



ANNUAL REPORT

For the Year Ended December 31, 2019

www.millrockresources.com



ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The consolidated financial statements of Millrock Resources Inc. have been prepared by management in accordance with International Financial Reporting Standards ("IFRS").

Management maintains systems of internal control designed to provide reasonable assurance that the assets are safeguarded and financial information is accurate and reliable. All transactions are authorized and duly recorded, and financial records are properly maintained to facilitate financial statements in a timely manner. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee of the Board of Directors has reviewed the consolidated financial statements with management and the external auditors. Manning Elliott LLP, an independent firm of chartered professional accountants, appointed as external auditors by the shareholders, have audited the consolidated financial statements and their report is included herein.

"Gregory Beischer"

Gregory Beischer
President and Chief Executive Officer

"Keith Granberry"

Keith Granberry
Chief Financial Officer

Vancouver, Canada
April 29, 2020

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Millrock Resources Inc.

Opinion

We have audited the consolidated financial statements of Millrock Resources Inc. and its subsidiaries (the "Company") which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of Millrock Resources Inc. for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those consolidated statements on April 26, 2019.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Michael Ryan Ayre.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada

April 29, 2020

MILLROCK RESOURCES INC.*(An Exploration Stage Company)***Consolidated Statements of Financial Position***As at December 31, 2019, and December 31, 2018**(expressed in Canadian dollars)**Going concern - Note 2*

ASSETS	31-Dec-2019	31-Dec-2018
Current assets		
Cash and cash equivalents	\$ 494,145	\$ 779,166
Security deposit and restricted cash - Note 5	-	64,800
Marketable securities - Note 6	713,639	1,510,341
Amounts receivable	116,429	456,960
Prepaid expenses and deposit	7,295	55,776
Total current assets	\$ 1,331,508	\$ 2,867,043
Non-current assets		
Advances on exploration expenditures	\$ 1,349	\$ 48,417
Right of use asset - Note 10	209,430	-
Exploration and evaluation assets - Note 8	3,364,943	3,505,099
Property, plant and equipment - Note 7	2,432	38,346
Total non-current assets	\$ 3,578,154	\$ 3,591,862
TOTAL ASSETS	\$ 4,909,662	\$ 6,458,905
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 646,266	\$ 541,533
Income tax payable - Note 17	78,178	81,410
Project cost advance received - Note 9	-	9,888
Lease liability current portion - Note 10	84,041	-
Due to related parties - Note 15	34,276	27,182
Total current liabilities	\$ 842,761	\$ 660,013
Non-current liabilities		
Asset retirement obligation - Note 16	\$ -	\$ 47,000
Lease liability long term portion - Note 10	142,470	-
Deferred tax liability - Note 17	-	32,000
Total non-current liabilities	\$ 142,470	\$ 79,000
Total liabilities	\$ 985,231	\$ 739,013
Shareholders' equity		
Share capital - Note 12	\$ 41,798,903	\$ 39,662,935
Reserves		
Share-based payments - Note 13	4,784,209	4,662,984
Warrants - Note 13	973,421	518,502
Accumulated other comprehensive (loss)/ income	(251,839)	(41,185)
Deficit	(43,380,264)	(39,083,344)
Total shareholders' equity	\$ 3,924,430	\$ 5,719,892
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 4,909,662	\$ 6,458,905

*These financial statements were approved and authorized for issue by the Board of Directors on April 29, 2020.**They were signed on its behalf by:*

Approved by the directors

Gregory BeischerLarry Cooper

Gregory Beischer

Larry Cooper

See accompanying notes to the consolidated financial statements

Consolidated Statements of Loss and Comprehensive Loss

For the Years ended December 31, 2019, and 2018

(expressed in Canadian dollars)

Going concern - Note 2

	For the Years Ended	
	December 31, 2019	December 31, 2018
Revenue		
Overhead recovery fees	\$ 100,896	\$ 444,049
Exploration services revenue	1,029,328	5,238,869
	1,130,224	5,682,918
Cost of sales		
Direct cost of exploration services	904,132	4,859,698
General and administrative expense		
Accounting, audit and legal	367,616	285,222
Amortization, depreciation, and impairment - Note 7	5,359	32,865
Amortization of right of use asset - Note 10	73,027	-
Consulting, directors and salaries - Note 15	930,752	991,496
Foreign exchange (loss)/gain	1,734	(13,738)
General exploration	40,638	452,351
Interest expense of lease liability - Note 10	25,979	-
Investor relations	275,607	313,849
Office and miscellaneous expense	435,532	715,572
Stock-based compensation - Note 13	148,848	171,054
	2,305,092	2,948,671
Loss before other items	\$ (2,079,000)	\$ (2,125,451)
Other items		
(Loss)/Gain on disposal of assets - Note 7	(3,647)	15,900
(Loss)/Gain on disposal of exploration property - Note 8	(877,996)	(58,408)
Unrealized loss on marketable securities - Note 6	(291,952)	(1,467,571)
Impairment / write off of exploration and evaluation assets - Note 8	(1,170,678)	(576,447)
(Loss)/Gain on sale of marketable securities - Note 6	(101,316)	(126,563)
Other income - Note 8	195,670	-
Loss before income taxes	\$ (4,328,920)	\$ (4,338,539)
Income tax recovery - Note 17	32,000	19,000
Net loss before other comprehensive loss	\$ (4,296,919)	\$ (4,319,539)
Other comprehensive income/(loss)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods (net of tax):		
Cumulative translation adjustment	(210,653)	298,675
Comprehensive loss for the period	\$ (4,507,572)	\$ (4,020,865)
Basic and diluted loss per share	\$ (0.06)	\$ (0.08)
Weighted average number of shares outstanding - basic and diluted	77,957,172	57,377,939

