



## **Management Discussion & Analysis**

For the Nine Months Ended September 30, 2017

## **Introduction**

This is Management's Discussion and Analysis ("MD&A") for Millrock Resources Inc. ("Millrock" or the "Company") and should be read in conjunction with the consolidated financial statements for the quarter ended September 30, 2017 and supporting notes. These consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS").

The Company, in compliance with the Canadian Institute of Chartered Accountants ("CICA") Accounting Standards Board ("AcSB"), adopted the use of the IFRS and transitioned from Canadian Generally Accepted Accounting Principles ("Canadian GAAP") to IFRS by the required date of January 1, 2011.

The Company's board of directors follow recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's Audit Committee meets with management regularly to review the consolidated financial statements, including the MD&A, and to discuss other financial, operating and internal-control matters.

Readers should note the following:

- This MD&A has been prepared based on information known to management as of November 27, 2017.
- All currency amounts are expressed in Canadian dollars unless otherwise noted.
- Gregory A. Beischer, a Director of the Company and its President and Chief Executive Officer, is the qualified person (as defined in NI 43-101) who approved the technical information in this MD&A.

## **Description of Business**

Millrock Resources Inc. ("Millrock" or the "Company") is engaged in the acquisition and exploration of mineral properties prospective for gold, copper and other metals. The principal mineral exploration targets include intrusion-related gold and copper-gold porphyry deposits and vein style gold-silver deposits.

Millrock is active in multiple geologic terrains and mineral districts with twenty-eight mineral exploration projects in three jurisdictions. United States, Canada, and Mexico as follows:

- United States: Seven gold and copper-gold projects in Alaska, one uranium project in New Mexico
- Canada: Three precious and base metal projects in British Columbia
- Mexico: Fifteen gold, silver and copper projects, primarily in Sonora

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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 exploration programs under the terms of earn-in option agreements. This business model shares risk by forming agreements with other companies that invest capital to move exploration projects toward development and production.

Four companies are presently earning an interest in Millrock’s projects: PolarX Limited (“PolarX”) formerly Coventry Resources (“Coventry”), Centerra Gold (“Centerra”), Kinross Gold Corporation (“Kinross”) and Sojourn Exploration Inc. (“Sojourn”), formerly Sojourn Ventures Inc. Presently, seven different projects are being advanced with funding from partners.

Millrock trades on the TSX Venture Exchange under the symbol MRO and is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Nunavut. The Company also trades on the OTCQX marketplace in the United States under the symbol MLRKF.

**Forward Looking Statements**

This document may contain “forward-looking information” within the meaning of Canadian securities legislation and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, “forward-looking statements”). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect Company management’s expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and mineral resources, mineral exploration programs, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology.

By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

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Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of mineral resources; and other risks of the mineral exploration and mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

**Risks and Uncertainties**

**i) Exploration and Development Risk**

The Company's properties 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 mineral exploration 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 an 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 cannot be predicted and 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 exploration risks through earn-in 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**

Presently, the Company strives to obtain the majority of its working capital from other companies that are funding exploration on Millrock projects in order to earn an interest in

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the mineral rights. However, the Company will be dependent on the equity markets as its main source of operating working capital and funding for any advanced exploration and development activities that may be needed on its projects. 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 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) Metal Prices**

The price of gold is affected by numerous factors including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, supply and demand, political, economic conditions and production levels. In addition, the price of gold has been volatile over short periods of time due to speculative activities. The price of other metals and mineral products that the Company may be exploring for, all have the same or similar price risk factors. The prevailing price of metals and speculation on future price of metals by the investing public can have strong impacts on the share prices of exploration companies like Millrock.

**iv) Currency Risk**

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company conducts business in the USA, Canada and Mexico. Expenditures in each jurisdiction are typically paid in local currency. However, a significant portion of its operating expenses are incurred in U.S. dollars. Financial results are reported in Canadian dollars. Therefore, changes in foreign exchange rates could result in 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.

**v) Cash Flows**

The Company currently has no revenue from its exploration operations. However, it does generate revenues from overhead recovery fees charged to third parties funding exploration for administration of project development work. If any of its exploration programs are successful and optionees of properties complete the agreed earn-in expenditures, the Company would have to provide its share of ongoing exploration and development costs in order to maintain its interest. Otherwise the Company's interest will normally reduce to a non-participating royalty interest as defined in the agreement. Additional capital would be required to put a property into commercial production. The sources of funds currently available to the Company are the sale of its, marketable securities, equity capital or the offering of an interest in its projects to another party.

**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 Company's cash and cash equivalents and amounts receivable are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness. The majority of the Company's cash is held through large Canadian and US financial institutions 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. The Company insists on pre-payment of costs for exploration programs that have been approved by partner companies. Work does not commence unless funds to cover the cost of the work have been received. Accounts payable and accrued liabilities are due and paid 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.

