MILLROCK RESOURCES INC

ANNUAL REPORT

For the Year Ended December 31, 2015

MILLROCK RESOURCES INC

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

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

"Gregory Beischer"

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Gregory Beischer
President and Chief Executive Officer

"Keith Granberry"

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Keith Granberry
Chief Financial Officer

Vancouver, Canada
April 27, 2016

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To the Shareholders of
roc Re o rce nc

We have audited the accompanying consolidated financial statements of **roc Re o rce nc**, which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

A d tor re on b t

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

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

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

O n on

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **roc Re o rce nc** as at December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Em ha o matter o n concern

Without qualifying our opinion, we draw attention to note 2 in the consolidated financial statements which states that as at December 31, 2015, the Company had working capital of $1,532,659 [2014 – $3,599,142] and accumulated deficit of $31,933,327 [2014 – $28,184,271]. These conditions, along with other matters as set forth in note 2, indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

Ernst & Young LLP

Vancouver, Canada
April 27, 2016

Chartered Professional Accountants

MILLROCK RESOURCES INC.

(An Exploration Stage Company)

Consolidated Statements of Financial Position

As at December 31, 2015, and December 31, 2014

(expressed in Canadian dollars)

Going concern - Note 2

ASSETS		**31-Dec-2015**		**31-Dec-2014**
Current assets				
Cash and cash equivalents	$	1,577,421	$	3,778,151
Security deposit and restricted cash - Note 5		386,076		160,745
Marketable securities - Note 6		60,322		57,389
Amounts receivable		22,173		87,602
Prepaid expenses and deposit		117,595		377,024
Total current assets	$	2,163,587	$	4,460,911
Non-current assets				
Exploration and evaluation assets - Note 8		2,994,230		2,317,409
Property, plant and equipment - Note 7		13,074		57,478
Total non-current assets	$	3,007,304	$	2,374,887
TOTAL ASSETS	**$**	**5,170,891**	**$**	**6,835,798**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	250,623	$	596,897
Income tax payable		72,128		62,724
Project cost advance received - Note 9		247,190		44,386
Due to related parties - Note 13		-		98,162
Deferred tax liability		60,987		59,600
Total current liabilities	$	630,928	$	861,769
Total liabilities	**$**	**630,928**	**$**	**861,769**
Shareholders' equity				
Share capital - Note 10	$	32,265,528	$	30,241,769
Reserves				
Share-based payments - Note 11		3,590,879		3,579,681
Warrants - Note 11		370,425		331,372
Other comprehensive income		246,457		5,478
Deficit		(31,933,327)		(28,184,271)
Total shareholders' equity	**$**	**4,539,963**	**$**	**5,974,029**
TOTAL LIABILITES AND SHAREHOLDERS' EQUITY	**$**	**5,170,891**	**$**	**6,835,798**

These financial statements were approved and authorized for issue by the Board of Directors on April 27, 2016.

They were signed on its behalf by:

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

See accompanying notes to the consolidated financial statements

MILLROCK RESOURCES INC.
(An Exploration Stage Company)

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31, 2015 and 2014
(expressed in Canadian dollars)
Going concern - Note 2

	For the Year Ended December 31, 2015	 December 31, 2014
Revenue		
Overhead recovery fees	$ 254,872	$ 23,225
	254,872	23,225
General and administrative expense		
Accounting, audit and legal	297,418	207,988
Amortization, depreciation, and impairment - Note 7	49,846	32,848
Consulting, directors and salaries - Note 13	816,884	505,781
Foreign exchange (gain)/loss	(1,475)	11,778
General exploration	610,129	450,864
Investor relations	270,063	177,117
Office and miscellaneous expense	401,528	362,264
Stock-based compensation - Note 11	199,563	120,191
	2,643,956	1,868,831
Loss before other items	**$ (2,389,084)**	**$ (1,845,606)**
Other items		
Gain on disposal of assets - Note 7	10,132	-
Write-off of exploration and evaluation assets - Note 8	(1,446,327)	(1,102,833)
Gain on marketable securities - Note 6	76,222	26,532
Net loss before income taxes	**$ (3,749,056)**	**$ (2,921,907)**
Income tax (Expense)/Recovery	-	60,367
Net loss before other comprehensive loss	**$ (3,749,056)**	**$ (2,861,540)**
Other comprehensive income/(loss)		
Unrealized gain/(loss) on marketable securities - Note 6	8,618	(37,343)
Cumulative translation adjustment	232,361	6,760
Comprehensive loss for the period	**$ (3,508,078)**	**$ (2,892,122)**
Basic and diluted loss per share	**$ (0.19)**	**$ (0.25)**
Weighted average number of shares outstanding - basic and diluted	**19,575,297**	**11,770,692**

See accompanying notes to the consolidated financial statements

MILLROCK RESOURCES INC.

(An Exploration Stage Company)

Consolidated Statements of Cash Flows

For the years ended December 31, 2015 and 2014

(expressed in Canadian dollars)

Going concern - Note 2

	For the Twelve Months Ended			
		2015		**2014**
Cash provided from (used for)				
Operating activities				
Net loss	$	(3,749,056)	$	(2,861,540)
Items not involving cash				
Amortization and depreciation - Note 7		49,846		32,848
Gain on marketable securities		-		(26,532)
Write-off of exploration and evaluation assets - Note 8		1,446,327		1,102,833
Stock-based compensation		199,563		120,191
	$	**(2,053,321)**	**$**	**(1,632,200)**
Net change in non-cash working capital items				
Amounts receivable	$	65,429	$	(72,173)
Prepaid expenses		259,429		(303,163)
Accounts payable and accrued liabilities		(371,793)		442,459
Income tax payable - Note 16		9,404		(37,145)
Project cost advance received		202,804		20,131
Due to related parties - Note 13		(98,162)		98,162
Total cash outflows from operating activities	**$**	**(1,986,210)**	**$**	**(1,483,928)**
Cashflows from investing activities				
Advances on exploration expenditures	$	-	$	10,873
Purchase of Mexico properties		-		(290,746)
Net expenditures on exploration and evaluation assets		(1,365,849)		(765,814)
Purchase of equipment and property - Note 7		(3,982)		(62,311)
Proceeds from sale of equipment		10,132		-
Total outflows from investing activities	**$**	**(1,359,699)**	**$**	**(1,107,998)**
Cashflows from financing activities				
Sale of marketable securities - Note 6	$	81,923	$	-
Security deposit and restricted cash		(225,331)		(29,917)
Share issuance costs - Note 10		(42,855)		(263,112)
Shares issued for cash - Note 10		1,331,441		5,049,500
Total (outflows)/inflows from financing activities	**$**	**1,145,178**	**$**	**4,756,471**
(Decrease)/ Increase in cash and cash equivalents	**$**	**(2,200,730)**	**$**	**2,164,544**
Cash and cash equivalents, beginning of the period		**3,778,151**		**1,613,607**
Cash and cash equivalents, end of the period	**$**	**1,577,421**	**$**	**3,778,151**

See accompanying notes to the consolidated financial statements

MILLROCK RESOURCES INC.
(An Exploration Stage Company)

Consolidated Statements of Changes In Shareholders' Equity

For the years ended December 31, 2015 and 2014
(expressed in Canadian dollars)
Going concern - Note 2