See accompanying notes to the consolidated financial statements

MILLROCK RESOURCES INC.*(An Exploration Stage Company)***Consolidated Statements of Cash Flows***For the Years ended December 31, 2019, and 2018**(expressed in Canadian dollars)*

Going concern - Note 2

	For the Years Ended	
	2019	2018
Cash provided from (used in)		
Operating activities		
Net loss	\$ (4,296,919)	\$ (4,319,539)
Items not involving cash		
Amortization and depreciation - Note 7	5,359	32,865
Loss/(Gain) on disposal of mineral property	877,996	58,408
Loss on marketable securities - Note 6	101,316	
Impairment/ Write-off of exploration and evaluation assets - Note 8	1,170,678	576,447
Amortization of right of use asset - Note 10	73,027	-
Accretion of note payable - Note 11	-	2,154
Interest expense of right of use asset - Note 10	25,979	-
Stock-based compensation - Note 13	148,848	171,054
Unrealized loss on marketable securities - Note 6	291,952	1,467,571
Income tax recovery - Note 17	(32,000)	(19,000)
	\$ (1,633,764)	\$ (2,030,041)
Net change in non-cash working capital items		
Amounts receivable	\$ 340,531	\$ (279,796)
Prepaid expenses and deposits	48,481	21,301
Accounts payable and accrued liabilities	(112,294)	(201,020)
Income tax payable	(3,232)	5,421
Project cost advance received	(9,888)	(79,759)
Asset retirement obligation	(47,000)	-
Due to related parties - Note 15	7,094	17,182
Total cash inflows/(outflows) used in operating activities	\$ (1,410,072)	\$ (2,546,711)
Cashflows from investing activities		
Advances on exploration expenditures	\$ 47,068	\$ 114
Sale of marketable securities - Note 6	450,157	1,115,718
Net expenditures on exploration and evaluation assets	(2,747,379)	(4,922,112)
Cash recovered from exploration partners	781,007	4,110,626
Purchase of equipment and property - Note 7	-	(7,830)
Proceeds from sale property and equipment - Note 7	35,000	268,544
Total inflows/(outflows) from investing activities	\$ (1,434,147)	\$ 565,060
Cashflows from financing activities		
Security deposit and restricted cash	\$ 64,800	\$ 61,217
Share issuance costs - Note 12	(62,522)	(39,000)
Shares issued for cash - Note 12	2,577,475	1,044,500
Cash received for warrant exercise	17,010	-
Repayment of lease liability	(37,565)	-
Note payable - Note 8	-	(66,627)
Total inflows/(outflows) from financing activities	\$ 2,559,198	\$ 1,000,090
(Decrease)/Increase in cash and cash equivalents	\$ (285,021)	\$ (981,561)
Cash and cash equivalents, beginning of the period	779,166	1,760,727
Cash and cash equivalents, end of the period	\$ 494,145	\$ 779,166

See accompanying notes to the consolidated financial statements

MILLROCK RESOURCES INC.
(An Exploration Stage Company)

Consolidated Statements of Changes In Shareholders' Equity

For the years ended December 31, 2019 and 2018
(expressed in Canadian dollars)

Going concern - Note 2

	Common Shares (Note 12)		Reserves		Other Comprehensive Income	Deficit	Total Shareholders' Equity
	Shares	Amount	Share-based Payment	Warrants			
Balance, December 31, 2017	56,890,123	\$ 38,672,646	\$ 4,459,310	\$ 503,291	\$ (19,001)	\$(35,084,665)	\$ 8,531,581
Impact of adopting IFRS 9 on January 1, 2018 (note 2.1)					(320,859)	320,859	-
Balance, January 1, 2018 (restated)	56,890,123	\$ 38,672,646	\$ 4,459,310	\$ 503,291	\$ (339,860)	\$(34,763,806)	\$ 8,531,581
Issuance of units comprised of common shares and warrants for cash pursuant to private placements	10,445,000	1,044,500	-	-	-	-	1,044,500
Share issue costs and finder's fee		(54,211)	-	15,211	-	-	(39,000)
Stock-based compensation	-	-	203,674	-	-	-	203,674
Cumulative translation adjustment	-	-	-	-	298,675	-	298,675
Loss for the year	-	-	-	-	-	(4,319,539)	(4,319,539)
Balance, December 31, 2018	67,335,123	\$ 39,662,935	\$ 4,662,984	\$ 518,502	\$ (41,185)	\$(39,083,345)	\$ 5,719,892
Issuance of units comprised of common shares and warrants for cash pursuant to private placements	28,175,855	2,148,904	-	428,571	-	-	2,577,475
Share issue costs and finder's fee		(88,870)	-	26,348	-	-	(62,522)
Issuance of common shares for cash pursuant to exercise of warrants	121,500	17,010	-	-	-	-	17,010
Stock-based compensation	-	-	121,225	-	-	-	121,225
Issuance of common shares for debt	654,703	58,923	-	-	-	-	58,923
Cumulative translation adjustment	-	-	-	-	(210,653)	-	(210,653)
Loss for the year	-	-	-	-	-	(4,296,919)	(4,296,919)
Balance, December 31, 2019	96,287,181	\$ 41,798,903	\$ 4,784,209	\$ 973,421	\$ (251,839)	\$(43,380,264)	\$ 3,924,430

See accompanying notes to the consolidated financial statements

MILLROCK RESOURCES INC.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

1. General Information

Millrock Resources Inc. (“Millrock” or the “Company”) is a public Company listed on the TSX Venture Exchange. The Company’s shares trade on the TSX Venture Exchange under the symbol “MRO”. The registered office of the Company is located at 1177 West Hastings St., Suite 2300 Vancouver, British Columbia, Canada V6E 2K3.

