MILLROCK RESOURCES INC

Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2015

Notice of No Auditor Review of the Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of Millrock Resources Inc. (the "Company"), for the three months ended March 31, 2015 have been prepared by management and have not been the subject of a review by the Company's independent auditor.

MILLROCK RESOURCES INC.

(An Exploration Stage Company)

Consolidated Statements of Financial Position

As at March 31, 2015, and December 31, 2014
(expressed in Canadian dollars)

ASSETS		**31-Mar-2015**		**31-Dec-2014**
Current assets				
Cash and cash equivalents	$	2,777,494	$	3,778,151
Security deposit and restricted cash - Note 4		499,224		160,745
Marketable securities - Note 5		71,690		57,389
Amounts receivable		133,165		87,602
Prepaid expenses and deposit		337,130		377,024
Total current assets	$	3,818,703	$	4,460,911
Non-current assets				
Exploration and evaluation assets - Note 3		2,881,339		2,317,409
Property, plant and equipment - Note 6		53,831		57,478
Total non-current assets	$	2,935,170	$	2,374,887
TOTAL ASSETS	**$**	**6,753,874**	**$**	**6,835,798**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	628,200	$	596,897
Income tax payable		67,197		62,724
Project cost advance received		372,182		44,386
Due to related parties - Note 9		-		98,162
Deferred tax liability		63,044		59,600
Total current liabilities	$	1,130,623	$	861,769
Total liabilities	**$**	**1,130,623**	**$**	**861,769**
Shareholders' equity				
Share capital - Note 7	$	30,361,960	$	30,241,769
Reserves				
Share-based payments - Note 8		3,742,614		3,579,681
Warrants - Note 8		331,372		331,372
Other comprehensive income		279,723		5,478
Deficit		(29,092,417)		(28,184,271)
Total shareholders' equity	**$**	**5,623,251**	**$**	**5,974,029**
TOTAL LIABILITES AND SHAREHOLDERS' EQUITY	**$**	**6,753,874**	**$**	**6,835,798**

These financial statements were approved and authorized for issue by the Board of Directors on May 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 Three Months ended March 31, 2015 and 2014
(expressed in Canadian dollars)

		For the Three Months Ended		
		March 31, 2015		March 31, 2014
Revenue				
Overhead recovery fees	$	25,243	$	920
		25,243		920
General and administrative expense				
Accounting, audit and legal		56,817		5,466
Amortization and depreciation - Note 6		5,458		16,249
Consulting, directors and salaries - Note 9		233,798		159,736
Foreign exchange (gain)/loss		9,897		(1,476)
General exploration		235,151		27,700
Investor relations		81,850		26,757
Office and miscellaneous expense		104,854		74,546
Stock-based compensation - Note 8		199,563		-
		927,388		308,978
Loss before other items	**$**	**(902,145)**	**$**	**(308,058)**
Other items				
Gain on disposal of assets - Note 6		10,132		-
Net loss before income taxes	**$**	**(892,013)**	**$**	**(308,058)**
Income tax expense		(16,134)		(29,567)
Net loss before other comprehensive loss	**$**	**(908,147)**	**$**	**(337,626)**
Other comprehensive income/(loss)				
Unrealized gain/(loss) on marketable securities - Note 5		14,301		40,710
Cumulative translation adjustment		259,943		53,117
Comprehensive loss for the period	**$**	**(633,903)**	**$**	**(243,799)**
Basic and diluted loss per share	**$**	**(0.07)**	**$**	**-**
Weighted average number of shares outstanding - basic and diluted		**13,304,768**		**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 Three Months ended March 31, 2015 and 2014
(expressed in Canadian dollars)