	Common Shares (Note 10)		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	731,230	475,674	-	-	-	-	475,674
Anti-Dilution right	-	-	151,734	-	-	-	151,734
Issuance of units comprised of common shares and warrants for cash pursuant to private placements	10,099,000	5,049,500	-	-	-	-	5,049,500
Share issue costs and finder's fee	-	(531,262)	254,658	13,492	-	-	(263,112)
Deferred Stock Based Compensation	-	-	120,191	-	-	-	120,191
Cumulative translation adjustment	-	-	-	-	6,760	-	6,760
Unrealized loss on available-for-sale marketable securities	-	-	-	-	(37,343)	-	(37,343)
Loss for the year	-	-	-	-	-	(2,861,540)	(2,861,540)
Balance, December 31, 2014	**19,504,219**	**30,241,769**	**3,579,681**	**331,372**	**5,478**	**(28,184,271)**	**5,974,029**
Issuance of common shares for exploration and evaluation assets	2,842,888	515,017	-	-	-	-	515,017
Anti-Dilution right	872,890	151,734	(151,734)	-	-	-	-
Issuance of units comprised of common shares and warrants for cash pursuant to private placements	8,321,509	1,331,441	-	-	-	-	1,331,441
Share issue costs and finder's fee	-	(94,624)	-	39,054	-	-	(55,570)
Issuance of common shares for debt	263,252	120,191	(120,191)	-	-	-	-
Stock-based compensation			283,124	-	-	-	283,124
Cumulative translation adjustment	-	-	-	-	232,361	-	232,361
Unrealized gain on available-for-sale marketable securities	-	-	-	-	8,618	-	8,618
Loss for the year	-	-	-	-	-	(3,749,056)	(3,749,056)
Balance, December 31, 2015	**31,804,758**	**32,265,528**	**3,590,879**	**370,425**	**246,457**	**(31,933,327)**	**4,539,963**

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

1. General Information

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

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

2. Basis of Preparation and Going Concern

The Company prepares its consolidated financial statements in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are effective as of December 31, 2015.

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and meet its obligations over the next twelve months. Realization value may be substantially different from carrying value as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. As of December 31, 2015, the Company had not yet achieved profitable operations, had working capital of $1,532,659 (2014: $3,599,142) and accumulated deficit of $31,933,327 (2014: $28,184,271). Management has carried out an assessment of the going concern assumption and has concluded that the Company may not have sufficient cash and cash equivalents and other financial assets to continue operating at current levels for the ensuing twelve months. The Company's forecast indicates the existence of uncertainty that raises significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to raise additional equity, continue some of its existing partnerships, partner additional exploratory prospects, generate overhead recovery fees, and receipt of option payments.

2.1 Upcoming Changes in Accounting Standards

IFRS Standards Issued But Not Yet Effective

IFRS 9 (Amendment) Financial Instruments
IFRS 11 (Amendment) Accounting for Acquisition of Interests in Joint Operations
IFRS 15 (Amendment) Revenue from Contracts with Customers

IAS 16 (Amendment) Property, Plant and Equipment
IAS 38 (Amendment) Intangible Assets

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

3. Significant Accounting Policies

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

3.1 Principles of Consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the parent Company and its subsidiaries (the "Group") as at December 31, 2015. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

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

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

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

3.2 Foreign Currency Translation

(i) Functional and Presentation Currency

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

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

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

(ii) Transactions and Balances

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

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

3.3 Property, Plant and Equipment

(i) Cost and Valuation

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

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

(ii) Depreciation

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

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

3.4 Exploration and Evaluation Assets

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

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

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

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

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

iv) permitting activities; and

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

From time to time, the Company may acquire or dispose of mineral interests pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as acquisition cost additions or recoveries when the payments are made or received. Millrock maintains ownership and control of the property until the earn-in partner fulfills contractual obligations and the costs incurred over that period are capitalized. When the obligations are positively fulfilled the earn-in partner is afforded a predetermined interest in the project, which may result in a change of control, but not joint control.

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

3.5 Impairment of Non-Financial Assets

Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment test is performed when (a) the right to explore in a specific area has expired or will expire in the near future without expectation to renew, (b) exploration or evaluation expenditures of any significance are not planned or budgeted, (c) no mineral resources in a specific area have been discovered which have the potential for commercial viability and the Company has decided to halt further activities in the area, or (d) sufficient indications exist that the minerals in a specific area can be developed, however the asset is unlikely to recover in full the carrying cost. For Exploration and Evaluation assets the Company's unit of account is the land title or claim license. The land titles cumulatively make up a block of land the company is exploring for its mineral potential. Over the course of exploration, costs are capitalized to the claim blocks. Therefore, given the unit of account is the land title or claim license, when individual claims are dropped or abandoned the associated value is written down to nil thusly, value in use or fair value is not applicable. As per IFRS 6 we assess any retained properties for indicators of impairment. During exploration the Company tracks the total capitalized cost of each property and allocates these costs evenly to the underlying titles, which make up the project. When the Company forfeits its rights to an exploration title an impairment charge is recorded for the carrying value of the title.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

3.6 Financial Assets

(i) Classification

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

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

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

(b) Loans and receivables

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

(c) Available-for-sale financial assets

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

(ii) Recognition and Measurement

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

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

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

(iii) Impairment of Financial Assets

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

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. In the case of marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset that was previously recognized in profit or loss – is removed from equity and recognized in the consolidated statements of loss. All impairment losses are recognized in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. Impairment losses recognized for marketable securities are not reversed.

3.7 Amounts Receivable

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

3.8 Cash and Cash Equivalents

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

3.9 Share Capital

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

3.10 Financial Liabilities

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

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

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

3.11 Current and Deferred Income Tax

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

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

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

3.12 Share-Based Payment Transactions

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

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

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

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

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

3.13 Provisions

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

3.14 Revenue Recognition

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

3.15 Finance Income and Expenses

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

3.16 Earnings per Share

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

4. Significant Accounting Judgements, Estimates and Assumptions

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

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

2. Share-based payments: Management uses valuation techniques in measuring the fair value of share options granted. The fair value is determined using the Black-Scholes option pricing model. This is presented in Note 12. Changes in assumptions used in the valuation could have a material impact on the Company’s financial statements.

(Expressed in Canadian dollars)

3. Income taxes: Management makes certain assumptions regarding the nature and value of taxable transactions among the consolidating entities with regard to cross-border transfer pricing. These estimates are reviewed each reporting period using management's best judgement.

4. Purchase price allocation accounting: Management makes certain assumptions regarding the nature and value of properties, assets and liabilities when acquiring another company. This includes assumptions on the value of total consideration given for a transaction. Changes in assumptions used in the valuation could have a material impact on the Company's financial statements.

5. Security Deposit and Restricted Cash

Security deposit and restricted cash consists of a security deposit for the Company's credit cards and advances from earn-in partners who have forwarded funds to the Company for use on specific properties. The security deposit for the year ended December 31, 2015 was $386,076 (December 31, 2014: $160,745).

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

	12/31/2015			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	60,322	574,505	0.09	51,705
Coventry Resources Inc. ASX: CYY	-	-	-	1,136,656	0.005	5,683
Total Marketable Securities			$ 60,322			$ 57,389

During the third quarter the Company sold 1,136,656 shares of Coventry and realized a gain of $76,222 on the sales for the twelve months ended December 31, 2015. As at December 31, 2015 the Company had an unrealized gain on the Chalice shares of $8,618 recorded in Other Comprehensive Income.

(Expressed in Canadian dollars)

7. Property, Plant and Equipment

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	-	3,982	-	-	-	3,982
Disposals	-	(2,793)	-	-	(21,290)	(24,083)
Foreign currency translation	3,762	56,781	3,532	16,159	6,933	87,167
Balance at December 31, 2015	**$ 23,259**	**$ 375,261**	**$ 21,833**	**$ 99,883**	**$ 59,205**	**$ 579,440**
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	14,873	-	-	8,363	23,281
Impairment loss	-	8,751	-	-	22,131	30,882
Disposals	-	(467)	-	-	(21,290)	(21,757)
Foreign currency translation	3,758	51,872	3,532	16,159	3,742	79,063
Balance at December 31, 2015	**$ 23,259**	**$ 362,187**	**$ 21,833**	**$ 99,883**	**$ 59,205**	**$ 566,365**
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 December 31, 2015	**$ -**	**$ 13,074**	**$ -**	**$ -**	**$ -**	**$ 13,074**

At year end 2015 the Company impaired equipment and vehicles in Mexico totaling $30,882.

