



INTERIM REPORT

Management Discussion & Analysis

For the Three Months Ended March 31, 2008

Description of Business

Millrock Resources Inc. (“the Company”) is a company engaged in the acquisition, exploration and development of mineral properties prospective for gold, copper and other valuable metals, primarily in Alaska. Led by successful explorationists, Gregory Beischer and Philip St. George, the Company has established a strong property package currently consisting of, as of May 26, 2008 (the “Report Date”), nine highly prospective mineral projects. The Company is a reporting issuer in British Columbia, Alberta, Manitoba, Ontario, Quebec and Nunavut, and trades on the TSX Venture Exchange under the symbol MRO.

The following discussion and analysis of the financial position and results of operations for the Company should be read in conjunction with the unaudited financial statements and the notes thereto for the three months ended March 31, 2008.

Forward-Looking Information and Report Date

This Management Discussion and Analysis (“MD&A”) may contain forward-looking statements that involve risks and uncertainties. When used in this MD&A, the words “anticipate”, “believe”, “estimates”, “expects” and similar expressions are intended to identify such forward-looking statements. Readers are cautioned that these statements which describe the Company’s proposed plans, objectives, and budgets may differ materially from actual results. Such forward-looking statements in this MD&A are only made as of Report Date.

Highlights for the Period Ended March 31, 2008

1. In February 2008, the Company announced that it had acquired approximately 7,965 hectares of State of Alaska mineral rights in three discrete blocks, in the Fortymile mining district. Limited reconnaissance stream sediment and rock sampling program in the road accessible portions of the properties has been carried out.
2. On Feb 19, 2008 the Company, along with its partner Alix Resources Corp. (formerly NPN Investments), announced its plans for the 2008 exploration program at the Divide Project, near Nome, Alaska. The program is expected to cost approximately \$1.5 million, with costs borne equally by the partners.
3. On March 26, 2008 the Company announced that it signed a Letter of Intent to acquire the Ketchem gold property in the Circle District in north-central Alaska. The proposed agreement would give the company the option to purchase a 100% interest in the property, which is a mining lease owned by Spectrum Resources Inc. of Fairbanks, Alaska.
4. On March 28, 2008 the Company announced that it had elected not to renew its option on the Inmachuk property, which was subject to an agreement with Full Metal Minerals Inc. Based on drilling results, the Company interprets that there is relatively low potential for discovery of a base metal deposit that would have sufficient grade and tonnage to warrant mine development.

Subsequent Events to March 31, 2008

1. 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. The properties are subject to a Finder's Agreement with Mr. Schaefer. The target at the properties is large tonnage porphyry copper deposits.
2. On April 9, 2008, the Company announced that it had made an agreement with International Tower Hill Mines Ltd. to acquire its rights to the South Estelle gold property 160 km northwest of Anchorage, Alaska in the Rainy Pass district. The property is prospective for large tonnage, bulk minable gold deposits.
3. 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.
4. 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.
5. 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.

Exploration Overview

Divide: The Divide Property is located in the prolific Cape Nome mining district about 45 km north of Nome, Alaska. Access to the property is via the Nome-Taylor highway which crosses the eastern boundary of the 1,424 ha claim block.

Underlain by structurally deformed, retrograde greenschist facies metasediments (turbidites and related deep water sediments); the rocks at the Divide Property are of late Proterozoic to Paleozoic age. These same rocks are the source of the alluvial gold deposits of the Nome camp, where approximately five million ounces of gold has been produced by placer mining methods. The Rock Creek Mine, a lode mine currently being commissioned by NovaGold Resources Inc., is located approximately 33 km to the southwest. Gold mineralization at Rock Creek is hosted in a similar geological setting to that at Divide. An exceptional soil anomaly has been found to exist on the Divide claims. Measuring over 2,600 meters long and 660 meters wide, the strongest portions, which exceed 200 ppb gold over a broad area, have not been previously drill tested. While narrow veins have been discovered by previous workers, mapping has identified a brittle siltstone bed that may have provided a favorable host for larger scale veining and gold deposition.