	For the Three Months Ended			
		2015		**2014**
Cash provided from (used for)				
Operating activities				
Net loss	$	(908,147)	$	(337,626)
Items not involving cash				
Amortization and depreciation		5,458		16,249
Stock-based compensation		199,563		-
	$	**(703,126)**	**$**	**(321,377)**
Net change in non-cash working capital items				
Amounts receivable	$	(45,563)	$	(336,981)
Prepaid expenses		39,894		(9,699)
Accounts payable and accrued liabilities		36,261		(48,693)
Income tax payable		4,473		3,382
Project cost advance received		327,796		303,828
Due to related parties		(98,162)		15,500
Total cash outflows from operating activities	**$**	**(438,427)**	**$**	**(394,040)**
Cashflows from investing activities				
Advances on exploration expenditures	$	-	$	(10,873)
Net expenditures on exploration and evaluation assets		(233,883)		(20,030)
Proceeds from sale of equipment		10,132		-
Total outflows from investing activities	**$**	**(223,751)**	**$**	**(30,903)**
Cashflows from financing activities				
Security deposit and restricted cash	$	(338,479)	$	(308,028)
Total inflows from financing activities	**$**	**(338,479)**	**$**	**(308,028)**
Increase (Decrease) in cash and cash equivalents	**$**	**(1,000,657)**	**$**	**(732,970)**
Cash and cash equivalents, beginning of the period		**3,778,151**		**1,613,607**
Cash and cash equivalents, end of the period	**$**	**2,777,494**	**$**	**880,637**

See accompanying notes to the consolidated financial statements

MILLROCK RESOURCES INC.

(An Exploration Stage Company)

Consolidated Interim Statements of Changes In Stockholders' Equity (Unaudited)

Period From December 31, 2013 to March 31, 2015

(expressed in Canadian dollars)

	Common Shares (Note 7)		Reserves				
	Shares	Amount	Share-based Payment	Warrants	Other Comprehensive Income	Deficit	Total Shareholders' Equity
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	1,500	1,350	-	-	-	-	1,350
Cumulative translation adjustment	-	-	-	-	53,117	-	53,117
Unrealized gain on available-for-sale marketable securities	-	-	-	-	40,710	-	40,710
Loss for the period	-	-	-	-	-	(337,626)	(337,626)
Balance, March 31, 2014	**8,675,489**	**$ 25,249,207**	**$ 3,053,097**	**$ 317,880**	**$ 129,888**	**$ (25,660,357)**	**3,089,715**
Issuance of common shares for exploration and evaluation assets	729,730	474,324	-	-	-	-	474,324
Anti-Dilution right	-	-	151,734	-	-	-	151,734
Issuance of common shares 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	-	-	-	-	(46,357)	-	(46,357)
Unrealized loss on available-for-sale marketable securities	-	-	-	-	(78,053)	-	(78,053)
Loss for the period	-	-	-	-	-	(2,523,914)	(2,523,914)
Balance, December 31, 2014	**19,504,219**	**$ 30,241,769**	**$ 3,579,681**	**$ 331,372**	**$ 5,478**	**$ (28,184,271)**	**5,974,029**
Issuance of common shares for debt	263,253	120,191	(120,191)	-	-	-	-
Stock-based compensation	-	-	283,124	-	-	-	283,124
Cumulative translation adjustment	-	-	-	-	259,943	-	259,944
Unrealized gain on available-for-sale marketable securities	-	-	-	-	14,301	-	14,301
Loss for the period	-	-	-	-	-	(908,147)	(908,147)
Balance, March 31, 2015	**19,767,472**	**$ 30,361,960**	**$ 3,742,614**	**$ 331,372**	**$ 279,723**	**$ (29,092,417)**	**5,623,251**

* 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.

(Expressed in Canadian dollars)

1. Nature of Operations

Millrock Resources Inc. (“Millrock” or the “Company”) is a public Company listed on the TSX Venture Exchange. The corporate office of the Company is Suite 800, 789 W. Pender, Vancouver, British Columbia, 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 these condensed interim consolidated financial statements in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ending December 31, 2014 prepared in accordance with IFRS. IAS 34 does not require disclosure of accounting policies used in interim statements. The significant accounting policies used in the preparation of these condensed interim consolidated financial statements are the same as those policies applied in the Company’s audited consolidated financial statements for the year ended December 31, 2014.

The condensed consolidated interim 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%

The Company consolidates all of its subsidiaries on the basis that it controls these subsidiaries through its ability to govern their financial and operating policies. In addition, the Company records its 35% interest in the Estelle joint venture at cost. All intercompany transactions and balances are eliminated on consolidation.