8. Exploration and Evaluation Assets

This section describes each of Millrock's projects, and if a partner is earning in to the project, the agreement is described. An individual project may consist of one or more properties which were acquired by underlying agreements with mineral right holders or by claiming mineral rights by staking. Where an underlying property agreement exists, its terms are described. In most, but not all cases, the earn-in partner is responsible to make the cash payments and exploration expenditures to keep the properties that form the project in good standing. Please refer to footnote 3.5 for a description of the property impairment assessment factors.

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	-	-	-	-	-	-	-	-	1,309	1,309
Shares issued	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	1,309	1,309
Exploration costs:										
Non-reimbursable costs	-	-	-	-	66,767	18,980	-	-	8,636	94,383
Acquisition	-	-	7,477	25	36,171	14,314	1,121	-	391,949	451,057
Drilling	-	-	-	-	690,250	-	-	-	-	690,250
Geochemistry	-	-	-	-	38,336	-	-	-	210	38,546
Geology	-	-	-	-	56,329	3,884	-	-	259,882	320,095
Geophysics	-	-	-	-	327	-	-	-	-	327
Environmental and permitting	-	-	-	-	35,162	-	-	-	-	35,162
External relations	-	-	-	-	12,615	-	-	-	-	12,615
Support and equipment	-	1,319	-	-	1,079,609	9,902	-	-	100,101	1,190,932
	-	1,319	7,477	25	2,015,566	47,080	1,121	-	760,778	2,833,367
Less:										
Recoveries	-	-	-	-	1,948,799	13,791	-	-	499,516	2,462,106
Option payments received	-	-	-	-	-	33,378	-	-	-	33,378
Shares received	-	-	-	-	-	-	-	-	-	-
Gain on option payments received	-	-	-	-	-	-	-	-	-	-
Gain on shares received	-	-	-	-	-	-	-	-	-	-
Write off	-	341,605	-	158,372	158,990	-	-	-	72,530	731,497
	-	341,605	-	158,372	2,107,789	47,168	-	-	572,046	3,226,980
Net additions	-	(340,286)	7,477	(158,347)	(92,223)	(88)	1,121	-	190,041	(392,304)
Foreign currency translation	-	55,135	1,828	25,618	28,237	15,426	1,014	-	79,450	206,709
Balance at December 31, 2015	$ -	$ -	$ 17,354	$ -	$ 42,258	$ 84,209	$ 7,175	$ -	$ 614,388	$ 765,384

*Property was fully written off in 2014

(Expressed in Canadian dollars)

Exploration and Evaluation Assets

	Mexico							British Columbia	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	-	-	-	-	-	-	-	313,000	314,309
Shares issued	-	-	-	-	-	23,077	23,077	491,940	515,017
	-	-	-	-	-	23,077	23,077	804,940	829,326
Exploration costs:									
Non-reimbursable costs	-	-	-	-	-	-	-	-	94,385
Acquisition	21,511	123,411	78,799	19,377	171,098	36,708	450,904	5,343	907,304
Drilling	-	87	-	-	-	-	87	-	690,337
Geochemistry	168	14,685	11,229	12,841	4,424	21,062	64,409	-	102,955
Geology	4,532	43,517	10,745	1,719	35,081	66,315	161,910	-	482,004
Geophysics	-	-	-	-	-	-	-	-	327
Environmental and permitting	-	-	-	-	-	-	-	-	35,162
External relations	-	-	-	-	-	-	-	-	12,615
Support and equipment	958	4,490	791	92	8,763	16,213	31,307	28,951	1,251,190
	27,169	186,190	101,564	34,029	219,366	140,299	708,616	34,294	3,576,279
Less:									
Recoveries	-	-	-	-	-	20,482	20,482	-	2,482,588
Option payments received	-	-	-	-	-	-	-	-	33,378
Shares received	-	-	-	-	-	-	-	-	-
Gain on option payments received	-	-	-	-	-	-	-	-	-
Gain on shares received	-	-	-	-	-	-	-	-	-
Write off	79,873	-	-	70,367	560,960	3,631	714,831	-	1,446,327
	79,873	-	-	70,367	560,960	24,113	735,313	-	3,962,293
Net additions	(52,704)	186,190	101,564	(36,339)	(341,594)	139,263	(3,620)	839,234	443,312
Foreign currency translation	606	9,420	7,817	1,477	6,051	1,429	26,800	-	233,509
Balance at December 31, 2015	$ -	$ 625,165	$ 540,909	$ 52,774	$ -	$ 170,762	$ 1,389,609	$ 839,234	$ 2,994,230

(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) 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"). The earn-in option project partners carried out geophysical and geological surveys and drilling. The partners 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. In 2015 the partners elected to fully abandon and write off the property.

(b) 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.

(c) 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. The remaining claims were abandoned in 2015 and the carrying value was completely written off.

(d) 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 an earn-in option agreement and fund a drilling program which took place in the third quarter of 2015. After results of the program FQM opted out of the earn-in agreement. Millrock has written off the portions of the property that were drilled, but retains rights to a section of the property that was not previously drilled.

(e) 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 invested 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 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. In 2015 Millrock made an earn-in option agreement with Vista Minerals. Vista can earn a majority interest in the project by making exploration expenditures and cash payments to Millrock.

(f) Q4P, Alaska

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

Arizona Properties

(g) 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.

British Columbia Properties

On December 14, 2015 Millrock announced that it had entered into a series of agreements to consolidate three major land packages in the “Golden Triangle” area, northeast of the town of Stewart, British Columbia. In total Millrock paid $313,000 in cash and $491,940 of Millrock shares. Additionally, Millrock paid $28,000 as the initial payment on certain tenures upon which it has taken an option.

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 Cuarentas Este, Los Cuarentas Oeste, Los Chinos, Ramard, Los Chivos, Villa Hidalgo, Violeta and La Union. The mineral rights contained within the properties at the time of purchase are subject to a royalty payable to Pembrook Mining Corporation. The royalty payable is 1.5% on gold and silver and 1.0% on other metals. The purchase also included two mineral properties under option. The first is Guadalcazar, under option from the Servicio Geologico Mexicano, and the second is Caotan, under option from Riverside Resources Inc. Millrock is preparing to market the projects to interested earn-in option agreement partners.

(h) 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 earn-in agreement on the project. The date for exercise of the exclusive right was extended by mutual agreement to March 15, 2015, but the third party elected to terminate the option. Subsequent to the year end, Millrock elected to abandon the property. Carrying costs for the property were written off.

(i) 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. Millrock added a number of properties in Mexico and Alaska to its portfolio over the course of 2015. 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.

9. Project Cost Advance Received

These costs represent advances from earn-in partners that have not been expended as at December 31, 2015 and 2014.

10. 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 11. Issued and outstanding shares: 31,804,758 common shares (December 31, 2014: 19,504,219). The Company’s other equity instruments are anti-dilutive so the Company’s basic and diluted number of shares outstanding are the same.

On June 6, 2014, the Company acquired Pembrook Mexico Holdings Corp (later changed to Millrock Mexico Holdings Corp) from Pembrook. A portion of the consideration given for the transaction was and issuance of 729,730 shares. Consideration also included assurance that Pembrook Mining's shares would not be diluted below 7.76% of Millrock's issued and outstanding shares as long as they did not sell any of their shares prior to the one year anniversary of the anti-dilution right. On June 5, 2015 the Company issued 872,890 additional shares to Pembrook to satisfy the anti-dilution right.

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

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

On December 2, 2015, the Company issued 109,890 shares to Teck Resources Limited for the Batamote project located in the Sonora state of Mexico.

On December 10, 2015, the Company closed a placement for total proceeds of $1,331,441. The financing consisted of 8,321,509 units at a price of $0.16 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of $0.22 per share until December 10, 2016, thereafter at a price of $0.30 per share until December 10, 2017, and thereafter at a price of $0.40 until December 10, 2019.