The Company drilled five holes in 2007 that confirmed the presence of high grade gold mineralization. Data from prior exploration efforts was compiled and assessed. Analysis of past drill core and surface sampling indicates that a strong nugget effect exists. There is a high likelihood that some of the drill intersections reported understate the grade of mineralization actually in the ground. Because the gold is coarse, and because it occurs on fracture faces at the margins of quartz veins, there is a tendency for gold to be lost from the core. The core breaks along fracture faces and gold grains may be washed or dislodged from the core during drilling or sampling. In the first quarter, the Company investigated and identified the optimum drilling and sampling protocols to be used at Divide.

Upon review of prior exploration data, it also became clear that the property has suffered from a series of inadequate exploration efforts. It is the Company's view that there is high potential for discovery of a high grade chute within the vein system that may be economically extracted. The soil geochemical anomaly indicates a large mineralizing system. On this basis, the Company has concluded that an aggressive, comprehensive exploration program is warranted, and has proceeded to design such a program. The planned program is budgeted at \$1.5 million, with costs borne equally by the Company and its partner Alix Resource Corporation. The program will consist of:

- Magnetic survey interpretation and existing data synthesis and analysis
- Lithological and structural mapping
- Reverse Circulation drilling of ~ 3,600 meters
- Trenching and channel sampling

The magnetic survey interpretation will be useful for identification and tracing of structures, lithological units, and alteration zones in the field geological mapping program. Reverse circulation drilling and trenching is planned to commence in June. The initial target area will be the Stoneman prospect. At this location, abundant visible gold is observed at surface in talus and weathered, broken bedrock. Further along strike, previous trench sampling returned values of 16.21 g/t Au over 16.76 m. However, drill holes immediately undercutting the trench did not

provide results of similar magnitude. To resolve the discrepancy, and to expose the mineralization for thorough observation and evaluation, the company will blast a large trench or open cut to fully expose the mineralized zone. Channel sampling will be achieved with a diamond saw. The zone will be undercut with a series of relatively closely spaced reverse circulation drill holes. The objective of this portion of the program is to determine if a high grade chute is present in the vein system, and if so, to delineate the resource. If the results warrant, a bulk sample will be collected in a contingent, late season program.

The Company worked to secure exploration permits during the first quarter. Most permits have been received, and it is expected that remaining authorizations will be secured in a timely manner. Preparations for the field program proceeded, and it is expected that exploration will commence on or about June 15, 2008.

Inmachuk: The Inmachuk property is located about 184 km northeast of Nome and about 32 km southwest of the village of Deering, Alaska. The claims on the Inmachuk Prospect are in the historic Fairhaven District. Placer gold was found in the district before 1902 and lodes containing argentiferous galena were known and being explored before 1916. The Company's primary interest is in the approximately stratiform deposits of argentiferous lead and zinc. Historically there has been some physical exploration of the project by the U.S. Bureau of Mines, the Bunker Hill Mining Company and owners of placer deposits in the area. Lead-zinc mineralization is associated with siliceous schist that has been interpreted either as an epigenetic replacement of strata near contacts between schist and marble or syngenetic silica-rich rock possibly formed as an exhalite in Paleozoic time.

In the latter part of 2007 the Company carried out a drilling program to test for strike extensions of the known mineralized zone, and to determine the down-dip potential. The company received assay results from the drill core sampling, and interpreted the results in the first quarter. Mineralization was intersected, but the company interprets, based on the drill results obtained, that the potential for a large tonnage base metal deposit is low.

Management decided not to perform further exploration work at Inmachuk, and advised Full Metal Minerals that it would not renew its option on the property. As a result, the Company has written off \$611,851 for all the costs incurred for the project.

Iliamna: At this project area the Company has an interest in two blocks of claims that have potential for porphyry copper-gold-molybdenum deposits in an area 160 miles south of Anchorage, Alaska near the village of Nondalton. Together, the two claim blocks comprise what the Company calls the Iliamna project. The project consists of one 100% owned claim block named King Tut, and a separate block in which the Company has signed a Letter of Intent to form an agreement by which it could earn a 60% interest in the Bonanza Hills property.