The Company’s principal business activities include exploration and development of mineral resources. All of the Company’s projects are considered to be in the exploration stage and the Company has not yet determined whether these properties contain mineral resources that are economically recoverable (“ore reserves”). The Company utilizes the “Project Generator” business model. Through research and early stage exploration, the Company generates new exploration ideas, acquires mineral rights and performs exploration work to clearly identify drilling targets. Earn-in option agreements are made with partners that fund drilling and more advanced exploration to earn an interest in the Company’s properties.

2. Basis of Preparation and Going Concern

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, 2019.

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 realize its assets and meet its obligations over the 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 December 31, 2019, the Company had not yet achieved profitable operations, and had an accumulated deficit of \$43,380,264 (2018: \$39,083,344). 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 ensuing twelve months. The Company’s forecast indicates the existence of material 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 raise additional equity, continue some of its existing partnerships, partner additional exploratory prospects, generate overhead recovery fees, receipt of option payments and to sell shares of other companies that are owned by Millrock.

In March 2020, the Company was forced to temporarily reduce its operations as a result of the Covid-19 outbreak. The Company believes that the reduction is temporary, and it expects to resume normal operations as restrictions are alleviated. The Company has implemented various temporary cost saving measures to reduce losses and manage cash flow during this period. Additionally, the Company has applied for and been approved for funds related to the US Paycheck Protection Program. The duration of

MILLROCK RESOURCES INC.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

the reduced operations is not currently determinable, and no provision has been made in these financial statements for any effects that the Company may experience if the reduction is other than temporary.

2.1 Changes in Accounting Policies and Disclosures

Other than the changes below, the accounting policies adopted are consistent with those of the previous financial year.

The Company applied IFRS 16 effective January 1, 2019.

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 headquarters in Anchorage, Alaska. In the context of the transition to IFRS 16, ROU assets of \$295,395 and lease liabilities of \$295,395 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. There were no leases classified as finance leases at transition.

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.

MILLROCK RESOURCES INC.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

2.2 Upcoming Changes in Accounting Standards**IFRS Standards Issued But Not Yet Effective**

Management has reviewed upcoming IFRS standards for implementation and determined that there are no new standards that will impact the Company's reporting.

3. Significant Accounting Policies

The significant accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements and have been applied consistently by the Company's subsidiaries.

3.1 Principles of Consolidation**Subsidiaries**

The consolidated financial statements comprise the financial statements of the parent Company and its subsidiaries (the "Group") as at December 31, 2019. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The consolidated financial statements of the Company include the following significant subsidiaries:

Name of Subsidiary	Place of Domicile	Percentage Ownership
Millrock Exploration Corp	USA	100%
Millrock Alaska LLC	USA	100%
Millrock Mexico Holdings Corp	Canada	100%
Recursos Millrock	Mexico	100%

3.2 Foreign Currency Translation**(i) Functional and Presentation Currency**

Items included in the accounts of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The consolidated financial statements are presented in Canadian dollars (the "presentation currency"). The Canadian dollar is the functional currency of the parent Company and Millrock Mexico Holdings Corp. The US dollar is the functional currency of each of the Company's United States subsidiaries. The Mexican peso is the functional currency of Recursos Millrock.

MILLROCK RESOURCES INC.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions as well as from the translation of monetary assets and liabilities not denominated in the functional currency of the subsidiaries and parent company are recognized in the consolidated statements of loss except for monetary items that are designated as part of the Group's net investment of a foreign operation. These foreign exchanges are recognized in other comprehensive loss until the net investment is disposed of, at which time, the cumulative amount is reclassified to the consolidated statement of loss.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated to Canadian dollars at the period end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting translation adjustments are included in the other comprehensive loss reserve in shareholders' equity. Additionally, foreign exchange gains and losses, related to certain intercompany loans that are permanent in nature, are included in other comprehensive loss reserve.

3.3 Property, Plant and Equipment**(i) Recognition and Measurement**

Property, plant and equipment are carried at cost less accumulated amortisation and depreciation and any impairment in value. When an asset is disposed of, it is derecognized and the difference between its carrying value and net sales proceeds is recognized as a gain or loss in the consolidated statements of loss.

Property, plant and equipment are recorded at cost on initial acquisition. Cost includes the purchase price and the directly attributable costs of acquisition or construction required to bring an asset to the location and condition necessary for the asset to be capable of operating in the manner intended by management.

(ii) Depreciation

Property, plant and equipment are depreciated and amortized over a straight line basis over the estimated useful life of the asset. Where components of an asset have a different useful life and cost that is significant to the total cost of the asset, depreciation is calculated on each separate component. Depreciation methods, useful lives and residual values are reviewed at the end of each year.

Furniture and fixtures	3 years
Office equipment	3 years
Leasehold improvement	1 year
Software	1 year
Vehicle	3 years
Building	39 years

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For the Years Ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

3.4 Exploration and Evaluation Assets

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for, and development of mineral properties to which the Company has rights. Exploration expenditures typically include costs associated with acquisition of rights to explore, prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore.