**ix) Market Volatility for Marketable Securities**

The Company's marketable securities consist of shares of exploration companies that are historically very volatile. There is no assurance that the Company will be able to recover the current fair market value of those shares. The Company also may not be able to sell the shares it holds in other companies in an illiquid market.

**x) Possible Dilution to Present and Prospective Shareholders**

The Company's plan of operation, in part, contemplates the financing of its business by the issuance of securities and possibly incurring debt. Any transaction involving the issuance of previously authorized but unissued shares of common stock, or securities convertible into common stock, would result in dilution, possibly substantial, to present and prospective holders of common stock. The Company usually seeks earn-in option agreement partners to fund in whole or in part exploration projects. This dilutes the Company's interest in properties. This dilution is undertaken to spread or minimize the risk and to expose the Company to more exploration opportunities. However, it means that any increased market capitalization or profit that might result from a possible discovery would be shared with the option agreement partner. There is no guarantee that the Company can find a third party to enter an earn-in agreement for any property.

**xi) Material Risk of Dilution Presented by Large Number of Share Purchase Options and Warrants**

At quarter end there were 4,245,000 stock options and 27,958,321 warrants outstanding. Directors and officers held 3,015,000 of the options and 415,410 of the warrants, and 1,230,000 of the options were held by employees and consultants of the Company. As of the quarter end there were 49,370,123 shares issued and outstanding. On a fully diluted basis including stock options and warrants the Company has a capitalization of 81,573,444 shares. Subsequent to quarter end 35,000 options expired. Therefore, at report date the Company has a fully diluted capitalization of 81,538,444.

**xii) Trading Volume**

The relatively low trading volume of the Company's shares reduces the liquidity of an investment in its shares. Trading volumes fluctuate with market conditions and seasons. The Company attempts to reduce this risk by having multiple projects that are continually generating news and therefore investor interest and trading volume.

**xiii) Volatility of Share Price**

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries or discouraging exploration results, changes in financial results, and other factors could have a significant effect on share price.

**xiv) 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.

**xv) Dependence on Management**

The Company depends heavily on the business expertise of its management. There is risk to the Company's ability to execute its business plans if some or all of the current management team were to suddenly leave the Company or become incapable of performing their individual and collective responsibilities. The Company has mitigated the risk of its managers leaving for other companies through competitive compensation, cash bonuses and by providing options to purchase Millrock stock. Some of the senior managers hold substantial share positions in Millrock and are motivated to remain with the Company. The Company has also developed the necessary depth such that it can replace senior managers with more junior staff if necessary. Despite the mitigation measures the Company still depends heavily on its current management.

**xvi) 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.

**xvii) Environmental**

The Company's exploration and development activities are subject to extensive laws and regulations governing environment protection. The Company is also subject to various reclamation related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by non-governmental organizations has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

**xviii) Laws and Regulations**

The Company's exploration activities are subject to extensive federal, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

**xix) Mineral Resource Estimates**

The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. No assurances can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated. Millrock has not prepared or published any mineral resource estimates for any of its properties.

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**Use of the Terms “Mineral Resources” and “Mineral Reserves”**

Any reference in this MD&A to Mineral Resources does not mean Mineral Reserves. Under NI 43-101, a Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined. Mineral Resources are sub-divided, in order of increasing geologic confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

The terms “Mineral Reserve,” “Proven Mineral Reserve” and “Probable Mineral Reserve” are Canadian mining terms as defined in accordance with NI 43-101 and the CIM Standards. These definitions differ from the definitions in SEC Industry Guide 7 under the U.S. Securities Act. Under SEC Industry Guide 7, a reserve is defined as part of a mineral deposit which could be economically and legally extracted or produced at the time the reserve determination is made. Under SEC Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms “Mineral Resource,” “Measured Mineral Resource,” “Indicated Mineral Resource” and “Inferred Mineral Resource” are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. “Indicated Mineral Resource” and “Inferred Mineral Resource” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Indicated Mineral Resource or Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an Inferred Mineral Resource exists or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this MD&A filed herewith or incorporated by reference herein contain descriptions of mineral deposits that may not be comparable to

similar information made public by U.S. companies subject to the reporting and disclosure requirements under United States federal securities laws and the rules and regulations promulgated thereunder.

**CAUTIONARY NOTE TO U.S. INVESTORS REGARDING MINERAL  
RESOURCE AND MINERAL RESERVE ESTIMATES**

Cautionary Note – The United States Securities and Exchange Commission (“SEC”) permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. Millrock Resources Inc. uses certain terms such as “measured”, “indicated”, “inferred”, and “mineral resources,” which the SEC guidelines strictly prohibit U.S. registered companies from including in their filings with the SEC. Accordingly, information contained in this MD&A contains descriptions of our mineral deposits that may not be comparable to similar information made public by U.S. companies which are subject to the reporting and disclosure requirements under United States federal securities laws and the rules and regulations promulgated thereunder. Millrock is not a U.S. registered company, however, it does trade through the OTCQX marketplace, some of its projects are in the U.S., the Company owns two U.S.-based subsidiary companies, the main operational office is in Anchorage, Alaska, and there are a substantial number of U.S. shareholders of Millrock. For these reasons Millrock cautions U.S. investors regarding mineral resource and mineral reserve estimates that may be mentioned in this MD&A.

