



Management Discussion & Analysis

For the Year Ended December 31, 2010 and up to April 26, 2011

Description of Business

Millrock Resources Inc. (“Millrock” or “the Company”) is engaged in the acquisition, exploration and development of mineral properties prospective for gold, copper and other valuable metals. The Company follows a Project Generator – Joint Venture business model that capitalizes on Millrock’s knowledge and ability to identify high quality exploration targets and execute excellent exploration programs. The Company has a focus on geologic terrains and models that can produce huge metallic deposits in two outstanding mining jurisdictions: Alaska and Arizona. This business model shares risk by partnering with other companies that invest capital to move exploration projects toward development and production. Millrock currently has eight active exploration projects in Alaska, and three in Arizona. Seven companies are currently earning in to Millrock’s projects: Vale Exploration Canada (“Vale”), Kinross Gold Corporation (“Kinross”), Teck American Incorporated, a subsidiary of Teck Corporation (“Teck”), Inmet Mining Corporation (“Inmet”), Ryan Gold Corporation (“Ryan”) formerly Valdez Gold Corporation, Brixton Metals Corporation (“Brixton”), and Crescent Resources Ltd. (“Crescent”).

The Company has established a strong property portfolio prospective for the discovery of large-scale intrusive-related gold and copper-gold porphyry deposits. Millrock is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Nunavut, and trades on the TSX Venture Exchange under the symbol MRO. The following discussion and analysis of the financial position and results of operations for the Company should be read in conjunction the audited financial statements and the notes thereto for the year ended December 31, 2010.

Forward-Looking Information

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 the Report Date.

Risks and Uncertainties

i) Exploration and Development Risk

The Company’s properties in Alaska and Arizona are in early exploration stages and are without a known body of commercial ore. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company’s mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), commodity prices and government regulations, including regulations relating to royalties, allowable production, importing and

exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Company. The Company attempts to mitigate its exploration risk by maintaining a diversified portfolio that includes several metal commodity targets in a number of geologic and political environments. Management also balances the exploration risks through option agreements with other companies.

Beyond exploration and development risk, management is faced with a number of other risk factors. The more significant ones include:

ii) Financial Markets

The Company is dependent on the equity markets as its main source of operating working capital and funding for its exploration activities. The Company's capital resources are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects. Consequently, there can be no assurance that equity financing will be available to the Company in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company.

iii) Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other exploration and mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

iv) Title Risk

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee a clear title. Property title may be subject to unregistered prior agreements and regulatory requirements. The Company is not aware of any disputed claims of title

The Company's financial instruments are exposed to certain financial risks, including currency, credit, liquidity and price risk.

v) Currency risk

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

vi) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The majority of the Company's cash is held through a large Canadian financial institution with a high investment grade rating.

vii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk through the management of its capital structure and financial leverage. Accounts payable and accrued liabilities are due within the current operating period

viii) Interest rate risk

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

General

The Company's position improved dramatically during 2010 in terms of share price, cash resources and market capitalization. A number of earn-in agreements that will see business partners fund substantial amounts of exploration on Millrock properties were signed. The financial position of the Company strengthened through revenues derived from option agreement payments and exploration operator management fees. The Company has begun exploring in earnest utilizing funds from partner companies, and carried out drilling on four different projects in 2010. Exploration success along with growing investor awareness in favourable markets propelled the Company's share price from approximately 20 cents early in the year to a high around one dollar. Total exploration expenditures for 2010 amounted to approximately \$5.9 million, with Millrock's share only \$0.775 million; earn-in partners are providing most of Millrock's exploration funding. The overall budget for 2011 is expected to increase and the ratio of partner funding to Millrock funding is anticipated to be \$12.5 million from partners to \$1.5 million from Millrock's treasury in 2011. Millrock's chosen business model is working and the goal of building a sustainable, cash-flow positive exploration company is becoming a reality. The company is poised to make a discovery that could dramatically increase shareholder value.

Highlights for 2010

Council Project, Alaska: Drilling of 17 holes totaling 2062 m of reverse circulation drilling was carried out at the Albion prospect. A highlight intersection of 1.0 g/t gold over 9.1 m was obtained. Additionally, the soil geochemical anomaly was extended to a total strike length of 3.8 km and many more drill targets were developed for testing in 2011. Kinross is funding the exploration to earn in to this project.

Bluff Project, Alaska: Millrock with funding provided by earn-in partner Ryan Gold drilled 24 holes totaling 2,800 m with reverse circulation drilling. The Daniel's Creek zone mineralization

was confirmed, and extended in a westerly direction by 375 m and in an easterly direction by 250 m. The mineralized zone now has a known strike extent of 940 m. What appears to be a separate, stratigraphically lower zone was intersected with one hole. The intersection graded 3.8 g/t gold over 32.0 m gold including a section grading 9.0 g/t Au over 12.2 m.

Estelle Project, Alaska: Using funds from a financing agreement previously concluded with Teck, Millrock carried out geochemical surveys, geological mapping and prospecting, and an induced polarization geophysical survey. Chip sampling at the Shoeshine prospect returned a strong interval of 9.1 g/t gold over 27.4 m. An induced polarization anomaly was detected on two reconnaissance lines north of the Oxide Ridge gold showing. The chargeability anomaly is estimated to be at 250 m depth and is favourably situated beneath a large geochemical anomaly. Teck has elected to enter into an Option to Joint Venture agreement and fund a major drilling and exploration program budgeted at \$3.4 million in 2011.

Cristo Project, Alaska: Millrock staked this project early in the year, and in the third quarter executed a definitive agreement, following on from a letter of intent reported in the prior quarter, with Brixton. The terms were modified somewhat from the original terms in Millrock's favour. Under the terms of the definitive agreement Brixton has the exclusive option to earn a 100% interest in the Cristo claim group in return for a cumulative US\$5 million in exploration expenditures, US\$330,000 in cash payments, 2.0 million Brixton shares, and 2.4 million Brixton share purchase warrants with an exercise price of \$1.00 per share over a four-year term.

Humble Project, Alaska: Following a geochemical survey, Millrock staked claims to cover a core area of ground that bears many geological and geochemical similarities to those observed at the giant Pebble copper-gold-molybdenum-silver deposit 130 km to the northeast. Kinross made an agreement with Millrock that would see the major company spend up to \$10 million on exploration and development to earn a 75% interest. A very large ZTEM – magnetic airborne geophysical survey was flown and as a result, many more claims were staked to cover the targets identified. Millrock and Kinross are planning exploration programs for 2011.

Uncle Sam Project, Alaska: A definitive agreement signed between Millrock and Crescent gave Crescent the exclusive option to earn a 100% interest in the Uncle Sam claim group in return for a cumulative US\$2.5 million in exploration expenditures, US\$300,000 in cash payments and Crescent share issuances to Millrock. If the earn-in agreement proceeds to December 31, 2011, Millrock will be issued that number of shares to give the Company 18% of the issued and outstanding shares of Crescent on that date.

Galiuro Project, Arizona: Project funding partner Vale approved a supplemental program and budget of \$1.9 million for further drilling in fall 2010 and early 2011. Drilling is in progress.. Millrock tripled the size of the property by acquiring additional mineral rights. The claims were offered to Vale and accepted as part of the property subject to the agreement between the parties and as a result, Vale has reimbursed the cost of the property acquisition.

San Jose and Dry Mountain Projects, Arizona: Early in the year Millrock made an agreement with Inmet that gives that company the option to earn a 70% interest in the properties by making exploration expenditures and cash payments. ZTEM and magnetic susceptibility airborne survey results provided encouraging targets. A drilling program was developed by Millrock was approved by funding partner Inmet. Drilling is scheduled to proceed in early 2011. The Company

has recently doubled the size of the property position at these projects by staking of federal mining claims to cover targets detected by the airborne survey.

Financings: During the year ended December 31, 2010, and in subsequent months prior to filing, the Company completed financings through private placements of \$3,638,150, warrant exercises of \$3,068,106 and option exercises of \$212,750, totaling \$6,919,006.

Management Addition: On September 14, 2010 Millrock announced the appointment of Dr. Adrienne Ross to the position of Vice President, Operations for the Company. Dr. Ross has previously served as President & CEO of Cedar Mountain Exploration and held a variety of other positions with major and junior companies.

Changes to Board of Directors: On July 19, 2010 the Millrock Board of Directors appointed a new board member, Mr. Roland Butler. Mr. Butler is a geologist and founder of Altius Minerals Corporation, an exceptionally successful Project Generator – Joint Venture business model company.

Operations Review

Alaska Properties

Millrock owns and operates seven mineral exploration projects in Alaska in four distinct regions: the Seward Peninsula of western Alaska (Bluff and Council projects); the Kahiltna Terrane of south-central Alaska (Estelle, Revelation, and Cristo); the Togiak Terrane of south-west Alaska (Humble) and the Tintina Gold Belt of eastern Alaska (Uncle Sam and Fortymile. The following provides an overview of each property, results of operations for the year, as well as any related corporate developments:

BLUFF PROPERTY, Seward Peninsula

Previously explored by BHP Minerals (“BHP”), the Bluff property covers 142 sq km about 80 km east of Nome and was acquired in 2008 by agreement with the Bering Straits Native Corporation (“BSNC”) whereby Millrock has the option to earn 100% leasehold interest.

BHP in the 1980s established potential for a gold resource and a modest drilling program by Millrock confirmed the presence of gold mineralization at Bluff in 2008. All data to date suggest a robust gold system with many untested targets, and with excellent potential for expanding target areas. During 2009 limited work at Bluff was undertaken due to the unfavorable market conditions.

In the first quarter 2010, efforts to secure a joint venture partner were successful and an agreement was finalized in April. Terms call for Valdez Gold Corp. (now renamed Ryan Gold) to earn an initial 55% interest with the exploration expenditure of US\$3.0 million, option payments of US\$300,000 and issuing to Millrock 900,000 shares of Valdez; Valdez may elect to earn up to 75% interest by making a further US\$3.0 million in exploration expenditures, US\$600,000 in option payments, and issuing 1.1 million Valdez shares. Millrock may earn back 25% to form a 50-50 joint venture by doubling Valdez’s investment. The shares of Valdez Gold were consolidated on a 3.5:1 basis for Ryan Gold shares. Millrock now holds Ryan Gold shares and future share payments will be received from Ryan on a post-consolidation basis.

As operator, Millrock undertook a comprehensive program of data compilation into a GIS environment capable of 3D viewing of surficial and drill hole geology and geochemistry in

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preparation for a resource calculation and for future drill targeting. This exercise allowed Millrock along with Ryan Gold to design a comprehensive exploration program for future years.