Evaluation expenditures reflect costs incurred at exploration projects related to establishing the technical and commercial viability of mineral deposits identified through exploration or acquired through a business combination or asset acquisition. Costs incurred prior to the acquisition of a mineral property are charged to the statement of comprehensive loss as incurred under the heading of General Exploration. Evaluation expenditures include the cost of:

- i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities to classify deposits as either a mineral resource or a proven and probable reserve;
- ii) determining the optimal methods of extraction and metallurgical and treatment processes;
- iii) studies related to surveying, transportation and infrastructure requirements;
- iv) permitting activities; and
- v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

From time to time, the Company may acquire or dispose of mineral interests pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as acquisition cost additions or recoveries when the payments are made or received. Millrock maintains ownership and control of the property until the earn-in partner fulfills contractual obligations and the costs incurred over that period are capitalized. When the obligations are positively fulfilled the earn-in partner is afforded a predetermined interest in the project, which may result in a change of control, but not joint control.

From time to time the Company may issue shares for option-in agreements in respect of acquisition of mineral interests. These equity-settled share-based payment transactions are measured by reference to the fair value of the equity instruments granted with the corresponding increase in equity.

3.5 Impairment of Non-Financial Assets

Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment test is performed when (a) the right to explore in a specific area has expired or will expire in the near future without expectation to renew, (b) exploration or evaluation expenditures of any significance are not planned or budgeted, (c) no mineral resources in a specific area have been discovered which have the potential for commercial viability and the Company has decided to halt further activities in the area, or

MILLROCK RESOURCES INC.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

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(d) sufficient indications exist that the minerals in a specific area can be developed, however the asset is unlikely to recover in full the carrying cost. For Exploration and Evaluation assets the Company's unit of account is the land title or claim license. The land titles cumulatively make up a block of land the Company is exploring for its mineral potential. Over the course of exploration, costs are capitalized to the claim blocks. Therefore, given the unit of account is the land title or claim license, when individual claims are dropped or abandoned the associated value is written down to nil. As per IFRS 6 we assess any retained properties for indicators of impairment. During exploration the Company tracks the total capitalized cost of each property and allocates these costs evenly to the underlying titles, which make up the project. When the Company forfeits its rights to an exploration title an impairment charge is recorded for the carrying value of the title.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

3.6 Financial Assets

(i) Classification

The Company classifies its financial assets in the following categories as fair value through profit or loss or amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either financial assets held for trading or financial assets designated by the Company as fair value through profit and loss upon initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. The Company's financial assets through profit and loss include marketable securities.

b) Financial assets at amortized cost

The Company measures financial assets at amortized cost if both the following conditions are met:

- The financial asset is held with the objective to hold financial assets in order to collect contractual cash flows; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

The Company's financial assets at amortized costs include cash, security deposits, amounts receivable included in current assets.

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(ii) Recognition and Measurement

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss category are recognized in the consolidated statements of loss. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated statements of loss as part of other income when the Company's right to receive payments is established.

(iii) Impairment of Financial Assets

An 'expected credit loss' (ECL) model applies to financial assets measured at amortized cost. The Company's financial assets measured at amortized cost and subject to the ECL model include amounts receivable.

For trade receivable and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

3.7 Amounts Receivable

Amounts receivable are primarily comprised of amounts due from earn-in partners as a result of cash calls on particular projects in which earn-in partners have elected to participate. Amounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment using the simplified approach where appropriate.

3.8 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held with financial institutions, and other short-term highly liquid investments with original maturities of three months or less.

3.9 Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity.

3.10 Financial Liabilities

Financial liabilities classified as amortized cost are initially recognized at fair value less directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

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The Company has classified its accounts payable and accrued liabilities, note payable, due to related parties, lease liability, and project cost advance as amortized cost.

3.11 Current and Deferred Income Tax

Income tax expense is recognized in the consolidated statements of loss except to the extent that it relates to items recognized either in other comprehensive loss or directly in equity, in which case it is recognized in other comprehensive loss or in equity, respectively. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the consolidated statements of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3.12 Share-Based Payment Transactions

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled transactions and, when determinable, are recorded at the value of the goods and services received. If the value of the goods and services received are not determinable, then the fair value of the share-based payment is used.

The Company uses a fair value based method (Black-Scholes Option Pricing model) for all share options granted to directors, employees and certain non-employees. This model employs assumptions for risk free interest rates, dividend yields, expected lives, and volatility based on historical data. For directors and employees, the fair value of the share options is measured at the date of the grant.

For grants to non-employees where the fair value of the goods or services is not determinable, the fair value of the share options is measured on the date the services are received.

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The fair value of share-based payments is charged either to profit or loss or the related asset as applicable, such as exploration and evaluation assets, with the offsetting credit to share-based payments reserve. For directors and employees, the share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods where vested. For non-employees, the share options are recognized over the related service period. When share options are exercised, the amounts previously recognized in share-based payments reserve are transferred to share capital.

In the event share options are forfeited prior to vesting, the associated fair value recorded to date is reversed. The fair value of any vested share options that expire remain in share-based payments reserve.

3.13 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.14 Revenue Recognition

Revenue from contracts with customers is derived from exploration services and overhead recovery fees. Revenue is recognized when a contract exists, the Company can identify the payment terms for the goods or services to be transferred, the related performance obligations are satisfied, and it is probable that the Company will collect the consideration to which it will be entitled. Overhead recovery fees are generated when the Company operates an exploration program under a budget approved by the earn-in partner. The Company charges the earn-in partner a pre-determined fee.