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.

These condensed interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates that the Company will continue in operation for the next twelve months and that it will be able to realize its assets and meet its liabilities in the normal course of operations. Realization value may be substantially different from carrying value as shown and these interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values, classification of assets and liabilities should the Company be unable to continue as a going concern. As of March 31, 2015, the Company had not yet achieved profitable operations, but had working capital of $2,688,077 (December 31, 2014: $3,599,142) and accumulated deficit of $29,092,417 (December 31, 2014 $28,184,271). 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.

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. Significant areas requiring the use of management's judgments, assumptions and estimates include asset impairment analysis, the useful lives of property, plant and equipment, valuation of share-based payments and warrants, the provision for income tax liabilities, deferred income taxes and assessing and evaluating contingencies. Actual results could differ from these estimates.

These condensed interim consolidated financial statements are presented in Canadian dollars.

3. Exploration and Evaluation Assets

This section describes pertinent changes to each of Millrock's projects during the quarter. The notes should be read in conjunction with prior financial statements that describe the agreement terms underlying property owners and earn-in partners.

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.

(Expressed in Canadian dollars)

Exploration and Evaluation Assets

	Alaska							Arizona		USA
	Cristo*	Estelle	Humble	Fortymile	Peninsula	Stellar	Q4P	Galiuro*	Other	Total
Balance at December 31, 2014	$ -	$ 285,151	$ 8,049	$ 132,729	$ 106,243	$ 68,871	$ 5,040	$ -	$ 344,897	$ 950,980
Addition during the year										
Option costs:										
Option payments - cash	-	-	-	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Exploration costs:										
Non-reimbursable costs	-	-	-	-	62,680	18,980	-	-	-	81,660
Acquisition	-	-	-	25	36,171	-	-	-	20,723	56,919
Drilling	-	-	-	-	-	-	-	-	-	-
Geochemistry	-	-	-	-	-	-	-	-	-	-
Geology	-	-	-	-	9,438	-	-	-	34,693	44,131
Geophysics	-	-	-	-	-	-	-	-	-	-
Environmental and permitting	-	-	-	-	-	-	-	-	-	-
External relations	-	-	-	-	12,517	-	-	-	-	12,517
Support and equipment	-	463	-	-	56,271	633	-	-	10,107	67,474
	-	463	-	25	177,077	19,613	-	-	65,523	262,701
Less:										
Recoveries	-	-	-	-	114,397	-	-	-	39,596	153,993
Option payments received	-	-	-	-	-	-	-	-	-	-
Shares received	-	-	-	-	-	-	-	-	-	-
Gain on option payments received	-	-	-	-	-	-	-	-	-	-
Gain on shares received	-	-	-	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	114,397	-	-	-	39,596	153,993
Net additions	-	463	-	25	62,680	19,613	-	-	25,927	108,708
Foreign currency translation	-	26,187	739	12,185	11,041	6,725	463	-	32,196	89,537
Balance at March 31, 2015	$ -	$ 311,801	$ 8,788	$ 144,939	$ 179,965	$ 95,210	$ 5,503	$ -	$ 403,020	$ 1,149,225

*Property was fully written off in 2014

(Expressed in Canadian dollars)

