



INTERIM REPORT

For the Three Months Ended March 31, 2008

(See Notice)



MILLROCK RESOURCES INC.

Notice

Notice of No Auditor Review of the Interim Financial Statements

The accompanying unaudited interim financial statements of Millrock Resources Inc. (“the Company”), for the three months ended March 31, 2008, have been prepared by management and have not been the subject of a review by the Company’s independent auditor.

MILLROCK RESOURCES INC.
(formerly First Factor Developments Inc.)
(An Exploration Stage Company)

Consolidated Balance Sheets

As at March 31, 2008 and 2007
(expressed in Canadian dollars)

ASSETS	31-Mar-2008		31-Dec-2007	
Current				
Cash and cash equivalents	\$	1,129,250	\$	1,801,880
Accounts receivable		119,685		104,386
Due from related parties - Note 8		9,913		9,913
Prepaid expenses - Note 8		30,355		2,790
		1,289,203		1,918,969
Advances on exploration expenditures - Note 8		337,443		275,800
Mineral properties - Note 4 and 8		623,190		338,860
Equipment - Note 5		4,712		4,931
	\$	2,254,548	\$	2,538,560
LIABILITIES				
Current				
Accounts payable and accrued liabilities	\$	50,635	\$	46,060
Due to related parties - Note 8		-		9,913
		50,635		55,973
SHAREHOLDERS' EQUITY				
Share capital - Note 6		8,134,747		8,134,747
Contributed Surplus - Note 6		506,886		492,932
Deficit		(6,437,720)		(6,145,092)
		2,203,913		2,482,587
	\$	2,254,548	\$	2,538,560

Nature of Operations and Ability to Continue as a Going Concern - Note 1

Approved by the directors

"Gregory Beischer"

Gregory Beischer

"Darryl Cardey"

Darryl Cardey

See accompanying notes to the financial statements

MILLROCK RESOURCES INC.
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Consolidated Statements of Operations and Deficit

For the Three Months Ended March 31, 2008 and 2007
(expressed in Canadian dollars)

	For the Three Months Ended	
	March 31 - 2008	March 31 - 2007
General and administrative expense		
Accounting and audit - Note 8	\$ 38,238	\$ 297
Amortization and depreciation	219	217
Bank charge and interest	1,192	-
Consulting - Note 8	62,916	23,410
Filing and listing	7,764	5,030
Foreign exchange gain	(2,057)	-
Insurance	2,759	-
Investor relations	36,333	6,793
Legal	3,740	3,049
Miscellaneous	4,877	-
Office expense	8,507	584
Rent and storage - Note 8	6,175	1,800
Salaries and benefits	11,294	-
Stock-based compensation	13,954	-
Travel	17,350	-
Loss before other items	(213,261)	(41,180)
Other items		
Interest income	6,613	2,374
Write-off of mineral properties	(85,980)	-
Net loss for the period	(292,628)	(38,806)
Deficit, beginning of period	(6,145,092)	(4,634,339)
Deficit , end of period	\$ (6,437,720)	\$ (4,673,145)
Basic and diluted loss per share	\$ (0.02)	\$ (0.01)
Weighted average number of shares outstanding	18,201,939	8,510,433

See accompanying notes to the financial statements

MILLROCK RESOURCES INC.
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Consolidated Statements of Cash Flows

For the Three Months Ended March 31, 2008 and 2007
 (expressed in Canadian dollars)