Rocks of the area are dominated by marine volcanoclastic graywackes, siltstones, and shales of Late Jurassic age. These sediments generally have northeasterly strikes and moderate to steep northerly dips. Only minor local folding of the sediments has been recognized in the area. Late Cretaceous to Paleocene quartz monzonite, diorite, and granite have intruded the sediments and locally hornfelsed large areas. At the Bonanza Hills, the intrusions have been dated at approximately 65 million years, while an intrusive adjacent to King Tut has been dated at approximately 70 million years.

Alluvial gold mining has been intermittently carried out in the area since about 1913. Historically, high grade gold values have been reported from quartz – arsenopyrite veins. The veins trend east-west and dip to the south in the Bonanza Hills, where exposed in bedrock. The known mineralized areas in the Bonanza Hills have a distinctive aeromagnetic signature. The claims are centered on these magnetic anomalies.

King Tut was staked on a distinctive aeromagnetic signature similar to the Bonanza Hills. The 65 million year age date is favorable for gold mineralization. Small scale historic gold placer mining has been reported within the distinctive aeromagnetic feature.

Reconnaissance exploration work was carried out by the Company during the third quarter. The work consisted of geological investigations and stream sediment sampling. High grade gold veins were sampled at Bonanza Hills, but little evidence was observed that would support the presence of a large scale porphyry deposit. Weakly anomalous stream sediment results were obtained on the King Tut claim block. The Company has elected not to proceed with forming an option agreement on the Bonanza Hills property. The mineral rights at King Tut will be held while the Company assesses whether it will carry out further exploration.

Fortymile: The Company owns approximately 7,965 hectares of State of Alaska mineral rights in three discrete blocks, in the Fortymile mining district. This historic mining district in the east-central part of the state has produced in excess of 550,000 ounces of placer gold. Millrock is targeting disseminated and vein-style intrusion-related lode gold deposits in the project area. The claim blocks are strategically located adjacent to ~135 million year old felsic to intermediate intrusive rocks with downstream gold placers. The ~135 million year age has been shown to be particularly prolific for gold mineralization in this area. An abundance of windblown silt mantles the bedrock, effectively obscuring potential lode sources over much of the claimed area. Conventional soil sampling is not effective in this area.

San Jose and Dry Mountain: Millrock acquired two properties in the Safford – Morenci area of southeastern Arizona. The properties, called San Jose and Dry Mountain, were acquired by staking of open ground, and are centered on geological – geochemical – geophysical targets thought to indicate the presence of porphyry copper (+/- gold and molybdenum) deposits.

The San Jose claim block is located 32 kilometers east of the town of Safford. The property is situated at the intersection of two remarkable mineral trends. The claims are directly on strike with a linear series of porphyry copper – gold deposits known as the Safford Trend. This series of deposits contains in excess of six billion tons of potential ore. Deposits within the trend include Dos Pobres (400 million tons @ 0.98% copper) and Lone Star (4 billion tons @ 0.5% Cu), which are currently being developed by Freeport. The claims are also on the Morenci Trend. The Morenci Mine (approximately ten billion tons of past production and current resources) is situated 24 kilometers from Millrock's property in a trend, defined by a linear, structurally controlled series of magmatic intrusions. The Millrock claims are immediately adjacent to the San Jose prospect, a porphyry cell of undefined tonnage discovered by Noranda in the 1980s. Geochemical vectors identified at the San Jose porphyry indicate better potential to the northeast on Millrock lands. A strong biogeochemical anomaly exists on the Millrock's San Jose property, which covers magnetic and induced polarization geophysical targets. The property covers 5,450 acres secured by staking of 265 federal mining claims and three state exploration permits. A paved highway passes close to the claims, and a power line traverses the property.