In the third quarter of 2010 Millrock executed a drilling program to test the Daniel's Creek zone with funding provided by earn-in partner Valdez Gold. Fences of short (~130 m) holes were drilled by Millrock. In total 2,800 m of reverse circulation drilling in 24 holes was completed. The Daniel's Creek zone mineralization was confirmed, and extended in a westerly direction by 375 m and in an easterly direction by 250 m. The mineralized zone now has a known strike extent of 940 m.

The best intersection of the program was in hole BLF2021, which consisted of 32.0 m grading 3.8 g/t gold including a section grading 9.0 g/t gold over 12.2 m. This intersection appears to be from a previously undiscovered, parallel zone situated at a lower stratigraphic level than the known Daniel's Creek zone. In addition, drill hole BLF2015 intersected 32.0 m at 1.9 g/t gold including 18.3 m at 3.0 m. Further drilling will be required to define the known zone and expand the newly discovered zone. The results of the program are listed in the table below. The intersections reported below are thought to be approximate true widths. However, since there is little geologic control on the intersection reported with BLF2021 the true width is not known.

Hole	From (ft)	To (ft)	Width (ft)	Width (m)	Au (g/t)
BLF2002	130	145	15	4.6	0.48
	265	290	25	7.6	0.54
	340	350	10	3.1	2.69
	495	515	20	6.1	0.88
BLF2003	50	60	10	3.1	0.42
	150	190	40	12.2	0.88
	230	240	10	3.1	0.67
	315	325	10	3.1	0.82
	470	495	25	7.6	2.02
BLF2005	150	165	15	4.6	0.60
	375	395	20	6.1	1.78
	430	440	10	3.1	0.54
BLF2006	10	35	25	7.6	0.95
	130	140	10	3.1	2.54
BLF2007	25	40	15	4.6	1.62

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	45	55	10	3.1	0.44
	335	345	10	3.1	0.54
	350	360	10	3.1	0.48
	500	510	10	3.1	2.31
BLF2008	10	50	45	13.7	0.81
	75	85	10	3.1	0.95
	115	140	25	7.6	0.43
	165	175	10	3.1	0.42
	195	210	15	4.6	0.39
BLF2009	155	165	10	3.1	1.22
BLF2012	95	115	20	6.1	0.74
BLF2013	110	120	10	3.1	0.39
BLF2014	50	85	35	10.7	1.44
Including	50	60	10	3.0	4.32
BLF2015	30	45	15	4.6	1.95
	165	270	105	32.0	1.93
Including	165	225	60	18.3	3.03
	275	225	50	15.2	0.44
BLF2017	5	20	15	4.6	0.54
	65	85	20	6.10	1.84
Including	65	75	10	3.1	3.30
	495	505	10	3.1	0.38
	515	525	10	3.1	4.08
BLF2018	30	45	15	4.6	1.51
	115	125	10	3.1	0.31

BLF2019	80	105	25	7.6	0.76
BLF2020	5	20	15	4.6	1.84
	130	150	20	6.1	0.49
BLF2021	0	30	30	9.1	1.66
	40	145	105	32.0	3.81
Including	40	80	40	12.2	9.00
* 200 ppb cut off used for composite calculations					

COUNCIL PROJECT, Seward Peninsula

The Council project entails three groups of claims – Council, Albion and Warm Creek – located roughly 100 km northeast of Nome, and along with a surrounding area of interest covers over 900 sq km. Mineral rights that comprise the project were acquired from three sources: 1) from the Bering Straits Native Corporation whereby Millrock has the option to earn a 100% leasehold interest, 2) through an option to purchase state claims from a group of private individuals, and 3) by staking state mining claims.

The Council area has long been a productive placer gold mining region with an estimated 300,000 to 500,000 ounces of historic gold production. Millrock is exploring to locate the bedrock source of the alluvial gold deposits that have been previously mined along the Niukuluk River, Ophir Creek and Albion Creek.

Once the mineral rights to most of the historic gold mining district had been secured, Millrock entered an agreement with Kinross whereby that company can earn an initial interest of 55% in the Council area of interest with the expenditure of US\$3 million and US\$260,000 in cash payments, and up to a 75% interest with an additional expenditure of US\$3 million. The 2010 exploration program commenced in the second quarter and was completed in the third quarter of 2010. It was designed to 1) drill test coincident gold-arsenic geochemical anomalies in the uplands of a historic placer region at the Albion prospect, 2) conduct detailed soil surveys as infill programs between existing anomalous regions and 3) to begin testing the largely under-explored land package with a reconnaissance geochemical survey. Millrock is the operator for exploration activities on the project with funding provided by earn-in partner, Kinross.

Initial drill testing, at the Albion prospect, consisted of short (~120 m) holes. In total, 2,062 m of reverse circulation drilling in 17 holes was completed. Two holes, CNL1013 and CNL1014, intersected > 1 g/t Au mineralization, confirming bedrock mineralization at the Albion Prospect.

The results of the program are listed in the table below. Widths are reported as drill widths, not true widths, due to limited geological information in the area.

Hole	From (ft)	To (ft)	Width (ft)	Width (m)	Au (g/t)
CNL1003	0	15	15	4.6	0.48
CNL1006	135	155	20	6.1	0.43
	170	180	10	3.1	0.41
	225	230	5	1.5	0.95
CNL1008	135	165	30	9.1	0.58
CNL1013	275	290	15	4.6	1.42
CNL1014	65	95	30	9.1	1.02
* 200 ppb cut off used for composite calculations, reporting only average grades > 0.4 g/t					

Surface geochemical survey results were encouraging. A total of 1990 soil samples were taken in the region with the best result of 344 ppb coming from an infill survey testing the ground between the northwest-striking, 900 m by 2000 m, Albion geochemical anomaly and an even larger, parallel anomaly to the northeast. The new survey results join the Albion and northern anomaly areas along a previously undefined, northeast trend consisting of anomalous gold and pathfinder elements. The total length of this new trend is 3800 m.

The reconnaissance geochemical survey identified two new areas with anomalous gold (up to 150 ppb gold in soils) and associated pathfinder elements. The areas are over 12 km apart with limited geochemical sampling between them.

ESTELLE PROPERTY, Kahiltna Terrane

The Estelle property, located 160 km northwest of Anchorage Alaska, consists of 214 claims covering 13,157 hectares. A 100% interest in the property was purchased by Millrock in 2009. In the heart of the Kahiltna Terrane, a regional rock assemblage that is host to at least one known world-class copper-gold deposit – Pebble. Estelle is located roughly 200 km north of the Pebble deposit which is co-owned by Northern Dynasty and Anglo American. Adjacent to the east of Estelle is Kiska Metals Corporation’s (“Kiska”) Whistler copper-gold porphyry deposit, another well-advanced project with a reported resource totaling over five million ounces of gold.

Preliminary work conducted by Millrock in 2008 identified high-grade gold veins spanning the property which measures approximately 5 km by 20 km. These gold-bearing veins are significant targets, but at the Shoeshine and Oxide Ridge prospects the veins are spatially associated with porphyritic intrusive rocks, quartz stockworks and hydrothermal breccias. These features, and extensive surface geochemical anomalies, indicate the potential for large, bulk minable, intrusive-related or porphyry-style deposits.

In 2009 chip sampling returned very encouraging results: at Shoeshine, samples averaged 1.2 g/t gold over 12.1 metres; at Oxide Ridge samples averaged 1.0 g/t over 22.9 metres. Several drill targets were identified for drilling in 2010, and search for a funding partner was begun. In 2010 Millrock entered an agreement with Teck. Teck provided financing in the form of a private placement. Millrock committed to use the funds to advance the project and further define drill targets. As a result of the financing, Teck had the option to enter an exploration agreement with predefined terms. Subsequently, Teck has entered the exploration agreement.

Exploration work in 2010 began in the second quarter and was completed in the third quarter with Millrock as operator. The Company advanced the Estelle project by conducting a comprehensive geological, geochemical and geophysical program that was designed in close consultation with Teck.

Numerous intersections of anomalous gold mineralization were obtained by chip sampling at the Shoeshine prospect. One highlight chip sample returned a strong interval of 9.1 g/t gold over 27.4 m. An induced polarization anomaly was detected on two reconnaissance lines north of the Oxide Ridge gold showing. The chargeability anomaly is estimated to be at 250 m depth and is favourably situated beneath a large geochemical anomaly.

The exploration work done in 2010 was done under the terms of an April 2010 agreement that Millrock signed with Teck. Under the terms of the agreement, Teck invested \$600,000 in Millrock by purchasing shares. Millrock agreed to expend at least US\$500,000 on exploration to refine drill targets; this work was completed. In exchange for the financing arrangement, Millrock granted Teck the exclusive right to enter into an option to joint venture agreement on Millrock's Estelle gold project. Late in 2010 Millrock prepared a technical report and submitted it to Teck, triggering a 90 day period in which Teck could choose to elect to sole fund the project to earn a maximum 65% interest by expending US\$8.6 million on exploration and paying Millrock \$400,000 prior to the end of 2014. Teck has now notified Millrock that it will exercise its right. Teck has approved a budget of US\$3.4 million for exploration at Estelle in 2011.

CRISTO PROPERTY (formerly St. Eugene & Monte Cristo Properties), Kahiltna Terrane

The St. Eugene and Monte Cristo properties were staked in February 2010 as a result of Millrock's 2009 Kahiltna prospecting program which produced a number of new surface gold and copper discoveries. For their funding of the Millrock-Altius strategic alliance in this regional reconnaissance effort, Altius had the right to form a 50-50 joint venture with Millrock on the exploration of St. Eugene and Monte Cristo, which they elected to do. However, with the amendment of the Altius strategic alliance this joint venture was abandoned. Pursuant to the amended strategic alliance, Altius is entitled to a gross royalty of 2% on gold and 1% on base metal production from the claims.

In the second quarter, Millrock exploration crews discovered additional mineralization between the two claim blocks, and it was decided to stake 21 additional, intervening claims that joined the two pre-existing blocks together. The combined properties were renamed Cristo property. On January 11, 2011 the company announced it had staked a further 252 claims within the area of interest surrounding the Cristo claim block.

