with the model of a project generator.

Investor relations costs amounted to approximately 9% of the total General and administrative expenses for the year ended December 31, 2014, compared to 6% for the year ended 2013. The company increased spend in investor relations after completing the purchase of the Mexican subsidiary and in efforts to assist with the equity funding that occurred in the fourth quarter.

Additional Disclosure for Venture Issuers Without Significant Revenue

As the Company has had little revenue since inception, the following is a breakdown of the material costs incurred:

	Twelve Months Ended December 31, 2014	Twelve Months Ended December 31, 2013
Stock-based compensation	120,191	$ 10,942
Investor relations	177,117	$ 131,555
Office and miscellaneous	362,264	$ 424,351
Consulting, directors and salaries	505,781	$ 762,446
General Exploration	450,864	$ 289,980
Accounting, audit and legal	207,988	$ 518,903
Amortization and depreciation	32,848	$ 90,846

The Company's annual financial results for the years December 31, 2014 and 2013 have been prepared in accordance with IFRS.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Dec. 31 2014 Q4	Sep. 30 2014 Q3	Jun. 30 2014 Q2	Mar. 31 2014 Q1	Dec. 31 2013 Q4	Sep. 30 2013 Q3	Jun. 30 2013 Q2	Mar. 31 2013 Q1
Mineral expenditures	$ 644,332	$ 1,333,539	$ 973,489	$ 95,429	$ (2,629,930)	$ 582,975	$ 272,986	$ (2,214,382)
G&A expense (including stock-based comp.)	1,868,831	1,060,178	723,007	308,978	429,465	510,564	640,143	626,752
Stock-based compensation	120,191	-	-	-	-	10,942	-	-
Adjusted G&A (excluding stock-based comp.)	1,748,640	1,060,178	723,007	308,978	429,465	499,622	640,143	626,752
Mineral properties write-off	1,102,833	-	-	-	2,808,322	-	-	2,017,278
Net Income/(loss)	(2,921,907)	(1,059,021)	(721,850)	(308,058)	(3,288,465)	(466,459)	(589,187)	(2,720,766)
Loss per share	$ (0.25)	$ (0.10)	$ (0.09)	$ -	$ (0.30)	$ (0.09)	$ (0.09)	$ (0.39)

Liquidity and Capital Resources

As of December 31, 2014, the Company has accumulated a deficit of $28,184,271 and has working capital of $3,599,142. The Company realizes income from option agreement payments, and from overhead recovery fees it collects as the operator of earn in projects (option payments are recorded against the related property cost and not considered revenue until the property is reduced to zero but overhead recovery are recorded as revenue). These funds can cover a significant portion of the Company's overhead costs. The Company relies on equity financing to fund generative exploration programs on its open ground and on some of its properties. There are 1,496,500 options and 12,602,140 warrants outstanding as at April 28, 2015. Funding for most of the property exploration carried out by Millrock comes from partner companies earning in to Millrock's projects. Presently Millrock is contributing to the Estelle project expenses. The Company's ability to continue as a going concern is dependent upon its ability to continue some of its existing partnerships, partner additional exploratory prospects, generate overhead recovery fees, and receipt of option payments. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, and by making earn-in agreements with partner companies there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financings will be favourable.

Working Capital

As of December 31, 2014 the Company had working capital of $3,599,142 based on current assets of $4,460,911 and current liabilities of $861,769.

Related Party Transactions

The Company incurred charges with key management personnel and companies with directors and officers in common as follows:

	Year Ended December 31	
	2014	**2013**
Consulting, directors and compensation	$ 727,405	$ 742,718
Stock based compensation	120,291	10,942
	$ 847,696	**$ 753,660**

These charges were in the normal course of operations and were measured by the exchange amount which is the amount agreed upon by the transacting parties.

As of December 31, 2014, due from related parties was $0 (December 31, 2013: $0), due to related parties $98,162 (December 31, 2013: $14,210) for directors' fees and bonuses. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.