	For the Three Months Ended	
	March 31-2008	March 31-2007
Cash provided from (used for)		
Operating activities		
Loss for the year	(292,628)	(38,806)
Items not involving cash		
Amortization	219	217
Unrealized foreign exchange gain	66	-
Mineral properties write-off	85,980	-
Stock based compensation	13,954	-
	(192,408)	(38,589)
Net change in non-cash working capital items		
Accounts receivable	5,437	(559)
Prepaid expense	(27,565)	-
Accounts payable	(5,405)	(1,235)
Due to related party	-	12,700
	(219,940)	(27,683)
Investing activities		
Advances on exploration expenditures	(61,644)	-
Mineral properties acquisition and exploration costs	(391,046)	-
	(452,690)	-
Financing activities		
	-	-
Decrease in cash and cash equivalents	(672,630)	(27,683)
Cash and cash equivalents, beginning of year	1,801,880	426,164
Cash and cash equivalents, end of year	1,129,250	\$ 398,481
Cash and cash equivalents are comprised of		
Cash	129,250	398,481
Term deposits and accrued interest	1,000,000	-
	1,129,250	\$ 398,481
Supplementary disclosure of cash flow information		
Cash paid for		
Interest	\$ -	\$ -
Income tax	\$ -	\$ -

See accompanying notes to the financial statements

MILLROCK RESOURCES INC.
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Consolidated Schedule of Mineral Properties

For the Three Months Ended March 31, 2008 and 2007
(expressed in Canadian dollars)

	<u>Divide</u>	<u>Fortymile</u>	<u>Arizona</u>	<u>Estelle</u>	<u>Other Properties</u>	<u>Total</u>
Balance at December 31, 2007	\$ 122,874	\$ 146,320	\$ -	\$ -	\$ 69,666	\$ 338,860
Addition during the year						
Acquisition cost						
Cash	2,746	-	213,362	-	63,787	279,895
Shares	-	-	-	-	-	-
	2,746	-	213,362	-	63,787	279,895
Exploration costs:						
Drilling	-	-	-	-	-	-
Geochemistry	7,712	-	-	-	11,433	19,145
Geology	11,585	225	1,430	-	10,588	23,828
Geophysics	2,935	-	2,935	-	8,806	14,676
Environmental and permitting	151	-	-	152	-	303
Support and equipment	16,343	680	4,747	23	31,407	53,200
	38,726	905	9,112	175	62,233	111,152
Less:						
Recoveries	20,736	-	-	-	-	20,736
Write off	-	-	-	-	85,980	85,980
Balance at March 31, 2008	\$ 143,610	\$ 147,225	\$ 222,474	\$ 175	\$ 109,706	\$ 623,190

MILLROCK RESOURCES INC.

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Notes to Consolidated Financial Statements

For the Three Months Ended March 31, 2008 and 2007

(Expressed in Canadian dollars)

1. Nature of Operations and Ability to Continue as a Going Concern

Millrock Resources Inc. (the “Company”) is a public company listed on the TSX Venture Exchange. In August 2007, the Company received approval from the TSX Venture Exchange to change its business from an online data service to a mineral exploration company and changed its name to Millrock Resources Inc. from First Factor Developments Inc. (“First Factor”), a Vancouver based company listed on the NEX board of the TSX Venture Exchange. The Company’s shares commenced trading on the TSX Venture Exchange under the trading symbol “MRO” in August 2007.

The Company is in the business of acquisition, exploration and development of mineral properties and has not yet determined whether these properties contain mineral resources that are economically recoverable (“ore reserves”). The Company’s projects are considered to be in the exploration stage.

These 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 fiscal year. Realization value may be substantially different from carrying value as shown and these 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. At March 31, 2008, the Company had not yet achieved profitable operations, had working capital of \$1,238,568 which may not be sufficient to sustain operations over the next twelve months and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company’s ability to continue as a going concern. The company’s ability to continue as a going concern is dependent upon its ability to generate and maintain future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operation when they come due.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles in Canada. The financial statements have, in management’s opinion, been properly prepared within the framework of the significant accounting policies summarized below:

(a) Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its two wholly owned subsidiaries, Millrock Alaska LLC and Millrock Exploration Corporation, which were incorporated in the State of Alaska, USA in November 2007 and March 2008 respectively.

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Notes to Consolidated Financial Statements

For the Three Months Ended March 31, 2008 and 2007

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of estimates include the rates of depreciation for property, plant and equipment, the recoverability of mineral property costs, estimates of accounts payable and accrued liabilities, the assumptions used in the determination of the fair value of stock-based compensation, and the determination of the valuation allowance for future income tax assets. Actual results may differ from those estimates.

