



INTERIM REPORT

Management Discussion & Analysis

For the Six Months Ended June 30, 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 August 26, 2008 (the “Report Date”), ten 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 six months ended June 30, 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 June 30, 2008

1. On April 3 and May 20 2008, the Company acquired three properties in the Safford - Morenci and San Manuel - Copper Creek areas of southeastern Arizona, by acquisition of federal mining claims, and state exploration permits. The target at the properties is large tonnage porphyry copper deposits.
2. On April 9, 2008, the Company 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 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 closed a 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.

Subsequent Events to June 30, 2008

At the Divide Project north of Nome, Alaska the Company, as exploration operator for the project, initiated a comprehensive exploration program. The work consisted of lithological and structural mapping, and trenching to expose gold bearing vein systems at surface. Recently, the Company started a drilling program planned to consist of 3,300 meters in 25 reverse circulation drill holes. Drilling is in progress.

The Company also announced that it had reached a definitive agreement with Alix Resources Corporation ("Alix") following on from a Letter of Intent signed August 16, 2007 between the two companies.

With regard to the Bering Straits project, reconnaissance surveys were carried out at each of the three land blocks that comprise the project; Bluff, Council and Ungalik. The surveys consisted of mapping, prospecting and geochemical surveys. At Bluff a diamond core drilling program was started to test the Daniel's Creek zone, which was previously reported by BHP to contain a potential resource of 300,000 ounces of gold. The resource is not 43-101 compliant. Drilling is in progress.

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 and implement such a program. The program, currently in progress, is budgeted at \$1.5 million, with costs borne equally by the Company and its partner Alix. The work completed so far consisted of lithological and structural mapping, and trenching to expose gold bearing vein systems at surface. The exploration has revealed a strong east-west structurally controlled vein system that intersects a northeast trending system which has been the focus of most of the prior exploration efforts. Additionally, a flat lying structural trend with strong arsenopyrite mineralization has been identified. Many hundreds of chip samples have been collected from 23 trenches that were excavated in June and July to expose the east - west vein systems. Assays from the chip samples are awaited.

Drilling has recently commenced at the project site. Total drilling of 3,300 meters in 20 to 25 reverse circulation drill holes is planned. Maximum hole depth is approximately 130 meters. Primary targets are located at the intersection zones of the two main structural trends in the Stoneman, Saddle and South zones. The objective is to identify and build a high grade gold resource on the property. To further resolve the structural controls on the gold mineralization, a large trench will be blasted. The trench work is intended to expose known mineralization at the Stoneman prospect, where abundant visible gold has been observed at surface. If warranted, a bulk sample will be collected.

Bering Straits: The Company has an exclusive 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 in three separate blocks called **Bluff, Council and Ungalik**.

At **Bluff**, structurally controlled gold mineralization occurs within an anticline. The prospective arcuate structure is mineralized over a distance of 6.4 kilometers. Located at tidewater, an exceptionally rich placer deposit that produced over 100,000 ounces of gold is located just downstream from the lode prospect. Much of the structure remains untested. Bluff is located 24 kilometers east of the Big Hurrah deposit, which NovaGold is considering for production and processing at the Rock Creek Mine.

During the period from 1986 to 1990, BHP discovered three zones of lode gold mineralization: Daniels Creek, Saddle, and Koyana, in a seven kilometer long belt of schistose rocks. The gold mineralization was discovered by drilling strong surface gold - arsenic geochemical anomalies. In a 1991 summary report BHP reported the following historical resources:

Grade Tonnage Potential				
	Tons	grade (opt)	grade(g/t)	Ounces
Daniels Creek	3,000,000	0.1	3.43	300,000
Saddle	1,500,000	0.11	3.77	165,000
Koyana	2,000,000	0.02	0.69	40,000
				505,000

The Company cautions that these reported resources are historical, and have not been independently reviewed, and should not be relied upon. The 1991 BHP report presents the resource estimates using the term "grade / tonnage potential". The estimates are based on sparsely spaced drill intersections and projections along geological trends, and up dip to surface trenches and geochemical anomalies. A 1.0 ppm cutoff grade was used. Millrock does not believe that the estimates made by BHP in 1991 would meet the definition of Inferred Resource set out in Section 1.2 of NI43-101.

The Daniel's Creek zone is reported to contain one or two closely spaced, gently dipping to flat-lying deposits. The deposits are thought to be 3.3 meters to 6.6 meters true width, have a 100 meter to 200 meter depth extent, and are hosted within thrust fault structures. Only five holes have penetrated the mineralized zone, which is open to the northeast.