**Additional Information**

Financial statements, MD&A documents and additional information relevant to the Company and the Company’s activities can be found on SEDAR at [www.SEDAR.com](http://www.SEDAR.com), and/or on the Company’s website at <http://www.millrockresources.com>.

**General**

The Company continued to advance its business objectives through the third quarter of 2017. In total, Millrock expended \$3,790,498 on exploration year to date through the third quarter of 2017, of which \$3,455,769 was supplied by companies that are earning an interest in Millrock’s projects. Additionally, the Company spent \$305,827 on generative exploration through the third quarter.

**Highlights for the Quarter Ended September 30, 2017**

Millrock advanced exploration on two projects in Mexico. These gold projects, La Navidad and El Picacho, are being funded by Centerra.

Millrock completed a drilling program at the Stellar copper-gold project. Millrock is a major (10.6%) shareholder of PolarX, to whom Millrock sold the project in the second quarter.

The Company executed agreements with Sojourn and subsequently carried out surface exploration work at its Oweege Dome, Willoughby and Todd Creek projects in British Columbia. Willoughby and Oweege Dome are under option to Sojourn, who is funding the exploration work.

Millrock completed a soil sampling program at its Liberty Bell gold project in Alaska, and received results from the soil sampling program. Initial data analysis indicates that gold mineralized trends can be tracked beneath overburden in places.

## **Outlook**

Early 2016 saw a surge in both precious and base metal prices and renewed investor interest in mineral exploration equities. Gold prices have traded sideways, but it appears that the longer term trend is upward. Millrock has noticed that major mining company exploration budgets are increasing, and venture capital is now available for quality junior companies.

Throughout the past two years Millrock has generated projects throughout Alaska and Mexico and made new acquisitions in the Golden Triangle of British Columbia. Millrock was able to purchase some excellent exploration projects at very low cost. Now that capital is flowing back into the mining sector Millrock has been able to secure earn-in partners to fund exploration. Budgets for the programs are robust. The coming quarter will be very active, and drilling is underway at the La Navidad gold project in Mexico.

## **Operations Review**

### **United States Properties**

Millrock owns and operates ten mineral exploration projects in Alaska and one in New Mexico, USA. The following provides a summary description of the properties at which there were active exploration field operations or office work, or any related corporate developments.

- 1. Liberty Bell, Alaska, United States, Gold:** Millrock acquired an option on this project at a modest cost. The Company can earn a 100% interest with no underlying royalty for US\$700,000 with most of this cost coming in the last year of the final years of the agreement. The claims host gold mineralization in a small deposit that has not been fully delineated. The deposit is of the distal skarn variety. There is very good exploration potential to find more deposits nearby. In 2017 Kinross made an option to joint venture agreement with Millrock. Kinross has assumed responsibility to meet the holding costs of the underlying agreement. To earn a 70% interest Kinross must expend at least \$5.0 million in exploration expenditures, and make advanced minimum royalty payments. Millrock will operate the exploration and earn management fee revenue. Millrock completed a geochemical exploration program on the Liberty Bell Project this quarter. More than 1,700 soil samples were collected from the property as well as stream

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sediment and rock samples. Results have been received and are being reviewed. It appears that known gold-mineralized trends can be tracked by soil sampling beneath gravel cover. Further compilation of the new data with existing project data will be done in the fourth quarter, and targets selected for 2018.

- 2. Stellar Project, Alaska, United States, Gold:** On July 26<sup>th</sup>, 2017, Millrock announced that it had closed the sale of the Stellar copper-gold project to Coventry Resources (ASX: CYY, “Coventry”) for a 10.6% stake in the company. Coventry owns the nearby Caribou Dome (“CD”) copper deposit, which is reported by Coventry, to have a high-grade resource.

Upon closing of the transaction, Coventry announced that it had successfully raised AUS\$5.5 million, and subsequently changed its name to PolarX. PolarX funded a major drilling campaign on the Stellar Project that was completed this quarter, as well as surface exploration work at CD. Two drill rigs were used to drill holes at the high-grade copper-gold skarn deposit called Zackly. The program’s primary objective was to bring the historic, high-grade, copper-gold resource to meet the standards of the Australian Joint Ore Reserves Committee resource. Approximately 2,000 meters were drilled in 13 holes. Additionally, baseline environmental studies were conducted at both Zackly and CD in anticipation of moving the combined project toward a pre-feasibility study in 2018. Sulfide mineralization was intersected in many of the holes. Good core recovery was realized (unlike in the historic drilling campaigns). Therefore it is expected that adequate drilling information has been obtained to recalculate the resource to modern standards. Assay results are expected in the fourth quarter.