The Dry Mountain claim block is also located on the Morenci Trend, 41 kilometers southwest of Morenci Mine. Access is by road and trail. Magnetics and gravity indicate the presence of an intrusive complex beneath cover. A broad copper – molybdenum biogeochemical anomaly with values exceeding 50 part per million copper and six parts per million molybdenum covers much of the claims block.

Galiuro: This property is located 80 kilometers southeast of the Resolution deposit, which is currently being drilled by Resolution Copper Mining, a joint effort of Rio Tinto and BHP Billiton. Resolution is reported to be one of the world's largest and highest grade un-mined copper deposits, and is being evaluated as a large underground block cave mining operation. Millrock's Galiuro property is within the San Manuel - Copper Creek Trend, a linear feature upon which a series of highly productive porphyry deposits is located. The San Manuel - Kalamazoo deposit is a one billion ton copper porphyry located just 20 kilometers to the southwest. San Manuel produced 60,000 tons per day in the 1990's from an underground block cave mining operation.

The Company is targeting a high-grade copper porphyry deposit within the intrusive rocks beneath post-mineralization Tertiary volcanic rock. The Millrock claim block is centered on a buried Laramide-aged intrusive complex, with excellent porphyry indicators on both the east and west sides of the property. Porphyry-style alteration and mineralized outcrops occur on the immediate west side of the claim block at Copper Creek, and trend beneath cover on to Millrock's claims. A small resource of 110 million tons of porphyry style mineralization is reported at Copper Creek. Breccia pipes in the Copper Creek area are known to contain high grade copper. Just to the east of the claims, a very large argillic alteration zone with intense pyritization occurs at Four Mile Creek. Millrock interprets this alteration to be peripheral to a major porphyry system. Magnetic surveys indicate continuity of the favorable-aged intrusive complex beneath Tertiary-aged volcanic cover on Millrock's claims. Epithermal copper mineralization on the Company's Galiuro claims occurs along major structures in Tertiary volcanic rocks. This mineralization may be remobilized, and suggests the presence of older Laramide-aged porphyry mineralization at depth. While a large porphyry is Millrock's primary target, the possibility of a high grade deposit will be investigated.

Property Evaluation and Project Generation: 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.

Exploration Results

Divide: Work in the first quarter focused on preparation for the 2008 exploration season. There was no active exploration on the property in the first quarter. The exploration program has been formulated, and permit applications made. The company is on track to initiate exploration around the middle of June, 2008.

Inmachuk: In this quarter, the Company interpreted results from the drilling program that was completed in the fourth quarter of 2007. The mineralized zone exposed at surface and in shallow historic drilling was intersected along strike and down dip. Mineralized intercepts are reported in the table below. While fairly thick near surface, the mineralized zone was observed to attenuate significantly in the down dip direction.

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Hole ID	From (m)	To (m)	Length (m)	Zn (%)	Pb (%)
1002IM	10.06	13.11	3.05	1.245	-
Including	10.06	11.58	1.52	1.1	-
Including	11.58	13.11	1.52	1.39	-
1004IM	19.20	25.82	6.61	2.06	-
Including	19.20	20.73	1.52	3.83	-
Including	20.73	22.25	1.52	1.31	-
Including	22.25	23.77	1.52	2.40	-
Including	23.77	24.78	1.01	1.04	-
Including	24.78	25.82	1.04	2.05	-
1005IM	15.85	16.46	0.61	5.55	3.66
	21.03	21.95	0.91	4.56	-

Based on the results obtained, it is the Company's interpretation that there is low potential for a large tonnage base metal deposit on the property. Millrock has elected not to continue with the option agreement with Full Metal Minerals.

Iliamna: In the first quarter of 2008 the Company reported on results of its reconnaissance investigations on the two claim blocks comprising the project. Disappointingly, no obvious signs of porphyry style mineralization or alteration were observed at Bonanza Hills. However, vein-style gold mineralization was noted in talus. The significance of the talus source has yet to be determined, but grab samples collected from the veins returned the following high grade results.

