



INTERIM REPORT

Management Discussion & Analysis

For the Nine Months Ended September 30, 2008

Description of Business

Millrock Resources Inc. (“the Company”) is a company engaged in the acquisition, exploration and development of mineral properties prospective for gold, copper and other valuable metals, primarily in Alaska. Led by successful explorationists, Gregory Beischer and Philip St. George, the Company has established a strong property package currently consisting of, as of November 25, 2008 (the “Report Date”), six highly prospective mineral projects. The Company 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 with the unaudited financial statements and the notes thereto for the nine months ended September 30, 2008.

Forward-Looking Information and Report Date

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

Highlights for the Period Ended September 30, 2008

1. With regard to the Divide Project, on August 5, 2008, the Company announced that it had executed a definitive agreement with Alix Resources Corporation (“Alix”), following on from a Letter of Intent dated August 16, 2007. The Company can earn a 50% interest in the project along with Alix by paying 50% of all costs associated with the Divide Option, which is an agreement between Alix and the underlying property owners David Lajack et. al. The Company will pay a total of US\$490,000 over a five year period. Additionally 500,000 common shares of the Company will be issued to Alix. The Company is the exploration operator. These terms vary slightly from the terms contained in the previously announced Letter of Intent. The six month anniversary payment was voluntarily reduced by the underlying property owner and a correction to the announced share issuance was made.
2. At the Divide Project, the Company carried out an exploration program consisting of geological mapping, soil sampling, trenching, rock sampling and reverse circulation announced drilling. The work resulted in an improved understanding of the known gold mineralization. Assay results from most of the work are pending, or under being reviewed as of the report date.
3. On the Bering Straits Project, reconnaissance surveys were carried out at the Ungalik and Council project areas, and at the Bluff project area, a more advanced exploration program was carried out. At Ungalik, soil, vegetation, stream sediment and rock sampling, as well as prospecting was done. The purpose of the program was to determine, if possible, the lode source of approximately 500,000 ounces of gold that was mined from a nearby alluvial deposit. At Council, stream sediment and vegetation sampling was done to focus further lode exploration in this productive placer mining area. At Bluff, a comprehensive

- and systematic exploration program was carried out. Exploration consisted of geological mapping and prospecting, extensive soil sampling, rock sampling, a core drilling. The purpose was to confirm the presence of previously reported bedrock gold mineralization at the Daniel's Creek zone, to find new gold bearing zones, and to gain a strong familiarity with the property for the purpose of future exploration. The Daniel's Creek zone was reported by BHP in 1991 to potentially have a minimum of 300,000 ounces of gold (the estimate does not meet 43-101 requirements) hosted by a flat-lying structure. It was postulated by BHP that substantially more gold could be discovered in the area. At the report date, the Company is reviewing data received, and is awaiting receipt of more analytical data from samples collected during the programs.
4. At the Estelle Project, reconnaissance surveys were carried out. The work confirmed that all of the common signs of a large gold mineralizing system are present. The intrusive rocks are of the prolific 65 million year age. Stockwork and breccia style mineralization with widespread alteration and gold mineralization was observed. Sampling of talus fines and rocks has identified two anomalous zones of strong potential for large scale, intrusive-related gold deposits.
 5. Due to changing economic conditions, and inability of the parties to finalize a mutually acceptable agreement, the Company elected not to proceed with to make an agreement on the Ketchum Property. The property was the subject of a Letter of Intent dated March 23, 2008.