## **Canada Properties**

On December 14, 2015 Millrock announced that it had entered into a series of purchase and option-to-purchase agreements to consolidate three major land packages in the “Golden Triangle” area. This is an attractive, active exploration and mine development district near the town of Stewart, British Columbia, Canada. Later, in the second quarter of 2016 an additional property was purchased, and two of the properties were linked together by staking. The three resulting properties collectively measure approximately 60,000 hectares (600 square kilometers) in area. The projects, briefly described below are named Todd Creek, Oweegee Dome and Willoughby. The projects are prospective for gold and polymetallic base metal deposits and cover known mineral occurrences distributed along favourable structures in the lower Hazelton Group rocks that are known to host many of the known mineral deposits in the district. Millrock formed an option agreement on Oweegee Dome and Willoughby with Sojourn, and granted a first right of refusal on the Todd Creek project to the same company. Sojourn funded work on Oweegee Dome and Willoughby and Millrock did exploration on Todd Creek.

- 1. Todd Creek property, British Columbia, Canada, Base metals and Gold:** The property adjoins the southern boundary of the claim block covering the Brucejack

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Property, which is owned by Pretivm Resources Inc. A small, high grade gold-copper deposit was discovered at Todd Creek by prior workers. Further exploration is warranted. Millrock has staked intervening claims which now join to Todd property with the formerly discrete Poly tenures. The tenures extend the claim block 10 kilometers southeast where it is bisected by Highway 37A and the 138 kilovolt Stewart powerline. Signs of volcanogenic massive sulfide deposits are observed. A large, strong, multi-element soil anomaly occurs on the property. Millrock has staked intervening claims and thus the Todd and Poly claim blocks are now joined to form on project. A property-wide stream sediment sampling program was carried out during the quarter, along with some prospecting. It is anticipated that assay results will be received in the fourth quarter.

2. **Oweege Dome property, British Columbia, Canada, Copper:** The property adjoins the eastern boundaries of Pretivm's Brucejack property and of the KSM property owned by Seabridge Gold Inc. Highway 37 and the recently constructed Northwest Transmission Line transect the western tenures of the Oweege Dome property. Indications of porphyry copper deposits are observed on the property. Millrock carried out a stream sediment sampling program and did prospecting in the immediate areas of conductive zones identified from geophysical survey interpretation. Assay results have been received and are being evaluated.
3. **Willoughby property, British Columbia, Canada, Gold:** The property is situated adjacent to the Red Mountain project owned by IDM Mining. High grade gold was intersected in veins on the Willoughby property by prior workers in the 1980s. No follow-up drilling has been done. The mineralization occurs in the same geologic setting as Red Mountain.

Sojourn funded a brief exploration program on the Willoughby high-grade gold project, located south of Oweege Dome. Mapping and prospecting along the margins of glaciers which have receded substantially since the last exploration effort in 2008. A new mineralized zone was discovered near the edge of the glacier. Assay results have been received and are being evaluated. It is anticipated that the results will be published in the fourth quarter of 2017.

## **Mexico Properties**

On June 6, 2014 the Company entered an agreement to purchase Pembroke Mexico Holdings ("PMXH") and all of its assets, which included the shares of a wholly-owned Mexican subsidiary and nine 100%-owned mineral properties, two mineral properties under option, an extensive geological database and various exploration equipment. The projects, primarily located in the State of Sonora, Mexico, have potential for large-scale copper-gold porphyry deposits, epithermal gold deposits, orogenic gold deposits, high-grade vein gold deposits, and skarn and replacement-style silver-zinc-lead deposits. Throughout 2015 and 2016 Millrock actively generated more.

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The Company worked actively to secure funding agreements for the projects. In 2016 Centerra Gold entered into earn-in agreements for the Los Cuarentas and Los Chinos properties, and, subsequent to year end, formed a strategic alliance with that company. Millrock continues to actively market all other properties to potential exploration partners.