Management fees earned by Millrock under the partnership contracts constitutes revenue with a customer as Millrock is contracted to provide certain services which are considered an output of the Millrock's ordinary activities. Such management fees are therefore within the scope of IFRS 15 and disclosed as revenue from "overhead recovery fees" within the financial statements. The terms of the management fee arrangements are non-complex and standardized across all joint exploration agreements, the only variation between agreements being that the consideration will be either be a fixed value for a period of time or based on a fixed or variable percentage of qualifying expenditures. Contracts typically only consist of one performance obligation under IFRS 15 being the provision of management services. Performance obligations are satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company provides the services. Progress on performance obligations is measured using the output method based on time elapsed for fixed overhead recovery fees and input method based on expenditures incurred for variable overhead recovery fees. Reimbursement of development expenditure and advanced royalty payments received by Millrock under the terms of the agreement is not considered to be revenue from a customer as these are not considered an output of Millrock's ordinary activity; such income will continue to be off-set against the capitalized cost of exploration and evaluation assets on the statement of financial position of Millrock.

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During 2019 Millrock was engaged to provide exploration services to PolarX in relation to the Stellar project. PolarX acquired a 100% interest in the Stellar project during 2017 therefore Millrock no longer has any interest in the mineral property (other than a net smelter royalty). Millrock was therefore engaged by PolarX as an independent contractor. The contract consists of one performance obligation being the provision of exploration services. The consideration is variable depending on the input required to deliver the services. Performance obligations are satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Company's performance as the entity provides the services. Progress on performance obligations is measured using the input method based on expenditure incurred. This is the only contract of this nature during 2018 or 2019. Such income is disclosed as revenue from "Exploration services" within the financial statements and the related expenses are recorded as the "Direct cost of exploration services". The Company recognized exploration services revenue at December 31, 2019 of \$1,029,328 (December 31, 2018 \$5,238,869) which came from a single customer.

3.15 Finance Income and Expenses

Finance income comprises interest income on funds. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Finance expenses comprise interest expense on borrowings and unwinding of the discount on provisions. All borrowing costs are recognized in profit or loss using the effective interest method, except for those amounts capitalized as part of the cost of qualifying property, plant and equipment.

3.16 Earnings per Share

The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise warrants and share options.

3.17 Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date. The Company has not restated comparative 2017 information for financial instruments in the scope of IFRS 9. Therefore, the comparative 2017 information is reported under IAS 39 and is not comparable to the information presented for 2018.

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The following is the Company's new accounting policy for financial instruments under IFRS 9:

a) Classification

The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018.

	Original classification IAS 39	New classification IFRS 9
Cash and cash equivalents	amortized cost	amortized cost
Security deposits and restricted cash	amortized cost	amortized cost
Amounts receivables	amortized cost	amortized cost
Marketable securities	FVOCI	FVTPL
Accounts payable and accrued liabilities	amortized cost	amortized cost
Note payable	amortized cost	amortized cost
Due to related parties	amortized cost	amortized cost

The Statement of changes in shareholders' equity shows the impact of the adoption of IFRS 9 to the opening accumulated deficit on January 1, 2018.

b) Measurement**Financial assets and liabilities at amortized cost**

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive loss.

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c) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized. As all of the groups receivables which the group measures at amortised cost are short term (i.e. less than 12 months) the change to a forward looking expected credit losses approach did not have a material impact on the amounts recognized in the financial statements.

d) Derecognition**Financial assets**

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets.

4. Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, 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. The four most significant areas requiring the use of management's judgments, assumptions and estimates relate to the following:

1. Impairment: Management determines at each reporting period whether there are any indicators of impairment applying to each specific property. Where an indicator exists, a formal assessment of the impairment is made. These indicators are presented in Note 3.5. If no indicators of impairment are identified, no impairment test is performed.

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2. Share-based payments: Management uses valuation techniques in measuring the fair value of share options granted. The fair value is determined using the Black-Scholes option pricing model. This is presented in Note 13. Changes in assumptions used in the valuation could have a material impact on the Company's financial statements.
3. Purchase price allocation accounting: Management makes certain assumptions regarding the nature and value of properties, assets and liabilities when acquiring another company. This includes assumptions on the value of total consideration given for a transaction. Changes in assumptions used in the valuation could have a material impact on the Company's financial statements.

5. Security Deposit and Restricted Cash

Security deposit and restricted cash consists of a security deposit for the Company's credit cards. The security deposit and restricted cash as at December 31, 2019 was \$0 (December 31, 2018: \$64,800). In 2019 the Company was refunded its deposit on corporate credit cards.

6. Marketable Securities

Marketable securities are investments in quoted equity shares. The fair value of the quoted equity shares has been determined directly by reference to published price quotations in an active market.

Quoted equity shares	# of shares	12/31/2019		12/31/2018		
		per share	Fair Value	# of shares	per share	Fair Value
Riverside Resources, Inc TSX-V: RRI	250,000	0.16	40,000	100,000	0.18	18,000
PolarX Limited ASX: PXX	-	-	-	10,000,000	0.053	530,000
ArcWest Exploration Inc. TSX-V: AWX	9,623,417	0.07	673,639	9,623,417	0.1	962,341
Total Marketable Securities			<u>\$ 713,639</u>			<u>\$ 1,510,341</u>

During fiscal 2018, the Company sold a total of 15,653,968 shares of PolarX stock in two separate tranches for a loss of \$126,563, proceeds from the sale were \$1,115,718.

Upon closing of the Arcwest transaction the Company received 7,823,417 additional shares. The shares are restricted from selling for a period of one year, and were unencumbered September 13, 2019.

In the first quarter of 2019, the Company sold its remaining shares of PolarX resulting in proceeds of \$450,157, and a realized loss of \$101,316.