The Saddle zone mineralization is reported to have an average true width of 4.9 meters and a minimum 730 meter strike extent. The deepest intersection is 152 meters. The tonnage / grade estimate is based upon only three drill holes. The zone is open in all directions.

The Koyana zone has also been penetrated with only three drill holes. A 10.7 meter true width is indicated. The deepest intersection is 83 meters and the known strike extent is 1,036 meters. The zone is open in all directions. The intervening area between the Saddle zone and the Koyana, which measures more than two kilometers, has not been drill tested, but similarities in geology suggest that there is continuity between the zones.

The **Council** district has produced in excess of one million ounces of placer gold, and is readily accessible by road from Nome. The Bering Straits land covers known vein gold occurrences, but little exploration has been conducted since the late 1980's. The veins are preferentially hosted by graphitic, calcareous schist or quartzite and in addition to gold, also contain arsenopyrite and stibnite. The Company will use geological, geophysical and geochemical methods to target sites that can host large stockwork vein systems.

Ungalik is situated along a major fault system that sutures the much older Seward Peninsula rocks to the rest of Alaska. The land package is centered on the source rocks of a placer deposit that has produced more than 300,000 ounces of gold. No lode exploration has been carried out in the 36 years that BSNC has owned the lands. Gold bearing vein talus has been documented in the

hills above the placer deposit. The veins occur along the contact of the Tertiary aged Christmas Mountain Intrusive Complex. Potential for large scale, intrusive hosted gold deposits exists at this location.

Lake Clark: At this project area the Company has an interest in a 100% owned claim block that has potential for porphyry copper-gold-molybdenum deposits in an area 160 miles south of Anchorage, Alaska near the village of Nondalton. The Company has previously referred to this block as the King Tut claims.

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. A magmatic intrusion adjacent to the claim block has been dated at approximately 70 million years.

The claims were staked on a distinctive aeromagnetic signature possibly indicative of mineralizing fluid flow. The 70 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 of 2007. The work consisted of geological investigations and stream sediment sampling. Weakly anomalous stream sediment results were obtained. The mineral rights 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. The Company 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: The Company 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 the Company’s property in a trend, defined by a linear, structurally controlled series of magmatic intrusions. The Company 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 the Company lands. A strong biogeochemical anomaly exists on the Company'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. The Company'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 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 the Company'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. The Company 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 the Company'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 the Company'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 second quarter focused on preparation for the 2008 exploration season. There was no active exploration on the property in the quarter. A multi-year exploration permit was granted to the Company.

Subsequent to the end of the quarter, the Company commenced exploration at the project site. Twenty-three trenches were excavated and chip samples were collected. Extensive structural and lithological mapping was done. As a result, it was established that an east-west gold-bearing series of veins and structures exist. Potential for high grade zones with the necessary tonnage potential may be present where these structures intersect the well-known northeast trending structures. In addition to the east-west structures, the trenching revealed a series of flat-lying structures strongly mineralized with arsenopyrite. Assay results are pending. A 3,300 meter reverse circulation drilling program is in progress.

Bering Straits: Reconnaissance geological and geochemical surveys were carried out at each of the three land blocks contained within the land package. At **Ungalik**, a zone of quartz stockwork with galena occurs immediately upstream from a former placer gold mine that reportedly produced over 500,000 ounces of gold. Concentrates thought to have been derived from the mining operations were found at the old mine. These concentrates contained galena. Therefore, it is possible that Millrock has found the source of the placer gold. Assay results for rock samples are pending. Soil and vegetation sampling was done to indicate the size potential of the system and to define drilling targets for subsequent years. At **Bluff**, soil sampling was done to extend zones of known gold mineralization. Core from the BHP program done in the late 1980s was inspected and mineralized zones were resampled. It was noted that the core recovery from the Daniel's Creek zone was very poor. A drilling program focused on Daniel's Creek is underway.

Results of Operation for the Period ended June 30, 2008

The Company had no revenues for the three months ended June 30, 2008 and the loss from the operation totaled \$318,218, as compared to \$292,628 loss of last quarter. This mainly resulted from the increase in non-cash stock based compensation and investor relation and the decrease of write-off 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 June 30, 2008 totaled \$336,207. The five largest expense items are consulting fees of \$70,465, investor relations \$67,686, non-cash stock based compensation \$57,557, accounting and auditing \$30,099 which includes an accrual of \$9,000 audit fees per quarter for fiscal year 2008, and office expense \$23,177. These items comprised approximately 78.24% of the total loss of the Company for this quarter.

