

FIRST FACTOR DEVELOPMENTS INC.
(now Millrock Resources Inc.)
Management Discussion and Analysis

Quarter Ended June 30, 2007

The following material should be read in conjunction with the audited financial statements for the year ended December 31, 2006 and the unaudited interim financial statements for the six months ended June 30, 2007.

1.1 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 August 28, 2007 (the “Report Date”).

1.2 Overall Performance

First Factor Developments Inc. (FFD.H) was a Vancouver B.C. based company listed on the NEX board of the TSX Venture Exchange. In the second quarter of 2007, management changes were made in anticipation of a change of Business (COB) from a data service company to a mineral exploration company. Subsequently, in August 2007, regulatory authorities approved the COB. A concurrent private placement financing raising gross proceeds of \$1,125,000 was completed. The company resumed trading on Tier II of the TSX Venture Exchange, under the symbol FFD. A short time later, the company name was changed to Millrock Resources Inc., and began trading under the symbol MRO.

During this quarter, in administration, considerable time was spent shepherding the COB plan through the TSX regulatory process. Shortly after June, the company made the first installments required by the Inmachuk property acquisition agreement (\$25,000 and 100,000 shares). In exploration, advances were made for geological research, claim staking, and preparations for drilling at the Inmachuk property.

A shareholder’s dissent claim was settled. Under the settlement the company bought 428,000 shares from the shareholder for \$64,200.

1.3 Change of Business

Early in the second quarter of 2007, the Company optioned the Inmachuk property from Full Metals Minerals, and installed management capable and knowledgeable in the field of mineral exploration and development. The new management team consists of mining

engineering technologist and geologist, Gregory Beischer, geologist Philip St. George, and Janice Davies, a Corporate Secretary. Gregory Beischer was appointed to the board of directors, and subsequently as president and CEO. Mr. Beischer has extensive experience exploring for and developing mineral deposits through prior employment with Inco Limited. He has strong experience in project development and permitting by virtue of employment with one of Alaska's regional Native corporations. Mr. Philip St. George, previously vice-president of exploration for Liberty Star Uranium and Metals Corporation, and Novagold Resources, was appointed vice-president of the Company, and subsequently as CFO. Mr. St. George has made some significant mineral discoveries in his career, including the Pebble deposit in southwest Alaska, while working with Cominco. Together, Mr. Beischer, and Mr. St. George have the expertise to identify and develop mineral exploration development projects that could make a very significant contribution to the value of the company. Janice Davies was appointed as Corporate Secretary. Ms Davies has a high level of experience in the field, particularly with mineral exploration and development corporations.

The 4,338 hectare Inmachuk property covers both a sediment-hosted gold target, and carbonate-replacement style silver-lead-zinc mineralization. An early stage lode gold target has been outlined by a 1.8 km-long gold-arsenic-antimony soil anomaly. This anomaly is in the vicinity of placer gold producing tributaries and appears to be spatially associated with an apparent linear topographic break. Significant silver-lead-zinc mineralization has been noted near the northern portion of the property, along the same structural break. Limited historic exploration has been performed on the property. Early Paleozoic schist hosts gold-bearing quartz veins and stratiform lead-zinc mineralization. Prior drilling has been done, but the results are not thought to accurately represent the metal content of the mineralized zone. The drilling intersected heavily oxidized sulfide minerals, and core recovery was very poor. The surface expression of the mineralization has been extended by soil sampling. A strong soil anomaly approximately 1,800 metres in length is untested by drilling. The company plans to initiate a drilling program late in the summer of 2007.

The Inmachuk project served as the basis for a COB, which proceeded concurrently with a private placement financing. Trading in shares of the Company was halted during the COB process. The required filing statement, which included a NI43-101 compliant geological report prepared by an independent Qualified Person, was filed late in the quarter. On August 7, 2007 the company was advised by the Exchange that the COB had been approved. The private placement financing was closed, and shares of the Company resumed trading on the TSX Venture Exchange. Readers are referred to the company website or Sedar for a complete copy of the COB filing statement and the NI43-101 report on the Inmachuk property.

1.4 Results of Continuing Operations

The increase in management fees reflects the effort put into the Change of Business plan, submissions to the regulatory authorities, etc.

