



Management Discussion & Analysis

For the Nine Months Ended September 30, 2019

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

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, 2019 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, 2019.
- 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 nine mineral exploration projects in two jurisdictions. The State of Alaska in the United States and, and Sonora State in Mexico as follows:

- Alaska: Four gold and gold-copper projects
- Sonora: Five gold and copper projects

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

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

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.

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. During the quarter, the Company moved from the OTCQX marketplace to the OTCQB tier in the United States, but still trades 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. 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

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

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 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.

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

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 7,145,000 stock options and 59,506,546 warrants outstanding. Directors and officers held 4,400,000 of the options and 1,205,000 of the warrants, and 2,745,000 of the options were held by employees and consultants of the Company. As of the quarter end there were 95,510,978 shares issued and outstanding. Subsequent to the end of the third quarter the Company had 121,500 warrants exercised, and 8,553,040 warrants expired. Also subsequent to the end of the quarter the Company issued 654,703

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

shares to employees to settle deferred salaries. On a fully diluted basis including stock options and warrants the Company has a capitalization of 154,264,187 shares.

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.

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

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

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

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

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, 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 2019. In total, Millrock expended \$1,656,405 on exploration through the third quarter of 2019. Additionally, the Company spent \$64,438 on generative exploration through the second quarter.

Highlights for the Quarter Ended September 30, 2019

- Millrock completed a private placement financing to raise \$1,577,475.
- Millrock further reduced costs by divesting of the Los Cuarentas gold-silver project in Sonora. Other concessions including El Valle, La Union, Llano del Nogal and El Pima were also sold to Riverside Resources In. (“Riverside”) as well as some vehicles, equipment and data.
- At the Goodpaster Project Millrock completed a CSAMT geophysical survey on the West Pogo claim block. The survey showed conductive zones situated in areas of low magnetic susceptibility down dip and along strike from a new gold deposit discovery made by Northern Star Resources Limited (Northern Star) on their adjacent Pogo Mine property.
- An Earn-in Agreement concerning the Goodpaster project was negotiated and a Binding Term Sheet signed.
- An agreement was made with First Quantum Minerals Limited (“FQM”) concerning a portion of the Chisna Project named the DragonSlayer. First-pass stream sediment, soil and rock sampling with prospecting was carried out with funding provided by FQM. Results were received subsequent to quarter end.

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

Outlook

Markets and availability of capital for junior explorers remains soft but improving. The fundamentals for further commodity price increases appear to be good. Gold prices have risen remarkably, breathing some life into the mining sector. Throughout the past two years Millrock has generated projects that attracted substantial funding from partner companies but presently has no partner funding. Millrock's share price has declined along with the markets. In order to revitalize the Company, Millrock needed to find new funding partners. The efforts to do so have been successful. Two new partnerships have been formed. Staff are engaged on partner-funded exploration projects, reducing Millrock's direct employment costs. In the interim, other costs have been cut to conserve cash, including sale of certain Mexico assets.

Operations Review

United States Properties

Millrock owns and operates four mineral exploration projects in Alaska.

- 1) Alaska Range (Stellar) Project, Alaska, United States, Copper, Gold:** On July 26th, 2017, Millrock announced that it had closed the sale of the Stellar copper-gold project to Coventry Resources (ASX: CYY, "Coventry") for a 10.738% stake in the company. Subsequently Coventry was renamed PolarX. Millrock sold its shareholding of PolarX in 2018 and early in 2019. Millrock retains a royalty on the project, with an advanced minimum royalty provision. Millrock staff assisted with some aspects of the exploration program carried out by PolarX this year, and Millrock realized some income from management fees.
- 2) Liberty Bell, Alaska, United States, Gold:** Millrock acquired an option on this project from a private company called Boot Hill Gold. The Company can earn a 100% interest with no underlying royalty for US\$700,000 with most of this cost coming in 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 or replacement variety. There is very good exploration potential to find more deposits nearby. In 2016 Kinross made an option to joint venture agreement with Millrock. Kinross assumed responsibility to meet the holding costs of the underlying agreement during the option period. To earn a 70% interest Kinross must make at least \$5.0 million in exploration expenditures, and make advanced minimum royalty payments. Kinross elected to terminate the option on the property in the fourth quarter of 2018. Millrock is seeking a new funding partner. Numerous presentations were made to potential partner companies and one company is reviewing project data in detail.
- 3) Apex El Nido, Alaska, United States, High Grade Vein Gold:** Millrock made an option agreement with the underlying owner. The option is good for five years and costs Millrock US\$1,000 per year. There are historical underground mine workings on the project from which approximately 25,000 ounces of gold was