A director of the Company is a shareholder and director of Mines Trust Company, which is a related party to the Estelle project underlying mineral property agreement. This director resigned in 2014.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant areas requiring the use of management estimates include assumptions and estimates relating to asset impairment analysis, share-based payments and warrants, valuation allowances for deferred income tax assets, the provision for income tax liabilities, deferred income taxes and assessing and evaluating contingencies. Actual results could differ from these estimates.

The most significant accounting estimates for the Company relate to the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed on a property-by-property basis to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value.

Management's estimates of mineral prices, recoverable proven and probable reserves and operating, capital and reclamation costs are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties.

Another significant accounting estimate relates to accounting for stock-based compensation. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the year.

Basis of Preparation

Changes in Accounting Policies

The Company prepares its consolidated financial statements in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting

Standards Board ("IASB"). These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are effective as of December 31, 2013.

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next twelve months. Realization value may be substantially different from carrying value as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. As of December 31, 2014, the Company had not yet achieved profitable operations, but had working capital of $3,599,142 (year end 2013: $1,618,404). The Company's ability to continue as a going concern is dependent upon its ability to generate revenue from overhead recovery fees and option payments.

Upcoming Changes in Accounting Standards

The following standards and amendments to existing standards have been published and are mandatory.

IFRS Standards Issued and Adopted

IFRIC 21 Levies
IFRS 10 (Amendment) Consolidated Financial Statements
IFRS 12 (Amendment) Disclosure of Interest in Other Entities
IAS 27 (Amendment) Investment Entities
IAS 36 (Amendment) Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets

The Company has evaluated and is in compliance with the above new and revised IFRS standards and has determined there to be no material impact on the consolidated financial statements.

IFRS Standards Issued But Not Yet Effective

IFRS 9 (Amendment) Financial Instruments
IFRS 11 (Amendment) Accounting for Acquisition of Interests in Joint Operations
IAS 16 (Amendment) Property, Plant and Equipment
IAS 38 (Amendment) Intangible Assets

Management intends to adopt the above standards in the Company's consolidated financial statements as of their effective dates, and is currently considering the impact of the adoption of these standards.

Financial Instruments and Other Instruments

i) Fair Value of Financial Instruments

The Company's financial instruments that are measured at fair market value on a recurring basis in periods subsequent to initial recognition and the fair value hierarchy used to measure them are presented in the table below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly) i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The table set out below summarizes the Company's financial instruments and shows the level within the fair value hierarchy in which they have been classified. The fair value of these financial instruments approximates their carrying value due to the short term nature of their settlement:

Financial Instrument	Level	December 31, 2014	December 31, 2013
Cash and Cash Equivalents	1	$ 3,778,151	$ 1,613,607
Security Deposit and Restricted cash	1	$ 160,745	$ 130,828
Marketable Securities	1	$ 57,389	$ 68,199
Accounts Receivable	3	$ 87,602	$ 15,429
Account Payable & Accrued Liabilities	3	$ 596,897	$ 159,396

The carrying values of all categories of financial instruments are presented on the consolidated statement of financial position.

ii) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and amounts receivable are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalent by placing these instruments with institutions of high credit worthiness. Deposits are insured up to $250,000 US dollars in the US and $100,000 Canadian dollars in Canada by each nation's government, therefore the maximum amount that may be exposed to credit risk totaling cash, restricted cash, and amounts receivable for the year ended December 31, 2014 is $3,636,498.

iii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current.

iv) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has cash and working capital items of $63,602 (December 31, 2013: $171,996) denominated in US dollars. A ten percent change in the exchange rate would result in a $6,360 (December 31, 2013: $17,171) impact to the Company's net income (loss). The Company has Mexican peso cash and working capital items of $313,690 (December 31, 2013: $0). A ten percent change in the exchange rate would result in a $31,369 (December 31, 2013: $0) impact to the Company's net income (loss). The Company does not have a formal policy to manage risk; however, management actively monitors movement in foreign currency and forecasts foreign currency payments. Foreign exchange risk is mitigated by the offset of assets against liabilities.

v) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the period in consolidated financial statements is interest income on Canadian dollar cash and cash equivalents. The Company is not exposed to significant interest rate risk.

vi) Management of Capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to pursue the exploration and development of its mineral properties, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or bring in earn-in partners. Due to the Company's business, the Company regularly enters into earn-in agreements where funds are forwarded as part of the option-in agreement. As such, these funds are restricted.