On December, 15, 2015, the Company issued 2,732,998 shares to parties involved in the acquisition of Millrock's three new properties near Stewart, British Columbia.

(Expressed in Canadian dollars)

	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**
Issued for mineral properties	2,842,888	515,017	-	-
Issuance of common shares for debt	263,252	120,191	(120,191)	-
Stock-based compensation	-	-	283,124	-
Issued for Anti-Dilution right	872,890	151,734	(151,734)	-
Issued for cash pursuant to				
Private placements	8,321,509	1,331,441		-
Share issue costs and finder's fee		(94,624)		39,054
Balance December 31, 2015	**31,804,758**	**$ 32,265,528**	**$ 3,590,879**	**$ 370,425**

11. Share-Based Payments

(a) Share Option Plans

The Company has a stock option plan whereby the maximum number of shares reserved for issue shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX). Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company. Unless otherwise stated share purchase options vest when granted.

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

On March 13, 2015 the Company granted 1,070,000 incentive stock options to employees exercisable at $.50 per share for a period of five years.

The fair value of the options granted in 2015 was 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 consolidated statements of loss during the year ended December 31, 2015 was $199,563 (December 31, 2014 was $120,191). A further $83,561 was capitalized to exploration and evaluation assets during the year ended December 31, 2015 (December 31, 2014 was $0). Share based payments in 2014 were accrued for employees that received a portion of their salary in shares. The share base payments were valued based on the services provided, and were issued in the first quarter of 2015. Expected volatility is based on the volatility of historical share price during the previous five years.

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

Stock options	**Options**	**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
Forfeited	(15,000)	$7.50
Forfeited	(35,000)	$2.10
Expired on July 19, 2015	(20,000)	$4.00
Expired on August 25, 2015	(35,000)	$4.00
Expired on November 4, 2015	(58,000)	$7.50
Outstanding & Exercisable at December 31, 2015	**1,333,500**	**$1.03**

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

(Expressed in Canadian dollars)

Number of Options		Exercise Price	Expiry Date
1,000	$	8.50	8-Feb-16
40,000	$	6.40	2-May-16
25,000	$	6.00	19-Aug-16
6,500	$	4.80	31-Jan-17
141,000	$	2.10	21-Jun-17
35,000	$	2.30	15-Nov-17
15,000	$	1.00	17-Jul-18
1,070,000	$	0.50	13-Mar-20
1,333,500			

The weighted average remaining life of options outstanding at December 31, 2015 is 3.63 years (2014 – 1.86 years).

(b) Share Purchase Warrants and Agent Warrants

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

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

On December 10, 2015, the Company issued 8,321,509 units which consisted of shares and warrants exercisable at $0.22 per share until October, 21, 2016 and thereafter exercisable at $.30 until December 10, 2017, and thereafter exercisable at $0.40 until December 10, 2019. The Company issued 269,244 finder's fee warrants exercisable at $0.22 per share until October, 21, 2016 and thereafter exercisable at $0.30 until December 10, 2017, and thereafter exercisable at $0.40 until December 10, 2019.

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

The fair value of the finder's options and warrants granted was 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	133.61%	139%-168%
Risk-free rate of return	1.01%	1.01%-1.07%
Expected life of options	4 years	3 to 5 years

As of December 31, 2015 the Company had outstanding and exercisable warrants and agent warrants for the purchase of 19,943,393 common shares, as follows:

Issued Date	Number of Warrants	Exercise Price	Expiry Date
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	**12,602,140**		
Expired June 11, 2015	(345,000)	$ 4.50	11-Jun-15
Expired October 31, 2015	(904,500)	$ 3.50	31-Oct-15
Issued for private placement - December 10, 2015 #	8,321,509	$ 0.22	10-Dec-19
Agent warrants issued, finders' warrants for private placement, December 10, 2015 #	269,244	$ 0.22	10-Dec-19
Outstanding at December 31, 2015	**19,943,393**		
	Weighted average price	**$ 0.55**	

**Note these warrants have tiered exercise price of $0.70 until Oct. 21, 2016 and $1.00 thereafter until Oct. 21, 2019
Note these warrants have tiered exercise price of $0.22 until Dec. 10, 2016, $0.30 until Dec. 10, 2017, and $0.40 thereafter until Dec. 10, 2019

12. Financial Instruments

(a) Fair Value of Financial Instruments

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

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

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

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

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

Financial Instrument	Level	December 31, 2015	December 31, 2014
Cash and Cash Equivalents	1	$ 1,577,421	$ 3,778,151
Security Deposit and Restricted cash	1	$ 386,076	$ 160,745
Marketable Securities	1	$ 60,322	$ 57,389
Accounts Receivable	3	$ 22,173	$ 87,602
Account Payable & Accrued Liabilities	3	$ 250,623	$ 596,897

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

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and amounts receivable are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalent by placing these instruments with large financial institutions. Deposits are insured by the governments up to US$250,000 in the US and CAN$100,000 in Canada, therefore the maximum amount that may be exposed to credit risk totaling cash, restricted cash, and amounts receivable for the year ended December 31, 2015 is $1,572,945 ($3,636,498 as of December 31, 2014).

(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 $28,420 (December 31, 2014: $63,602) denominated in US dollars. A ten percent change in the exchange rate would result in a $2,842 (December 31, 2014: $6,360) impact to the Company's net income (loss). The Company has Mexican peso cash and working capital items of $92,786 (December 31, 2014: $313,690). A ten percent change in the exchange rate would result in a $9,279 (December 31, 2013: $31,369) 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.

(Expressed in Canadian dollars)

(e) Interest Rate Risk

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

(f) Capital Management Risk

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

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or bring in earn-in partners. Due to the Company's business, the Company regularly enters into earn-in agreements where funds are forwarded as part of the option-in agreement. As such, these funds are restricted as of December 31, 2015.

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

13. Related Party Transactions

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

	Twelve Months Ended December 31	
	2015	**2014**
Consulting, directors and compensation	$ 753,019	$ 727,405
Stock based compensation	199,563	120,291
	$ 952,582	**$ 847,696**

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

As of December 31, 2015, there was $0 (December 31, 2014: $98,162) due to related parties for accrued directors' fees. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.

(Expressed in Canadian dollars)

14. Non-Cash Transactions

Investing and financing activities that do not have a direct impact on current cash flow were excluded from the cash flow statements. During the year ended December 31, 2015, 3,715,778 (December 31, 2014: 731,230) shares valued at $666,751 (December 31, 2014: $475,674) were issued pursuant to mineral property acquisition agreements. The values were determined based on the market value of the shares when issued.

15. Commitments

The Company is committed to pay $42,078 in office rentals for the year 2016.

16. Income Taxes

Income tax expense recognized in the consolidated statements of loss for 2015 is $Nil (December 31, 2014 was income tax recovery of $60,367)

Income tax reconciliation

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

om an e o con o dated ro	2015	201
Loss per Financial Statements	(3,749,056)	(2,921,907)
Income tax rate	26.00%	26.00%
At statutory income tax rate	(974,755)	(759,696)
Permanent differences	53,449	32,958
Rate differences related to origination and reversal of temporary differences	(9,909)	(3,449)
Foreign income tax and other rate differences	(257,598)	(296,364)
Temporary income tax differences not recognized	1,184,357	1,111,248
Write down (reversal of write down) of deferred tax asset(Expired loss)	-	-
Benefit of tax attributes forfeited	-	-
Change in estimates (true up)	3,143	(145,009)
Deferred tax due to other temp differences	-	-
Other	1,313	(55)
OCI movement on FV adjustment of investment	-	-
Income Tax Provision	-	(60,367)
Current tax (recovery) / expense	-	(60,367)
Deferred tax expense	-	-
	-	(60,367)

(Expressed in Canadian dollars)

Deferred Tax Asset and Liability Recognized

The Company has recognized the following deferred income tax liability:

Deferred tax liability		
Excess of accounting carrying value of exploration and evaluation assets over tax carrying value	(440,854)	(59,600)
Deferred tax asset		
Non-capital losses available for carryforward	379,867	-
	(60,987)	(59,600)

Temporary Differences Not Recognized

The Company has unrecognized deductible temporary differences aggregating $34,876,021 (2014 - $24,164,479), noted below, that are available to offset future taxable income. The potential benefit of these deductible temporary differences has not been recognized in these consolidated financial statements as it is not considered probable that sufficient future taxable profit will allow the temporary differences to be recovered.