Summary of Quarterly Results

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

MILLROCK RESOURCES INC.
Management Discussion and Analysis
For the Six Months Ended June 30, 2008 and 2007

	Jun. 30 2008 Q2	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
Mineral expenditures	\$ 582,564	\$ 391,047	\$ 537,213	\$ 349,217	\$ 102,643	\$ -	\$ -	\$ -
G&A expense (including stock comp.)	336,207	213,261	402,552	237,166	295,449	41,180	31,832	35,118
Stock comp. expense	57,557	13,954	206,419	-	236,540	-	-	-
Adjusted G&A (excluding stock comp.)	278,650	199,307	196,132	237,166	58,909	41,180	31,832	35,118
Mineral properties write-off	-	85,980	559,516	-	-	-	-	-
Net loss	318,218	292,628	945,274	232,261	294,413	38,806	31,832	35,118
Loss per share	\$ 0.01	\$ 0.02	\$ 0.07	\$ 0.02	\$ 0.02	\$ 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 June 30, 2008, the Company has accumulated deficit of \$6,755,938 and has working capital of \$3,094,130. In May, 2008 the Company closed the non-brokered private placement for gross proceeds of \$2,750,250. This private placement has strengthened the company's cash position and it is believed the Company will have sufficient fund to carry out its exploration activities for 2008. The Company will need to complete further financings for additional drilling and exploration activities as required in the future.

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\$490,000 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. The agreement is in good standing.

Arizona Properties:

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 the Company's attention by Tucson, Arizona based geologist Michael Schaefer. A Finder's Fee of US\$20,000 and issuance of 20,000 of the Company's shares for each property is payable to Mr. Schaeffer. A further US\$10,000 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).

Holding costs for the properties will be approximately \$70,000 in 2008.

South Estelle Property:

On April 2, 2008, the Company made an agreement with International 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, which has been issued on April 14, 2008. 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.

Bering Straits Property:

On April 23, 2008, The Company signed an exploration agreement with Golden Glacier Inc. which grants the Company exclusive right to explore and develop mineral deposits as well as an option to lease the land. The agreement has a five year term and calls for total expenditures of US\$4 million with a first year work commitment of US\$300,000. Annual option payments will total US\$550,000 over five years with US\$30,000 on signing. Additionally, over the life of the agreement the Company will contribute a total of US\$40,000 to the Bering Straits Foundation Scholarship Fund, including an initial payment of US\$5,000. The agreement also calls for one million shares to be issued in total with the first 100,000 issuance upon acceptance of the agreement by the TSX Venture Exchange. If a lease option is exercised, the lease agreement will require an annual advanced minimum royalty payment which would be credited against a production royalty that ranges between 2.5% and 5% on a sliding scale tied to gold price. On June 12, 2008, 100,000 common shares have been issued.

Below is the summary of all the agreement obligations:

MILLROCK RESOURCES INC.
Management Discussion and Analysis
For the Six Months Ended June 30, 2008 and 2007

Year	Cash Payment (USD)	Shares to Be Issued	Work Commitment (USD)
2008	65,000	225,000	-
2009	273,750	545,000	1,225,000
2010	333,750	300,000	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
	\$ 1,375,000	1,745,000	\$ 8,800,000

The Company has terminated the agreements regarding the following two properties and is no longer under the obligations imposed by those agreements.

(a) Inmachuk Property

As reported in the first quarter of 2008, the Company terminated the agreements of Inmachuk project and is no longer under the obligations imposed by those agreements.

(b) Lake Clark - 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:

MILLROCK RESOURCES INC.
Management Discussion and Analysis
For the Six Months Ended June 30, 2008 and 2007

	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
Accounting	\$ 19,292	\$ -	\$ 39,640	\$ -
Consulting fee	90,044	49,360	167,934	71,088
Mineral Properties	44,693	74,179	385,531	74,179
Office rent	-	1,200	-	3,000
	\$ 154,029	\$ 124,739	\$ 593,105	\$ 148,267

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

- (a) As at June 30, 2008, due from related parties include \$10,213 advanced to a director for travel expense. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.
- (b) During the three months ended June 30, 2008, the Company incurred a total amount of \$385,531 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 The Company's exploration arm in Alaska. All costs for exploration done by Xplore for The Company have been passed straight through with no markup or profit charged by Xplore. As at June 30, 2008, cash advances balance to Xplore was \$9,350.