The Cristo project is located 130 km northwest of Anchorage and comprises 328 claims covering 21,238 hectares. Millrock's field team identified porphyritic intrusive rocks containing anomalous

gold values in rock and soil over a distance of 1.5 km. Soil samples ranged up to 400 ppb gold and averaged 86 ppb gold from 22 samples. Rock assays ranged up to 4.2 g/t gold and averaged 0.493 g/t gold from 17 samples. The target at the east end of the Cristo project is a large tonnage, intrusive-related gold-rich porphyry deposit. At the west end of the project, the claims host a copper-gold-molybdenum porphyry system initially discovered in the 1970s, but recent glacial retreat afforded Millrock geologists a fresh view of the property and indications of the potential presence of a major deposit. Millrock carried out additional sampling of talus fines, rocks and soils on the claims in the second quarter of 2010. Results became available in quarter three. In summary, the work resulted in the delineation of a 700 m strike length of copper and gold mineralization with rock samples assaying greater than 1% copper and 0.5 g/t gold in carbonate-altered hornfels. The work showed that there are multiple styles of mineralization including stockwork, quartz-carbonate veining, chalcopyrite and copper oxide staining, clay alteration, and strong iron staining.

In early 2011 Millrock announced a that it had made an option to purchase agreement for the Cristo property with Brixton Metals Corporation. The terms of the agreement are: \$330,000 in cash payments, 2.0 million Brixton shares and 2.4 million warrants with an exercise price of \$1.00 per share. Additionally, Brixton will have to expend US\$5.0 million on the property in order to earn a 100% interest. Brixton will operate exploration.

REVELATION PROPERTY, Kahiltna Terrane

Staked in January 2010, Revelation was the third new property identified by Millrock's regional prospecting program in the Kahiltna Terrane area. It is located in the Rainy Pass district about 200 km northwest of Anchorage and comprises 36 claims covering 2,331 hectares. It is also in proximity to known gold deposits at International Tower Hill's Terra property, and located west of Estelle and Kiska's Whistler project.

Millrock staked the claims following the purchase of maps and data from consulting geologist Gerald Booth. The purchase agreement consists of payments of US\$45,000 made over four years and the issuance of 40,000 Millrock shares. In the event an ore body is discovered, a further payment of US\$2.0 million will be made upon commencement of commercial production.

At Revelation, Millrock is targeting a large-tonnage, intrusive-related gold deposit. Large-scale geochemical stream and soil anomalies have been recorded in the area and indicate that the mineralized zone extends under the receding glacial coverage.

During the second quarter of 2010 Millrock carried out limited mapping and sampling to better demonstrate the extent of the mineralization and alteration system. Additional work was done in quarter three of 2010. Several zones of anomalous copper and gold mineralization were identified. Millrock is currently seeking a joint venture partner to fund exploration.

UNCLE SAM PROPERTY, Tintina Gold Belt

The Uncle Sam project is an intrusive-related gold target located approximately 75 km southeast of Fairbanks in the Tintina Gold Belt. Covering 3,131 hectares, the property consists of 194 State of Alaska mining claims. The target may be a vein-style deposit similar in nature to the Pogo

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Mine (+5 million ounces), located 60 km to the east of Uncle Sam, or similar to the disseminated style of mineralization at the Fort Knox Mine (+5 million ounces) located 70 km to the northwest.

Uncle Sam was acquired in November 2009 from Kiska which supplied an extensive exploration data package demonstrating presence of an exceptionally large gold geochemical anomaly as well as a highlight drill intersection of 10.6 m averaging 6.1 g/t gold and a total of 18 individual drill intersections of greater than 1.0 g/t gold over drilled widths ranging from 3 m to 12 m.

Terms of the agreement with Kiska include the right of Millrock to earn a 100% interest in Uncle Sam with a total exploration expenditure of US\$2.7 million, cash payments totalling US\$200,000 and the issuance of one million shares of Millrock stock.

During the third quarter of 2010 Millrock signed a letter of intent with Crescent, and subsequently on January 7, 2011 the Company announced it signed a definitive agreement with Crescent which gives that company the exclusive option to earn a 100% interest in the Uncle Sam claim group in return for a cumulative US\$2.5 million in exploration expenditures, US\$300,000 in cash payments and Crescent share issuances to Millrock. If the earn-in agreement proceeds to December 31, 2011, Millrock will be issued that number of shares to give the Company 18% of the issued and outstanding shares of Crescent on that date.

Additionally, Crescent will issue to Millrock additional common shares in connection with independently verified gold resources defined on the Property as measured or indicated resources under National Instrument 43-101 in the following amounts:

Ounces of Gold Resources defined under NI 43-101:	Common Shares of Crescent to be Issued to Millrock:
1,000,000 ounces	1,500,000 common shares
2,000,000 ounces and greater	1,000,000 common shares for every additional 1,000,000 ounces

During the third quarter Millrock tested several different geochemical sampling methods designed to overcome the challenge of thick, wind-blown overburden cover. The methods attempted were generally unsuccessful, or where successful, not cost effective.

Millrock, with funding from Crescent, is undertaking an auger drill program to advance geochemical coverage in areas of thicker overburden. A drilling program is planned for summer 2011.

HUMBLE PROPERTY, Togiak Terrane

On November 29, 2010 the Company announced it had staked a block of 266 claims (17,223 hectares) in the Togiak Terrane, southwest Alaska. The staked claims (the "Humble claim group") are located on state land approximately 80 km northeast of Dillingham, Alaska, covering multiple geophysical targets with coincident surface geochemical anomalies. Historical drilling and recent geophysical and geochemical surveys indicate the potential for copper-gold-molybdenum porphyry-style mineralization.

Geological, geochemical and geophysical characteristics bear similarities to the Pebble deposit, a porphyry deposit that is reported to contain a measured and indicated resource of 5.94 billion tonnes grading 0.42% Cu, 0.35 g/t Au, 250 ppm Mo (containing 55 billion lb of copper and 66.9 million oz of gold and 3.3 billion lb molybdenum) and an inferred resource of 4.8 billion tonnes grading 0.24% Cu, 0.26 g/t Au, 215 ppm Mo (containing 25.6 billion lb of copper and 40.4 million oz of gold and 2.3 billion lb molybdenum) (source: www.northerndynastyminerals.com).

Project highlights include:

- Late Cretaceous aged magmatic complex of similar age to that which hosts the Pebble deposit
- Magnetite-rich pyroxenite rock overprinted by porphyry-style mineralization adjacent to the target area, similar to Pebble
- Circular to semi-circular conductive zones detected by airborne geophysical surveys surrounding magnetic anomalies (which at the Pebble deposit, represents the pyrite halo to the deposit)
- Zoned, multi-element, surface geochemical anomalies overlying geophysical targets commonly indicative of porphyry mineralization

Concurrently with staking, the Company announced an agreement with Kinross which gives Kinross the exclusive option to earn a 60% joint venture interest in an area of interest which includes the Humble claim group, in return for incurring cumulative US\$4 million in exploration expenditures by December 31, 2013, making payments to Millrock totaling US\$200,000 and reimbursing the 2010 state maintenance fees paid by Millrock.

Kinross may earn a further 15% interest in the Humble property by incurring an additional US\$6 million in exploration expenditures by December 31, 2016. Millrock will manage exploration on the project and Kinross may elect to take over management of the project at any time. Notwithstanding Kinross' earned interest, Kinross agrees to carry Millrock's equity position and funding participation in the joint venture until Kinross provides Millrock with a NI43-101 compliant report stating a minimum of 2.0 million gold-equivalent ounce resource on the Humble property. Kinross shall recoup its carrying expenditures on behalf of Millrock from future proceeds to the joint venture.

A large portion of the Humble property is subject to a 2% net smelter returns royalty ("NSR") on gold, and a 1% NSR on other metals production in favour of Altius Resources Inc., Millrock's partner in a strategic alliance of regional prospecting in Alaska which resulted in the staking of the Humble property.

An initial drill program is planned for 2011.

FORTYMILE PROPERTY, Tintina Gold Belt

Millrock owns 100% of the 168 claims covering 9,107 hectares that make up the Fortymile property package in east-central Alaska, approximately 90 km southwest of the White Gold deposit of Underworld Resources and in an historic mining region where over 300,000 ounces of placer gold production has been recorded.

The placer gold is spatially related to porphyritic intrusive dikes and sills. Most hard rock occurrences discovered to date consist of quartz and calcite veins with various combinations of arsenopyrite, chalcopyrite, stibnite and other sulfide minerals. These associations are similar to intrusive-related gold mineralization elsewhere in Alaska, Yukon and Nevada and could lead to the discovery of deposits similar to Donlin Creek, Fort Knox, Pogo and Brewery Creek deposits.

Limited work was conducted on this property in 2009 but data was purchased from prior operator Kennecott, and was analyzed in depth using Geographic Information System mineral potential modeling techniques. Numerous new drill targets emerged from this work.

Millrock conducted a limited program of soil sampling in quarter three of 2010. Results are not yet available. Negotiations with potential funding partners are ongoing.

Arizona Properties

Millrock owns and operates three Arizona projects. Each are under option to major mining companies and are in the well-established porphyry copper trends of southeastern Arizona. Exploration is focused on the discovery of large production-scale copper deposits. The following provides an overview of each property, results of operations for the year, as well as any related corporate developments:

GALIURO PROPERTY, San Manuel-Copper Creek Copper Trend

The Galiuro project is located 80 km southeast of the Resolution deposit in southeast Arizona. Resolution is currently being explored by the Resolution Copper Mining, a joint effort of Rio Tinto and BHPBilliton. The resolution deposit is reported to contain an Inferred Resource of 1.624 billion tonnes at a grade of 1.47% Cu and 0.037% Mo (Resolution Copper Mining website). The Galiuro claim block is situated on the San Manuel-Copper Creek porphyry copper trend, with the Copper Creek property just west of the claim block and a very large, intense alteration zone in the central portion of the claims block. The target at Galiuro is a large, high-grade porphyry copper-gold-molybdenum deposit that can be mined by open pit or block caving mining methods similar to Resolution.

In spring 2009 an agreement with Vale was announced whereby Vale may expend up to US\$3.5 million and make cash payments totaling US\$850,000 prior to December 31, 2012 to earn a 60% participating interest in the property. Vale has the option to acquire an additional 10% participating interest if it completes a favourable feasibility study. Millrock will be the exploration manager until December 31, 2010, and thereafter at Vale's discretion.

Field work in 2009 funded by Vale, consisted of detailed geological mapping and a ZTEM/magnetic airborne geophysical. Conductive zones as indicated by ZTEM, in geologically favorable locations, were confirmed by ground geophysical surveys.