	2015	**201**
Non-capital losses	26,274,911	15,306,645
Capital loss	4,477,818	3,933,291
Exploration and evaluation assets	3,514,092	3,650,064
Others	609,200	1,274,479
Tem orar d erence not reco n ed	**3 , ,021**	**2 ,1 ,**

Loss Carry-Forwards

As of December 31, 2015, the Company has available non-capital losses for income tax purposes aggregating $18,882,749 (2014 - $15,306,645) in Canada and USA which are available to be carried forward to reduce taxable income in the future years and for which no deferred income tax asset has been recognized, and which expire as follows:

E re n	**anada**	**U A**
2015	201,647	-
2026	147,848	-
2027	552,192	-
2028	1,419,725	-
2029	1,671,319	-
2030	2,114,658	-
2031	3,019,772	-
2032	2,064,108	-
2033	2,207,846	-
2034	730,599	2,752,602
2035	1,035,251	965,182
	15,164,965	3,717,784

The Company has accumulated Mexican losses of approximately $8,600,000, which may be carried forward for 10 years from the year in which they originated.

The Company has accumulated capital losses of $4,477,818 (2014 - $3,933,291), which may be carried forward indefinitely and applied against future capital gains.

Changes in Mexican tax law

In December 2013, the Mexican President passed a bill that increased the effective tax rate applicable to the Company's Mexican operations. The law is effective January 1, 2014, and increases the future income tax rate to 30%, creates a 10% withholding tax on dividends paid to non-resident shareholders (subject to any reduction by an Income Tax Treaty), and creates a new Extraordinary Mining Duty equal to 0.5% of gross revenues from the sale of gold, silver and platinum. In addition, the law requires taxpayers with mining concessions to pay a new 7.5% Special Ming Duty. The Extraordinary Mining Duty and Special Mining Duty will be tax deductible for income tax purposes. The Special Mining Duty will generally be applicable to earnings before income tax, depreciation, depletion, amortization, and interest. In calculating the Special Mining Duty there will be no deductions related to development type costs but exploration and prospecting costs are deductible when incurred.

17. Subsequent Events

On January 29, 2016 Millrock announced termination of the Estelle Gold Project in Alaska.

On January 29, 2016 Millrock announced the termination of the Alaska Peninsula Copper Project option agreement that it had with First Quantum in Alaska.

On February 04, 2016 Millrock announced that it had granted 1,400,000 stock options to officers, employees, and consultants, exercisable at a price of $0.245 per share exercisable for a period of five years.

On March 21, 2016 Millrock announced the assumption of an option on the LNT Property in the Stewart Golden Triangle District, British Columbia. The tenures under option will form part of the Poly Property.

On March 23, 2016 Millrock announced an Investor Relations Contract which included the issuance of 50,000 options exercisable at a price of $0.245 per share exercisable for a period of five years.

On March 30, 2016 Millrock announced option agreement with Centerra Gold on Los Chinos and Los Cuarentas gold projects.

On April 4, 2016 Millrock announced it expanded its land holdings position for the Todd Creek and Poly projects in British Columbia. The expansion was made via staking.

On April 7, 2016 Millrock announced the acquisition of the Chisna copper-gold project in Alaska. Included in the purchase was a database covering the Chisna claims and surrounding district.

Management Discussion & Analysis

For the Years Ended December 31, 2015 and 2014
up to April 27, 2016

Introduction

This is Management's Discussion and Analysis ("MD&A") for Millrock Resources Inc. ("Millrock" or "the Company") and has been prepared based on information known to management as of April 27, 2016. This MD&A is intended to help the reader understand the condensed consolidated audited financial statements of Millrock.

The Company, in compliance with the Canadian Institute of Chartered Accountants ("CICA") Accounting Standards Board ("AcSB"), adopted the use of the International Financial Reporting Standards ("IFRS") and transitioned from Canadian Generally Accepted Accounting Principles ("Cdn GAAP") to IFRS by the required date of January 1, 2011. This MD&A should be read in conjunction with the consolidated financial statements for the year ended December 31, 2015 and supporting notes. These consolidated financial statements have been prepared using accounting policies consistent with IFRS.

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

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

Gregory A. Beischer, a Director of the Company and its President and Chief Executive Officer, is the qualified person (as defined in NI 43-101) who approved the technical information in this MD&A.

Description of Business

Millrock Resources Inc. ("Millrock" or the "Company") is engaged in the acquisition, exploration and development of mineral properties prospective for gold, copper and other 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 exploration programs under the terms of earn-in option agreements. The Company has a focus on select geologic terrains and mineral districts in three mining jurisdictions: Alaska, Mexico, and British Columbia. This business model shares risk by forming agreements with other companies that invest capital to move exploration projects toward development and production. As of the report date, Millrock has twenty five active exploration projects, nine gold and copper properties in Alaska, a uranium project in New Mexico, twelve gold, silver and copper projects in Mexico, and three in British Columbia. During 2015, five companies were earning an interest in Millrock's projects: Teck American Incorporated, a subsidiary of Teck Corporation ("Teck"), and First Quantum Minerals Ltd ("First Quantum"), Vista Minerals (Vista"), and two other companies, both of which presently wish to remain anonymous, funded work on a Millrock project in Mexico, and multiple projects in Alaska.

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 under the symbol MLRKF.

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, exploration programs, 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; 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.

Risks and Uncertainties

i) Exploration and Development Risk

The Company's properties 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 cannot be predicted and 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 strives to obtain the majority of its working capital from other companies that are funding exploration on Millrock projects in order to earn an interest in the mineral rights. However, the Company will be dependent on the equity markets as its main source of operating working capital and funding for any advanced exploration and development activities that may be needed on its projects. The Company's capital resources are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. Consequently, there can be no assurance that equity financing will be available to the Company in the amount required at any time or for any period or if available, that it can be obtained on terms satisfactory to the Company.

iii) Metal Prices

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

iv) Currency risk

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

v) Cash Flows and Additional Funding Requirements

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

vi) Credit Risk

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

vii) Liquidity Risk

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

viii) Interest Rate Risk

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

ix) Market Volatility for Marketable Securities

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

x) Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the financing of its business by the issuance of securities and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued shares of common stock, or securities convertible into common stock, would result in dilution, possibly substantial, to present and prospective holders of common stock. The Company usually seeks earn-in option agreement 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 option agreement partner. There is no guarantee that the Company can find a third party to enter earn-in agreement for any property.

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

At year end there were 1,333,500 stock options and 19,943,393 warrants outstanding. Directors and officers held 1,020,000 of the options and 385,459 of the warrants, and 313,500 of the options were held by employees and consultants of the Company. As of the year end there were 31,804,758 shares issued and outstanding. On a fully diluted basis including stock options and warrants the Company has a capitalization of 53,081,651 shares. Subsequent to year end the Company issued 1,450,000 stock options and 1,000 options expired. Therefore at report date the Company has 31,804,758 shares outstanding and a fully diluted capitalization of 54,530,651.

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. So far, Millrock has not published any mineral resources for its properties.