As part of the sale of properties and assets to Riverside Resources Inc. ("Riverside"), Millrock received an additional 150,000 Riverside shares at the end of the third quarter.

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The Company has an unrealized loss of \$291,952 on shares for the year ended December 31, 2019 (December 31, 2018: \$1,467,571).

7. Property, Plant and Equipment

	Furniture and fixtures	Office equipment	Leasehold improvement	Software	Vehicle	Building	Total
Cost							
Balance at January 1, 2018	\$ 21,083	\$ 367,713	\$ 27,240	\$ 90,537	\$ 104,991	\$ 260,742	\$ 872,306
Additions	-	7,830	-	-	-	-	7,830
Disposals	-	-	-	-	(23,775)	(260,742)	(284,517)
Foreign currency translation	1,844	34,089	2,382	7,917	9,125	-	55,357
Balance at December 31, 2018	\$ 22,927	\$ 409,632	\$ 29,623	\$ 98,454	\$ 90,342	\$ -	\$ 650,977
Additions	-	-	-	-	-	-	-
Disposals	-	(41,881)	-	-	(76,458)	-	(118,339)
Foreign currency translation	(1,099)	(2,199)	(1,420)	(4,720)	(13,884)	-	(23,322)
Balance at December 31, 2019	\$ 21,828	\$ 365,552	\$ 28,202	\$ 93,734	\$ -	\$ -	\$ 509,316
Depreciation and impairment losses							
Balance at January 1, 2018	\$ 21,083	\$ 349,003	\$ 20,412	\$ 90,537	\$ 66,684	\$ 8,696	\$ 556,414
Depreciation for the year	-	9,760	7,040	-	13,119	2,946	32,865
Disposals	-	-	-	-	(11,887)	(11,642)	(23,529)
Foreign currency translation	1,844	29,732	2,170	7,917	5,217	-	46,881
Balance at December 31, 2018	\$ 22,927	\$ 388,494	\$ 29,623	\$ 98,454	\$ 73,134	\$ -	\$ 612,631
Depreciation for the year	-	2,792	-	-	2,567	-	5,359
Disposals	-	(17,439)	-	-	(61,880)	-	(79,319)
Foreign currency translation	(1,099)	(10,727)	(1,420)	(4,720)	(13,821)	-	(31,787)
Balance at December 31, 2019	\$ 21,828	\$ 363,120	\$ 28,202	\$ 93,734	\$ -	\$ -	\$ 506,884
Carrying amounts							
Balance at December 31, 2018	\$ -	\$ 21,138	\$ -	\$ -	\$ 17,208	\$ -	\$ 38,346
Balance at December 31, 2019	\$ -	\$ 2,432	\$ -	\$ -	\$ -	\$ -	\$ 2,432

The property purchased during the quarter ended September 30, 2016 was financed by a note payable referred to in Note 11. On June 8, 2018 the building and real property was sold for \$265,000, and the balance of the note was paid off. The transaction resulted in a \$15,900 gain for the Company. In the third quarter, 2018, the company disposed of 2 vehicles from its Mexican office resulting in no gain or loss on the transaction.

In the third quarter of 2019 Millrock reached an agreement to sell certain properties and assets to Riverside Resources. The Company disposed of 4 trucks and field equipment for \$35,000 and recognized a loss of \$3,647.

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8. Exploration and Evaluation Assets

This section describes each of Millrock's projects, and if a partner is earning into the project, the agreement is described. An individual project may consist of one or more properties which were acquired by underlying agreements with mineral right holders or by claiming mineral rights by staking. Where an underlying property agreement exists, its terms are described. In most, but not all cases, the earn-in partner is responsible to make the cash payments and exploration expenditures to keep the properties that form the project in good standing. Please refer to footnote 3.5 for a description of the property impairment assessment factors.

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.

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Exploration and Evaluation Assets

	Alaska		Others	USA
	Liberty Bell	64North/Goodpaster		Total
Balance at December 31, 2018	\$ 411,491	\$ 541,598	\$ 1,055,978	\$ 2,009,067
Addition during the year				
Option costs:				
Option payments - cash	33,440	106,522	-	139,962
	33,440	106,522	-	139,962
Exploration costs:				
Non-reimbursable costs	18,558	288,839	1,250	308,647
Acquisition	60,597	475,912	88,387	624,896
Drilling	-	239,978	-	239,978
Geochemistry	-	8,546	372	8,918
Geology	37,636	370,612	118,400	526,648
Geophysics	-	78,850	660	79,510
Environmental and permitting	742	-	-	742
External relations	-	360	-	360
Support and equipment	21,443	454,437	64,730	540,610
	138,976	1,917,534	273,799	2,330,309
Less:				
Recoveries	-	681,956	99,051	781,007
Option payments received	-	-	-	-
Shares received	-	-	-	-
Gain on option payments received	-	-	-	-
Gain on shares received	-	-	-	-
Impairment/ write off	-	-	730,809	730,809
	-	681,956	829,859	1,511,815
Net additions	172,416	1,342,100	(556,060)	958,456
Foreign currency translation	(23,610)	(54,766)	(33,048)	(111,424)
Balance at December 31, 2019	\$ 560,297	\$ 1,828,933	\$ 466,870	\$ 2,856,099

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Exploration and Evaluation Assets