Three holes were drilled to test the targets in the second quarter of 2010. The drilling and other exploration work done by Millrock and VEC allows the companies to conclude that:

- The ZTEM airborne geophysical system has been successful in identifying areas of increased conductivity in Laramide-aged rocks below Tertiary cover due to disseminated sulfides, clay alteration and structures.
- As indicated by diatreme breccia-style mineralization, silicification and advanced argillic alteration, the level of paleo-exposure in the sub-Tertiary cover rocks is shallow, probably within 500 m of the paleosurface.
- A porphyry environment with favourable host rocks and potential for high grade deposits is indicated by the presence of bornite mineralization and diabase host rock.

Hole GAL_1001, drilled to 1,591 ft intersected hematite and goethite rich leached cap and phyllic altered (quartz-sericite-pyrite) rocks with pyrite content of 1% to 2%. Copper oxides and fine disseminated chalcocite replacing pyrite was observed. The intersection from 1,314.5 ft to 1,338.8 ft graded 0.2% Cu over 24.3 ft. Diatreme breccia was also intersected in the hole.

In Hole GAL_1002, a hole drilled to 2,229 ft, a porphyry system was indicated by acid leached diorite porphyry intersected below Tertiary volcanics at 786 ft. Near the bottom of the hole phyllic alteration (quartz-sericite-pyrite) with 3-4% pyrite and minor chalcopyrite and chalcocite was intersected, as was intrusive breccia with bornite. The sulfides in these two holes explain the ZTEM conductive zones. Two anomalous intersections were obtained in GAL_1002. The first intersection is from 919.0 ft to 929.5' for 10.5 ft grading 0.12% Cu. The second intersection is from 1,924.5 ft to 1,979 ft for 54.5 ft grading 0.06% Cu. The presence of bornite is quite encouraging, as it typically occurs only in unusually high grade porphyry systems such as at the Resolution deposit located 80 km to the northeast of the Galiuro project.

Hole GAL_1003 was drilled to a depth of 1,979.0 ft in a porphyry system after cutting below late, post-mineral Tertiary basalt from the collar down to 720 ft. Pre-mineral rocks to the bottom of the hole include a mix of Laramide diorite and andesite with Precambrian sediments and diabase. The presence of diabase is encouraging as it can create a chemical trap for high grade mineralization. The higher-grade portions of the nearby Resolution and Ray deposits are hosted by diabase, The diabase is cut by numerous magnetite veinlets that may be related to potassic alteration. No significant copper results were obtained from laboratory analysis of the drill core.

The following table provides information on each hole drilled:

HoleID	From	To	Interval	Cu_ppm	Mo_ppm	Zn_ppm	Pb_ppm	Au_ppb
gal_1001	1314.50	1338.80	24.3	2012.32	1.28	116.50	694.25	7.47
gal_1001	1495.00	1515.00	20	15.75	1.29	696.25	237.47	0.50
HoleID	From	To	Interval	Cu_ppm	Mo_ppm	Zn_ppm	Pb_ppm	Au_ppb
gal_1002	919.00	929.50	10.5	1233.56	7.81	117.29	1465.78	21.81
gal_1002	1224.00	1339.00	115	114.73	1.79	472.10	102.09	27.85
gal_1002	1538.00	1547.00	9	46.40	3.80	17.00	40.60	301.00
gal_1002	1924.50	1979.00	54.5	598.49	1.62	321.16	344.97	14.31
gal_1002	2063.50	2099.50	36	108.04	1.14	907.42	69.93	6.76
gal_1002	2159.00	2229.00	70	36.52	1.93	491.16	39.49	1.79

HoleID	From	To	Interval	Cu_ppm	Mo_ppm	Zn_ppm	Pb_ppm	Au_ppb
gal_1003			No	Significant Results				

Given the success of this drilling program, Millrock and Vale significantly expanded their land position to the south and west. Additionally, a very large block of claims was staked to the east to cover the Fourmile target. This circular magnetic feature is ringed by a strong ZTEM conductive zone. Intense argillic alteration is known from rock exposures and prior drilling on the west side of the structure. In total, an area of over 4,450 acres was staked, bringing the total area covered to approximately 6,800 acres. On December 3, 2010 Millrock and Vale announced a second round of drilling for program of approximately 4,000 m in four holes was planned. Two holes have been completed. Results are pending.

SAN JOSE & DRY MOUNTAIN PROPERTIES, Safford & Morenci Copper Trends

The San Jose and Dry Mountain properties are located on the highly prolific Safford and Morenci porphyry copper trends in southeastern Arizona. The series of deposits account for some 10 billion tons of past copper ore production.

At San Jose, drilling by Noranda in the early 1990s identified a porphyry cell. Geochemical surveys indicate potential for a larger deposit nearby. At Dry Mountain, a strong copper-molybdenum geochemical anomaly 10 km in diameter has been outlined. The target for these properties is large-scale porphyry copper deposits. During 2009, Millrock searched for a major partner to fund the extensive exploration required for these highly prospective claims. In March 2010, Millrock announced finalization of an option to joint venture agreement with Inmet for the exploration of the San Jose and Dry Mountain properties. The agreement gives Inmet the opportunity to earn a 70% interest in the two claim blocks by spending US\$4.0 million in exploration expenditures and making option payments of US\$300,000. The 2010 exploration expenditure commitment is US\$500,000 and the initial payment US\$50,000.

Results of a ZTEM survey were received. Several circular to semi-circular conductive zones surrounding magnetic anomalies with geochemical support were identified. The property positions was expanded significantly and drilling is planned for the fourth quarter of 2010.

Financial Results for the Year Ended December 31, 2010

The Company had revenue of \$696,862 for the year ended December 31 2010 and a net loss of \$3,024,685, as compared to its net loss of \$2,003,016 for the year ended December 31, 2009. The revenue resulted from management fees received from earn in partners. The increase in operational loss resulted from; an increase in stock compensation costs; an increase in general exploration; an increase in salaries and benefits, increases in conference and exhibition expense, increase in office expenses and increases in consulting expenses, which was slightly offset by an increase in revenue.

General & administrative expenses for the year ended December 31 2010 totalled \$3,322,982 as compared to \$1,257,056 for the corresponding year ended December 31, 2009. The five largest expense items are consulting fees of \$308,383, general exploration of \$434,170, investor relations fees of \$206,527, salaries and benefit costs of \$262,961, and stock-based compensation costs of \$1,133,985. These items comprise approximately 89% of the total loss of the Company.

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Consulting expenses account for \$308,383, or approximately 11%, of the total general and administrative expenses for the year ended December 31 2010, (December 31, 2009: \$240,789), which include the consulting service rendered from the CEO, CFO, Corporate Secretary, VP of Exploration and VP of Sustainable Development. These costs increased in comparison to the previous year due to increases in payments to aforementioned personnel.

General exploration costs account for \$434,170, or approximately 13% of the Company's administrative expenses for the year ended December 31 2010, (December 31, 2009:\$nil). The increase was caused by an increase in the company's generative exploration activities as it continues to search in new unexplored areas.

Investor relations expenses amount to \$206,527, representing 7% of the general and administrative expenses for the year ended December 31 2010, (December 31, 2009: \$139,358). The increase in costs was related to the Company continuing efforts to raise awareness of the Company in the market.

Salaries and benefit costs amount to \$262,961, or approximately 9%, of the total general and administrative expenses for the year ended December 31 2010, (December 31, 2009: \$49,983). The increases in costs are related to an increase in the number of staff in the Company's US office, as the Company satisfies its obligations on the various joint venture agreements.

Stock-based compensation costs amounted to \$1,133,985, or approximately 40% of the total general and administrative expenses for the year ended December 31 2010 (December 31, 2009: \$263,210). The increase in stock-based compensation costs was caused by an increase issuances of stock options to directors and consultants.

Summary of Quarterly Results

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

Summary of Quarterly Results

	Dec. 31 2010 Q4	Sep. 30 2010 Q3	Jun. 30 2010 Q2	Mar. 31 2010 Q1	Dec. 31 2009 Q4	Sep. 30 2009 Q3	Jun. 30 2009 Q2	Mar. 31 2009 Q1
Mineral expenditures	\$ (764,571)	\$ 447,350	\$ 481,935	\$ 205,335	\$ (337,437)	\$ 703,707	\$ 160,396	\$ 484,378
G&A expense (including stock comp.)	1,768,450	879,545	340,077	334,910	610,710	(19,018)	440,800	224,564
Stock comp. expense	812,550	280,973	14,872	25,590	154,151	2,964	104,946	1,149
Adjusted G&A (excluding stock comp.)	955,900	598,572	325,204	309,319	456,559	(21,981)	335,853	223,416
Mineral properties write-off	-	-	-	-	741,400	-	1	255
Net Income/(loss)	(1,529,605)	(888,106)	(326,412)	(280,562)	(1,353,701)	21,349	(441,640)	(229,023)
Loss per share	\$ (0.06)	\$ (0.01)	\$ (0.01)	\$ (0.06)	\$ (0.05)	\$ 0.00	\$ 0.01	\$ 0.01

Liquidity

As of December 31 2010, the Company has accumulated a deficit of \$12,427,565 and has working capital of \$6,122,460.

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In October 2009, the Company closed a multi-tranche non-brokered private placement in which a total \$1,657,500 in gross proceeds was raised. Earlier in the year, two other private placements, with venture partners Kinross and Altius, were completed. In June 2009, Kinross purchased 2,187,500 units (each unit comprising one share and one-half share purchase warrant, each whole warrant exercisable at \$0.21) of Millrock at \$0.16 which raised \$350,000. Earlier that month, Altius purchased 4,227,273 units (each unit comprising one share and one share purchase warrant, warrants exercisable at \$0.30 within a year and \$0.40 within two years) of Millrock at \$0.22 which raised \$930,000. On April 6, 2010, the Company completed another private placement with Kinross, issuing 841,042 shares at \$0.29725 per share for proceeds of \$250,000; On May 4, 2010, the Company completed a private placement with Teck American Inc., issuing 1,363,636 shares at \$0.44 per share for proceeds of \$600,000 and issued 252,000 common shares on the exercise of warrants at \$0.30 for net proceeds of \$75,600.

On June 9, 2010, the Company issued 4,784,000 units, with each unit consisting of one common share and one share purchase warrant for gross proceeds of \$1,656,900. Each share purchase warrant entitles the holder thereof to purchase one additional common share at a price of \$0.50 until June 9, 2012. Finder's fees of 7% were paid on a portion of the financing as follows: \$82,075 in cash, 21,000 finder's warrants and 210,000 finder's options. Each finder's option is exercisable into one unit at \$0.35 per unit. Each finder's warrant is exercisable into one common share at a price of \$0.50 until June 9, 2012.