Outlook

Despite successful exploration, the Company's share price has deteriorated along with virtually all mining issuers in very challenging market conditions. The Company has successfully developed and instituted a survival strategy. Field exploration in Alaska was managed very carefully, and most projects were brought in under budget. This has allowed the Company to retain a treasury of approximately \$1.5 million at the report date. Cash conservation measures have been put into effect, and overhead has been significantly reduced. With an overhead burn rate of approximately \$50,000 per month, the Company is prepared to withstand a protracted recession if necessary. Millrock has the financial capability to retain its mineral properties and remain solvent. With strong gold assets in Alaska, the Company will be well positioned should a strong increase in gold price occur. As a generative exploration company, Millrock is actively seeking joint venture partners to earn into its Arizona projects, and significant interest has been shown by other companies. Formation of joint ventures will allow the Company to increase shareholder value while conserving cash resources. Millrock is poised to rebound with a positive change in the markets, and is ready to take advantage of opportunities that can materialize in difficult market conditions.

Exploration Overview and Results

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

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

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

Upon review of prior exploration data, it also became clear that the property has suffered from a series of inadequate exploration efforts. It is the Company's view that there is high potential for discovery of a high grade shoot within the vein system that may be economically extracted. The soil geochemical anomaly indicates a large mineralizing system.

The Divide 2008 exploration program was carried out from June 12 until August 26 and was completed according to plan. The exploration crew, which consisted of approximately 18 people, was carried out by a team of geologists, technicians, laborers, drillers and helpers, with support from a cook and a camp administrative assistant. The work commenced with a geological mapping program that enhanced the overall efficacy of the subsequent trenching and drill programs. Approximately 1,244 meters of trenching was completed in 24 trenches and 2,647 meters of reverse circulation drilling was completed in 22 holes. Soil sampling was also done to better define mineralized zones.

Geology

A crew of five geologists carefully mapped the location of all quartz-bearing boulders on the property, and collected relevant geological data at 1342 observation points. Through this work it became apparent that the well-known northeast trending vein set was not the only one. A strong east-west vein set is also present. Zones where the northeast veins are intersected by east-west veins provide locations where more significant tonnage might be developed. Trenching focused on these intersection zones. Numerous rock samples were collected at surface during the mapping effort.

Geochemistry

Soil samples were collected adjacent to areas sampled in prior exploration efforts. The work was done to extend the known soil anomalies and provide better definition to the anomalous zone. A total of 833 soil samples were collected.

Trenching

The trenching confirmed the presence of east-west trending veins, and broader mineralized zones at the intersection areas with northeast trending veins. Additionally, a significant number of near-horizontal tension veins were exposed in several trenches on the southeastern portion of Divide Ridge. These tension veins contain abundant hematite thought to be oxidized arsenopyrite. Flat lying tension veins host approximately half of the gold at Rock Creek deposit, and therefore the presence of these veins increases the potential for the Divide project to host significant gold resources. This may become an important target for gold mineralization at Divide in the future. Twenty-four trenches with a combined length of 1,244 meters were excavated and chip samples collected. Assay results from the chip samples collected have been received and are under review by the Company.

Drilling

Drill hole locations were selected on the basis of geological observations at surface and in trenches, targeting in particular, trenches in which tension veins and arsenopyrite were present. Twenty-two holes totaling 2,647 meters were drilled. Assay results have not yet been received.

Bering Straits: The Company has an exclusive exploration agreement with Golden Glacier Inc., a subsidiary of the Bering Straits Native Corporation (BSNC). The large land package subject to the agreement covers approximately 395 square kilometers, and is highly prospective for intrusive-related and metamorphogenic, structurally controlled gold deposits. The lands are located along the southern shore of the Seward Peninsula, east of Nome in three separate blocks called Bluff, Council and Ungalik.

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

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

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

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

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

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

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

The Bluff project area 2008 exploration program commenced on July 14. The crew was accommodated at a camp situated on the Council Highway approximately 30 kilometers north of the project area and access was by helicopter. A comprehensive exploration program consisting of soil and rock geochemical sampling, geological mapping, old drill core resampling and core drilling was carried out. The program had the following objectives:

- Determine whether the potential 300,000+ ounce gold resource postulated by BHP following their late 1980s exploration program is present,
- Find additional zones of gold mineralization

Exploration operations were completed on August 13, and complete demobilization of the camp was made on August 18, 2008.