Rock Type	Au g/t	Ag g/t
Talus – vein	24.8	2.5
Talus – vein	133.5	9.3
Talus – vein	46.5	2.7
Talus – vein	78.0	5.4
Talus - vein	57.2	1.5

Subsequent to the end of the quarter, the Company elected not to proceed with forming an agreement with Liberty Star Uranium and Metals Corp on the Bonanza Hills property. Such an agreement had been contemplated under a Letter of Intent signed in September 2007.

At King Tut, little outcrop is exposed. However, stream sediment samples anomalous in gold and copper were collected. The anomalies are weak, but the depth of overburden may be a factor. The Company is considering its options with this claim block.

Results of Operation for the Period ended March 31, 2008

The Company had no revenues for the three months ended March 31, 2008 and the loss from the operation totaled \$292,628, as compared to \$945,274 loss of last quarter. This mainly resulted from the decrease in non-cash stock based compensation of \$192,465 and the write-off of

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\$473,535 on mineral properties. Because the Company changed its business from data service to mineral exploration during the second quarter of 2007, the comparison of operation results with previous year is not relevant.

General and administrative expenses for the three months ended March 31, 2008 totaled \$213,261. The five largest expense items are consulting fees of \$62,916, accounting and auditing \$38,238 which includes an accrual of \$9,000 fiscal year 2008 audit fees per quarter, investor relations \$36,333, travel expense of \$17,350 and non-cash stock based compensation of \$13,954. These items comprised approximately 57.68% of the total loss of the Company for this quarter.

On March 28, 2008, the management has decided not to perform further exploration at the Inmachuk project, which resulted in a write off of \$52,335 in exploration expenditures on this project, as compared to \$559,516 of last quarter.

Subsequent to March 31, 2008, the Company elected not to proceed with forming an agreement with Liberty Star Uranium and Metals Corp on the Bonanza Hills property and the total cost incurred \$33,646 has been written off.

Summary of Quarterly Results

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

	Mar. 31 2008 Q1	Dec. 31 2007 Q4	Sep. 30 2007 Q3	Jun. 30 2007 Q2	Mar. 31 2007 Q1	Dec. 31 2006 Q4	Sep. 30 2006 Q3	Jun. 30 2006 Q2
Mineral expenditures	\$ 391,047	\$ 537,213	\$ 349,217	\$ 102,643	\$ -	\$ -	\$ -	\$ -
G&A expense (including stock comp.)	213,261	402,552	237,166	295,449	41,180	31,832	35,118	51,458
Stock comp. expense	13,954	206,419	-	236,540	-	-	-	-
Adjusted G&A (excluding stock comp.)	199,307	196,132	237,166	58,909	41,180	31,832	35,118	51,458
Mineral properties write-off	85,980	559,516						
Net loss	292,628	945,274	232,261	294,413	38,806	31,832	35,118	51,458
Loss per share	\$ 0.02	\$ 0.07	\$ 0.02	\$ 0.02	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01

During the second quarter ended June 30, 2007, the Company changed its business from data service to mineral exploration. The comparison of financial results subsequent to June 30, 2007 against the results prior to that date may not be relevant.

Liquidity

As at March 31, 2008, the Company has accumulated deficit of \$6,437,720 and has working capital of \$1,238,568. The Company will need to complete further financings for additional drilling and exploration activities as required.

The Company does not have revenue except from interest earned from term deposits at banks. It relies on equity financing to fund exploration programs on its properties and corporate expenses. Although the Company has been successful in the past in obtaining financing through the sale of

equity securities, 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 favorable.

Capital Resources

The Company has several active agreements with other companies under which the Company is required to meet certain obligations to keep the agreements in good standing:

Divide Property:

On August 16, 2007, the Company signed a Letter of Intent to form a Joint Venture with NPN Investment Group (which subsequently changed its name to Alix Resources Corp. "Alix") with respect to the Divide Property on the Seward Peninsula, near Nome, Alaska. The Company may secure a 50% interest in the project by paying 50% of all costs associated with the Divide Option, which is an option agreement between Alix and the underlying claim owner. The Company will incur payments of US\$500,000 over a five year period, and will issue 500,000 shares to NPN to earn its interest.