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

Additional Information

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

General

The Company continued to advance its business objectives throughout 2015 despite exceptionally challenging conditions in the mining exploration business sector. In 2014 Millrock made two major moves to position itself for the future. First, it purchased a Mexico-centered mineral exploration company. Along with the Mexico purchase Millrock closed a $1,004,500 private placement. Second, it consolidated its stock on a 10:1 basis and raised equity financing of $4,045,000. In 2015, taking a contrarian view, and recognizing that the bottom of the metals market was likely close, it made a series of mineral property acquisitions and diversified into a new jurisdiction. Despite the challenges Millrock continued to be an active explorer. In total, the Company expended (including the value of shares issued as consideration) $4,405,605 on acquisition and exploration in 2015, of which $2,482,588 was supplied by partner companies that are earning into Millrock's projects. Additionally, the Company spent $610,129 on general exploration separate from the Company's capitalized projects.

Highlights for the Year Ended December 31, 2015 and for the Subsequent Period up to April 27, 2016

- **i) Option Agreement for Alaska Peninsula Property.** Millrock and First Quantum signed an option agreement by which First Quantum could earn up to an 80% interest in the project, and a drilling program valued at US$1.9 million was carried out.
- **ii) Collaboration Agreement.** Millrock entered a collaboration agreement with a major mining company with the goal of exploring for high-grade gold deposits in Alaska.
- **iii) Acquisition of the Liberty Bell gold (copper) project in Alaska.** Millrock made an option agreement with the underlying owners. Millrock may purchase the rights for US$600,000.
- **iv) Acquisition of the Apex El Nido gold mine.** Millrock has the option to purchase the former producing mine. The option costs $1,000 per year plus holding costs and Millrock can purchase the mine at low cost in the coming years. The price escalates with time
- **v) Financing:** The Company closed a financing that raised gross proceeds of $1,333,441 through the sale of 8,321,809 units (the "Units") priced at $0.16 per Unit. Each Unit consists of one common share and one share purchase warrant (the "Warrants"), with each Warrant entitling the holder thereof to purchase one additional common share at a price of $0.22 per common share until December 10, 2016, thereafter at a price of $0.30 per common share until December 10, 2017 and thereafter at a price of $0.40 per common share until December 10, 2019.
- **vi) Acquisition of the Batamote copper project and other projects, Mexico.** Millrock purchased a 100% interest in the Batamote project from Teck for consideration of 109,890 shares and reimbursement of tax payments. Also, Millrock acquired by staking five other projects in Sonora state.

vii) **WP Property and Database:** Millrock purchase the WP property near the Pogo Gold Mine (operated by Sumitomo Metal Mining), and an extensive database of proprietary geological information from Raven Gold Alaska.

viii) **Alaska Peninsula Project, Alaska:** Millrock carried out airborne magnetic and radiometric surveys, soil sampling, geological mapping and prospecting on the Alaska Peninsula project. The work was funded by First Quantum Minerals ("First Quantum") under a Right of First Refusal ("ROFR") agreement. The results were favorable. First Quantum indicated that it would exercise its ROFR and enter an Earn-In Option Agreement to fund further work that included drilling in 2015.

ix) **Stellar copper-gold project Option.** Millrock granted an option to Vista Minerals by which that company can earn up to an 80% interest in the project through cash payments of US$300,000 and exploration expenditures of US$5 million.

x) **Acquisition of British Columbia Stewart Golden Triangle District projects.** Millrock consolidated tenure positions and eliminated royalties by making simultaneous agreements with nine different owners. The move propelled Millrock into the position of being a prominent generative explorer in this exciting mining camp.

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, British Columbia 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 has been, and will continue 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. 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: A program of 8 holes and total footage of 8,180 feet was drilled to test the Dry Creek and Mallard Duck Bay prospects. The work was executed under budget at $1.9 million. Mineralization was intersected at Dry Creek. However, the mineralization was not of sufficient grade to warrant follow-up drilling. Results at Mallard Duck Bay were negative. First Quantum dropped their option on the project. Millrock has retained the project at a renegotiated payment schedule. The Kawisgag prospect remains a valid, drill-ready target and Millrock will seek a new partner for this project.

Liberty Bell gold project: Millrock acquired an option on this project at low cost. The Company can earn a 100% interest with no underlying royalty for US$600,000 with most of this cost coming in the last year of the three-year agreement. The claims host a known gold mineralization in a small deposit that has not been fully delineated. The deposit is of the distal skarn variety. There is very good exploration potential to find more deposits nearby.

Apex El Nido high grade vein gold project: Millrock made an option agreement with the underlying owner. The option is good for five years and costs Millrock US$1,000 per year. There are historic underground workings on the project from which approximately 25,000 ounces of gold was extracted. No drilling beneath the workings has ever been done. Quartz veins of the mesothermal variety contain high grade gold. It is anticipated that the veins may very well extend below the workings.

WP project and database: Millrock purchased a database for US$100,000. It represents more than $5 million worth of exploration work. Millrock's strategic agreement with a funding company paid the cost of this purchase. Millrock merged the data with its own database and the Company now owns the most comprehensive database for the Goodpaster Mining District. The WP claims have been offered to the third party to form a designated project with its own budget.

British Columbia Properties

On December 14, 2015 – Millrock announce that it has entered into a series of agreements to consolidate three major land packages in the "Golden Triangle" area, northeast of the town of Stewart, British Columbia. The three projects, Todd Creek, Poly and Oweegee Dome, are prospective for gold and polymetallic base metal deposits and cover known mineral occurrences distributed along favourable structures in the lower Hazelton Group rocks that are known to host much of the metal endowment of the camp. The Todd Creek property adjoins the southern boundary of the claim block covering the Brucejack Property, which is owned by Pretivm Resources Inc. The Poly project is located 10 kilometers southeast of Todd Creek and is bisected by Highway 37A and the 138 kilovolt Stewart powerline. The Oweegee Dome property adjoins the eastern boundaries of Pretivm's Brucejack property and of the KSM property owned by Seabridge Gold Inc. Highway 37 and the recently constructed Northwest Transmission Line transect the western tenures of the Oweegee Dome property. In total, the properties cover an area of approximately 60,000 hectares (600 square km).

Eight different agreements were simultaneously signed with six different claim owners, royalty owners and creditors. The result is that Millrock has assembled three large, cohesive mining claim blocks covering highly prospective lands in a very attractive and active exploration and mine development district. Millrock will advance these projects but will be looking to create funding partnerships with other companies in strict keeping with our earn-in option agreement business model.

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. Throughout 2015 Millrock actively generated yet more projects and acquired one by purchase with stock as consideration.

The Company worked actively to secure partners for the projects. No new partners were secured in 2015. However, efforts continue toward securing new funding partners on projects in Mexico.

Rio Sonora Project, Sonora, northern Mexico, Copper-Gold, 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 thinner in the eastern and southeastern portion of the property. However, the funding company terminated its option due to cash flow shortages. Millrock was forced to drop the project because the holding costs were becoming very high.

Los Cuarentas Este Project, Sonora, Mexico, Copper-Gold, 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 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, Gold-Silver, 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. The two portions of the Los Cuarentas claims have been of interest to a number of potential earn-in partners. Subsequent to the year end, it was announced that Centerra Gold had entered an option agreement concerning this property.

Violeta Project, northern Sonora – Gold-bearing 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, Gold, 100%: This project targets Herradura-type, orogenic-style 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 veins in the Proterozoic rocks. Millrock advance the project with further mapping and sampling in 2015 and showed the property to a number of prospective partners. Subsequent to the year end, it was announced that Centerra Gold had make and option agreement concerning this property.

Ramard Project, Sonora, epithermal / vein, 80 km north of Hermosillo, Gold, 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 (boulders) 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 2015.

Villa Hidalgo, Sonora, Gold, 100%: This claim was dropped, but subsequently there was interest from a placer mining company. With funding from this company Millrock was able to reacquire the claims by reversing the relinquishment. Once the claim is returned fully to Millrock ownership and subdivided, the portion of interest will be sold to the placer mining company.

La Union Project, Sonora, Gold-Silver, 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. Millrock has done geochemical work to advance the project.

Los Chivos Project, Central Baja California, 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, Gold-Silver, 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. Millrock showed this project third parties in 2015.