Geochemistry

Extensive soil sampling was conducted to test for additional mineralized zones beyond those that had been previously identified by BHP. The survey covered ground thought to be underlain by schist to the northeast and northwest of the Bluff zone. A total of 902 soil samples were collected.

Rock samples were collected at many locations over the project area. Particular focus was given to the Koyana Creek showings and the Daniel's Creek showings. The rock samples were analyzed for gold and a 32-element ICP package. A metallic screening procedure was used because of the potential for coarse gold in zones thought to be mineralized since this method provides the most reliable gold assay when coarse gold is present. The crushed and pulverized sample was screened at -150 mesh. Each fraction was assayed, and the weighted average of both +150 mesh and -150 mesh was reported.

Drill cores from the prior drilling done by BHP are stored at a container at the Daniel's Creek campsite. Though somewhat disorganized, the core boxes were in good shape for the most part. Millrock removed all core boxes from the container, and organized them by hole on the ground outside. Intervals that were reported to be mineralized by BHP were resampled. All boxes stored in the container are now organized and clearly labeled. All samples were analyzed for gold, with metallic screening sample preparation technique. The samples were also analyzed for a 32-element ICP scan. Assay results have been received and are under review as of the report date. An initial examination indicates variability in individual results when compared to results reported by BHP. However, in an overall sense, it would appear that the results reported by BHP have been corroborated.

Geology

The geologic sequence in the upper Daniel's Creek area was described by the US Bureau of Mines and BHP as consisting of a lower marble unit, overlain in turn by a lower quartz muscovite schist, graphitic marble, upper quartz muscovite schist and upper marble. The sequence dips shallowly to the northwest. While appearing to be a relatively simple "layer cake", internally each unit is complexly folded and faulted. BHP interpreted gold mineralization to be hosted by a thrust fault in the lower quartz-muscovite schist.

Millrock performed extensive geological mapping. A total of 746 geological observations were made and entered into the project database. The mapping involved digging holes in numerous locations to examine float. As a result, contact relationships were substantially refined from previous mapping efforts. Millrock is currently formulating a revised stratigraphic and structural geological model and gold genesis model.

Drilling

The drilling program did not go as planned, owing primarily to the incompetence of the drilling contractor. The contractor provided a drill that was sent to the field with known problems. Furthermore, the machine was much heavier than it was said to be, resulting in substantial additional expense and problems during drill moves. The nightshift crew was incapable of drilling in the challenging ground conditions at the Daniel's Creek zone. After a very slow start,

a major mechanical failure occurred and seven days of downtime ensued. Once the machine was running again, a 1,323 foot program was salvaged. Five holes were drilled. Each appears to have intersected the desired target, with quartz veining and alteration observed.

Assay results from the core samples area awaited, and should be in hand by early December.

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

The crew mobilized to the Council area on June 25, 2008 and was accommodated at a camp on the Council Highway. Access to the project area was by helicopter and 4-wheeler.

Geochemistry

Work on Council lands consisted of vegetation and soil sampling with stream sediment sampling on a reconnaissance scale. The program will determine whether further exploration work is warranted. Analytical results have not yet been received.

Ungalik is situated along a major fault system that sutures the much older Seward Peninsula rocks to the rest of Alaska. The land package is centered on the source rocks of a placer deposit that has produced more than 500,000 ounces of gold. No lode exploration has been carried out in the 36 years that BSNC has owned the lands. Gold bearing vein talus has been documented in the hills above the placer deposit. The veins occur along the contact of the Tertiary aged Christmas Mountain Intrusive Complex. Potential for large scale, intrusive hosted gold deposits exists at this location.

A six-person crew carried out a first-pass reconnaissance exploration program from June 12 to 25, 2008. Work consisted of vegetation, soil, stream sediment and rock sampling, prospecting and geological mapping.