	Mexico								British Columbia	Corporate Total	
	Los Cuarentas	Guadalcazar	Ramard	Los Chinos	Picacho	Navidad	Batamote	Others			Total
Balance at December 31, 2018	\$ 782,959	\$ 183,949	\$ 12,379	\$ 480	\$ -	\$ -	\$ 298,471	\$ 217,799	\$ 1,496,028	\$ -	\$ 3,505,097
Addition during the year											
Option costs:											
Option payments - cash	-	-	-	-	-	-	-	-	-	-	139,962
	-	-	-	-	-	-	-	-	-	-	139,962
Exploration costs:											
Non-reimbursable costs	-	-	-	-	-	-	-	-	-	-	308,647
Acquisition	10,407	4,713	1,733	1,711	27,137	7,885	78,592	9,800	141,977	-	766,873
Drilling	-	-	-	-	-	-	-	-	-	-	239,978
Geochemistry	1,119	412	-	-	2,853	336	2,048	4,305	11,073	-	19,992
Geology	16,326	12,350	4,290	3,737	26,200	21,233	62,784	28,714	175,634	-	702,282
Geophysics	-	-	-	-	-	-	17,295	-	17,295	-	96,805
Environmental and permitting	-	-	-	-	-	-	-	-	-	-	742
External relations	-	-	-	-	-	-	-	-	-	-	360
Support and equipment	2,781	1,370	36	210	16,848	5,862	9,876	1,496	38,479	-	579,089
	30,633	18,845	6,059	5,658	73,038	35,316	170,594	44,316	384,459	-	2,714,768
Less:											
Recoveries	-	-	-	-	-	-	-	-	-	-	781,007
Loss on disposal	773,800	-	-	-	-	-	-	104,196	877,996	-	877,996
Impairment / write off	-	191,160	18,567	6,169	73,590	35,543	-	124,161	449,189	-	1,179,998
	773,800	191,160	18,567	6,169	73,590	35,543	-	228,356	1,327,185	-	2,839,000
Net additions	(743,167)	(172,315)	(12,508)	(511)	(552)	(227)	170,594	(184,041)	(942,726)	-	15,730
Foreign currency translation	(39,792)	(1,574)	129	31	551	227	(2,707)	(1,325)	(44,460)	-	(155,884)
Balance at December 31, 2019	\$ -	\$ 10,061	\$ -	\$ -	\$ -	\$ -	\$ 466,358	\$ 32,433	\$ 508,842	\$ -	\$ 3,364,943

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Exploration and Evaluation Assets

	Alaska		Others	USA
	Liberty Bell	64North/Goodpaster		Total
Balance at December 31, 2017	\$ 303,552	\$ 127,072	\$ 834,294	\$ 1,264,917
Addition during the year				
Option costs:				
Option payments - cash	165,013	-	75,906	240,919
	165,013	-	75,906	240,919
Exploration costs:				
Non-reimbursable costs	76,292	-	-	76,292
Acquisition	302,009	52,540	226,794	581,343
Drilling	-	-	-	-
Geochemistry	1,154	-	4,258	5,412
Geology	201,426	41,658	91,067	334,151
Geophysics	125,003	-	-	125,003
Environmental and permitting	26,712	845	-	27,557
External relations	-	61	692	753
Support and equipment	218,032	5,405	34,413	257,850
	950,628	100,509	357,224	1,408,361
Less:				
Recoveries	1,039,348	-	-	1,039,348
Impairment/ write off	-	-	18,924	18,924
	1,039,348	-	18,924	1,058,272
Net additions	76,293	-	514,714	591,007
Foreign currency translation	31,646	25,373	96,124	153,143
Balance at December 31, 2018	\$ 411,491	\$ 252,954	\$ 1,344,623	\$ 2,009,067

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Exploration and Evaluation Assets

	Mexico									British Columbia	Corporate
	Los Cuarentas	Guadalcazar	Ramard	Los Chinos	Picacho	Navidad	Batamote	Other	Total		Total
Balance at December 31, 2017	\$ 558,822	\$ 457,971	\$ 68,426	\$ 50,270	\$ -	\$ 9,690	\$ 145,486	\$ 135,469	\$ 1,426,126	\$ 1,237,546	\$ 3,928,590
Addition during the year											
Option costs:											
Option payments - cash	-	-	-	-	-	-	-	-	-	-	240,919
	-	-	-	-	-	-	-	-	-	-	240,919
Exploration costs:											
Non-reimbursable costs	-	-	-	-	-	-	-	-	-	-	76,292
Acquisition	55,221	2,361	16,446	21,702	170,871	74,768	68,363	12,099	421,831	-	1,003,174
Drilling	-	-	-	-	356,683	532,511	-	-	889,194	-	889,194
Geochemistry	3,228	164	3,577	-	187,604	235,635	-	3,570	433,778	407	439,596
Geology	89,574	32,168	11,743	6,342	218,172	528,937	47,600	60,744	995,279	31,664	1,361,094
Geophysics	-	-	-	-	-	-	-	-	-	-	125,003
Environmental and permitting	-	-	-	-	-	-	-	-	-	-	27,557
External relations	-	-	-	-	-	-	-	-	-	-	753
Support and equipment	22,895	7,496	2,792	1,240	179,726	548,157	20,343	10,172	792,821	3,325	1,053,997
	170,918	42,189	34,557	29,284	1,113,056	1,920,008	136,306	86,585	3,532,904	35,396	4,976,660
Less:											
Recoveries	-	-	-	-	1,119,382	1,926,172	-	-	3,045,554	25,724	4,110,626
Disposal of properties	-	-	-	-	-	-	-	-	-	1,247,218	1,247,218
Impairment / write off	-	357,079	97,582	84,105	-	-	-	18,758	557,524	-	576,447
	-	357,079	97,582	84,105	1,119,382	1,926,172	-	18,758	3,603,078	1,272,942	5,934,292
Net additions	170,918	(314,890)	(63,025)	(54,821)	(6,326)	(6,163)	136,306	67,827	(70,174)	(1,237,546)	(716,712)
Foreign currency translation	53,219	40,867	6,978	5,030	6,326	(3,526)	16,680	14,505	140,078	-	293,221
Balance at December 31, 2018	\$ 782,959	\$ 183,949	\$ 12,379	\$ 480	\$ -	\$ -	\$ 298,471	\$ 217,801	\$ 1,496,030	\$ -	\$ 3,505,099