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'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 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

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.

Future Accounting Changes

International Financial Reporting Standards (IFRS) Changeover Plan

The Company is in the process of establishing a changeover plan to adopt IFRS by 2011 and has started assessing accounting policy choices and elections that are allowed under IFRS. We are also assessing the impact of the conversion on our business activities, including the effect on information technology and data systems, internal controls over financial reporting and disclosure controls. We will continually review and adjust our changeover plan to ensure our implementation process properly addresses the key elements of the plan.

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

MILLROCK RESOURCES INC.
Management Discussion and Analysis
For the Six Months Ended June 30, 2008 and 2007

	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	-	-	442,959
Balance December 31, 2007	18,201,939	\$ 8,134,747	\$ 492,932
Issued for cash pursuant for			
Private placements	11,001,000	2,750,250	
Issued for property	800,000	300,750	
Issued for finder's fees	58,940	14,735	
Share issue costs		(304,440)	102,116
Stock based compensation			71,510
Balance August 26, 2008	30,061,879	\$ 10,896,042	\$ 666,558

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.

On May 12, 2008, the Company issued 50000 common shares pursuant to the Letter of Intent signed on August 14, 2007 for Divide property.

On May 26, 2008, the company issued 11,001,000 units at \$0.25 per unit for gross proceeds \$2,750,250. 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 \$0.5 until May 26, 2009 and at a price of \$0.75 until May 26, 2010. Finders' fee of \$ 170,167.5 cash and issue of 58940 common shares and 562450 finder warrants were paid in respect of this private placement. Each finder warrant is exercisable into one common share at a price of \$0.25 until May 26, 2009.

On June 12, 2008, the Company issued 100,000 common shares based on the exploration agreement with Golden Glacier Inc. which grants the Company exclusive right to explore and develop mineral deposits as well as an option to lease the land.

2. Stock Options

The Company has a stock option plan which provides for the granting of up to 3,006,188 stock options to acquire common shares to executive officers, directors, employees and consultants. As at August 26, 2008, the Company has 1,371,188 stock options available for future issuance under the plan. Stock option transactions are summarized as follows:

MILLROCK RESOURCES INC.
Management Discussion and Analysis
For the Six Months Ended June 30, 2008 and 2007

	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 at June 30, 2008	1,635,000	\$ 0.45
Exercisable at August 26, 2008	1,585,000	\$ 0.45

The following table summarizes the Company's outstanding options as at August 26, 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		

The fair value of the options granted on April 1, 2008 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	139%
Risk-free rate of return	3.44%
Expected life of options	5 years

The weighted average fair value of the 1,635,000 share purchase options granted was \$0.45 per option. Total stock-based compensation expense of \$57,557 for this quarter has been charged to operations.

3. Warrants and agent's warrants

As at August 26, 2008, the Company had outstanding warrants and agent warrants for the purchase of 9,963,534 common shares, at an average price common share of \$ 0.57. The fair value of the agent's warrants of \$102,116 has been recorded to the contributed surplus under shareholder's equity.

	Number of Shares	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		
Issued on May 26, 2008	5,500,500	\$ 0.50	5/26/2009
Issued on May 26, 2008	562,450	\$ 0.25	5/27/2009
Outstanding at August 26, 2008	9,963,534		

The fair value of the agent's warrants of \$102,116 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	144%
Risk-free rate of return	3.27%
Expected life of options	1 year

HEAD OFFICE

Millrock Resources Inc.
750 World Trade Center 999 Canada Place
Vancouver, British Columbia
Canada V6C 3E1

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

OFFICERS & DIRECTORS

Gregory Beischer, B.Sc., CPG
President/ CEO and Director

Philip St. George, B.S (Geol.)
VP of Exploration

Michael Chen, CPA, MBA
Chief Financial Officer

Janice Davies
Corporate Secretary

Scott Harkness, MBA, CFA
Director

Darryl Cardey, CA
Director

LISTINGS

TSX Venture Exchange: **MRO**

CAPITALIZATION

(as at June 30, 2008)

Shares Authorized: Unlimited
Shares Issued: 30,061,879

REGISTRAR & TRUST AGENT

Pacific Corporate Trust Company
2nd Floor, 510 Burrard Street
Vancouver, British Columbia
V6C 3B9

AUDITOR

BDO Dunwoody LLP
600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

LEGAL COUNSEL

Maitland & Company
700-625 Howe Street
Vancouver, British Columbia
V6C 2T6