(c) Changes in Accounting Policy

On January 1, 2007, the Company adopted CICA Handbook Sections 1530, "Comprehensive Income", Section 3251, "Equity", Section 3855, "Financial Instruments – Recognition and Measurement", Section 3861, "Financial Instruments – Disclosure and Presentation" and Section 3865, "Hedges". Section 1530 establishes standards for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with Canadian generally accepted accounting principles.

Section 3861 establishes standards for presentation of financial instruments and non-financial derivatives and identifies the information that should be disclosed about them. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and, therefore, the comparative figures have not been restated. Section 3865 describes when and how hedge accounting can be applied as well as the disclosure requirements. Hedge accounting enables the recording of gains, losses, revenues and expenses from derivative financial instruments in the same period as for those related to the hedged item.

Section 3855 prescribes when a financial asset, financial liability or non-financial derivative is to be recognized on the balance sheet and at what amount, requiring fair value or cost-based measures under different circumstances. Under Section 3855, financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings.

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For the Three Months Ended March 31, 2008 and 2007

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(c) Changes in Accounting Policy (continued)

Under adoption of these new standards, the Company designated its accounts payable and accrued liabilities as other financial liabilities, which are measured at amortized cost.

The adoption of these Handbook Sections had no impact on opening deficit.

Effective January 1, 2008, the Company adopted the following new CICA Handbook Standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

(d) Future Accounting Changes

Adoption of International Financial Reporting Standards

In January 2008, the Accounting Standards Board announced its decision to require all publicly accountable enterprises to report under International Financial Reporting Standards (IFRS) for years beginning on or after January 1, 2011. These changes reflect a global shift to IFRS and they are intended to facilitate capital flows and bring greater clarity and consistency to financial reporting in the global marketplace. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

Goodwill and Intangible Assets

In February 2008 the CICA issued accounting standard Section 3064 Goodwill and Intangible Assets replacing accounting standard Section 3062, Goodwill and Other Intangible Assets, and accounting standard Section 3450, Research and Development Costs. The new Section will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning January 1, 2009. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The Company is currently evaluating the impact of the adoption of this new Section.”

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2. Significant Accounting Policies (continued)

(e) Cash and Cash Equivalents

The Company considers cash and cash equivalents to be cash and short-term investments with original maturities or redemption provisions of three months or less from the date of acquisition.

(f) Mineral Properties

The Company defers the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Cost of producing properties will be amortized on a unit of production basis and costs of abandoned properties are written off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operation. Write-downs due to impairment in value are charged to operations.

The Company is in the process of exploring its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying value of mineral properties on an annual basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

(g) Equipment

Equipment consisting of office furniture and computer equipment are recorded at cost less accumulated amortization. Amortization is recorded using the straight line method at annual rates of 20%.

(h) Asset Retirement Obligations

The fair value of obligations associated with the retirement of tangible long-lived assets is recorded in the period the asset is put into use, with a corresponding increase to the carrying amount of the related assets. The obligations recognized are statutory, contractual or legal obligations. The liability is accreted over time for changes in the fair value of the liability through charges to accretion, which is included in depletion, amortization and accretion expense. The costs capitalized to the related assets are amortized in a manner consistent with the depletion and amortization of the related asset. As at March 31, 2008 and 2007, the Company had no asset retirement obligations.

(i) Impairment of Long-lived Assets

Canadian generally accepted accounting principles require that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment

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2. Significant Accounting Policies (continued)

(i) Impairment of Long-lived Assets (continued)

whenever events or changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the assets, impairment is recognized. Other than the costs incurred and written off on the Inmachuk Property and Bonanza Property (Note 4), management believes there has been no impairment of the Company's long-lived assets as at March 31, 2008.