- 1. Los Cuarentas, Sonora, Mexico, Gold, Silver, Copper, 100%:** Previously Millrock had divided Los Cuarentas into two portions. The eastern portion hosts very large, intense, zoned alteration system typical of porphyry copper deposits. The western portion is situated on a continuation of the mineralized structure associated with the adjoining Mercedes gold-silver mine that is operated by Premier Gold Mines Limited. In this area of the claim block there is potential for high-grade epithermal gold deposits. During the latter part of 2016 a comprehensive surface exploration program consisting of stream sediment sampling program, soil and rock sampling, geological mapping, magnetic and induced polarization geophysical surveys, and drill road building. The work was funded by Centerra, but during the quarter, decided to terminate its option on the project. Several quality drill targets have been identified. Millrock intends to find another funding partner for the project.
- 2. Los Chinos Project, Sonora, Mexico, Gold, 100%:** This project targets orogenic-style gold deposits. It is located along a juxtaposed contact of high grade Proterozoic metamorphic rocks against relatively un-metamorphosed but deformed metasedimentary rocks of Jura-Cretaceous age. Several known gold showings suggest a favourable exploration environment. An integrated exploration program comprised of induced polarization and magnetic geophysical surveys, extensive soil sampling, and geological mapping was carried out in 2016. Trenching and drilling of anomalous zones was completed late in the year. While good structures with alteration were intersected, only weak gold intersections were returned. Centerra terminated its option during the quarter.
- 3. Ramard Project, Sonora, Mexico, epithermal / vein, skarn and porphyry Gold and base metals 100%:** The claims cover a historic, polymetallic stream sediment anomaly as well as a known epithermal stockwork vein showing. Two areas of high grade gold in vein float (boulders) with magnetite stockworks are present. Additionally, a large skarn system was recently discovered. The skarn contained anomalous silver, lead and zinc. Millrock carried out soil sampling and prospecting on the claims in 2015, and has been marketing the project to potential partners.
- 4. Guadalcazar Project, San Luis Potosí, Central Mexico, Gold-Silver, 100% Option from Servicio Geologico Mexico:** At this project a silver-bearing skarn zone is known. Pembroke, from a 2013 drilling program, has reported high grade silver over significant drill intervals including 22 m @ 148 grams per tonne silver.

**5. La Navidad Project, Sonora, Mexico, Gold, Option to Purchase 100%:**

Millrock entered an option to purchase a 100% interest in the La Navidad gold property and simultaneously entered an agreement with Centerra by which Centerra can earn an 80% interest in the project by meeting the terms of the underlying agreement with Western Mining. The project targets orogenic gold deposits. There is evidence and indicators of such deposits on the property. Prior drilling intersected low-angle quartz veins containing gold. The adjacent wall rocks are also known to be mineralized with low grade gold. Extensive alteration zones indicate a robust mineralizing system that may have produced a large gold deposit. Exploration has proceeded rapidly since the project was started in the prior quarter. Induced polarization and magnetic geophysical surveys were conducted. Geological mapping and prospecting was also done. Soil sampling was done throughout the property and three main mineralized zones detected. Gold appears to be quite widely distributed. Sampling of rocks in road cuts detected gold mineralization over significant intervals. Subsequent to the end of the quarter the results of the work completed in the third and early fourth quarter were reported and a drilling program was announced and is presently underway. A news release dated June 13, 2017 provides further project background and results.

**6. El Picacho, Sonora, Mexico, Gold, Option to Purchase 100%**

Millrock entered an option to purchase a 100% interest in the El Picacho gold property located in northern Sonora, Mexico in the first quarter of 2017. This was a project that had been recommended to Centerra to become a Designated Project under the Sonora Strategic Alliance in effect between the companies. To earn the interest (which includes both the surface and subsurface estate) from the owners who are private individuals, Millrock must make cash payments totaling US\$1,723,500 over the course of the four year option period. Simultaneously with signing the option agreement Millrock also made an agreement with Centerra by which Centerra can earn an 80% interest in the project by meeting the terms of the underlying agreement up until the point that Centerra has expended \$US 2.0 million.

The project targets orogenic gold deposits. There is evidence and indicators of such deposits on the property. The project attributes are further described in a Millrock press release dated June 8, 2017.

Exploration has proceeded rapidly since the project was started in the prior quarter. Induced polarization and magnetic geophysical surveys were conducted; more are planned. Geological mapping and prospecting is also being done, as well as soil sampling. Results are being received, and evaluated, and will be published in due course.

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For the Quarter Ended September 30, 2017

- 7. Sonora Strategic Alliance, Gold:** In the first quarter of 2017 Millrock announced a strategic alliance agreement Centerra Gold Inc. Under the Alliance Millrock will execute generative exploration and evaluate prospective properties to develop gold exploration projects. Centerra will provide funding of at least US\$250,000 in 2017. Millrock and Centerra may nominate projects developed under the Alliance that would become subject to an option to joint venture agreement between the companies. Multiple projects may result from Alliance work with a designated exploration budget for each project that will initially be funded by Centerra. Such projects will be subject to an earn-in agreement in which Centerra can earn an 80% interest by funding US\$2.0 million in exploration. In the event that a party is diluted to a 10% equity interest, such interest will automatically convert to a 1.0% net smelter return royalty.