On June 11, 2010, the Company issued 4,227,273 common shares for warrant exercisable at a price of \$0.30 for Altius.

On June 30, 2010, the Company issued 30,000 common shares for warrant exercisable at a price of \$0.30.

On July 8, 2010 the Company issued 375,000 units at a price of \$0.35 per unit for gross proceeds of \$131,250.

Each unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of \$0.50 for a period of two years from the closing date.

On July 14, 2010, the Company issued 52,020 common shares for warrant exercisable at a price of \$0.30.

On July 15, 2010, the Company issued 10,000 common shares for warrant exercisable at a price of \$0.30.

On August 17, 2010, the Company issued 37,500 common shares for warrant exercisable at a price of \$0.30

On August 18, 2010, the Company issued 1,093,750 common shares for Kinross Gold Corp. for warrant exercisable at a price of \$0.21

On August 19, 2010 the Company issued 2,500,000 units for gross proceeds of \$1,000,000, with each unit consisting of one common share and one share purchase warrant. Each share purchase

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warrant entitles the holder thereof to purchase one additional common share at a price of \$0.55 until August 19, 2012.

On August 30, 2010, the Company issued 25,000 common shares for option exercisable at a price of \$0.18.

On September 1, 2010, the Company issued 75,000 common shares for finder warrants exercised at \$0.30.

On September 7, 2010, the Company issued 50,000 common shares for option exercisable at a price of \$0.25 and 50,000 common shares for warrants exercisable at \$0.30.

On September 9, 2010, the Company issued 19,500 common shares for warrants exercisable at \$0.30.

On September 14, 2010, the Company issued 75,000 common shares for warrants exercisable at \$0.30.

On September 20, 2010, the Company issued 320,000 common shares for warrants exercisable at \$0.30.

On September 22, 2010, the Company issued 462,500 common shares for warrants exercisable at \$0.30.

On September 23, 2010, the Company issued 61,500 common shares for warrants exercisable at \$0.30.

On September 27, 2010, the Company issued 62,500 common shares for warrants exercisable at \$0.30.

On September 29, 2010, the Company issued 50,000 common shares for warrants exercisable at \$0.30.

On September 30, 2010, the Company issued 75,000 common shares for warrants exercisable at \$0.30.

On September 22, 2010, the Company issued 75,000 common shares for option exercisable at a price of \$0.25.

On October 8, 2010, the Company issued 38,000 common shares for finder warrant exercisable at a price of \$0.30.

On October 14, 2010, the Company issued 260,000 common shares for warrant exercisable at a price of \$0.30.

On October 18, 2010, the Company issued 22,000 common shares for finder warrant exercisable at a price of \$0.30.

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On October 21, 2010, the Company issued 174,000 common shares for warrant and 40,000 for finder warrant exercisable at a price of \$0.30.

On October 25, 2010, the Company issued 250,000 common shares to Kiska Metals for Uncle Sam Property valued at \$170,000.

On October 29, 2010, the Company issued 37,500 common shares for warrant exercisable at a price of \$0.30.

On October 27, 2010, the Company issued 35,000 common shares for option exercisable at a price of \$0.22.

On October 29, 2010, the Company issued 20,000 common shares for option exercisable at a price of \$0.18

On November 2, 2010, the Company issued 150,000 common shares for option exercisable at a price of \$0.45 and 50,000 common shares for option exercisable at a price of \$0.25

On November 4, 2010, the Company issued 50,000 common shares for option exercisable at a price of \$0.55

On November 8, 2010, the Company issued 30,000 common shares for option exercisable at a price of \$0.18.

On November 9, 2010, the Company issued 50,000 common shares for warrants exercisable at a price of \$0.30.

On November 16, 2010, the Company issued 365,000 common shares for warrants exercisable at a price of \$0.30, 25,000 common shares for warrants exercisable at a price of \$0.50, and 50,000 common shares for options exercisable at a price of \$0.29, 10,000 common shares valued at \$7,300 to Gerald Booth for Revelation Property.

On November 19, 2010, the Company issued 25,000 common shares for warrants exercisable at a price of \$0.30.

On November 30, 2010, the Company issued 50,000 common shares for warrants exercisable at a price of \$0.30.

On December 3, 2010, the Company issued 50,000 common shares for options exercisable at a price of \$0.18, 50,000 common shares for warrants exercisable at a price of \$0.30, and 300,000 common shares for warrants exercisable at a price of \$0.50.

On December 6, 2010, the Company issued 300,000 common shares valued at \$294,000 for the BSNC Exploration Agreement.

On December 15, 2010, the Company issued 1,980 common shares for finder warrants exercisable at a price of \$0.30.

These issuances of common shares, together with gross proceeds totalling \$613,040 subsequent to the year ended December 31, 2010 strengthened the company's cash position which stood at \$6,996,840 as at April 26, 2011. Of this total \$3,592,418 is restricted or allocated for drilling as part of the Company's joint venture agreements, leaving unrestricted cash of \$3,404,422, which can be used for general working capital purposes.

The Company realizes income from option agreement payments, and from management fees it collects as the operator of earn in projects (option payments are recorded against the related property cost and not considered revenue until the property is reduced to zero but management fees are recorded as revenue). These funds substantially cover the Company's overhead costs. The Company relies on equity financing to fund generative exploration programs on its open ground and on some of its properties. Funding for most of the property exploration carried out by Millrock comes from partner companies earning in to Millrock's projects. Presently Millrock does not have to contribute to these exploration expenditures as the other companies are sole-funding during the earn-in stage. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, and by making earn-in agreements with partner companies there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financings will be favourable. The Company presently has sufficient revenue and cash resources to cover its ongoing expenses for the remainder of 2011.

Property Obligations

The Company has several active agreements with other companies under which the Company is required to meet certain obligations to keep its properties in good standing. The obligations are summarized in the following table and described in more detail below.

Year	Cash Payment (USD)	Shares to be Issued	Work Commitment (USD)
2011	860,410	1,815,000	11,600,000
2012	1,125,428	2,420,000	5,000,000
2013	90,000	165,000	2,400,000
2014	60,000	135,000	0
2015	60,000	135,000	0
2016	60,000	135,000	0
Total	\$ 2,255,838	4,805,000	19,000,000

Bering Straits Native Corporation, Alaska:

Some of the lands that comprise the Bluff and Council projects are the subject of an underlying lease agreement Millrock has with the BSNC.

On April 23, 2008, the Company signed an exploration agreement with Golden Glacier Inc. (a wholly-owned BSNC subsidiary) that grants the Company the exclusive right to explore and develop mineral deposits and provides an option to sublease multiple tracts of BSNC 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, the Company will contribute a total of US\$40,000 over the life of the agreement to the Bering Straits Foundation Scholarship Fund, including an initial payment of US\$5,000. The agreement also calls for one million Millrock shares to be issued in total to BSNC over the life of the agreement.

The agreement is in good standing. Millrock will continue to keep the agreement in good standing and is required to do so by the terms of its earn-in agreements with Kinross and Valdez Gold.

The obligations of Millrock to pay the various aforementioned fees will continue until such time as Kinross has made its initial earn-in, and the companies will thereafter pay the fees on a pro-rata basis according to their joint venture interest.

Albion Property, Alaska:

Millrock has an option to purchase a 100% interest in the Albion property, which now forms part of the Council project, which is subject to an earn-in agreement with Kinross. The Albion block consists of 51 State of Alaska claims covering 2,231 hectares. Millrock may purchase the claims by paying the owners 500 ounces of gold bullion in annual installments and by making a minimum of US\$250,000 in exploration expenditures by the end of 2012.

The obligations of Millrock to pay the various fees mentioned will continue until such time as Kinross has made its initial earn-in, and the companies will thereafter pay the fees on a pro-rata basis according to their joint venture interest.

Estelle Property, Alaska:

On April 2, 2008, the Company made a purchase agreement with International Tower Hill Mines Ltd. ("ITH") to acquire its option rights to Estelle. Under the terms of the original agreement, consideration of 650,000 common shares was issued on April 14, 2008 to ITH. By virtue of the purchase, the Company gained the option to earn up to an 80% interest in the property from the underlying property owners, Hidefield Gold Plc, a London, England based AIM listed company, and Mines Trust Co., a private Alaska firm. The Company could have earned 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 have become payable to the underlying property owners under certain conditions.

On February 5, 2009, the Company announced that it purchased a 100% interest in the Estelle gold claims from underlying property owners. The consideration paid for the 100% interest is US\$125,000 and issuance of 1.25 million of the Company's common shares. A 3.0% NSR royalty will be payable upon production. The royalty may be reduced by 0.5% by paying one of the underlying royalty holders US\$1.0 million. There is no further payment or work commitment required. The claims can be maintained by paying State of Alaska claim rentals and performing assessment work.

These costs of maintaining the Estelle claims are now covered by Teck during the earn-in period and assuming a joint venture is formed, will thereafter be paid on a pro-rata basis according to their joint venture interest.

Cristo Property, Alaska:

The Cristo Property is included in one of the Area of Interest subject to the Altius Strategic Alliance. Thus, any production that occurs from the claims will be subject to a 2% royalty on gold and a 1% royalty on base metals. Millrock would be responsible to pay its pro-rata share of the royalty.

Revelation Property, Alaska:

In early 2010, Millrock staked a 2,233 ha block of claims in the Kahiltna Terrane west of Estelle, called the Revelation property. Prior to staking, the Company purchased maps, data and other information from a private individual that led the Millrock team directly to the mineralized site. The purchase agreement consists of payments of US\$45,000 made over four years and the issue of 40,000 Millrock shares (provided the claims are held for those four years). In the event that an ore body is discovered, a payment of US\$2.0 million will be made to the individual upon commencement of commercial production. Millrock will be responsible for the cash and share issuance obligations until an earn-in partner is secured for the project. Earn-in partners will be expected to bear the cash portion of the obligation; Millrock will maintain the obligation for the share issuance.

The Revelation Property is included in one of the Area of Interest subject to the Altius Strategic Alliance. Thus, any production that occurs from the claims will be subject to a 2% royalty on gold and a 1% royalty on base metals. Millrock would be responsible to pay its pro-rata share of the royalty.

Uncle Sam Property, Alaska:

In November 2009 the Company optioned the Uncle Sam property from Kiska.