Exploration and Evaluation Assets

	Mexico							Corporate
	Coatan	Las Cuarentas	Guadalcazar	Ramard	Rio Sonora	Other	Total	Total
Balance at December 31, 2014	$ 52,097	$ 429,556	$ 431,528	$ 87,636	$ 335,543	$ 30,070	$ 1,366,428	$ 2,317,409
Addition during the year								
Option costs:								
Option payments - cash	-	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Exploration costs:								
Non-reimbursable costs	-	-	-	-	-	-	-	81,660
Acquisition	21,511	46,705	77,014	9,892	69,362	3,296	227,780	284,698
Drilling	-	-	-	-	-	-	-	-
Geochemistry	-	7,232	3,309	12,541	3,938	539	27,559	27,559
Geology	-	6,344	-	-	13,638	5,591	25,573	69,705
Geophysics	-	-	-	-	-	-	-	-
Environmental and permitting	-	-	-	-	-	-	-	-
External relations	-	-	-	-	-	-	-	12,517
Support and equipment	239	471	-	92	4,351	27	5,180	72,655
	21,750	60,752	80,323	22,524	91,289	9,454	286,092	548,793
Less:								
Recoveries	-	-	-	-	-	-	-	153,993
Option payments received	-	-	-	-	-	-	-	-
Shares received	-	-	-	-	-	-	-	-
Gain on option payments received	-	-	-	-	-	-	-	-
Gain on shares received	-	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	153,993
Net additions	21,750	60,752	80,323	22,524	91,289	9,454	286,092	394,800
Foreign currency translation	3,059	24,956	25,114	5,114	19,592	1,759	79,594	169,131
Balance at March 31, 2015	$ 76,906	$ 515,264	$ 536,965	$ 115,274	$ 446,424	$ 41,282	$ 1,732,114	$ 2,881,339

MILLROCK RESOURCES INC.
(An Exploration Stage Company)
For the Three Months Ended March 31, 2015
(Expressed in Canadian dollars)

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

(Expressed in Canadian dollars)

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

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 2014 FQM decided to enter into a joint venture option agreement and fund a drilling program to take place in the third quarter of 2015. The Option to Joint Venture Agreement is being finalized.

(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. As part of the alliance Vale had optioned the AUDN 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 Coatan, 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 but ultimately the funding party elected not to proceed with further exploration. Millrock is seeking a new partner to fund drilling.

(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.

4. 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 quarter ended March 31, 2015 was $438,856 (December 31, 2014: $438,856).

5. 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.

(Expressed in Canadian dollars)

	3/31/2015			12/31/2014		
Quoted equity shares	# of shares	per share	Fair Value	# of shares	per share	Fair Value
Chalice Gold Mines, Ltd TSX-V: CXN	574,505	0.105	60,323	574,505	0.09	51,705
Coventry Resources Inc. ASX: CYY	1,136,656	0.01	11,367	1,136,656	0.005	5,683
Total Marketable Securities			$ 71,690			$ 57,389

The Company has an unrealized gain of $14,301 on shares for the three months ended March 31, 2015.

6. Property, Plant and Equipment

	Furniture and fixtures	Office equipment	Leasehold improvement	Software	Vehicle	Total
Cost						
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**
Additions						
Disposals	-	(2,793)	-	-	(21,290)	(24,083)
Foreign currency translation	1,790	27,762	1,680	7,686	5,693	44,611
Balance at March 31, 2015	**$ 21,286**	**$ 342,260**	**$ 19,981**	**$ 91,410**	**$ 57,965**	**$ 532,902**
Depreciation and impairment losses						
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**
Depreciation for the year	45	3,973	-	-	1,441	5,458
Disposals	-	(467)	-	-	(21,290)	(21,757)
Foreign currency translation	1,786	25,202	1,680	7,686	4,118	40,472
Balance at March 31, 2015	**$ 21,286**	**$ 315,865**	**$ 19,981**	**$ 91,410**	**$ 30,528**	**$ 479,069**
Carrying amounts						
Balance at December 31, 2013	**$ 1,308**	**$ 28,502**	**$ -**	**$ -**	**$ -**	**$ 29,810**
Balance at December 31, 2014	**$ 42**	**$ 30,133**	**$ -**	**$ -**	**$ 27,303**	**$ 57,478**
Balance at March 31, 2015	**$ -**	**$ 26,394**	**$ -**	**$ -**	**$ 27,437**	**$ 53,831**

The company recognized a gain of $10,132 on the disposal of assets during the period.

(Expressed in Canadian dollars)

7. 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 8.

Issued and outstanding: 19,767,472 common shares (March 31, 2014: 8,675,489).