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

- extracted. No drilling beneath the workings has ever been done. Quartz veins of the mesothermal variety locally contain high grade gold mineralization. The veins may extend below the workings. Millrock has been marketing this project to prospective partners.
- 4) Goodpaster Project, Alaska, United States, Gold:** Millrock has acquired a very large tract of claims covering more than 660 square kilometers in the Goodpaster Gold Mining district. The district hosts the Pogo Gold Mine which is operated by Northern Star Resources. Northern Star reports a combined resource and reserve exceeding six million ounces of gold in ore grading approximately on third of an ounce per tonne. Most of the claims were staked in the second quarter of 2019 but others were acquired in prior years by purchase and through option agreements. Millrock also purchased two exploration databases for the Goodpaster Mining District for US\$100,000. The data represents more than \$15 million worth of exploration work. claim The West Pogo claim block, a subset of the overall project, is particularly attractive because it is within sight of the Pogo Gold Mine and there is good evidence to suggest that the same structures that host the gold deposit being mined by Northern Star trend onto Millrock's property. During the quarter Millrock executed a CSAMT geophysical survey that indicated low-angle conductive structures in magnetic low areas along strike and down dip from the new Goodpaster discovery made on the neighboring Northern Star Pogo Mine property. Millrock had been seeking a partner for the project. Subsequent to quarter end Millrock entered a Binding Term Sheet with an ASM listed company called Northern Cobalt and soon to be renamed Resolution Minerals ("Resolution"). Resolution is presently in a legal due diligence period. It is anticipated the agreement will close in the fourth quarter. Funds have been advanced by Resolution. A drill road and winter water well are under construction in anticipation of a drilling program early in 2020.
- 5) Chisna, Alaska, United States, Gold:** Millrock purchased claim blocks from Corvus Gold in 2015. The claim blocks came with a large database of information that cost approximately \$7 million to create. Upon review of the data Millrock has developed some strong targets for porphyry copper-gold mineralization. FQM agreed to fund first-pass geochemical exploration on one of these targets called DragonSlayer. The work was carried out in the third quarter and results have been received. FQM has until December 31, 2019 to decide if they will exercise their exclusive right to enter an option to joint venture agreement concerning the claims at the DragonSlayer project.
- 6) New Mexico Properties:** Millrock owned a uranium deposit (Red Basin project), a gold project and a lithium brine project in New Mexico. However, efforts to find partners for the project were not successful. Millrock abandoned the projects during the second quarter.

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

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, Oweege Dome and Willoughby. The projects are prospective for gold and polymetallic base metal deposits and cover known mineral occurrences distributed along favorable 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 Oweege 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 Oweege Dome and Willoughby and Millrock did exploration on Todd Creek in 2017. In the third quarter of 2018 the transaction by which Millrock sold the Golden Triangle assets to Sojourn was completed. Millrock is a 16.1% shareholder of Sojourn and holds a royalty on three properties. The Company recorded a loss on disposal of \$58,408. Sojourn management was replaced with BC geology and metallogeny experts and Sojourn raised \$2.9 million. The new management team brought four of their own projects into their company and they intend to follow a similar business model as Millrock. The result of this transaction is a well-financed exploration company managed by an outstanding technical team that will specialize as a British Columbia Project Generator company, with Millrock as a major shareholder. The company has been renamed ArcWest Exploration.