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 have not yet been issued. The agreement is in good standing.

Fortymile Property:

In February 2008, the Company acquired approximately 7,965 hectares of State of Alaska mineral rights in three discrete blocks, in the Fortymile mining district and has carried out a very limited reconnaissance stream sediment and rock sampling program in the road accessible portions of the properties. As at March 31, 2008, the Company incurred costs of \$147,225 on this project.

Ketchem Property:

On March 26, 2008 the Company announced that it has acquired a gold property in the Circle District in north-central Alaska. A portion of the property consists of claims staked by the Company, and another consists of a mining lease and claims that will be the subject of an option agreement with Spectrum Resources Inc, of Fairbanks, Alaska. The Company has signed a Letter of Intent with Spectrum (the "**Spectrum LOI**") and has an option to purchase a 100% interest, and calls for US\$3 million of exploration work over a four year term. Cash payments totaling US\$200,000, including US\$20,000 on signing, and US\$30,000 at the first anniversary are scheduled. Spectrum will be issued 160,000 common shares with 15,000 issued upon receipt of TSX Venture Exchange acceptance of the transaction, and 25,000 at the first anniversary. The option may be exercised at any time while the agreement is in effect for the purchase price of US\$1.5 million. The owner would retain a 2.5% overriding royalty that may be reduced to 0.5% by payment of an additional US\$3 million.

In April and May 2008 the Company acquired by staking three properties in Arizona. The targets at both the San Jose and Dry Mountain properties were brought to Millrock's attention by Tucson, Arizona based geologist Michael Schaefer. A Finder's Fee of US\$20,000 and issuance of 20,000 Millrock shares for each property is payable to Mr. Schaeffer. A further US\$10,000

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and 15,000 shares is payable 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 (This amount is not included in the table below).

Below is the summary of all the agreement obligations:

Year	Cash Payment (USD)	Shares to Be Issued	Work Commitment (USD)
2008	100,000	275,000	300,000
2009	273,750	445,000	1,225,000
2010	333,750	550,000	1,725,000
2011	443,750	310,000	2,925,000
2012	228,750	320,000	1,825,000
2013	30,000	45,000	1,100,000
	\$ 1,410,000	1,945,000	\$ 9,100,000

The Company terminated two agreements in this quarter, or subsequent to the reporting date, and is no longer under the obligations imposed by those agreements. They are:

Inmachuk Property:

In March 2007, the Company entered an option and joint venture agreement with Full Metal Minerals Ltd. to earn a 60% interest in 67 mineral claims in Alaska. Consideration is US\$90,000, plus the issuance of 800,000 shares, and the expenditure of US\$2,500,000 in exploration over the next four years. The remaining payments in the agreement are \$65,000 in cash, 700,000 shares, and work expenditures of \$2,227,624. 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. On March 28, 2008, management decided not to perform further drilling at Inmachuk. This resulted in a mineral property write-off of \$611,851 for all the costs incurred for the project.

Iliamna - Bonanza Property:

On September 4, 2007, the Company announced that it has signed a letter of Intent to execute an option and joint venture agreement with Liberty Star of Tucson, Arizona, with respect to the Bonanza property in southwest Alaska. Upon signing of the option and joint venture agreement, the Company will have the option to secure a 60% interest in the project by expending a total of US\$3.5 million, and by issuing a total of 1 million shares of the Company over a four year period. Subsequent to March 31, 2008, the Company elected not to proceed with forming an agreement with Liberty Star Uranium and Metals Corp on the Bonanza Hills property and the total cost incurred \$33,646 has been written off.

Off Balance Sheet Arrangements

There is no off-balance sheet arrangement to which the Company is committed.

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 acted 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.

Proposed Transactions

None

Critical Accounting Estimates

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

Management 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 the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the year.