The agreement grants Millrock the option to purchase a 100% interest in the Uncle Sam property by making cash payments, meeting exploration work commitments and by issuing Millrock shares in accordance with the following schedule:

	Share Issuance	Cash Payment	Work Commitment
30 days after TSX.V acceptance	250,000	US\$40,000	
November 1, 2010	250,000	US\$40,000	US\$200,000
November 1, 2011	250,000	US\$60,000	US\$300,000
November 1, 2012	250,000	US\$60,000	US\$1,000,000
November 1, 2013			US\$1,200,000
Total	1,000,000	US\$200,000	US\$2,700,000

Millrock may accelerate the purchase at any time prior to November 1, 2013 by making the remaining cash payments and stock issuances otherwise needed to earn the 100% interest plus an additional share issuance of 500,000 shares. Kiska would waive any remaining work commitment if the purchase is accelerated.

Additionally, Millrock will make 1.0 million share issuances to Kiska at each of the following milestones:

1. Filing of a NI 43-101 compliant technical report disclosing a gold resource exceeding 1.0 million ounces; and
2. Commencement of commercial production

A royalty of 2% NSR is payable to a third party royalty holder.

Millrock's is required to meet the ongoing obligations to Kiska, however, the payments to be made by Crescent will more than offset these payments.

Arizona Properties:

On Jan 14, 2008, the Company entered into agreements to purchase three properties, Dry Mountain, Galiuro and San Jose in southeastern Arizona. Payments of US\$10,000 and 15,000 shares are payable to the owner for each property within 30 days of anniversary date as long as the Company holds the property, and a payment of US\$2 million for each property totaling US\$6 million is to be paid upon commercial production. (This amount is not included in the table below.)

The cash portions of the obligations to the underlying property owner are borne by the earn-in partners. Millrock will bear the cost of the share issuances.

Earn in Option Agreements

In 2009, and in the year ended December 2010, the Company has entered into a number of option agreements with third party companies for the exploration of its properties.

The following table shows the historic and possible income Millrock has and could expect to receive in the future if its current partner agreements remain in place. It is unlikely that all earn-in agreements will remain in effect until their maturity. However, Millrock plans to develop more projects to replace those that do not proceed.

Year	Cash Payment (USD)	Work Commitment (USD)
2011	2,170,000	13,600,000
2012	1,830,000	21,200,000
2013	930,000	22,900,000
2014	800,000	11,000,000
2015	250,000	12,000,000
2016	0	4,000,000
Total	5,980,000	84,700,000

Brixton (Cristo Project, Alaska)

On January 11, 2011, Millrock entered an agreement that gives Brixton the exclusive option to earn a 100% interest in the Cristo claim group in return for a cumulative US\$5 million in exploration expenditures, US\$330,000 in cash payments, two million Brixton shares, and two million Brixton share purchase warrants with an exercise price of \$1.00 per share over a four-year term.

Vale (Galiuro Project, Arizona)

Under the option agreement announced in March 2009, Vale funded approximately \$500,000 of exploration work prior to December 31, 2009. Vale may fund a further US\$3,000,000 over the next three years through to December 31, 2012. Vale has also made cash payments totaling US\$200,000 and may elect to make additional cash payments totaling US\$650,000 over 2011 and 2012 to earn an undivided 60% participating interest in the underlying claims. Thereafter further expenditures will be funded by the parties pro-rata in accordance with their respective participating interests. Vale also has the option to acquire an additional 10% participating interest in the claims if it completes a favorable feasibility study.

Kinross (Council Project, and Humble Project Alaska)

An option agreement with Kinross, announced in December 2009, grants Kinross the right to earn a 55% joint venture interest in Millrock's Council properties by incurring exploration expenditures of US\$3 million and paying Millrock a total of US\$260,000. The initial cash payment is US\$65,000 and the minimum 2010 exploration expenditure is US\$500,000. The agreement includes provision for a private placement financing of \$250,000 in which Kinross purchased shares of the Company. Kinross may elect to increase its interest in the project to 75% by making a further US\$3 million exploration expenditure and assuming all payments to underlying property owners.

On November 29, 2010 it was announced that Millrock finalized an agreement with Kinross on the Humble property which gives Kinross the exclusive option to earn a 60% joint venture interest in an area of interest which includes the Humble claim group, in return for incurring cumulative US\$4 million in exploration expenditures by December 31, 2013, making payments to Millrock totalling US\$200,000 and reimbursing the 2010 state or federal claim maintenance fees paid by Millrock. Kinross may earn a further 15% interest in the Humble property by incurring an additional US\$6 million in exploration expenditures by December 31, 2016. Millrock will manage exploration on the project. Kinross may elect to take over management of the project at any time. Notwithstanding Kinross' earned interest, Kinross agrees to carry Millrock's equity position and funding participation in the joint venture until Kinross provides Millrock with a NI43-101 compliant report stating a minimum of 2.0 million gold-equivalent ounce resource on the Humble property. Kinross shall recoup its carrying expenditures on behalf of Millrock from future proceeds to the joint venture.

A portion of the Humble property is subject to a 2% net smelter returns royalty ("NSR") on gold, and a 1% NSR on other metals production in favour of Altius Resources Inc., Millrock's partner in a strategic alliance of regional prospecting in Alaska which resulted in the staking of the Humble property.

Ryan (Bluff Project, Alaska)

By another option agreement announced December 2009, Valdez can earn an initial 55% interest in the Bluff project by spending US\$3.0 million in exploration expenditures, making option payments of US\$300,000, and issuing 900,000 shares of Valdez to Millrock prior to December 31, 2012. The 2010 exploration expenditures commitment is US\$500,000 and initial payments are US\$50,000 and 300,000 shares. Valdez is able to opt out of the agreement at any time once it has made US\$500,000 in exploration expenditures.

Inmet (San Jose & Dry Mountain, Arizona)

Subsequent to first quarter period end, Millrock signed an agreement with Inmet whereby Inmet may earn a 70% interest in the two claim blocks, San Jose and Dry Mountain, by spending US\$4.0 million in exploration expenditures and making option payments of US\$300,000. The 2010 exploration expenditure commitment is US\$500,000 and the initial payment is US\$50,000.

Altius (Strategic Alliance, Kahiltna Terrane, Alaska)

In June 2009, Altius agreed to a private placement financing with the Company to initially fund a strategic alliance for exploration of the Kahiltna Terrane region of south-central Alaska.

This private placement yielded gross proceeds of \$994,243 from the sale of 4,519,287 units at a price of \$0.22 cents per unit to be used to fund a strategic alliance in five specific Areas of Interest ("AI") in Alaska. Millrock is to deploy the alliance funds to research each AI, perform reconnaissance exploration and stake mining claims. By the terms of the alliance Millrock would grant a royalty to Altius on claims staked in an AI. Subsequently, in an amendment agreement, Altius early-exercised warrants. In exchange, Millrock granted an increased royalty for AI projects which increased to 2% on gold and 1% on other commodities and pertains to all properties staked in the area of interest from the date of the amendment, plus the Monte Cristo, St. Eugene and Kemuk claim blocks.

Teck (Estelle Project, Alaska)

An agreement pertaining to the Company's Estelle project was made with Teck. Millrock will advance the property in the summer of 2010 by conducting a comprehensive geological, geochemical and geophysical program designed in consultation with Teck. Upon completion of the initial exploration program, Teck can earn an initial 55% interest in the property by incurring US\$3.6 million in expenditures over two years. Teck can then earn an additional 10% interest by solely financing an additional US\$5 million in optional expenditures on the property and making optional cash payments to Millrock totalling US\$400,000 prior to the end of 2014.

Crescent (Uncle Sam Project, Alaska)

On January 7, 2011 the Uncle Sam property became the subject of an exploration agreement with Crescent Resources Corporation ("Crescent").

The agreement gives Crescent the exclusive option to earn a 100% interest in the Uncle Sam claim group in return for a cumulative US\$2.5 million in exploration expenditures, US\$300,000 in cash payments and Crescent share issuances to Millrock. If the earn-in agreement proceeds to

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December 31, 2011, Millrock will be issued that number of shares to give the Company 18% of the issued and outstanding shares of Crescent on that date. Millrock will be the operator of the Uncle Sam program until November 1, 2011; thereafter, Crescent will be operator of the Uncle Sam exploration program. While the Option Agreement is in effect, Crescent will assume the underlying cash payment obligations to Kiska.

Additionally, Crescent will issue to Millrock additional common shares in connection with independently verified gold resources defined on the Property as measured or indicated resources under National Instrument 43-101 in the following amounts:

Ounces of Gold Resources defined under NI 43-101:	Common Shares of Crescent to be Issued to Millrock:
1,000,000 ounces	1,500,000 common shares
2,000,000 ounces and greater	1,000,000 common shares for every additional 1,000,000 ounces

Related Party Transactions

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

	Years Ended December 31	
	2010	2009
Accounting	\$ 37,500	\$ 28,790
Consulting fee	561,567	430,606
Directors' fee	27,500	8,000
Property option payment	-	62,188
	\$ 626,567	\$ 529,585

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

On during the year ended December 31, 2010, two officers of the Company exercised 125,000 options at \$0.18 per share.

As of December 31, 2010, due from related parties includes \$10,432 (Year end 2009: \$1,825) advanced to a director for travel expenses, due to related parties \$18,000 (Year end 2009: \$nil) for directors' fees. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.

A director of the Company is a shareholder and director of Mines Trust Company, which is a party to the Estelle project underlying mineral property agreement.

Critical Accounting Estimates

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

Business combinations, financial statements and non-controlling interests

In January 2009, the CICA issued CICA Handbook Section 1582, Business Combinations, Section 1601, consolidated Financial Statements, and Section 1602, Non-controlling Interests, which superseded Section 1581, Business Combinations, and Section 1600, Consolidated Financial Statements. CICA Handbook Section 1582, Business Combinations, replaces the former Section 1581, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3, Business Combinations (January 2008). This Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. CICA Handbook Section 1601, Consolidated Financial Statements, together with the new Section 1602, Non-Controlling Interests, replaces the former Section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS 27, Consolidated and Separate Financial Statements, (January 2008). Both sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Corporation evaluated the impact of the adoption of these sections to determine if early adoption is appropriate and determined that no material impact is expected.

Future Accounting Changes

International Financial Reporting Standards (IFRS) Changeover Plan

In January 2006, the CICA's Accounting Standards Board ["AcSB"] formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will be required to have prepared, in time for its first quarter of fiscal 2011 filing, financial statements in accordance with IFRS for the three months ended March 31, 2011 with 2010 comparatives as well as the opening balance sheet at January 1, 2010 in accordance with IFRS.