**Summary of Quarterly Results**

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

	Sept. 30 2017 Q3	Jun. 30 2017 Q2	Mar. 31 2017 Q1	Dec. 31 2016 Q4	Sept. 30 2016 Q3	Jun. 30 2016 Q2	Mar. 31 2016 Q1	Dec. 31 2015 Q4
Mineral expenditures	(829,369)	169,206	280,945	224,899	198,766	31,331	206,395	\$ (225,986)
Overhead Recovery Fees	233,172	58,467	93,095	106,037	90,639	64,544	4,474	17,168
G&A expense (including stock-based comp.)	399,438	765,046	1,219,556	841,065	565,114	610,002	847,278	711,239
Stock-based compensation	-	-	416,106	-	-	-	257,412	-
Adjusted G&A (excluding stock-based comp.)	399,438	765,046	803,450	841,065	565,114	610,002	589,866	711,239
Mineral properties write-off	-	-	-	146,185	-	-	-	1,446,327
Net Income/(loss)	\$ (166,266)	\$ (706,579)	\$ (1,126,461)	\$ (868,572)	\$ (474,475)	\$ (545,458)	\$ (842,804)	(2,146,144)
Loss per share	(0.01)	(0.03)	(0.05)	(0.04)	(0.02)	(0.03)	(0.04)	\$ (0.11)

The company recognized the bulk of its revenue via Overhead Recovery Fees in the third quarter of 2017 and fourth quarter of 2016.

Millrock has observed seasonality in the past in regards to Overhead Recovery Fees as these are charged on earn-in projects where the Company conducts most of its Alaska exploration in the second and third quarters of the year. As the Company actively markets properties in geographically diverse jurisdictions it hopes to offset the seasonality with Mexican property exploration occurring primarily in the first and fourth quarters of the year. The earn-in agreements with Centerra on two Mexican properties and strategic alliance helped generate income in the first quarter of 2017. There was also work performed on Alaskan properties for earn-in partners during the second and third quarters.

The stock based compensation shown on the table for the first quarter of 2016 and 2017 is for the issuance of stock options to employees.

G&A expenses typically remain fairly consistent throughout the years. There is a slight decrease of expense items in the second and third quarters of the years as employees are

more fully engaged on active exploration projects and therefore costs being capitalized to those projects.

The net loss and loss per share see an increase in the fourth quarters of both years because of the property write offs that occur in those quarters.

In recent years the US dollar (USD) has grown stronger relative to the Canadian dollar (CAD). Since the Company holds most of its cash in CAD, this negatively impacts expenses and exploration costs incurred in the USA. It also has a negative impact on potential partner companies for US projects that also raise financing denominated in CAD.

### **Additional Disclosure for Venture Issuers Without Significant Revenue**

As the Company has had little revenue since inception, the following is a breakdown of the material costs incurred:

	Nine Months Ended	Nine Months Ended	Nine Months Ended
	September 30, 2016	September 30, 2016	September 30, 2015
Stock-based compensation	416,106	257,412	\$ 199,563
Investor relations	450,749	276,675	\$ 214,216
Office and miscellaneous	576,981	375,667	\$ 277,310
Consulting, directors and salaries	438,875	693,130	\$ 492,975
General Exploration	305,827	125,254	\$ 593,270
Accounting, audit and legal	169,502	186,955	\$ 147,582
Amortization and depreciation	25,956	11,692	\$ 14,633

The Company's annual financial results for the quarters ended September 30, 2017, 2016, and 2015 have been prepared in accordance with IFRS.

### **Quarter Ended September 30, 2017 Compared to the Quarter Ended September 30, 2016**

The Company had overhead recovery fees of \$233,172 for the quarter ended September 30, 2017 compared to overhead recovery fees of \$115,882 for the quarter ended September 30, 2016, and a net operating loss of \$166,266 as compared to its net operating loss of \$449,018 for the third quarter 2016. The revenue is attributable to overhead recovery fees received from earn in partners. In 2017 overhead recovery fees came mostly from Alaskan and Mexican projects; in 2016 the majority were earned from Mexican projects.

General and Administrative expenses overall for the quarter ended September 30, 2017 totaled \$399,438 as compared to \$564,900 for the corresponding quarter end 2016. The five largest expense items for the quarter ended September 30, 2017 are:

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- Office and miscellaneous expenses of \$153,556;
- Investor relation expenses of \$144,821,
- Consulting, director and salary expenses of \$78,892;
- Accounting, audit and legal expenses of \$35,551.
- Amortization and depreciation expenses of \$8,803;

These items comprise approximately 99% of the total general and administrative expenses of the Company.

**Nine Months Ended September 30, 2017 Compared to the Nine months Ended September 30, 2016**

The Company had revenue of \$384,734 for the nine months ended September 30, 2017 compared to \$159,657 of revenue for the nine months ended September 30, 2016, and a net loss before other comprehensive loss of \$1,999,360, as compared to \$1,862,253 for its net loss before other comprehensive loss for the nine months ended September 30, 2016.