	Number of Shares		Share Capital		Share-based payment	Warrants
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**	**$**	**30,241,769**	**$**	**3,579,681**	**$ 331,372**
Issuance of common shares for debt	263,253		120,191		(120,191)	-
Stock-based compensation					283,124	
Balance March 31, 2015	**19,767,472**	**$**	**30,361,960**	**$**	**3,742,614**	**$ 331,372**

8. 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 most non-employees is immediate. Non-employees providing Investor Relations services have various expiry dates determined at the time of issuance.

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

(Expressed in Canadian dollars)

	2015	**2014**
Dividend yield	Nil	Nil
Expected volatility	139.90%	-
Risk-free rate of return	0.51%	-
Expected life of options	5 years	-

Total share-based payments recognized in the interim consolidated statements of loss during the quarter ended March 31, 2015 was $199,563 (March 31, 2014: $0).

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

	Number of Share	Weighted Average Exercise Price ($CDN)
Issued and outstanding common shares	19,767,471	-
Incentive stock options	1,496,500	$ 1.12
Share purchase warrants	12,602,140	$ 1.10
	33,866,111	-

The following table summarizes the Company's outstanding and exercisable share purchase options as of March 31, 2015:

Stock options	**Options**	**Weighted Average Exercise Price**
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**
Granted March 13, 2015	1,070,000	$0.50
Outstanding & Exercisable at March 31, 2015	**1,496,500**	**$1.12**

The weighted average remaining contractual life of options outstanding at March 31, 2015 is 4.00 years (March 31, 2014: 2.26 years).

(Expressed in Canadian dollars)

(b) Share Purchase Warrants and Agent Warrants

As of March 31, 2015, 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' warrants for private placement, October 22, 2014 **	35,040	$	0.70	21-Oct-16
Outstanding at December 31, 2014 & March 31, 2015	**12,602,140**			
**Note these warrants have tiered exercise price of $0.70 until Oct. 21, 2016 and $1.00 thereafter until Oct. 21, 2019	**Weighted average price**	**$**	**1.10**	

(c) Disclosure of Outstanding Share Data

The following table summarizes the number of common shares, stock options and share purchase warrants as of March 31, 2015:

	Amount	Exercise Price	Expiry Date
Common Shares outstanding as of March 31, 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

(Expressed in Canadian dollars)

9. Related Party Transactions

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

	Three Months Ended March 31	
	2015	**2014**
Consulting, directors and compensation	$ 229,731	$ 199,861
Stock based compensation	199,563	-
	$ 429,294	**$ 199,861**

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 March 31, 2015, due from related parties is $0 (December 31, 2014: $0), due to related parties $15,500 (December 31, 2014: $0) for directors' fees. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.

10. Financial Instruments and Other 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 has the following levels:

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 company's financial instruments include: cash and equivalents, accounts receivable, marketable securities, prepaid expenses, accounts payable, and due to related parties. The carrying value of cash and equivalents, accounts receivable, and accounts payable approximates their fair values.

(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 three months ended March 31, 2015 is $3,019,883.

(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 $54,234 (March 31, 2014: $198,380) denominated in US dollars. A ten percent change in the exchange rate would result in a $5,423 (March 31, 2014: $19,838) impact to the Company's net income (loss). The Company has Mexican peso cash and working capital items of $183,797 (March 31, 2014: $0). A ten percent change in the exchange rate would result in an $18,379 (March 31, 2014: $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 and the risk is not significant.

(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 loss for the period in consolidated financial statements is interest income on Canadian dollar cash and cash equivalents and interest expense on the note payable. The Company is not exposed to significant interest rate risk.

(f) 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.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period.

11. Subsequent Events

None for the period ended March 31, 2015.

Management Discussion & Analysis

For the Three Months Ended March 31, 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 May 28, 2015. This MD&A is intended to help the reader understand the condensed interim consolidated 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 quarter ended March 31, 2015 and supporting notes. These consolidated interim financial statements have been prepared using accounting policies consistent with IFRS.

The Company's board of directors follow 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, Mexico and the southwest U.S. 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

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. The Company currently has sufficient financial resources to undertake all of its currently planned exploration programs.