The Company has evaluated the impact of IFRS to its financial statements. This will be an ongoing process as the International Accounting Standards Board and the AcSB issue new standards and recommendations. It is anticipated that the Company's financial results and financial position as disclosed in the Company's current GAAP financial statements will not be significantly different when presented in accordance with IFRS.

IFRS Transition Plan

The Company has established a comprehensive IFRS transition plan. The following summarizes the Company's progress and expectations with respect to its IFRS transition plan:

- 1) Initial scoping and analysis of key areas for which accounting policies may be impacted by the transition to IFRS. Complete.
- 2) Detailed evaluation of potential changes required to accounting policies, information systems and business processes, including the application of IFRS 1 First-time Adoption of International Financial Reporting Standards. Complete.
- 3) Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives. Complete
- 4) Resolution of the accounting policy change implications on information technology, business processes and contractual arrangements. Complete.
- 5) Quantification of the Financial Statement impact of changes in accounting policies. Complete
- 6) Management and employee education and training. Throughout the transition Process

Impact of Adopting IFRS on the Company's Business

As part of its analysis of potential changes to significant accounting policies, the Company has assessed what changes are required to its accounting systems and business processes. The Company believes that the changes identified to date are minimal and the systems and processes can accommodate the necessary changes.

The Company's staff involved in the preparation of financial statements are being trained on the relevant aspects of IFRS and the anticipated changes to accounting policies. Employees of the Company that will be affected by a change to business processes as a result of the conversion to IFRS will also be trained as necessary.

First-time Adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment. The Company has identified the following optional exemptions that it will apply in its preparation of an opening IFRS statement of financial position as at January 1, 2011, the Company's "Transition Date":

- To apply IFRS 2 *Share-based Payments* only to equity instruments that were issued after November 7, 2002 and had not vested by the Transition Date.
- To apply IFRS 3 *Business Combinations* prospectively from the Transition Date, therefore not restating business combinations that took place prior to the Transition Date.
- To apply the transition provisions of IFRIC 14 *Determining whether an Arrangement Contains a Lease*, therefore determining if arrangements existing at the Transition Date contain a lease based on the circumstances existing at that date.
- To apply IAS 23 *Borrowing Costs* prospectively from the transition date. IAS 23 requires the capitalization of borrowing costs directly attributable to the acquisition, production or construction of certain assets. Prior to reporting interim financial statements in accordance with IFRS for the quarter ended March 31, 2011, the Company decided to apply other optional exemptions contained in IFRS 1. IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS will result in some changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements. The following provides a summary of the Company's evaluation to date of potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas the Company has identified as having the most potential for a significant change. The International Accounting Standards Board has a number of ongoing projects, the outcome of which may have an effect on the changes required to the Company's accounting policies on adoption of IFRS. At the present time however, the Company is not aware of any significant expected changes prior to its adoption of IFRS that would affect the summary provided below.

1) *Exploration and Evaluation Expenditures*

IFRS 6 currently allows an entity to retain its existing accounting policies related to the exploration for and evaluation of mineral properties, subject to some restrictions. The Company expects to retain its current policy of capitalizing exploration and evaluation expenditures as incurred. Therefore the Company does not expect that the adoption of IFRS will result in any significant change to the related line items within the consolidated financial statements.

2) *Impairment of (Non-financial) Assets*

IFRS requires a write-down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write-down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value. The Company's accounting policies related to impairment of assets will be changed to reflect these differences. The Company, however, does not expect this change will have an immediate impact to the carrying value of its assets. The Company will perform impairment assessments as at the Transition Date in accordance with IFRS.

3) *Foreign Currency*

IFRS requires that the functional currency of the Company and its subsidiaries be determined separately, and the factors considered to determine functional currency are somewhat different than current Canadian GAAP. The Company does not expect any changes to its accounting policies related to foreign currency that would result in a significant change to line items within the consolidated financial statements at the Transition Date.

4) *Share-based Payments*

In certain circumstances, IFRS requires a different measurement of stock-based compensation related to stock options than current Canadian GAAP. The Company does not expect any changes to its accounting policies related to share-based payments that would result in a significant change to line items within the consolidated financial statements.

5) *Asset Retirement Obligations (Decommissioning Liabilities)*

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions. The Company's accounting policies related to decommissioning liabilities will be changed to reflect these differences. The Company, however, does not expect this change will have an immediate impact to the carrying value of its assets.

6) *Property and Equipment*

IFRS contains different guidance related to the recognition and measurement of property and equipment than current Canadian GAAP. The Company does not expect any changes to its accounting policies related to property and equipment that would result in a significant change to line items within the consolidated financial statements.

7) *Income Taxes*

In certain circumstances, IFRS contains different requirements related to recognition and measurement of future (deferred) income taxes. The Company does not expect any changes to its accounting policies related to income taxes that would result in a significant change to line items within its financial statements.

Financial Instruments and Other Instruments

(a) Fair Value of Financial Instruments

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

December 31, 2010

Financial Instruments	Category	Level 1 \$	Level 2 \$	Level 3 \$
Cash and cash equivalents	Held for trading	Nil	2,734,918	Nil
Secured deposit & Restricted Cash	Held for trading	Nil	2,682,979	Nil
Marketable securities	Available for sale	668,570	Nil	Nil
Amounts receivable	Loans and receivables	Nil	1,591,950	Nil
Due from related parties	Loans and receivables	Nil	10,432	Nil
Prepaid expenses	Loans and receivables	Nil	40,780	Nil
Amounts payable and accrued liabilities	Other financial liabilities	Nil	211,660	Nil
Project cost advance received	Other financial liabilities	Nil	1,377,509	Nil
Due to related parties	Other financial liabilities	Nil	18,000	Nil

December 31, 2009

Financial Instruments	Category	Level 2 \$	Level 3 \$
Cash and cash equivalents	Held for trading	1,076,450	Nil
Secured Deposit & restricted cash	Held for Trading	593,254	Nil
Marketable securities	Available for sale	Nil	Nil
Amounts receivable	Loans and receivables	10,142	Nil
Due from related parties	Loans and receivables	1,825	Nil
Prepaid expenses	Loans and receivables	40,515	Nil
Amounts payable and accrued liabilities	Other financial liabilities	78,191	Nil
Project cost advance received	Other financial liabilities	265,207	Nil

*there is no level 1 risk

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and receivables are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalent by placing these instruments with institutions of high credit worthiness. Deposits are insured up to \$100,000, the amount that may be subject to credit risk for the year ended December 31, 2010 is \$5,317,897.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current.

(d) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has cash and cash equivalents of \$219,786 restricted cash of \$1,368,608, security deposit of \$39,784, and accounts payable of \$101,085 denominated in US dollars. The Company does not have a formal policy to manage risk; however, management actively monitors movement in foreign currency and forecasts foreign currency payments. Foreign exchange risk is mitigated by the offset of assets against liabilities and the risk is not significant.

(e) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the period in consolidated financial statements is interest income on Canadian dollar cash and cash equivalents. As at December 31, 2010, the Company's cash and cash equivalents are not subject to or exposed to interest rate risk.

Share Capital

(a) Authorized

Unlimited common shares without par value.

(b) Issued and outstanding common shares for the year ended December 31, 2010 was 66,217,445

Legal Claims and Contingent Liabilities

At April 26, 2011, there were no material legal claims or contingent liabilities outstanding.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Subsequent Events

On February 7, 2011 Teck advised the Company that it would proceed with its First Option to earn a 55% interest in the Estelle Project, and approved a budget of US\$3.4 million for the 2011 exploration program.

During February and March 2011, the Company issued 1,760,750 common shares for warrant exercises at \$0.30 per share; 100,000 common shares for warrant exercises at \$0.50 per share; 8,750 common shares for warrant exercises at \$0.55 per share; 14,300 common shares for option exercises at \$0.22 per share and 15,000 common shares for option exercises at \$0.30 per share.

During April 2011, the Company issued 100,000 common shares for warrant exercises at \$0.30 per share.

On April 1, 2011 the Company announced that it had entered an option to purchase agreement for the Rainville property in Arizona. Under the terms of the agreement, Millrock can maintain an option to purchase from the owner a 100% interest in the permits by paying a total of US\$400,000 and issuing 500,000 Millrock common shares over a period of six years. The initial payment consists of US\$70,000 and 250,000 common shares.