Cans of placer concentrate containing significant amounts of galena as a principal component of the heavy mineral concentrate was found at the old Bliss Camp buildings. There was no way to determine where these concentrates were mined, but the association with the placer gold is important. Two of the cans of concentrate were panned, and visible gold was observed. Galena does not travel far in an alluvial or glacial environment due to its soft nature. Therefore, if gold is associated with galena, the bedrock source of the placer gold may be very close by the areas that were mined by placer methods.

A zone of weak galena mineralization was located just upstream from the placer mine. A total of 38 chip samples were collected across the mineralized zone which may be the source of the placer gold.

Assay results from this work have been received and are under review by the Company prior to publication.

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

Twenty two man-days of soil sampling and mapping were accomplished on two of the 40 Mile District properties this quarter. Work targeted the Napoleon Creek and Chicken properties. A total of 122 soil samples, one rock and one stream sediment were collected. The areas that were sampled and mapped were poorly exposed, but a few altered and mineralized rocks were noted. These properties and sampled areas lie upstream of historic and current placer gold mining activity. Assay results are awaited.

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

Rocks of the area are dominated by marine volcanoclastic graywackes, siltstones, and shales of Late Jurassic age. These sediments generally have northeasterly strikes and moderate to steep northerly dips. Only minor local folding of the sediments has been recognized in the area. Late Cretaceous to Paleocene quartz monzonite, diorite, and granite have intruded the sediments and locally hornfelsed large areas. A magmatic intrusion adjacent to the claim block has been dated at approximately 70 million years.

The claims were staked on a distinctive aeromagnetic signature possibly indicative of mineralizing fluid flow. The 70 million year age date is favorable for gold mineralization. Small scale historic gold placer mining has been reported within the distinctive aeromagnetic feature.

Reconnaissance exploration work was carried out by the Company during the third quarter of 2007. The work consisted of geological investigations and stream sediment sampling. Weakly anomalous stream sediment results were obtained. The Company is planning to drop these claims effective November 30, 2008.

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

The San Jose claim block is located 32 kilometers east of the town of Safford. The property is situated at the intersection of two remarkable mineral trends. The claims are directly on strike with a linear series of porphyry copper – gold deposits known as the Safford Trend. This series of deposits contains in excess of six billion tons of potential ore. Deposits within the trend

include Dos Pobres (400 million tons @ 0.98% copper) and Lone Star (4 billion tons @ 0.5% Cu), which are currently being developed by Freeport. The claims are also on the Morenci Trend. The Morenci Mine (approximately ten billion tons of past production and current resources) is situated 24 kilometers from the Company's property in a trend, defined by a linear, structurally controlled series of magmatic intrusions. The Company claims are immediately adjacent to the San Jose prospect, a porphyry cell of undefined tonnage discovered by Noranda in the 1980s. Geochemical vectors identified at the San Jose porphyry indicate better potential to the northeast on the Company lands. A strong biogeochemical anomaly exists on the Company's San Jose property, which covers magnetic and induced polarization geophysical targets. The property covers 5,450 acres secured by staking of 265 federal mining claims and three state exploration permits. A paved highway passes close to the claims, and a power line traverses the property.

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

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

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

No work was done on the Arizona properties during the 3rd quarter.

Property Evaluation and Project Generation: The Company evaluated a number of prospects known to exist on open ground, and on the claims of others. Also, reconnaissance work was done to test geological ideas generated by the Company.

Results of Operation for the Period ended September 30, 2008

The Company had no revenues for the three months ended September 30, 2008 and the loss from the operation totaled \$169,140, as compared to \$232,261 loss of the same period of 2007. This mainly resulted from the decrease in non-cash stock based compensation and investor relation and the exchange gain on the translation of foreign subsidiaries' financial statements into Canadian dollars.