(j) Stock-based Compensation

The fair value of all share purchase options granted is expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital. The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

(k) Basic and Diluted Loss per Share

Basic loss per share is calculated by dividing the net loss for the year by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could occur if potentially dilutive securities are exercised or converted to common stock. The dilutive effect of options and warrants and their equivalents is computed by application of the treasury stock method. Fully dilutive amounts are not presented when the effect of the computations is anti-dilutive due to the losses incurred. Shares issuable on exercise of stock options and warrants totaling 5,385,584 were not included in the computation of diluted loss per share because the effect would have been anti-dilutive.

(l) Foreign Currency Translation

Foreign currency transactions are translated at the rates prevailing on the transaction date. Carrying values of monetary assets and liabilities denominated in foreign currencies are adjusted at each balance sheet date to reflect exchange rate prevailing at the balance sheet date. When incurred, resulting exchange gains or loss are included in operation.

Financial statements of foreign subsidiaries, all of which are integrated, are translated using the temporal rate method whereby monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date, and other assets and liabilities and equity are translated at the rate of exchange prevailing on the transaction date. Revenue and expense items are translated at the average rate prevailing during the period. The resulting exchange differences are included in the net income during the period.

2. Significant Accounting Policies (continued)

(m) Comparative Figures

Certain comparative figures have been reclassified to conform to the current period's presentation.

3. Risk Management Policies

(a) Credit Risk

The Company is exposed to credit risk in respect to its cash and cash equivalents, and accounts receivable. The credit risk is limited to the carrying amount on the balance sheet. The Company's cash and cash equivalents are held through large financial institutions. The Company manages its credit risk by entering into transactions with high credit quality counterparties, limiting the amount of exposure to each counterparty where possible and monitoring the financial condition of the counterparties.

(b) Liquidity Risk

Liquidity risk is the risk the Company will not be able to meet the obligations associated with its financial liabilities. The Company manages liquidity risk through the management of its capital structure as outlined in Note 7. On May 8, 2008, the Company announced that it intends to complete a non-brokered private placement consisting of up to 10,000,000 units at a price of \$0.25 per unit for gross proceeds of up to \$2,500,000 as outlined in Note 9(e) which reduces the Company's exposure to liquidity risk. Accounts payable and accrued liabilities are due within the current fiscal year.

(c) Currency Risk:

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has cash and cash equivalents and accounts payable denominated in US\$. At March 31, 2008, if the Canadian dollar had weakened 10 percent against US dollar with all other variables held constant, the net loss for the quarter would have been \$145 higher. Conversely, if the Canadian dollar had strengthened 10 percent against US dollar with all other variables held constant, the net loss would have been \$145 lower.

4. Mineral Properties

(a) Divide

On August 22, 2007, the company signed a Letter of Intent with respect to the Divide Property located on the Seward Peninsula, Alaska. The company can earn a 50% interest in the project by paying 50% of all costs associated with the Divide Option (an option agreement made between the vendor and the underlying property owner). The original consideration is cash

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4. Mineral Properties (continued)

(b) Divide (continued)

payments of US\$500,000 and issuance of 500,000 common shares of the Company over a five year period as follows:

- US\$7,500 (paid) and 50,000 common shares (issued) upon regulatory approval;
- US\$22,500 and 50,000 common shares by February 22, 2008;
- US\$45,000 and 50,000 common shares by August 22, 2008;
- US\$75,000 and 150,000 common shares by August 22, 2009;
- US\$125,000 and 250,000 common shares by August 22, 2010;
- US\$225,000 by August 22, 2011;

The payment due February 22, 2008 was originally set at \$22,500 however the underlying property owner agreed to reduce the payment to \$12,500 and this amount has been paid. An additional 50,000 common shares will be issued. The agreement is in good standing.

During the first quarter, the Company announced exploration plans for the 2008 field season. The planned work program includes 10,000 feet of reverse circulation drilling, and blast trenching. Applications for exploration permits were made during the quarter. Arrangements were made to secure drilling equipment. In order to secure core drilling equipment, it was necessary to make a prepayment of \$225,036 to the drilling contractor.