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 equivalent 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 quarter end there were 1,496,500 stock options and 12,602,140 warrants outstanding. Directors and officers held 1,135,000 of the options and none of the warrants, and 361,500 of the options were held by employees and consultants of the Company. As of the quarter end there were 19,767,471 shares issued and outstanding. On a fully diluted basis including stock options and warrants the Company has a capitalization of 33,866,111 shares. Subsequent to the quarter end 50,000 stock options were forfeited. Therefore as of report date the company has 1,446,500 stock options outstanding and a fully diluted capitalization of 33,816,111 shares.

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 through the first quarter of 2015. In total, Millrock expended $548,793 on exploration year to date through the first quarter of 2015, of which $153,993 was supplied by partner companies that are earning into Millrock's projects. Additionally, the Company spent $235,151 on generative exploration through the first quarter. Millrock's share price remained relatively static during the quarter.

Highlights for the Quarter Ended March 31, 2015

- **i)** **Alaska Peninsula Project, Alaska:** Late in the 4th quarter of 2014 First Quantum Minerals ("First Quantum") notified Millrock that it intended to enter into an Option to Joint Venture agreement with Millrock pursuant to a Right of First Refusal ("ROFR") agreement that exists between the companies. During this quarter First Quantum indicated it would fund a drilling program with a US$2 million dollar budget. The project is moving forward well.
- **ii)** **Strategic Alliance, Alaska:** 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. For the present time the major company prefers to remain anonymous.

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 in 2014. The exploration program, consisting of airborne magnetic, geological mapping, and rock and soil sampling, was executed and 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. First Quantum has agreed to fund a drilling program valued at $2 million. Millrock is making plans to drill approximately 8 holes totaling 2,600 m to test two of the prospects, Mallard Duck Bay and Bee Creek.

Arizona Properties

In 2014 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.

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 thin to the eastern and southeastern portion of the property. A drilling program has been laid out and permits for this activity obtained. Millrock is marketing the project to other companies.

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.

Results of Operations

Three Months Ended March 31, 2015 Compared to the Three Months Ended March 31, 2014

The Company had revenue of $25,243 for the three months ended March 31, 2015 compared to revenue of $920 for the three months ended March 31, 2014, and a net loss before other comprehensive loss of $908,147, as compared to its net loss before other comprehensive loss of $337,626 for the three months ended March 31, 2014.

General & administrative expenses overall for the three months ended March 31, 2015 totalled $927,388 as compared to $308,978 for the same period in 2014. The five largest expense items are consulting, directors and salaries costs of $233,798, office and miscellaneous expense of $104,854, stock based compensation of $199,563, general exploration expense of $235,151, and investor relations of $81,850. These items comprise approximately 92% of the total general and administrative expenses of the Company.

Salaries and benefit costs amount to approximately 25% of the total general and administrative expenses for the three months ended March 31, 2015, compared to 52% for the three months ended March 31, 2014. This was a decrease in percentage but increase in costs because there were salary deferrals in the prior year.

Office and miscellaneous expenses amount to approximately 11%, of the total general and administrative expenses for the three months ended March 31, 2014, compared to 24% for the same period 2014. The costs increased, but became a smaller portion of overall expenses.

Stock based compensation amount to approximately 22% of the Company's administrative expenses for the three months ended March 31, 2015, compared to 0% for three months ended March 31, 2014. This is related to options issued in 2015, no options had been issued during 2014.

General exploration costs amount to approximately 25% of the total general and administrative expenses for the three months ended March 31, 2015 compared to 9% for the same period in 2014. The increase is due to the Company actively exploring properties in Mexico during the winter.

Investor relations accounted for approximately 9% of the Company's administrative expenses for three months ended March 31, 2015, compared to 9% for the same period ended 2014. 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 of 2014.