General & administrative expenses for the three months ended September 30, 2008 totaled \$180,899. The five largest expense items are consulting fees of \$49,636, accounting and auditing \$37,737 which includes an accrual of \$9,000 audit fees per quarter for fiscal year 2008, investor relations \$33,094, office expense \$21,300 and rent and storage \$15,728. These items comprised approximately 93.12% of the total loss of the Company for this quarter.

Compared to the second quarter 2008, the company successfully cut the total general & administrative costs by \$111,705. The overall decrease in the general & administrative expenses reflect the efforts of the management to reduce overhead costs in anticipation of slower exploration activities and more challenging economic environment.

Summary of Quarterly Results

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

	Sep. 30 2008 Q3	Jun. 30 2008 Q2	Mar. 31 2008 Q1	Dec. 31 2007 Q4	Sep. 30 2007 Q3	Jun. 30 2007 Q2	Mar. 31 2007 Q1	Dec. 31 2006 Q4
Mineral expenditures	\$ 1,745,245	\$ 582,564	\$ 391,047	\$ 537,213	\$ 349,217	\$ 102,643	\$ -	\$ -
G&A expense (including stock comp.)	180,899	336,207	213,261	402,552	237,166	295,449	41,180	31,832
Stock comp. expense	13,954	57,557	13,954	206,419	-	236,540	-	-
Adjusted G&A (excluding stock comp.)	166,945	278,650	199,307	196,132	237,166	58,909	41,180	31,832
Mineral properties write-off	1,078	-	85,980	559,516	-	-	-	-
Net loss	169,140	318,218	292,628	945,274	232,261	294,413	38,806	31,832
Loss per share	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.07	\$ 0.02	\$ 0.02	\$ 0.01	\$ 0.01

Liquidity

As at September 30, 2008, the Company has accumulated deficit of \$6,925,078 and has working capital of \$1,611,978. In May, 2008 the Company closed the non-brokered private placement for gross proceeds of \$2,750,250. This private placement has strengthened the Company's cash position and it is believed the Company will have sufficient fund to carry out its exploration activities for 2008. The Company will need to complete further financings for additional drilling and exploration activities as required in the future.

The Company does not have revenue except from interest earned from term deposits at banks. It relies on equity financing to fund exploration programs on its properties and corporate expenses.

Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financings will be favorable.

Capital Resources

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

Divide Property:

On August 16, 2007, the Company signed a Letter of Intent to form a Joint Venture with NPN Investment Group (which subsequently changed its name to Alix Resources Corp. "Alix") with respect to the Divide Property on the Seward Peninsula, near Nome, Alaska. The Letter of Intent was confirmed with a definitive agreement signed August 5, 2008. The Company may secure a 50% interest in the project by paying 50% of all costs associated with the Divide Option, which is an option agreement between Alix and the underlying claim owner. The Company will incur payments of US\$490,000 over a five year period, and will issue 500,000 shares to Alix to earn its interest.

The payment due February 22, 2008 was originally set at \$22,500 however the underlying property owner agreed to reduce the payment to \$12,500 and this amount has been paid. The agreement is in good standing.

During this quarter, the Company issued 150,000 common shares and paid \$45,000 cash pursuant to the Letter of Intent signed on August 14, 2007 for Divide property.

Arizona Properties

In April and May 2008, the Company acquired by staking three properties in Arizona. The targets at both the San Jose and Dry Mountain properties were brought to the Company's attention by Tucson, Arizona based geologist Michael Schaefer. Under a Finder's Fee agreement a payment of US\$20,000 and issuance of 20,000 of the Company's shares for each property was paid to Mr. Schaefer. A further US\$10,000 and 15,000 shares is payable for each property annually as long as the Company holds the property, and a payment of US\$2 million is to be paid upon commercial production (This amount is not included in the table below). During the quarter, the TSX Venture Exchange advised that the Finder's Agreement was not acceptable due to the open-ended annual payment structure. The agreements with Mr. Schaefer were reformulated as purchase agreements and these have been filed with the Exchange, and are under review at the report date.