(c) Fortymile

In February 2008, the Company announced that it had acquired through staking, approximately 7,965 hectares of State of Alaska mineral rights in three discrete blocks, in the Fortymile mining district. Limited reconnaissance was done on the claims in 2007. No work was done on the project during the quarter. Costs attributed to the project total US\$147,225.

(d) Arizona

Subsequent to March 31, 2008, the Company acquired three properties in the Safford - Morenci and San Manuel - Copper Creek areas of southeastern Arizona. A cash payment of US\$20,000 and issuance of 20,000 common shares for each property is payable as a finder's fee. A further US\$10,000 and 15,000 shares is payable to the finder for each property annually as long as the Company holds the property, and a payment of US\$2 million is to be paid upon commercial production.

(e) Estelle

Subsequent to March 31, 2008, the Company made an agreement with International

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4. Mineral Properties (continued)**(e) Estelle (continued)**

Tower Hill Mines Ltd. ("ITH") to acquire its rights to the South Estelle gold property 160 km northwest of Anchorage, Alaska in the Rainy Pass district. Consideration is 650,000 common shares. ITH will retain a 1% NSR royalty. By virtue of the purchase, the Company will have the option to earn up to an 80% interest in the property from the underlying property owners. The Company can earn a 51% interest by expending US\$2 million by the end of 2009, a 70% interest by expending a cumulative US\$5 million by the end of 2011, and 80% by tabling a positive feasibility study. A further 2.5% NSR royalty may become payable to the underlying property owners under certain conditions.

(f) Other Properties

The Company evaluated a number of prospects known to exist on open ground, and on the claims of others. Also, reconnaissance work was done to test geological ideas generated by the Company. As at March 31, 2008, the Company had incurred costs of \$109,706 on other properties located in Alaska, for future evaluations.

Property	Millrock Ownership	Capitalized Cost		
		Q1-2008	2007	Total
<u>Active Projects</u>				
Golden Eagle	100%	53,911	18,414	72,325
Iliamna-King Tut	100%	-	18,027	18,027
Bering Straits	100%	7,327	-	7,327
Ketchem	100%	12,027	-	12,027
Total Active Projects		\$ 73,265	\$ 36,441	\$ 109,706
<u>Inactive Projects</u>				
Inmachuk	60%	52,335	559,516	611,851
Iliamna-Bonanza	60%	421	33,225	33,646
Total Inactive Projects Cost		\$ 52,756	\$ 592,741	\$ 645,497

Note: The total inactive projects cost \$645,497 has been written off.

During this quarter, the management decided not to proceed with the two option agreements below:

Inmachuk

In March 2007, the company entered into an option agreement with Full Metal Minerals Inc. to earn a 60% interest in 67 mineral claims in Alaska. Consideration is US\$90,000, the issuance

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4. Mineral Properties (continued)

(f) Other properties (continued)

of 800,000 shares, and expenditures of US\$2,500,000 in exploration over the next four years as follows:

- US\$10,000 (paid) upon signing the agreement;
- US\$15,000 (paid) and 100,000 common shares (issued) upon regulatory approval;
- US\$15,000 and 100,000 common shares by April 1, 2008;
- US\$20,000 and 200,000 common shares by April 1, 2009;
- US\$30,000 and 400,000 common shares by April 1, 2010;

Exploration Expenditures:

- US\$335,000 by April 1, 2008;
- US\$500,000 by April 1, 2009;
- US\$665,000 by April 1, 2010;
- US\$1,000,000 by April 1, 2011;

The agreement also requires assumption of obligations of an underlying option agreement between Full Metal Minerals and claim owner Royal Pretoria Gold in the amount of US\$215,000 between 2008 and 2010. The payment schedule is as follows:

- US\$50,000 by April 1, 2008;
- US\$65,000 by April 1, 2009;
- US\$100,000 by April 1, 2010;

The Company received and analyzed geochemical results from drill core sampling done in the last quarter of 2007. Mineralization was intersected in three of the five holes drilled, and consists of oxidized sulfides. While mineralization was intersected, it would appear that there is relatively low potential for discovery of a base metal deposit that would have sufficient grade and tonnage to warrant mine development. The Company has elected not to renew its option on the property and advised Full Metal Minerals of the same.