Changes in Accounting Policies

On December 1, 2006, 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.

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.

Financial Instruments and Other Instruments

The Company is exposed to credit risk with respect to its cash. To minimize this risk, cash and cash equivalents have been placed with major financial institutions.

The Company is also exposed to the currency exchange rate fluctuation between the Canadian Dollar, its reporting currency, and the U.S. Dollar, in which most exploration costs in Alaska are incurred. The Company doesn't have currency hedging program in place, as the operation scale and cash balance is still small and does not require such an expensive and sophisticated hedging program.

Other MD&A Requirements

1. Share capital

(a) Authorized

Unlimited common shares without par value.

(b) Issued and outstanding common shares

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	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
Issued for property	650,000	247,000	-
Balance May 26, 2008	18,851,939	\$ 8,381,747	\$ 506,886

On August 7, 2007, the Company reported the closing of a non-brokered private placement which raised gross proceeds of \$1.125 million by the issuance of 2.5 million units at \$0.45 each. Each unit consists 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 a price of \$0.75 in the first year and \$1.00 in the second year. The funds from the sale of the units were used to carry out the first year of exploration at the Inmachuk property in Alaska, to make other mineral property investigations and acquisitions, and for general corporate purposes. Finders' fees of \$61,950 cash and one year warrants for the purchase of a total of 137,667 common shares at a price of \$0.45 are paid in respect of this private placement. All of the securities issued in connection with the private placement, and the initial payment shares issued under the Inmachuk property option agreement, are subject to a hold period expiring on December 7, 2007.

On November 2, 2007, the Company completed a non-brokered private placement consisting of 4,711,111 units priced at \$0.45 for gross proceeds of up to \$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 a price of \$0.75 for a period of twelve months from the closing date and at a price of \$1.00 for the following twelve months.

Finders fees of 7% of the units sold was payable in shares or cash on a portion of the financing to finders who assisted in the placement, as permitted under applicable securities laws. In addition, brokerage firms participating as finders received, as additional compensation, non-transferable share purchase warrants entitling the holder thereof to purchase such number of common shares in the capital that equals an aggregate of 7% of the number of units sold by the brokerage firm (the "Broker's Warrants"). Each such Broker's Warrant entitled the holder thereof to purchase one additional common share at a price of \$0.45 for a period of twelve months from the closing date. All of the securities

issued hereunder are subject to a four month hold period and may not be traded until March 3, 2008.

Proceeds from the financing will be used for property acquisitions, exploration expenditures on the Company's Alaska projects and for general working capital.

On April 21, 2008, the Company issued 650,000 common shares to acquire up to 80% interest in the South Estelle property in Alaska under the purchase agreement dated April 2, 2008.

2. Stock Options

The Company has a stock option plan which provides for the granting of up to 1,820,193 stock options to acquire common shares to executive officers, directors, employees and consultants. As at May 26, 2008, the Company has 185,193 stock options available for future issuance under the plan. Stock option transactions are 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
Granted	150,000	\$ 0.36
Outstanding May 26, 2008	1,635,000	\$ 0.45
Exercisable at May 26, 2008	1,522,500	\$ 0.45

The following table summarizes the Company's outstanding options as at May 22, 2008.

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
150,000	\$ 0.36	4/1/2013
1,635,000		

*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 period ended March 31, 2008 was estimated on the dates of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

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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 1,635,000 share purchase options granted was \$0.46 per option. Total stock-based compensation expense of \$13,954 has been charged to operations.

3. Warrants and agent's warrants

As at May 26, 2008, the Company had outstanding warrants and agent warrants for the purchase of 3,900,584 common shares, at an average price common share of \$ 0.73. The fair value of the agent's warrants of \$49,972 has been recorded to the contributed surplus under shareholder's equity.

	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 May 26, 2008	3,900,584		

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

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LISTINGS

TSX Venture Exchange: **MRO**

CAPITALIZATION

(as at March 31, 2008)

Shares Authorized: Unlimited

Shares Issued: 18,201,939

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