Holding costs for the properties approximately \$70,000 for 2008, and these payments were made in the third quarter.

South Estelle Property

On April 2, 2008, the Company made an agreement with International Tower Hill Mines Ltd. ("ITH") to acquire its rights to the South Estelle gold property 160 km northwest of Anchorage, Alaska in the Rainy Pass district. Consideration is 650,000 common shares, which has been

issued on April 14, 2008. ITH will retain a 1% NSR royalty. By virtue of the purchase, the Company will have the option to earn up to an 80% interest in the property from the underlying property owners. The Company can earn a 51% interest by expending US\$2 million by the end of 2009, a 70% interest by expending a cumulative US\$5 million by the end of 2011, and 80% by tabling a positive feasibility study. A further 2.5% NSR royalty may become payable to the underlying property owners under certain conditions.

Bering Straits

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

Below is the summary of all the agreement obligations:

Year	Cash Payment (USD)	Shares to Be Issued	Work Commitment (USD)
2008	20,000	75,000	-
2009	273,750	545,000	1,225,000
2010	333,750	300,000	1,725,000
2011	443,750	310,000	2,925,000
2012	228,750	320,000	1,825,000
2013	30,000	45,000	1,100,000
	\$ 1,330,000	1,595,000	\$ 8,800,000

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

(a) Inmachuk property

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

(b) Lake Clark - Bonanza property

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

(c) Ketchem property

On March 23, 2008 the Company announced that it signed a Letter of Intent to acquire the Ketchem property in the Circle District north of Fairbanks, Alaska. Subsequently, it became apparent that financing availability was becoming tight. The Company asked that the work commitment envisioned in the Letter of Intent be reduced. After further negotiation it appeared that a mutually acceptable agreement could not be reached, and the parties agreed to abandon the agreement contemplated by the March 23, 2008 Letter of Intent.

Off Balance Sheet Arrangements

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

Related Party Transactions

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

	Three Months Ended Sep 30		Nine Months Ended Sep 30	
	2008	2007	2008	2007
Accounting	\$ 17,601	\$ 12,213	\$ 57,241	\$ 12,212.50
Consulting fee	49,824	45,861	157,383	93,516
Mineral Properties	35,309	313,308	481,215	410,920
Office rent	-	-	-	3,000
	\$ 102,735	\$ 371,382	\$ 695,839	\$ 519,649

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

- (a) As at September 30, 2008, due from related parties include \$10,213 advanced to a director for travel expense. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.
- (b) During the nine months ended September 30, 2008, the Company incurred a total amount of \$389,607 expenses or cash advance to Xplore Inc., a company incorporated in Alaska,

USA and controlled by a director that acted as operator for the exploration program. Until the incorporation of Millrock Exploration Corporation (Alaska) in March 2008, Xplore had acted as The Company's exploration arm in Alaska. All costs for exploration done by Xplore for The Company have been passed straight through with no markup or profit charged by Xplore. As at September 30, 2008, all the balance of cash advances with Xplore \$5,274 has been transferred to Millrock Exploration Corporation.

Proposed Transactions

None

Critical Accounting Estimates

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

Management's estimates of mineral prices, recoverable proven and probable reserves, and operating, capital and reclamation costs are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties.

Another significant accounting estimate relates to accounting for stock-based compensation. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the year.

Changes in Accounting Policies

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

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

The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis

on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

Future Accounting Changes

International Financial Reporting Standards (IFRS) Changeover Plan

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

Financial Instruments and Other Instruments

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

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

Other MD&A Requirements

1. Share capital

(a) Authorized

Unlimited common shares without par value.