In order to meet its obligation to keep the underlying option agreement in good standing, despite the intention to terminate the option, the Company was required to make an option payment of \$50,000 to Royal Pretoria Gold.

Because the Company has terminated its option on the property, the costs incurred to date of \$611,850 (\$52,335 for this quarter) have been written off.

Iliamna-Bonanza

The Iliamna project consists of two discrete properties. The first, called King Tut, is a claim block acquired by staking of 124 State of Alaska mining claims located approximately 35

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4. Mineral Properties (continued)**(f) Other properties (continued)**

kilometers north of the Pebble deposit, a major new copper-gold discovery. The second property, known as Bonanza Hills, is located a further 25 kilometers north of Pebble. The Company, pursuant to a letter of intent signed September 4, 2007, will have the option to obtain a 60% interest in the property by incurring exploration expenditures of US\$3.5 million and issuing 1 million common shares of the company as follows:

- 100,000 common shares upon regulatory approval of a definitive option agreement;
- 100,000 common shares by September 4, 2008;
- 200,000 common shares by September 4, 2009;
- 300,000 by September 4, 2010;
- 300,000 by September 4, 2011;

Exploration Expenditures:

- US\$30,000 by August 31, 2007 (met);
- US\$220,000 by September 4, 2008;
- US\$500,000 by September 4, 2009;
- US\$1,000,000 by September 4, 2010;
- US\$1,750,000 by September 4, 2011.

Subsequent to the end of the quarter, the Company has decided not to proceed with the option agreement concerning the Bonanza Hills property. No work was carried out on the properties in this quarter. The cost incurred to date in the amount of \$33,646 has been written off.

5. Equipment

March 31, 2008	Cost	Accumulative Amortization	Net Book Value
Office equipment	\$ 5,479	\$ 767	\$ 4,712
	\$ 5,479	\$ 767	\$ 4,712

December 31, 2007	Cost	Accumulative Amortization	Net Book Value
Office equipment	\$ 5,479	\$ 548	\$ 4,931
	\$ 5,479	\$ 548	\$ 4,931

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6. Share Capital**(a) Authorized**

Unlimited common shares without par value.

(b) Issued and outstanding common shares

	Number of Shares	Share Capital	Contributed Surplus
Balance, December 31, 2006	10,710,468	5,021,793	-
Issued for cash pursuant for			
Private placements	7,211,111	3,245,000	-
Exercise of warrants	408,000	40,800	-
Issued for property	150,000	67,750	-
Issued for finder's fees	150,360	67,662	-
Share repurchase and cancellation	(428,000)	(64,200)	-
Share issue costs	-	(244,058)	49,973
Stock based compensation	-	-	456,913
Balance December 31, 2007	18,201,939	\$ 8,134,747	\$ 506,886
Balance March 31, 2008	18,201,939	\$ 8,134,747	\$ 506,886

On August 7, 2007, the company issued 2,500,000 units at \$0.45 per unit for net proceeds of \$1,112,500. Each unit consisted of one common share and one-half of one share purchase warrant, each whole warrant entitling the holder to purchase one common share for a period of two years at \$0.75 per share in the first year and \$1.00 per share in the second year. Finders' fees of \$61,950 cash and the issue of warrants for the purchase of 137,667 common shares at \$0.45 per share for one year were paid in respect of this private placement. The warrants were valued at \$22,641 using the Black Scholes model with assumptions noted below.

On November 2, 2007, the company issued 4,711,111 units at \$0.45 per unit for gross proceeds of \$2,120,000. Each unit consisted of one common share and one-half of one share purchase warrant, each whole warrant entitling the holder thereof to purchase one additional common share at \$0.75 per share for a period of twelve months from the closing date and at \$1.00 per share for the following twelve months. Finders fees of \$44,966 cash and the issue of warrants for the purchase of 157,360 common shares at \$0.45 per share for one year were paid in respect of this private placement. The warrants were valued at \$27,332 using the Black-Scholes model with assumptions noted below.