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Description	Date of issue	Number of Shares	Share Capital	Contributed Surplus
Balance December 31, 2009		46,818,744	\$ 13,981,072	\$ 1,146,633
Issued for mineral properties				
Galiuro Property @ \$0.24	20-Jan-10	45,000.00	10,800.00	
Kiska Metals for Uncle Sam Property @ \$0.68	25-Oct-10	250,000.00	170,000.00	
Gerald Booth-revelation Pty pmt	16-Nov-10	10,000.00	7,300.00	
BSNC Expl Agmt @ \$0.98(Golden Glacier Inc)	06-Dec-10	300,000.00	294,000.00	
Issued for cash pursuant to Private placements				
Kinross Gold @ \$0.29725	06-Apr-10	841,042	250,000	
Teck Resources @ \$0.44	26-May-10	1,363,636	600,000	
Altius Resources @ \$0.35	07-Jul-10	375,000	131,250	
Non-brokered Private Placements @ \$0.20	09-Jun-10	4,734,000	1,656,900	
Non-brokered Private Placements @ \$0.40	17-Aug-10	2,500,000	1,000,000	
Exercised of warrants				
Altius Resources @ \$0.30	11-Jun-10	4,227,273	1,268,182	
Priced at \$0.30	05-May-10	60,000	18,000	
Priced at \$0.30	19-May-10	150,000	45,000	
Priced at \$0.30	30-Jun-10	30,000	9,000	
Priced at \$0.30	14-Jul-10	50,000	15,000	
Priced at \$0.30	15-Jul-10	10,000	3,000	
Priced at \$0.30	17-Aug-10	37,500	11,250	
Priced at \$0.21 - Kinross Gold Corporation	18-Aug-10	1,093,750	229,688	
Priced at \$0.30	01-Sep-10	75,000	22,500	
Priced at \$0.30	07-Sep-10	50,000	15,000	
Priced at \$0.30	14-Sep-10	75,000	22,500	
Priced at \$0.30	14-Sep-10	312,500	93,750	
Priced at \$0.30	20-Sep-10	320,000	96,000	
Priced at \$0.30	22-Sep-10	150,000	45,000	
Priced at \$0.30	23-Sep-10	61,500	18,450	
Priced at \$0.30	27-Sep-10	62,500	18,750	
Priced at \$0.30	29-Sep-10	50,000	15,000	
Priced at \$0.30	30-Sep-10	75,000	22,500	
Priced at \$0.30	14-Oct-10	260,000	78,000	
Priced at \$0.30	21-Oct-10	174,000	52,200	
Priced at \$0.30	29-Oct-10	37,500	11,250	
Priced at \$0.30	09-Nov-10	50,000	15,000	
Priced at \$0.30	16-Nov-10	365,000	109,500	
Priced at \$0.50	16-Nov-10	25,000	12,500	
Priced at \$0.30	19-Nov-10	25,000	7,500	
Priced at \$0.30	30-Nov-10	50,000	15,000	
Priced at \$0.30	03-Dec-10	50,000	15,000	
Priced at \$0.50	03-Dec-10	300,000	150,000	
Exercised of finder warrants				
Haywood @ \$0.30	19-May-10	36,000	10,800	
Dundee @ \$0.30	20-May-10	6,000	1,800	
Haywood @ \$0.30	28-May-10	3,000	900	
Canaccord @ \$0.30	14-Jul-10	2,020	606	
Haywood @ \$0.30	09-Sep-10	19,500	5,850	
PI Financial @ \$0.30	08-Oct-10	24,000	7,200	
Haywood @ \$0.30	08-Oct-10	14,000	4,200	
Haywood @ \$0.30	18-Oct-10	22,000	6,600	
Longwave @ \$0.30	21-Oct-10	40,000	12,000	
Canaccord @ \$0.30	15-Dec-10	1,980	594	
Exercised of options				
Sarah Whicker @ 0.18	30-Aug-10	25,000	4,500	
Glen Phillips @ 0.25	07-Sep-10	50,000	12,500	
Vantage Communication @ 0.25	22-Sep-10	75,000	18,750	
D Brosseau @ \$0.22	27-Oct-10	35,000	7,700	
Janice Davies @ \$0.18	29-Oct-10	20,000	3,600	
Up Communication @ \$0.25	02-Nov-10	50,000	12,500	
Up Communication @ \$0.45	02-Nov-10	150,000	67,500	
Up Communication @ \$0.55	04-Nov-10	50,000	27,500	
Janice Davies @ \$0.18	08-Nov-10	30,000	5,400	
Michael Schaefer @ \$0.29	16-Nov-10	50,000	14,500	
Sarah Whicker @ 0.18	03-Dec-10	50,000	9,000	
Stock based compensation - Vantage Communication				82,629
Stock based compensation - Glen Phillips				45,999
Stock based compensation - D. Brosseau				17,129
Stock based compensation - M. Schaefer	15-Jan-10			12,211
Stock based compensation - R. Butler	19-Jul-10			65,567
Stock based compensation - J Phillips	25-Aug-10			145,466
Stock based compensation - 1,245,000 options to officers	04-Nov-10			729,214
Stock based compensation - 50,000 options to Devin Wade	17-Dec-10			35,770
Stock based compensation for finder fee - 210,000 options to Global Market Development	09-Jun-10			60,058
Stock based compensation for finder fee - 21,000 warrants to PI Financial	09-Jun-10			5,495
Stock based compensation for finder fee - 17,500 options to Haywood	19-Aug-10			5,194
Stock based compensation for finder fee - 140,000 options to Global Market Development	19-Aug-10			41,553
Transfer of contributed surplus on exercise of finder warrants			41,052	(41,052)
Transfer of contributed surplus on exercise of options			166,966	(166,966)
Share issue costs and finder's fee			(287,635)	(112,301)
Balance December 31, 2010		66,217,445	\$ 20,690,225	\$ 2,072,600

Stock Options

The Company has a stock option plan which provides for the granting of up to 5,831,470 stock options to acquire common shares to executive officers, directors, employees and consultants. As of November 24, 2010, the Company has 1,289,047 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, 2009	3,790,000	\$0.30
Granted on January 15, 2010	50,000	\$0.29
Granted on February 9, 2010	100,000	\$0.25
Granted on July 19, 2010	200,000	\$0.40
Granted on August 25, 2010	350,000	\$0.40
Exercised on August 30, 2010	(25,000)	\$0.18
Exercised on September 7, 2010	(50,000)	\$0.25
Exercised on September 22, 2010	(75,000)	\$0.25
Exercised on October 27, 2010	(35,000)	\$0.22
Exercised on October 29, 2010	(20,000)	\$0.18
Exercised on November 2, 2010	(50,000)	\$0.25
Exercised on November 2, 2010	(150,000)	\$0.45
Exercised on November 4, 2010	(50,000)	\$0.55
Granted on November 4, 2010	1,245,000	\$0.75
Exercised on November 8, 2010	(30,000)	\$0.18
Exercised on November 16, 2010	(50,000)	\$0.29
Exercised on December 3, 2010	(50,000)	\$0.18
Granted on December 15, 2010	200,000	\$0.89
Outstanding at December 31, 2010	5,350,000	\$0.44
Exercisable at December 31, 2010	5,175,000	\$0.48

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The following table summarizes the Company's outstanding options as of April 26, 2011:

Number of Shares	Exercise Price	Expiry Date
950,000	\$ 0.45	29-May-12
75,000	\$ 0.45	7-Aug-12
10,000	\$ 0.56	6-Dec-12
50,000	\$ 0.36	1-Apr-13
630,000	\$ 0.25	21-Aug-13
625,000	\$ 0.18	8-May-14
65,000	\$ 0.22	1-Aug-14
900,000	\$ 0.25	28-Dec-14
50,000 *	\$ 0.25	9-Feb-15
200,000	\$ 0.40	19-Jul-15
350,000	\$ 0.40	25-Aug-15
1,245,000	\$ 0.75	4-Nov-15
200,000 *	\$ 0.89	15-Dec-15
5,350,000		

*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 was estimated on the dates of grant using the Black-Scholes option pricing model with the following weighted average assumptions: Stock compensation expense of \$1,133,985 has been charged to operations.

	<u>2010</u>	<u>2009</u>
Dividend yield	Nil	Nil
Expected volatility	108%-121%	124%-170%
Risk-free rate of return	1.86%-2.85%	2.14%-3.22%
Expected life of options	5 years	5 years

The weighted average fair value of the 5,350,000 (2009: 4,291,389) share purchase options granted was \$0.44 (2009: \$0.30) per option. Total stock-based compensation expense of \$321,435 (2009:\$109,060) has been charged to operations.

Warrants and Agent's Warrants

As of April 26, 2011, the Company had outstanding warrants and agent warrants for the purchase of 14,467,886 common shares at an average price common share of \$ 0.47.

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	Shares	Weighted Average Exercise Price	Exercise Price	Expiry Date
Outstanding at December 31, 2008	9,668,507	\$ 0.81		
Expired - Issued on May 26, 2008	-562,450	\$ 0.25	\$ 0.25	26-May-09
Issued on June 4, 2009	1,093,750	\$ 0.21	\$ 0.21	4-Jun-11
Issued on June 14, 2009	4,227,273	\$ 0.30	\$ 0.30	15-Jun-10
Expired - Issued on August 7, 2007	-1,250,002	\$ 1.00	\$ 1.00	7-Aug-09
Issued on September 17, 2009 for private placement (Tranche 1)	2,637,500	\$ 0.30	\$ 0.30	17-Mar-11
Agent warrants issued, finders' fee for private placement, Sep 17, 2009	360,000	\$ 0.30	\$ 0.30	17-Sep-10
Issued on October 5, 2009 for private placement (Tranche 2)	793,750	\$ 0.30	\$ 0.30	5-Apr-11
Agent warrants issued, finders' fee for private placement, Oct 5, 2009	127,000	\$ 0.30	\$ 0.30	5-Oct-10
Issued on October 21, 2009 for private placement (Tranche 3)	712,500	\$ 0.30	\$ 0.30	21-Apr-11
Agent warrants issued, finders' fee for private placement, Oct 21, 2009	100,000	\$ 0.30	\$ 0.30	21-Oct-10
Expired - Issued on Nov 2, 2007	-2,355,555	\$ 1.00	\$ 1.00	2-Nov-09
Outstanding at December 31, 2009	15,552,273	\$ 0.45		
Expired - Issued on May 26, 2008	(5,500,500)	\$ 0.75	\$ 0.75	26-May-10
Issued on May 26, 2010 to Teck Resources for private placement	1,363,636	\$ 0.53	\$ 0.53	27-May-11
		\$ 0.62	\$ 0.62	27-May-12
Issued on June 9, 2010 for private placement	4,734,000	\$ 0.50	\$ 0.50	9-Jun-12
Issued on June 11, 2010 to Altius for private placement	3,450,000	\$ 0.45	\$ 0.45	11-Jun-15
Issued on July 7, 2010 for private placement	375,000	\$ 0.50	\$ 0.50	12-Jul-12
Issued on August 19, 2010 for private placement	2,500,000	\$ 0.55	\$ 0.55	19-Aug-12
Agent warrants issued, finders' fee for private placement, June 9, 2010	21,000	\$ 0.50	\$ 0.50	9-Jun-12
Agent warrants issued, finders' option for private placement, June 9, 2010	210,000	\$ 0.35	\$ 0.35	9-Jun-12
Agent warrants issued, finders' fee for private placement, August 19, 2010	157,500	\$ 0.55	\$ 0.55	19-Aug-12
Exercised - Issued on June 4, 2009	(1,093,750)	\$ 0.21	\$ 0.21	4-Jun-11
Exercised - Issued on June 14, 2009	(4,227,273)	\$ 0.30	\$ 0.30	15-Jun-10
Exercised - Issued on October 21, 2009	(25,000)	\$ 0.30	\$ 0.30	21-Apr-11
Exercised - Issued on September 17, 2009	(1,955,500)	\$ 0.30	\$ 0.30	17-Mar-11
Exercised - Issued on October 5, 2009	(768,500)	\$ 0.30	\$ 0.30	5-Apr-11
Exercised - Issued on June 9, 2010	(325,000)	\$ 0.50	\$ 0.50	9-Jun-12
Outstanding at December 31, 2010	14,467,886	\$ 0.47		

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The fair value of the agent's warrants of \$112,300 (2009: \$68,197) 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:

	<u>2010</u>	<u>2009</u>
Dividend yield	Nil	Nil
Expected volatility	Nil	121%-154%
Risk-free rate of return	Nil	1.26%-2.72%
Expected life of options	Nil	1 to 2 years

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LISTINGS

TSX Venture Exchange: **MRO**

CAPITALIZATION

(as at April 26, 2011)

Shares Authorized: Unlimited
Shares Issued: 68,655,545

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