Coatan Project, Chiapas, southern Mexico, Gold, 100% Option from Riverside: Early stage exploration has defined several drainages covering ten kilometers of strike that yield transported float of high sulphidation gold mineralization consisting of vuggy silica, silicification and iron oxides with strongly anomalous gold-silver values. It was determined that community relations would be very difficult at this location and that it would be hard to gain access even for early stage exploration work. Millrock elected to drop the option.

Material Financial Information

Selected Annual Information

	December 31, 2015	December 31, 2014	December 31, 2013
Overhead recovery fees	$ 254,872	$ 23,225	$ 127,457
Loss before taxes	(3,749,056)	(2,921,907)	(7,064,878)
Net comprehensive loss	(3,508,078)	(2,892,122)	(7,057,760)
Basic and diluted loss per share	(0.19)	(0.25)	(0.09)
Current assets	$ 2,163,587	$ 4,460,911	$ 1,901,924
Non-current assets	3,007,304	2,374,887	1,713,760
Current liabilites	630,928	861,769	283,520
Non-curent liabilities	-	-	-

The Company is at the exploration and evaluation stage and only generates overhead recovery fees on projects which it operates for earn-in partners. There have been no distributions or cash dividends declared or paid.

In 2013 and 2015 the Company had more earn-in partners with higher budgets and therefore, had higher overhead recovery fees. In 2015, 2014, and 2013, a substantial portion of the annual losses were from the disposition of exploration properties.

The 2013 net loss was significantly higher than 2014 and 2015 because it included $4,825,600 of exploration property write-offs compared to $1,446,327 in 2015, and $1,102,833 in 2014.

2014 saw a higher year-end total of current assets because of a large financing occurring prior to year-end, and even though partner funded exploration decreased in 2014 the purchase of the Mexican subsidiary led to an increase in non-current assets as the Company added those exploration properties.

Current liabilities in 2014 were higher than comparative years due to payables remaining related to the purchase of the Mexico subsidiary, whereas 2013 had low payables due to lower than normal project cost advanced liabilities from earn-in partners remaining on the books at year-end.

Additionally, in the fourth quarter of 2015, 2014, and 2013 Millrock has issued shares towards private placement financings. A private placement was also done in the second quarter of 2014. In all cases Millrock has collected and used funds in order to pursue additional project acquisition and exploration as well as general corporate purposes as shown through its continued dedication to the project generator business model and moves to strengthen and diversify its exploration assets in prospective mineral jurisdictions.

Summary of Quarterly Results

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

	Dec. 31 2015 Q4	Sep. 30 2015 Q3	Jun. 30 2015 Q2	Mar. 31 2015 Q1	Dec. 31 2014 Q4	Sep. 30 2014 Q3	Jun. 30 2014 Q2	Mar. 31 2014 Q1
Mineral expenditures	$ (225,986)	$ 311,066	$ 27,811	$ 563,930	$ (689,207)	$ 360,050	$ 878,060	$ 95,429
Overhead Recovery Fees	17,168	163,030	49,431	25,243	22,988	-	(683)	920
G&A expense (including stock-based comp.)	711,239	501,830	503,499	927,388	808,653	337,171	414,029	308,978
Stock-based compensation	-	-	-	199,563	120,191	-	-	-
Adjusted G&A (excluding stock-based comp.)	711,239	501,830	503,499	727,825	688,462	337,171	414,029	308,978
Mineral properties write-off	1,446,327	-	-	-	1,102,833	-	-	-
Net Income/(loss)	(2,146,144)	(256,831)	(454,068)	(892,013)	(1,862,886)	(337,171)	(413,792)	(308,058)
Loss per share	$ (0.11)	$ (0.01)	$ -	$ (0.07)	$ (0.15)	$ (0.01)	$ (0.09)	$ -

In both the fourth quarter of 2015 and 2014 the company wrote off mineral properties which more than offset normal property capitalization and led the Mineral expenditures line to be negative for those two quarters.

Millrock has observed seasonality in the past in regards to Overhead Recovery Fees as these are charged on earn-in projects where the Company sees most of its Alaska exploration in the second and third quarters of the year. As the Company actively markets properties in geographically diverse jurisdictions it hopes to offset the seasonality with Mexican property exploration occurring primarily in the first and fourth quarters of the year.

The stock based compensation shown on the table for Q4 2014 is for the accrual of deferred salaries during the year, and in Q1 of 2015 is for the issuance of stock options to employees.
G&A expenses in 2015 were generally higher throughout all quarters than 2014 due to 2014 only including the Mexico subsidiary for a portion of the year.

The net loss and loss per share see a substantial increase in the fourth quarters of both years because of the property write offs that occur in those quarters.

In recent years with foreign currency translation divergence between the US dollar (USD) and Canadian dollar (CAD) with the USD growing stronger, respectively, it makes exploration more expensive for Millrock and potential partner companies that also raise financing denominated in CAD.

Additional Disclosure for Venture Issuers Without Significant Revenue

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

	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014
Stock-based compensation	$ 199,563	$ 120,191
Investor relations	$ 270,063	$ 177,117
Office and miscellaneous	$ 401,528	$ 362,264
Consulting, directors and salaries	$ 816,884	$ 505,781
General Exploration	$ 610,129	$ 450,864
Accounting, audit and legal	$ 297,418	$ 207,988
Amortization and depreciation	$ 49,846	$ 32,848

The Company's annual financial results for the years December 31, 2015 and 2014 have been prepared in accordance with IFRS.

Quarter Ended December 31, 2015 Compared to the Quarter Ended December 31, 2014

The Company had overhead recovery fees of $17,168 for the quarter ended December 31, 2015 compared to overhead recovery fees of $22,988 for the quarter ended December 31, 2014, and a net operating loss of $2,140,398 as compared to its net operating loss of $1,862,886 for quarter end 2014. The revenue decline resulted from reduced overhead recovery fees received from earn in partners. Fourth quarter 2014 had an active exploration project taking place in Mexico. The Company also had substantial property write offs of $1,446,327 in fourth quarter 2015 compared to $1,102,833 written off in fourth quarter 2014.

General and Administrative expenses overall for the quarter ended December 31, 2015 totalled $711,239 as compared to $808,653 for the corresponding quarter end 2014. The five largest expense items for the three months ended December 31, 2015 are consulting, directors and salaries expenses of $323,909, accounting, audit and legal of $149,836, office and miscellaneous expense of $124,218, amortization, depreciation, and impairment of $35,213, and investor relation expenses of $55,847. These items comprise approximately 99% of the total general and administrative expenses of the Company. Amortization and depreciation in fourth quarter 2015 was higher than typical due to impairment of assets in the Mexican subsidiary.

Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014

The Company had overhead recovery fees of $254,872 for the year ended December 31, 2015 compared to overhead recovery fees of $23,225 for the year ended December 31, 2014, and a net operating loss of $3,749,056 as compared to its net operating loss of $2,861,540 for yearend 2014. The revenue increase resulted from higher overhead recovery fees received from earn in partners with higher project budgets. The Company also had substantial property write offs of $1,446,327.

The increase in General and Administrative expense year over year resulted from an increase in accounting and legal fees of $89,430, an increase in consulting, directors and salaries costs of $311,103, an increase in office expense of $39,264, an increase in general exploration expense of $159,265, and an increase in investor relations of $92,946 from year end 2014 to year end 2015.

General and Administrative expenses overall for the year ended December 31, 2015 totalled $2,643,956 as compared to $1,868,831 for the corresponding year end 2014. The five largest expense items are consulting, directors and salaries expenses of $816,884, accounting, audit and legal of $297,418, office and miscellaneous expense of $401,528, general exploration of $610,129, and investor relation expenses of $270,063. These items comprise approximately 90% of the total general and administrative expenses of the Company.