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. In the years since, Millrock has actively generated more projects.

The Company was successful in attracting funding for projects from Centerra Gold. In 2016 Millrock entered into earn-in agreements for the Los Cuarentas and Los Chinos properties with Centerra, and early in 2017 formed a strategic alliance with that company. Centerra also optioned the El Picacho and La Navidad project from Millrock, but ultimately the Centerra dropped the options. Millrock. El Picacho and La Navidad, which were optioned from other companies were returned to their owners. Los Chinos was dropped, and Los Cuarentas was sold to Riverside along with other concessions. The Ramard project was dropped.

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

Millrock retains Guadalcazar, and El Batamote, and a number of smaller holdings.

7) 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. Several quality drill targets were identified but Centerra decided to terminate its option. Millrock has since made an option to purchase agreement concerning a small but important internal claim block. During the quarter Millrock sold Los Cuarentas to Riverside Resources along with other smaller claim blocks for cash, shares, and royalty interests.

8) 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 favorable 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 and Millrock has been seeking a partner. Efforts to attract a partner have not been successful and during the first quarter a large portion of the property was abandoned. At the end of 2018 \$84,105 in costs were written off. Further costs of \$6,169 were written off when Millrock dropped the remainder of the property in the second quarter of 2018.

9) 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. The Company has had difficulty gaining access to an important portion of the property. The surface owner, a rancher, does not want exploration being carried out while the ranch is for sale. Millrock continues to monitor the status and will approach the new owners if the

ranch is sold. Given the access difficulty and holding cost Millrock elected to abandon a large portion of the property. \$97,582 in costs were written off at year end 2018. Further costs of \$18,567 were written off when Millrock dropped the remainder of the property in the second quarter of 2018.

10) 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. At year end the Company impaired the value of the property by \$357,079. A funding partner is being sought.

11) El Batamote Project, Sonora State, Mexico, Copper-Gold Porphyry, 100% Millrock:

The project was purchased from a subsidiary of Teck Corporation in 2015. Porphyry mineralization is known at surface and drill holes in the south part of the property. A leach cap in the north part of the property has never been drilled. Millrock is in discussion with another company that may form a partnership to explore the project.

Summary of Quarterly Results

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

| | Sept. 30 2019 Q3 | Jun. 30 2019 Q2 | Mar. 31 2019 Q1 | Dec. 31 2018 Q4 | Sept. 30 2018 Q3 | Jun. 30 2018 Q2 | Mar. 31 2018 Q1 | Dec. 31 2017 Q4 |
|---|------------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|
| Mineral expenditures | (327,356) | (2,595) | 425,678 | (423,491) | 69,290 | 445,098 | 278,871 | 652,187 |
| Overhead Recovery Fees & Exploration rev. | 34,838 | 47,401 | 63,353 | 466,093 | 3,242,666 | 1,759,069 | 215,090 | 265,569 |
| G&A expense (including stock-based comp.) | 532,547 | 644,232 | 507,380 | 1,112,261 | 597,594 | 854,657 | 981,753 | 775,632 |
| Stock-based compensation | 108,633 | - | - | - | - | - | 171,054 | - |
| Mineral properties write-off | 11,836 | 970,206 | - | 576,447 | - | - | - | - |
| Net Income/(loss) before tax | \$ (1,307,810) | \$ (1,894,817) | \$ (595,089) | \$ (1,984,100) | \$ (141,986) | \$ (1,657,847) | \$ (554,606) | \$ (832,378) |
| Loss per share (basic) | (0.00) | (0.04) | (0.01) | (0.04) | - | (0.03) | (0.01) | (0.01) |
| Loss per share (diluted) | (0.00) | (0.04) | (0.01) | (0.04) | - | (0.02) | (0.01) | (0.01) |

The Company recognized the bulk of its revenue via Overhead Recovery Fees in both the second quarters of 2019 and 2018. In 2019 Overhead Recovery Fees were from projects in Alaska. In 2019 and 2018 the Company also recorded exploration revenue and costs related to operations on PolarX's properties in Alaska.