1.5 Summary of Quarterly Results

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

	<u>Quarter Ended</u>	<u>Net loss before discontinued operations and extraordinary items</u>	<u>Basic loss per weighted average outstanding share</u>
Q3	Sept 2005	\$ 45,187	\$0.01
Q4	Dec 2005	50,182	\$0.01
Q1	Mar 2006	32,591	\$0.01
Q2	June 2006	51,458	\$0.01
Q3	Sept 2006	35,118	\$0.01
Q4	Dec 2006	31,832	\$0.01
Q1	Mar 2007	38,806	\$0.01
Q2	June 2007	294,413	\$0.01

Included in the quarter ended June 2007, there was a non-cash stock based compensation of \$236,540 recorded in the period.

1.6 Liquidity

In August, the company completed a private placement to gross \$1,125,000. By virtue of these proceeds, First Factor has sufficient funds to meet its near-term liabilities and commitments. Management believes that the company's capital resources are sufficient to pursue its objectives over the next twelve months. The main objectives are to evaluate, identify and acquire prospective projects and to explore for valuable metallic deposits on the Inmachuk property.

1.7 Capital Resources

The first year obligation on the Inmachuk property is US\$335,000 but the total obligation is US\$2,500,000 by April 2011. Additionally, the company will incur further financial commitments through acquisition of other mineral properties. The company has no source of revenue. Therefore, joint venture partners or additional financing will be needed if the company is to retain the Inmachuk and other projects. There can be no assurance that such an arrangement or funding will be available on acceptable terms.

The company considers that it is in its best interest to acquire additional property in Alaska and has allocated US\$200,000 for the purpose of property evaluation and acquisition.

1.8 Off Balance Sheet Arrangements

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

1.9 Transactions with Related Parties

The following disbursements and accruals were made to related parties:

	<u>Year to Date</u>	<u>This Quarter</u>
Geological consulting	28,464	28,464
Field Rehabilitation, Analysis, etc.	74,179	74,179
Management Fees	40,124	16,174
Other Consulting	2,500	2,500
Office Rent	3,000	1,200

The geological consulting fees were paid to the company's CEO and Vice-president of Exploration, in their capacities as geologists, for their work assessing, planning, and executing field work on the Inmachuk property. The field work is conducted through an Alaska mineral exploration company owned jointly by them. All costs are passed straight through with no markup.

The management fees were paid to the former and current CEOs, the other consulting was paid to the Corporate Secretary, and the office rent was paid to the former CEO.

The company has entered into Consulting Agreements with two of its new directors. One director is to receive a US\$2,500 monthly retainer for management and consulting services. The other shall be compensated for geological and exploration services at the rate of US\$63.50 per hour.

1.11 Proposed Transactions

None

1.13(a) Changes in Accounting Policies

None.

1.13(b) Internal Control over Financial Reporting

The new management of the company is currently in the process of evaluating the effectiveness of disclosure controls and procedures and internal control over financial reporting and implementing new internal control procedures as needed.

The new management expects to conclude the evaluation by the end of next quarter.

1.14 Financial Instruments and Other Instruments

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, management fees payable and due to related parties approximate fair value because of the short maturity of those instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

1.15 Other MD&A Requirements

Disclosure of Outstanding Share Data

Authorized: An unlimited number of common shares without par value.

<u>Issued Common Shares:</u>	<u>Number</u>	<u>Amount</u>
Balance, December 31, 2006	8,510,433	\$4,801,793
Warrants exercised	2,200,000	220,000
Balance, December 31, 2006	10,710,433	5,021,793
Warrants exercised	300,000	30,000
Share repurchase and cancellation	<u>(428,000)</u>	<u>(64,200)</u>
Balance June 30, 2007	10,582,433	4,987,893
Warrant exercised	108,000	10,800
Private placement	2,500,000	1,125,000
Share issue costs	-	(61,950)
Inmachuk agreement	<u>100,000</u>	<u>38,000</u>
Balance August 17, 2007	<u>13,290,433</u>	<u>\$6,099,743</u>

Options – there are 1,175,000 employee share purchase options outstanding at \$0.45 until May 29, 2012.

Warrants – pursuant to the private placement in August 2007 there are outstanding share purchase warrants for twelve months; 137,667 at \$0.45 and 625,000 at \$0.75

Relevant information and company filings can be accessed at the regulatory filing site: www.sedar.com. The Company website www.millrockresources.com will soon contain this information also.

“Gregory Beischer”

On Behalf of the Board,
Gregory Beischer