General & administrative expenses overall for the nine months ended September 30, 2017 totalled \$2,384,040 as compared to \$2,022,394 for the same period in 2016. The five largest expense items are:

- Office and miscellaneous expenses of \$576,981;
- Investor relation expenses of \$450,749;
- Consulting, director and salary costs of \$438,875;
- Stock based compensation of \$416,106;
- General exploration expenses of \$305,827

These items comprise approximately 92% of the total general and administrative expenses of the Company.

Office and miscellaneous expenses relative to the total general and administrative expenses for the nine months ended September 30, 2017 amount to approximately 24% compared to 19% for the same period 2016. The Company had increased office and miscellaneous expense in the third quarter of 2017 due to increased operations in all jurisdictions.

Stock based compensation relative to the Company's administrative expenses for the nine months ended September 30, 2017 was approximately 17% compared to 13% for nine months ended September 30, 2016. The options issued to employees in 2017 had a higher value than the options issued in 2016.

Salaries and benefit costs as a portion of the total general and administrative expenses for the nine months ended September 30, 2017 was approximately 18% compared to 34% for the nine months ended September 30, 2016. This was a decrease in percentage of total costs, and attributable to employees being engaged on partnered projects.

General exploration costs relative to the total general and administrative expenses for the nine months ended September 30, 2017 amount to approximately 13% compared to 6% for the same period in 2016. General exploration costs have increased as the company continues to actively explore in all its jurisdictions.

Investor relations expenses as a portion the Company's administrative expenses for nine months ended September 30, 2017 were approximately 19% compared to 14% for the same period ended 2016. The Company increased its outreach towards investors and conferences.

### **Liquidity and Capital Resources**

As of September 30, 2017, the Company has accumulated a deficit of \$36,663,941 and has working capital of \$3,954,873 based on current assets of \$6,056,470 and current liabilities of \$2,101,597.

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 overhead recovery fees are recorded as revenue). These funds can cover a significant portion of 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. There are 4,245,000 options and 27,958,321 warrants outstanding as of the report date. Funding for most of the property exploration carried out by Millrock comes from partner companies earning in to Millrock's projects. Management has carried out an assessment of the going concern assumption and has concluded that the Company has sufficient cash and cash equivalents and other financial assets to continue operating at current levels for the ensuing twelve months. The Company's ability to continue as a going concern is dependent upon its ability to continue some of its existing partnerships, partner additional exploratory prospects, generate overhead recovery fees, and receipt of option payments. 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.

### **Related Party Transactions**

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

	<b>Nine Months Ended September 30</b>	
	<b>2017</b>	<b>2016</b>
Consulting, directors and compensation	\$ 523,888	\$ 554,127
Stock based compensation	416,106	257,412
	<b>\$ 939,994</b>	<b>\$ 811,539</b>

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.

As of September 30, 2017 and December 31, 2016 there were no funds due to or due from related parties.

### **Critical Accounting Estimates**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant areas requiring the use of management estimates include assumptions and estimates relating to determining defined proven and probable reserves, value beyond proven and probable reserves, fair values for purposes of purchase price allocations for business acquisitions, asset impairment analysis, valuation of derivative contracts, determination of recoverable metal on leach pads, reclamation obligations, share-based payments and warrants, pension benefits, valuation allowances for deferred income tax assets, the provision for income tax liabilities, deferred income taxes and assessing and evaluating contingencies. Actual results could differ from these 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, earn-in 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 or vested during the year.

## **Changes in Accounting Policies**

### **Basis of Preparation**

The Company prepares its consolidated financial statements in accordance and compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are effective as of December 31, 2012.

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next twelve months. Realization value may be substantially different from carrying value as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. As of September 30, 2017 the Company had not yet achieved profitable operations, but had working capital of \$3,954,873 (December 31, 2016: \$2,548,685). The Company’s ability to continue as a going concern is dependent upon its ability to generate revenue from overhead recovery fees and option payments.

### **IFRS Standards Issued But Not Yet Effective**

#### **IFRS 9 Financial Instruments**

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments (“IFRS 9”) which will replace IAS 39, Financial Instruments (“IAS 39”). This standard is effective for annual periods beginning on or after January 1, 2018, and permits early adoption. IFRS 9 provides a revised model for recognition and measurement of financial instruments with two classification categories: amortized cost and fair value. As well, under the new standard a single impairment method is required, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes a substantially reformed approach to hedge accounting that aligns accounting more closely with risk management. The Company is assessing IFRS 9’s impact on its financial statements and has not yet determined the impact.

#### **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual

periods beginning on or after January 1, 2018 with early adoption permitted. Management is currently assessing the impact that IFRS 15 will have on its Financial Statements.