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 helped generate

income in the first quarter. There was also work performed on Alaskan properties for two earn-in partners this quarter.

The stock based compensation shown on the table for the third quarter of 2019 and first quarter of 2018 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. Stock based compensation is typically issued during the first quarter of a year, but can vary in valuation.

The net loss and loss per share see an increase in the second quarter of 2019 and fourth quarter of 2018 because of the property write offs that occurred in the quarter. In the second quarter of 2018 the increased loss per share is greatly attributed to the unrealized losses on marketable securities now being reported in net losses before other comprehensive loss as per the adoption of IFRS 9.

The Company holds most of its cash in CAD, this can negatively impacts expenses and exploration costs incurred in the USA during periods where the US dollar strengthens compared to the Canadian dollar. 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, 2019 | September 30, 2018 | September 30, 2017 |
| Stock-based compensation | 108,633 | 171,054 | 416,106 |
| Investor relations | 184,647 | 419,119 | 450,749 |
| Office and miscellaneous | 317,661 | 591,397 | 576,981 |
| Consulting, directors and salaries | 737,020 | 570,732 | 438,875 |
| General Exploration | 64,438 | 321,922 | 305,827 |
| Accounting, audit and legal | 205,234 | 254,889 | 169,502 |
| Amortization and depreciation | 4,052 | 26,818 | 25,956 |

The Company's annual financial results for the quarters ended September 30, 2019, 2018, and 2017 have been prepared in accordance with IFRS.

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

Quarter Ended September 30, 2019 Compared to the Quarter Ended September 30, 2018

The Company had overhead recovery fees of \$98,191 for the quarter ended September 30, 2019 compared to overhead recovery fees of \$460,302 for the quarter ended September 30, 2018, and a net operating loss of \$560,206 as compared to its net operating gain of \$141,013 for the third quarter 2018. The revenue is attributable to overhead recovery fees received from earn in partners and an advance minimum royalty. In 2019 the majority of overhead recovery fees were earned from Alaskan projects, but in 2018 revenue was earned in Alaska and Mexico.

General and Administrative expenses overall for the quarter ended September 30, 2019 totaled \$677,833 as compared to \$597,594 for the corresponding quarter end 2018. The five largest expense items for the quarter ended September 30, 2019 are:

- Consulting, director and salary expenses of \$242,761;
- Stock based compensation expense of \$108,633.
- Office and miscellaneous expenses of \$106,427;
- Investor relation expenses of \$46,844,
- General exploration expenses of \$41,602;

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

Nine Months Ended September 30, 2019 Compared to the Nine Months Ended September 30, 2018

The Company had revenue of \$145,592 for the Nine Months ended September 30, 2019 compared to \$926,747 of revenue for the Nine Months ended September 30, 2018, and a net loss before other comprehensive loss of \$3,797,716, as compared to \$1,922,925 for its net loss before other comprehensive loss for the Nine Months ended September 30, 2018.

Through the third quarter, the Company also recognized Exploration service revenue of \$695,123 for operating exploration on behalf of a third party. Related to these services the Company also recognized \$587,541 of direct costs.

General & administrative expenses overall for the Nine Months ended September 30, 2019 totalled \$1,829,445 as compared to \$2,434,004 for the same period in 2018. The five largest expense items are:

- Consulting, director and salary costs of \$737,020;
- Office and miscellaneous expenses of \$317,661;
- Accounting, audit and legal expenses of \$205,234
- Investor relation expenses of \$184,647;
- Stock based compensation expense of \$108,633;

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

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

Salaries and benefit costs as a portion of the total general and administrative expenses for the nine months ended September 30, 2019 was approximately 44% compared to 23% for the nine months ended September 30, 2018. The Company has deferred a portion of total cost of salaries, but it was a larger portion of general and administrative spend through the third quarter.