Additional Disclosure for Venture Issuers without Significant Revenue

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

	Quarter Ended March 31, 2015	Quarter Ended March 31, 2014	Quarter Ended March 31, 2013
Stock-based compensation	$ 199,563	$ -	$ -
Investor relations	$ 81,850	$ 26,757	$ 41,081
Office and miscellaneous	$ 120,988	$ 74,546	$ 135,981
Consulting, directors and salaries	$ 233,798	$ 159,736	$ 196,237
General Exploration	$ 235,151	$ 27,700	$ 169,555
Accounting, audit and legal	$ 56,817	$ 5,466	$ 56,720
Amortization and depreciation	$ 5,458	$ 16,249	$ 27,178

The Company's quarterly financial results for the three months ended March 31, 2015, 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:

	Mar. 31 2015 Q1	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
Mineral expenditures	$ 563,930	$ 644,332	$ 1,333,539	$ 973,489	$ 95,429	$ (2,629,930)	$ 582,975	$ 272,986
G&A expense (including stock-based comp.)	927,388	1,868,831	1,060,178	723,007	308,978	429,465	510,564	640,143
Stock-based compensation	199,563	120,191	-	-	-	-	10,942	-
Adjusted G&A (excluding stock-based comp.)	727,825	1,748,640	1,060,178	723,007	308,978	429,465	499,622	640,143
Mineral properties write-off	-	1,102,833	-	-	-	2,808,322	-	-
Net Income/(loss)	(892,013)	(2,921,907)	(1,059,021)	(721,850)	(308,058)	(3,288,465)	(466,459)	(589,187)
Loss per share	$ (0.07)	$ (0.25)	$ (0.10)	$ (0.09)	$ -	$ (0.30)	$ (0.09)	$ (0.09)

Liquidity and Capital Resources

As of March 31, 2015, the Company has accumulated a deficit of $29,092,417 and has working capital of $2,688,077 based on current assets of $3,818,703 and current liabilities of $1,130,626.

The Company realizes income from option agreement payments, and from management 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 fees 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 1,446,500 options and 12,602,140 warrants outstanding as of the report date. 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.

Related Party Transactions

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

	Three Months Ended March 31	
	2015	**2014**
Consulting, directors and compensation	$ 229,731	$ 199,861
Stock based compensation	199,563	-
	$ 429,294	**$ 199,861**

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 March 31, 2015, due from related parties is $0 (December 31, 2014: $0), due to related parties $0 (March 31, 2014: $0) for directors' fees. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.

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 determining defined proven and probable reserves, value beyond proven and probable reserves, fair values for purposes of purchase price allocations for business acquisitions, asset impairment analysis, valuation of derivative contracts, determination of recoverable metal on leach pads, reclamation obligations, share-based payments and warrants, pension benefits, 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, joint venture 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.

Changes in Accounting Policies

Basis of Preparation

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, 2012.

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 March 31, 2015 the Company had not yet achieved profitable operations, but had working capital of $2,688,080 (December 31, 2014: $3,599,142). 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.

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 has the following levels:

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 company's financial instruments include: cash and equivalents, accounts receivable, marketable securities, prepaid expenses, accounts payable, and due to related parties. The carrying value of cash and equivalents, accounts receivable, and accounts payable approximates their fair values. The Company has no financial instruments whose fair values are measured using level 2 or level 3 inputs.

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 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 three months ended March 31, 2015 is $3,019,883.

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 and interest expense on the note payable. 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.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period.

Share Capital

i) Authorized

Unlimited common shares without par value.

ii) Issued and outstanding common shares for the quarter ended March 31, 2015 was 19,767,471.

Legal Claims and Contingent Liabilities

At March 31, 2015, there were no material legal claims or contingent liabilities outstanding.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Subsequent Events

None for the period ended March 31, 2015.

Disclosure of Outstanding Share Data

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

	Amount	Exercise Price	Expiry Date
Common Shares outstanding as of March 31, 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
	58,000	$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
	141,000	$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	33,816,111		

**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 May 28, 2015:

	Number of Share	Weighted Average Exercise Price ($CDN)
Issued and outstanding common shares	19,767,471	-
Incentive stock options	1,446,500	$ 1.12
Share purchase warrants	12,602,140	$ 1.10
	33,816,111	-

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Director & Chairman, Corporate Governance Committee

Peter J. Chilibeck, LL.B.
Director & Chairman, Compensation Committee

LISTINGS

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

CAPITALIZATION
(as at May 28, 2015)

Shares Authorized: Unlimited
Shares Issued: 19,767,471

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