### **IFRS 16 Leases**

In January 2016, the IASB issued IFRS 16, Leases (“IFRS 16”). This standard is effective for annual periods beginning on or after January 1, 2019, and permits early adoption provided that IFRS 15 is also adopted. The objective of IFRS 16 is to bring all leases on-balance sheet for lessees. IFRS 16 requires lessees to recognize a “right of use” asset and liability calculated using a prescribed methodology. The Company is assessing IFRS 16’s impact on its financial statements and has not yet determined the impact.

Management intends to adopt the above standards in the Company’s consolidated financial statements as of their effective dates, and is currently considering the impact of the adoption of these standards.

### **Financial Instruments and Other Instruments**

#### **i) Fair Value of Financial Instruments**

The Company’s financial instruments that are measured at fair market value on a recurring basis in periods subsequent to initial recognition and the fair value hierarchy used to measure them has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The company’s financial instruments include: cash and equivalents, accounts receivable, marketable securities, prepaid expenses, accounts payable, and due to related parties. The carrying value of cash and equivalents, accounts receivable, and accounts payable approximates their fair values. The Company has no financial instruments whose fair values are measured using level 2 or level 3 inputs.

#### **ii) 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 amounts receivable are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalent by placing these instruments with large financial institutions. Deposits are insured by the governments up to US\$250,000 in the US and

CAN\$100,000 in Canada, therefore the maximum amount that may be exposed to credit risk totaling cash, restricted cash, and amounts receivable for the nine months ended September 30, 2017 is \$1,858,687.

**iii) 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.

**iv) 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 working capital items of \$299,046 (September 30, 2016: \$668,715) denominated in US dollars. A ten percent change in the exchange rate would result in a \$19,905 (September 30, 2016: \$66,871) impact to the Company's net income (loss). The Company has Mexican peso cash and working capital items of \$176,664 (September 30, 2016: \$85,233). A ten percent change in the exchange rate would result in \$17,666 (September 30, 2016: \$8,523) impact to the Company's net income (loss). 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.

**v) 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 and interest expense on the note payable. The Company is not exposed to significant interest rate risk.

**vi) Management of Capital**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to pursue the exploration and development of its mineral properties, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments in response to changing economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management,

but rather relies on the expertise of the Company's management to sustain future development of the business. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or bring in earn-in partners. Due to the Company's business, the Company regularly enters into earn-in agreements where funds are forwarded to the Company in accordance with the agreement. As such, these funds are restricted.

### **Commitments**

The Company is committed to pay \$51,965 in office rentals for the year 2017.

### **Share Capital**

**i) Authorized**

Unlimited common shares without par value.

**ii) Issued and outstanding common shares for the quarter ended September 30, 2017 was 49,370,123.**

### **Legal Claims and Contingent Liabilities**

At September 30, 2017, there were no material legal claims or contingent liabilities outstanding.

### **Off Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Subsequent Events**

There are no subsequent events to report.

### Disclosure of Outstanding Share Data

The following table summarizes the number of common shares, stock options and share purchase warrants as of November 27, 2017:

	Amount	Exercise Price	Expiry Date
Common Shares outstanding as of November 27, 2017	49,370,123		
Warrants	670,000	\$1.50	October 9, 2018
	2,009,000	\$1.00	June 19, 2019
	8,090,000	\$0.70	October 21, 2019
	428,000	\$0.50	October 21, 2019
	35,040	\$0.70	October 21, 2019
	# 4,139,021	\$0.22	December 10, 2019
	12,400,660	\$0.44	May 25, 2019
	186,600	\$0.29	May 25, 2018
Employee Stock Options	15,000	\$1.00	July 17, 2018
	1,040,000	\$0.50	March 13, 2020
	1,450,000	\$0.25	February 4, 2021
	1,630,000	\$0.50	January 12, 2022
	75,000	\$0.37	August 10, 2022
Fully Diluted Shares Outstanding	81,538,444		

# Note these warrants have tiered exercise price of \$0.22 until Dec. 10, 2016, \$0.30 until Dec. 10, 2017, and \$0.40 thereafter until Dec. 10, 2019

The following table summarizes the weighted average of stock options and share purchase warrants as of November 27, 2017:

	Number of Share	Weighted Average Exercise Price (\$CDN)
Issued and outstanding common shares	49,370,123	-
Incentive stock options	4,210,000	\$ 0.42
Share purchase warrants	27,958,321	\$ 0.55
	81,538,444	-

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*Corporate Secretary*

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Peter J. Chilibeck, LL.B.  
*Director & Chairman, Compensation Committee*

Larry J. Cooper  
*Director*

## **LISTINGS**

TSX Venture Exchange: **MRO**  
OTC Markets Group (OTCQX): **MLRKF**

## **CAPITALIZATION**

(as at November 27, 2017)

Shares Authorized: Unlimited  
Shares Issued: 49,370,123

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