Office and miscellaneous expenses relative to the total general and administrative expenses for the nine months ended September 30, 2019 amount to approximately 17% compared to 24% for the same period 2018. The Company has worked diligently to reduce costs.

Accounting, audit, and legal costs relative to the total general and administrative expenses for the nine months ended September 30, 2019 amount to approximately 11% compared to 11% for the same period in 2018. The Company had slightly lower legal and accounting costs in the first 3 quarters of 2019, but they were the same portion of overall spend.

Investor relations expenses as a portion the Company's administrative expenses for nine months ended September 30, 2019 were approximately 10% compared to 17% for the same period ended 2018. The Company was successful in reducing costs including investor relations so far in the year.

Stock based compensation relative to the Company's administrative expenses for the nine months ended September 30, 2019 was approximately 6% compared to 7% for nine months ended September 30, 2018. The options issued to employees in 2019 had a lower value than the options issued in 2018.

Liquidity and Capital Resources

As of September 30, 2019, the Company has accumulated a deficit of \$42,881,060 and has working capital of \$1,136,597 based on current assets of \$2,251,982 and current liabilities of \$1,115,385.

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 7,145,000 options and 50,832,006 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 may not have sufficient cash and cash equivalents and other financial assets to continue operating at current levels for the

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

ensuing twelve months. The Company's forecast indicates the existence of uncertainty that raises significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. 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:

| | Nine Months Ended September 30 | |
|--|---------------------------------------|-------------------|
| | 2019 | 2018 |
| Consulting, directors and compensation | \$ 355,683 | \$ 502,225 |
| Stock based compensation | 121,225 | 203,674 |
| | \$ 476,908 | \$ 705,899 |

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, 2019, there was \$169,458 (December 31, 2018: \$27,182) due to related parties for accrued directors' fees and deferred salary expenses. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.

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.

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

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, 2019, the Company had not yet achieved profitable operations, but had working capital of \$1,136,597 (December 31, 2018: \$2,207,031). 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 Adopted

IFRS 16 Leases

In January 2016, the IASB released IFRS 16, which is required to be applied for years beginning on or after January 1, 2019, and which supersedes IAS 17 Leases (“IAS 17”). Effective January 1, 2019, the Company adopted this new accounting standard. The most significant effect of the new standard will be the lessee’s recognition of the initial present value of unavoidable future lease payments as right-of-use (“ROU”) assets and lease liabilities on the statement of financial position, including those for most leases that would currently be accounted for as operating leases. Both leases with durations of 12 months or less and leases for low-value assets may be exempted.

The Company has office leases for its headquarter in Anchorage, Alaska. In the context of the transition to IFRS 16, ROU assets of \$330,960 and lease liabilities of \$330,960 were recognized as at January 1, 2019, in accordance with the modified retrospective approach. As a transitional practical expedient permitted by IFRS 16 as at January 1, 2019, only contracts that were previously identified as leases applying IAS 17 and IFRIC 4, Determining Whether an Arrangement Contains a Lease, were assessed as part of the transition to the new standard. Only contracts entered into (or modified) after January 1, 2019 have been assessed for being, or containing, leases applying the criteria of the new standard.

The application of IFRS 16 requires the Company to make judgments that affect the valuation of the lease liabilities and the valuation of ROU assets. These include: determining contracts that are within the scope of IFRS 16; determining the contract term; and determining the interest rate used for the discounting of future cash flows.

The ROU assets are recognized initially at the value of lease liabilities at recognition with any prepaid payments, initial direct costs and dismantling costs less any lease incentives received. Re-measurements will not be applied by the Company subsequently, except for assessment for impairment, where appropriate.