In connection with the Company's disposal of its online data service during the year ended December 31, 2005, a shareholder with 428,000 common shares dissented under the provisions of Canada Business Corporate Act and demanded that the company pay the shareholder the fair value of the shares as at June 23, 2005. During the year ended December 31, 2007, the

6. Share Capital (continued)

shareholder agreed to accept the amount of \$64,200 offered by the Company. The shares were returned to the treasury and cancelled.

(c) Stock Options

The company has a stock option plan whereby the maximum number of shares reserved for issue under the plan 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.

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

	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2006	-	\$ -
Granted	1,485,000	\$ 0.46
Outstanding at December 31, 2007	1,485,000	\$ 0.46
Outstanding at March 31, 2008	1,485,000	\$ 0.46
Exercisable at March 31, 2008	1,335,000	\$ 0.46

The following table summarizes the company's outstanding share purchase options as at March 31, 2008.

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6. Share Capital (continued)**(c) Stock Options (continued)**

Number of Shares	Exercise Price	Expiry Date
1,050,000	\$ 0.45	5/29/2012
125,000	\$ 0.45	8/7/2012
150,000	\$ 0.45	10/1/2012
100,000	\$ 0.55	11/21/2012
60,000	\$ 0.56	12/6/2012
1,485,000		

*These options vest as to 25% three months after the date granted and 25% every three months thereafter.

The fair value of the options granted during the year ended December 31, 2007 was estimated on the dates of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

Dividend yield	Nil
Expected volatility	91% - 102%
Risk-free rate of return	4%
Expected life of options	5 years

The weighted average fair value of the 1,485,000 share purchase options granted was \$0.46 per option. Total stock-based compensation expense of \$456,913 (\$13,954 for this quarter) has been charged to operations.

(d) Share Purchase Warrants and Agent Warrants

As at March 31, 2008, the company had outstanding warrants and agent warrants for the purchase of 3,900,584 common shares, as follows:

	Number of Shares	Weighted Average Exercise Price	Expiry Date
Outstanding at December 31, 2006	408,000	\$ 0.10	
Exercised on March 31, 2007	(300,000)	\$ 0.10	
Exercised on July 17, 2007	(108,000)	\$ 0.10	
Issued, Aug 07, 2007	1,250,002	\$ 0.75	8/7/2008
Agent warrants issued, Aug 07, 2007	137,667	\$ 0.45	8/7/2008
Issued on Nov 2, 2007	2,355,555	\$ 0.75	11/2/2008
Agent warrants issued on Nov 2, 2007	157,360	\$ 0.45	11/2/2008
Outstanding at December 31, 2007	3,900,584		
Outstanding at March 31, 2008	3,900,584		

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6. Share Capital (continued)**(d) Share Purchase Warrants and Agent Warrants (continued)**

The fair value of the agent's warrants of \$49,972 is included in share issue costs and contributed surplus under shareholder's equity. The fair value of the agent's warrants was estimated on the dates issued using the Black-Scholes option pricing model with the following weighted average assumptions:

Dividend yield	Nil
Expected volatility	91% - 97%
Risk-free rate of return	4%
Expected life of options	1 year

7. Capital Disclosure

The Company's objectives when managing capital are:

- (a) To safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (b) To provide an adequate return to shareholders.

The Company sets the amount of capital in relation to requirements. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of the requirements to finance its mineral projects. The Company's overall strategy remains unchanged from 2007.

The capital structure of the Company consists of all of the components of shareholders' equity.

During the quarter ended Mar. 31, 2008, no additional shares were issued. On May 8, 2008, the Company announced that it intends to complete a non-brokered private placement consisting of up to 10,000,000 units at a price of \$0.25 per unit for gross proceeds of up to \$2,500,000 as outlined in Note 9(e).