Share Capital

i) Authorized

Unlimited common shares without par value

ii) Issued and outstanding common shares for the year ended December 31, 2014 was 19,504,219.

Legal Claims and Contingent Liabilities

At December 31, 2014, there were no material legal claims or contingent liabilities outstanding.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Subsequent Events

On March 12, 2015 Millrock announced that it had entered into a collaboration agreement with a major mining company. The work will be focused on specific, defined, collaboration areas in Alaska, which the Major and Millrock consider have the potential for high grade gold deposits

On March 13, 2015 Millrock announced that it had granted 1,070,000 stock options to officers, employees, and consultants, and 263,253 shares at a deemed price of $.50 per share in settlement of debt for deferred compensation.

On March 15, 2015 the company that funded the Rio Sonora project initial exploration program chose not to continue with the project. Millrock is seeking a new partner for the project.

Disclosure of Outstanding Share Data

The following table summarizes the number of common shares, stock options and share purchase warrants as of April 28, 2015:

	Amount	Exercise Price	Expiry Date
Common Shares outstanding as of April 28, 2015	19,767,471		
Warrants	345,000	$4.50	June 11, 2015
	904,500	$3.50	October 31, 2015
	670,000	$1.50	October 9, 2018
	2,009,000	$1.00	June 19, 2019
	120,600	$1.00	June 19, 2019
**	8,090,000	$0.70	October 21, 2016
	428,000	$0.50	October 21, 2019
**	35,040	$0.70	October 21, 2016
Employee Stock Options	20,000	$4.00	July 19, 2015
	35,000	$4.00	August 25, 2015
	73,000	$7.50	November 4, 2015
	1,000	$8.50	February 8, 2016
	40,000	$6.40	May 2, 2016
	25,000	$6.00	August 19, 2016
	6,500	$4.75	January 31, 2017
	176,000	$2.10	June 21, 2017
	35,000	$2.30	November 15, 2017
	15,000	$1.00	July 17, 2018
	1,070,000	$0.50	March 13, 2020
Fully Diluted Shares Outstanding	33,866,111		

**Note these warrants have tiered exercise price of $0.70 until Oct. 21, 2016 and $1.00 thereafter until Oct. 21, 2019

The following table summarizes the weighted average of stock options and share purchase warrants as of April 28, 2015:

	Number of Share	Weighted Average Exercise Price ($CDN)
Issued and outstanding common shares	19,767,471	-
Incentive stock options	1,496,500	$ 1.48
Share purchase warrants	12,602,140	$ 1.10
	33,866,111	-

HEAD OFFICE

Millrock Resources Inc.
789 W. Pender, Suite 800
Vancouver, British Columbia
Canada V6C 1H2

Tel: (604) 638-3164
Toll Free: (877) 217-8978
Email: info@millrockresources.com

OFFICERS & DIRECTORS

Gregory Beischer, B.Sc., CPG
President & CEO, Director

Philip St. George, B.S. (Geol.)
Chief Exploration Officer

Keith Granberry, CPA, CFE
Chief Financial Officer

Janice Davies
Corporate Secretary

Darryl Cardey, CA
Director & Chairman, Audit Committee

Roland Butler, B.Sc., Geology
Director

Peter J. Chilibeck, LL.B.
Director & Chairman, Corporate Governance Committee

Larry J. Cooper
Director

LISTINGS

TSX Venture Exchange: **MRO**
OTC Markets Group (OTCQX): **MLRKF**

CAPITALIZATION

(as at April 28, 2015)

Shares Authorized: Unlimited
Shares Issued: 19,504,219

REGISTRAR & TRUST AGENT

Computershare
2nd Floor, 510 Burrard Street
Vancouver, British Columbia
V6C 3B9

AUDITOR

Ernst & Young LLP
Pacific Centre
700 West Georgia Street
P.O. Box 10101
Vancouver, British Columbia
V7Y 1C7

LEGAL COUNSEL

Owen-Bird
2900 - 595 Burrard Street
PO Box 49130
Vancouver, British Columbia
V7X 1J5