The lease term determined by the Company comprises the non-cancellable period of lease contracts; the period covered by an option to extend the leases, if the Company is reasonably certain to exercise that option; and the periods covered by an option to terminate the lease, if the Company is reasonably certain not to exercise that option. The amortization rate of ROU assets is based on the lease term determined. The present value of the lease payment is determined using the discount rate representing the weighted average incremental borrowing rate the Company could secure. There are no restrictions or covenants imposed by the Company’s leases.

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, 2019 is \$1,240,046.

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

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Quarter Ended September 30, 2019

capital items of \$218,106 (September 30, 2018: \$293,387) denominated in US dollars. A ten percent change in the exchange rate would result in a \$21,810 (September 30, 2018: \$29,338) impact to the Company's net income (loss). The Company has Mexican peso cash and working capital items of \$93,211 (September 30, 2018: \$122,747). A ten percent change in the exchange rate would result in \$9,321 (September 30, 2018: \$12,275) 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 the following in office rentals for future years:

| | At the Quarter Ended September 30 | | | |
|----------------------------------|--|----------------|----|----------------|
| | | 2019 | | 2018 |
| Within 1 year | \$ | 103,499 | \$ | 89,515 |
| After 1 year, but no more than 5 | | 92,575 | | 83,077 |
| More than 5 years | | - | | - |
| | \$ | 196,074 | \$ | 172,592 |

Share Capital

i) Authorized

Unlimited common shares without par value.

- ii)** Issued and outstanding common shares for the quarter ended September 30, 2019 was 95,510,978. As of report date, the issued and outstanding common shares are 96,287,181.

Legal Claims and Contingent Liabilities

At September 30, 2019, there were no material legal claims or contingent liabilities outstanding.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Subsequent Events

Millrock negotiated terms with ASX-listed junior exploration company Northern Cobalt concerning the Goodpaster Project and signed a Binding Term Sheet.

Disclosure of Outstanding Share Data

The following table summarizes the number of common shares, stock options and share purchase warrants as of November 27, 2019:

| | Amount | Exercise Price | Expiry Date |
|---|-------------|----------------|--------------------|
| Common Shares outstanding as of November 27, 2019 | 96,287,181 | | |
| Warrants | # | \$0.40 | December 10, 2019 |
| | * | \$0.45 | December 15, 2020 |
| | ## | \$0.14 | December 14, 2021 |
| | ## | \$0.14 | December 14, 2021 |
| | ## | \$0.14 | December 14, 2021 |
| Employee Stock Options | 1,010,000 | \$0.50 | March 13, 2020 |
| | 1,400,000 | \$0.25 | February 4, 2021 |
| | 1,530,000 | \$0.50 | January 12, 2022 |
| | 75,000 | \$0.37 | August 10, 2022 |
| | 1,245,000 | \$0.23 | March 26, 2023 |
| | 1,885,000 | \$0.09 | September 30, 2024 |
| Fully Diluted Shares Outstanding | 154,264,187 | | |

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

* Note these warrants have tiered exercise price of \$0.35 until Dec. 15, 2018, \$0.45 until Dec. 15, 2019, and \$0.55 thereafter until Dec. 15, 2020

Note these warrants have tiered exercise price of \$0.14 until Dec. 14, 2019, \$0.17 until Dec. 14, 2020, and \$0.20 thereafter until Dec. 14, 2021

The following table summarizes the weighted average of stock options and share purchase warrants as of November 27, 2019:

| | Number of Share | Weighted Average Exercise Price (\$CDN) |
|-------------------------|-----------------|---|
| Incentive stock options | 7,145,000 | \$ 0.29 |
| Share purchase warrants | 50,832,006 | \$ 0.17 |
| | 57,977,006 | - |

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Director & Chairman, Compensation Committee

Larry J. Cooper
Director & Chairman, Audit Committee

LISTINGS

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

CAPITALIZATION

(as at November 27, 2019)

Shares Authorized: Unlimited
Shares Issued: 96,287,181

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