Consulting, directors and salaries costs amounted to approximately 31% of the total general and administrative expenses for the year end December 31, 2015 compared to 27% for the year ended 2014. The increase in consulting, directors and salaries expenses was due primarily to 2014 having salary deferment by employees, and 2015 being the first full year of the Mexico subsidiary being consolidated into the financial statements.

Accounting, audit and legal fees amounted to approximately 11% of the Company's administrative expenses for year ended December 31, 2015, compared to 11% for the year ended 2014. The increase of this expense line is attributable to legal fees increasing as Millrock continued to search out new projects and create agreements.

Office and miscellaneous expense amount to approximately 15%, of the total general and administrative expenses for the year ended December 31, 2015, compared to 19% for the year ended 2014. The increase occurred partially due to the first full year of Mexican operations and also having extremely tight budgets for the 2014 year.

General exploration expenses amounted to approximately 23% of the total general and administrative expenses for the year ended December 31, 2015, compared to 24% for the year ended 2014. This minor increase arose as the company continued to successfully pursue a number of projects in keeping with the model of a project generator.

Investor relations costs amounted to approximately 10% of the total General and administrative expenses for the year ended December 31, 2015, compared to 9% for the year ended 2014. The company increased spending on 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.

Liquidity and Capital Resources

As of December 31, 2015, the Company has accumulated a deficit of $31,933,327 and has working capital of $1,532,659. The Company realizes income from option agreement payments, and from overhead recovery fees it collects as the operator of earn in projects (option payments are recorded against the related property cost and not considered revenue until the property is reduced to zero but overhead recovery are recorded as revenue). These funds can cover a significant portion of the Company's overhead costs. The Company relies on equity financing to fund generative exploration programs on its open ground and on some of its properties. There are 2,782,500 options and 19,943,393 warrants outstanding as at April 27, 2016. Funding for most of the property exploration carried out by Millrock comes from partner companies earning in to Millrock's projects. Management has carried out an assessment of the going concern assumption and has concluded that the Company may not have sufficient cash and cash equivalents and other financial assets to continue operating at current levels for the ensuing twelve months. The Company's forecast indicates the existence of uncertainty that raises significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to continue some of its existing partnerships, partner additional exploratory prospects, generate overhead recovery fees, and receipt of option payments. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, and by making earn-in agreements with partner companies there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financings will be favourable.

Working Capital

As of December 31, 2015 the Company had working capital of $1,532,659 based on current assets of $2,163,587 and current liabilities of $630,928.

Related Party Transactions

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

	Twelve Months Ended December 31	
	2015	**2014**
Consulting, directors and compensation	$ 753,019	$ 727,405
Stock based compensation	199,563	120,291
	$ 952,582	**$ 847,696**

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

As of December 31, 2015, due from related parties was $0 (December 31, 2014: $0), due to related parties $0 (December 31, 2014: $98,162) 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 asset impairment analysis, share-based payments and warrants, valuation allowances for deferred income tax assets, the provision for income tax liabilities, deferred income taxes and assessing and evaluating contingencies. Actual results could differ from these estimates.

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

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

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

Basis of Preparation

Changes in Accounting Policies

The Company prepares its consolidated financial statements in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are effective as of December 31, 2015.

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next twelve months. Realization value may be substantially different from carrying value as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. As of December 31, 2015, the Company had not yet achieved profitable operations, but had working capital of $1,532,659 (year end 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.

Upcoming Changes in Accounting Standards

IFRS Standards Issued But Not Yet Effective

IFRS 9 (Amendment) Financial Instruments
IFRS 11 (Amendment) Accounting for Acquisition of Interests in Joint Operations
IFRS 15 (Amendment) Revenue from Contracts with Customers
IAS 16 (Amendment) Property, Plant and Equipment
IAS 38 (Amendment) Intangible Assets

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

Financial Instruments and Other Instruments

i) Fair Value of Financial Instruments

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

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

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

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

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

Financial Instrument	Level	December 31, 2015	December 31, 2014
Cash and Cash Equivalents	1	$ 1,577,421	$ 3,778,151
Security Deposit and Restricted cash	1	$ 386,076	$ 160,745
Marketable Securities	1	$ 60,322	$ 57,389
Accounts Receivable	3	$ 22,173	$ 87,602
Account Payable & Accrued Liabilities	3	$ 250,623	$ 596,897

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

ii) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and amounts receivable are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalent by placing these instruments with institutions of high credit worthiness. Deposits are insured up to $250,000 US dollars in the US and $100,000 Canadian dollars in Canada by each nation's government, therefore the maximum amount that may be exposed to credit risk totaling cash, restricted cash, and amounts receivable for the year ended December 31, 2015 is $1,572,945.

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 $28,420 (December 31, 2014: $63,602) denominated in US dollars. A ten percent change in the exchange rate would result in a $2,842 (December 31, 2014: $6,360) impact to the Company's net income (loss). The Company has Mexican peso cash and working capital items of $92,786 (December 31, 2014: $313,690). A ten percent change in the exchange rate would result in a $9,279 (December 31, 2014: $31,369) impact to the Company's net income (loss). The Company does not have a formal policy to manage risk; however, management actively monitors movement in foreign currency and forecasts foreign currency payments. Foreign exchange risk is mitigated by the offset of assets against liabilities.

v) Interest Rate Risk

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

vi) Management of Capital

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

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

Share Capital

i) Authorized

Unlimited common shares without par value

ii) Issued and outstanding common shares for the year ended December 31, 2015 was 31,804,758.

Legal Claims and Contingent Liabilities

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

Commitments

The Company is committed to pay $42,078 in office rentals for the year 2016.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Subsequent Events

On January 29, 2016 Millrock announced termination of the Estelle Gold Project in Alaska.

On January 29, 2016 Millrock announced the termination of the Alaska Peninsula Copper Project option agreement that it had with First Quantum in Alaska.

On February 04, 2016 Millrock announced that it had granted 1,400,000 stock options to officers, employees, and consultants, exercisable at a price of $0.245 per share exercisable for a period of five years.

On March 21, 2016 Millrock announced the assumption of an option on the LNT Property in the Stewart Golden Triangle District, British Columbia. The tenures under option will form part of the Poly Property.

On March 23, 2016 Millrock announced an Investor Relations Contract which included the issuance of 50,000 options exercisable at a price of $0.245 per share exercisable for a period of five years.

On March 30, 2016 Millrock announced option agreement with Centerra Gold on Los Chinos and Los Cuarentas gold projects.

On April 4, 2016 Millrock announced it expanded its land holdings position for the Todd Creek and Poly projects in British Columbia. The expansion was made via staking.

On April 7, 2016 Millrock announced the acquisition of the Chisna copper-gold project in Alaska. Included in the purchase was a database covering the Chisna claims and surrounding district.

Disclosure of Outstanding Share Data

The following table summarizes the number of common shares, stock options and share purchase warrants as of April 27, 2016:

	Amount	Exercise Price	Expiry Date
Common Shares outstanding as of December 31,	31,804,758		
Warrants	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
#	8,590,753	$0.22	December 10, 2019
Employee Stock Options	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
	1,400,000	$0.25	February 4, 2021
	50,000	$0.25	March 23, 2021
Fully Diluted Shares Outstanding	53,080,651		

**Note these warrants have tiered exercise price of $0.70 until Oct. 21, 2016
and $1.00 thereafter until Oct. 21, 2019
Note these warrants have tiered exercise price of $0.22 until Dec. 10, 2016,
$0.30 until Dec. 10, 2017, and $0.40 thereafter until Dec. 10, 2019

The following table summarizes the weighted average of stock options and share purchase warrants as of April 27, 2016:

	Number of Share	Weighted Average Exercise Price ($CDN)
Issued and outstanding common shares	31,804,758	-
Incentive stock options	2,782,500	$ 0.62
Share purchase warrants	19,943,393	$ 0.55
	54,530,651	-

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LISTINGS

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

CAPITALIZATION
(as at April 27, 2016)

Shares Authorized: Unlimited
Shares Issued: 31,804,758

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