(b) Issued and outstanding common shares

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	Number of Shares	Share Capital	Contributed Surplus
Balance, December 31, 2006	10,710,468	5,021,793	-
Issued for cash pursuant for			
Private placements	7,211,111	3,245,000	-
Exercise of warrants	408,000	40,800	-
Issued for property	150,000	67,750	-
Issued for finder's fees	150,360	67,662	-
Share repurchase and cancellation	(428,000)	(64,200)	-
Share issue costs	-	(244,058)	49,973
Stock based compensation	-	-	442,959
Balance December 31, 2007	18,201,939	\$ 8,134,747	\$ 492,932
Issued for cash pursuant for			
Private placements	11,001,000	2,750,250	
Issued for property	800,000	345,000	
Issued for finder's fees	58,940	14,735	
Share issue costs		(304,440)	102,116
Stock based compensation			85,464
Balance November 25, 2008	30,061,879	\$ 10,940,292	\$ 680,512

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

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

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

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

On August 28, 2008, the Company issued 150,000 common shares pursuant to the Letter of Intent signed on August 14, 2007 for Divide property.

2. Stock Options

The Company has a stock option plan which provides for the granting of up to 3,021,188 stock options to acquire common shares to executive officers, directors, employees and consultants. As at November 25, 2008, the Company has 1,386,188 stock options available for future issuance under the plan. Stock option transactions are summarized as follows:

	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2006	-	\$ -
Granted	1,485,000	\$ 0.46
Outstanding at December 31, 2007	1,485,000	\$ 0.46
Granted	150,000	\$ 0.36
Outstanding at November 25, 2008	1,635,000	\$ 0.45
Exercisable at November 25, 2008	1,585,000	\$ 0.45

The following table summarizes the Company's outstanding options as at November 25, 2008.

Number of Shares	Exercise Price	Expiry Date
1,050,000	\$ 0.45	5/29/2012
125,000	\$ 0.45	8/7/2012
150,000	\$ 0.45	10/1/2012
100,000	\$ 0.55	11/21/2012
60,000	\$ 0.56	12/6/2012
150,000	\$ 0.36	4/1/2013
1,635,000		

The fair value of the options granted on April 1, 2008 was estimated on the dates of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

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Dividend yield	Nil
Expected volatility	139%
Risk-free rate of return	3.44%
Expected life of options	5 years

Total stock-based compensation expense of \$13,954 for this quarter has been charged to operations.

3. Warrants and agent's warrants

As at November 25, 2008, the Company had outstanding warrants and agent warrants for the purchase of 9,825,867 common shares, at an average price common share of \$ 0.58. The fair value of the agent's warrants of \$102,116 has been recorded to the contributed surplus under shareholder's equity.

	Number of Shares	Exercise Price	Expiry Date
Outstanding at December 31, 2006	408,000	\$ 0.10	
Exercised on March 31, 2007	(300,000)	\$ 0.10	
Exercised on July 17, 2007	(108,000)	\$ 0.10	
Issued, Aug 07, 2007	1,250,002	\$ 0.75	8/7/2008
Agent warrants issued, Aug 07, 2007	137,667	\$ 0.45	8/7/2008
Issued on Nov 2, 2007	2,355,555	\$ 0.75	11/2/2008
Agent warrants issued on Nov 2, 2007	157,360	\$ 0.45	11/2/2008
Outstanding at December 31, 2007	3,900,584		
Issued on May 26, 2008	5,500,500	\$ 0.50	5/26/2009
Issued on May 26, 2008	562,450	\$ 0.25	5/27/2009
Agent warrants expired	(137,667)	\$ 0.45	8/7/2008
Outstanding at November 25, 2008	9,825,867		

The fair value of the agent's warrants of \$102,116 is included in share issue costs and contributed surplus under shareholder's equity. The fair value of the agent's warrants was estimated on the dates issued using the Black-Scholes option pricing model with the following weighted average assumptions:

Dividend yield	Nil
Expected volatility	144%
Risk-free rate of return	3.27%
Expected life of options	1 year

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LISTINGS

TSX Venture Exchange: **MRO**

CAPITALIZATION

(as at September 30, 2008)

Shares Authorized: Unlimited

Shares Issued: 30,211,879

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