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8. Related Party Transactions

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

	Three Months Ended March 31, 2008	
	2008	2007
Accounting	\$ 20,348	\$ -
Consulting fee	77,890	21,728
Mineral Properties	340,838	-
Office rent	-	1,800
	\$ 439,075	\$ 23,528

These charges were measured by the exchange amount which is the amount agreed upon by the transacting parties.

- (a) As at March 31, 2008, due from related parties include \$9,913 advanced to a director for travel incurred after the year-end. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.
- (b) During the three months ended March 31, 2008, the Company incurred a total amount of \$340,838 expenses or cash advance to Xplore Inc., a company incorporated in Alaska, USA and controlled by a director that acts as operator for the exploration program. Until the incorporation of Millrock Exploration Corporation (Alaska) in March 2008, Xplore had acted as Millrock's exploration arm in Alaska. All costs for exploration done by Xplore for Millrock have been passed straight through with no markup or profit charged by Xplore. As at March 31, 2008, cash advances balance to Xplore was \$162,487.

9. Subsequent Events

- (a) On April 3 and May 20 2008 the Company reported that it acquired three properties in the Safford - Morenci and San Manuel - Copper Creek areas of southeastern Arizona by staking of federal mining claims, and state exploration permits. The targets were brought to the Company's attention by Michael Schaefer, a geologist based in Tucson, Arizona. A Finder's Fee of US\$20,000 and issuance of 20,000 common shares for each property is payable to Mr. Schaefer. A further US\$10,000 and a grant of 15,000 shares is payable for each property annually as long as the Company holds the property. In the event that commercial production occurs on the property, a payment of US\$2 million is to be paid to Mr. Schaefer.

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9. Subsequent Events (continued)

- (b) On April 9, 2008 the Company announced that it had made an agreement with International Tower Hill Mines Ltd. ("ITH") to acquire its rights to the South Estelle gold property 160 kilometers northwest of Anchorage, Alaska in the Rainy Pass district. The agreement between

ITH and Millrock is an outright purchase of ITH's rights in an underlying agreement. Consideration is 650,000 Millrock shares. ITH will retain a 1% NSR royalty. By virtue of the purchase, Millrock will have the option to earn up to an 80% interest in the property from underlying property owners Hidefield Gold Plc (AIM: HIF) and Mines Trust (a private Alaska firm). Millrock can earn a 51% interest by expending US\$2 million by the end of 2009, a 70% interest by expending a cumulative US\$5 million by the end of 2011, and 80% by tabling a positive feasibility study. A further 2.5% NSR royalty may become payable to Hidefield / Mines Trust under certain conditions.

- (c) On April 23, 2008, the Company announced that it signed an Exploration Agreement with Golden Glacier Inc., a subsidiary of the Bering Straits Native Corporation (BSNC). The large land package subject to the agreement covers approximately 395 square kilometers, and is highly prospective for intrusive-related and metamorphogenic, structurally controlled gold deposits. The lands are located along the southern shore of the Seward Peninsula, east of Nome, Alaska.
- (d) On May 7, 2008 the Company announced that it had elected not to proceed with an option agreement with Liberty Star Uranium and Metals Corporation with respect to the Bonanza Hills property. The agreement was originally contemplated in a Letter of Intent announced in September, 2007.
- (e) On May 26, 2008 the Company announced that it has closed the non-brokered private placement for gross proceeds of \$2,750,250.

The Company issued 11,001,000 units at \$0.25 per unit. Each unit is comprised of one common share and one-half of one share purchase warrant with each whole warrant exercisable into one additional common share at a price of \$0.50 until May 26, 2009 and at a price of \$0.75 until May 26, 2010. 7% Finders' fees were paid by cash \$171,167.50, issuance of 58,940 common shares and 562,450 finders warrants. Each finder warrant is exercisable into one common share at a price of \$0.25 until May 26, 2009. All of the securities issued hereunder are subject to a four month hold period and may not be traded until September 27, 2008.

Proceeds from the financing will be used for drilling and other exploration activities on the various properties in which the Company holds an interest.