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Alaska Properties**(a) Liberty Bell Property, Alaska**

On October 13, 2015 Millrock announced that it had acquired an option to purchase the Liberty Bell gold project from Boot Hill Gold. Subsequently the deal was renegotiated. In order to exercise the option Millrock must pay the owners cash totaling US\$700,000 over the life of the option in order to gain a 100% interest. On March 2, 2017 Millrock announced that it had formed an option to joint venture agreement with Kinross Gold Corporation ("Kinross"). Millrock paid an option payment to Boot Hill Gold of US\$125,000 in the fourth quarter of 2018. Under the terms of the agreement Kinross assumed property holding costs and could have earned a 70% joint venture interest. Kinross terminated the option agreement with an effective date of December 8, 2018. A lease to purchase agreement was made with James Roland concerning a block of ten claims internal to the Boot Hill Gold block. Consideration to establish a 100% interest is US\$570,000 to be paid to Roland as lease payments over an 11-year period. If the Company wishes to keep the claims, payments are scheduled to be US\$30,000 annually, then moving to US \$50,000 annually in 2024, and then a bulk payment in 2028. A 2% royalty is attached to these ten claims and it can be bought out for US\$800,000.

(b) 64North Gold Project, (formerly Goodpaster Properties), Alaska

Millrock initially acquired claims in this gold district in 2016 through option and purchase agreements. In the second quarter of 2019 Millrock staked a very large tract of claims. Capital for the staking came from EMX Royalty Corp ("EMX") in a strategic investment, whereby EMX purchased Millrock stock in a private placement at a premium to market price. Millrock in return granted a royalty interest to EMX on newly staked claims and on claims already owned. The claim blocks cover more than 660 square kilometers. In the fourth quarter of 2019 Millrock entered an Option to Joint Venture Agreement concerning the Goodpaster project with an ASX listed company called Northern Cobalt ("N27") which subsequently changed its name to Resolution Minerals Limited ("Resolution") which trades on the Australian Stock Exchange under the symbol RML. Under a four-year option period, if it goes to completion, Resolution must expend US\$20 million on exploration, pay Millrock US\$200,000 and issue 38 million Resolution shares to Millrock. Upon completion, Resolution will own a 60% interest in the project. Resolution may elect to further advance one certain portion of the claim block further by fully carrying the cost to complete a Bankable Feasibility Study and thereby earn a 70% interest in that block. The same block could be loan-carried by Resolution to commercial production to gain an 80% interest in that block.

(c) Chisna DragonSlayer Project, Alaska

Millrock staked claims on a portion of the district-scale Chisna Project. The claim block was named DragonSlayer project. First Quantum Minerals Limited entered an agreement with Millrock whereby they would fund up to US\$100,000 of geochemical work and prospecting. In return Millrock granted an exclusive Right to FQM to enter an option agreement with pre-determined business terms. FQM elected not to proceed with the option agreement.

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British Columbia Properties

On December 14, 2015 Millrock announced that it had entered into a series of agreements to consolidate three major land packages in the “Golden Triangle” area, northeast of the town of Stewart, British Columbia. In total Millrock paid \$313,000 in cash and Millrock shares valued at \$491,940. Millrock also paid \$28,000 as the initial payment on certain tenures upon which it has taken an option. The projects included Oweegee Dome, Todd Creek and Poly. Todd Creek and Poly were subsequently merged together by staking intervening ground and assuming an option on the LNT property. In 2016 the Company purchased the Willoughby gold prospect for \$40,000 and 300,000 shares. Millrock carried out exploration on the properties in 2016 and has been seeking a partner to fund work on the projects. In the second quarter of 2017 Millrock made an option to purchase agreement with Sojourn Ventures Inc., which was subsequently renamed Sojourn Exploration Inc. (“Sojourn”). Sojourn could earn a 100% interest in the Willoughby and Oweegee Dome projects by making share payments over time. Additionally, Millrock granted a right of first refusal to Sojourn concerning the Todd Creek project. In the first quarter of 2018 Millrock agreed in a Letter of Intent to change the agreements and sell all three projects to Sojourn. The definitive agreement was contingent upon Sojourn securing financing of at least \$2.5 million. During the third quarter of 2018 Sojourn secured financing and the definitive agreement was executed. Presently, Millrock owns 16.1% of the shares of Sojourn and is entitled to royalties on the Todd Creek, Oweegee Dome and Willoughby properties. Upon completion of the transaction Millrock recorded a loss on disposal of \$58,408 for BC exploration assets. Sojourn changed its name to ArcWest Exploration Inc. in the first quarter of 2019.

Mexico Properties

On June 6, 2014 Millrock entered an agreement to purchase Pembroke Mexico Holdings and all of its assets, which include the shares of a wholly-owned Mexican subsidiary and nine 100%-owned mineral properties which include: Rio Sonora, Los Cuarentas Este, Los Cuarentas Oeste, Los Chinos, Ramard, Los Chivos, Villa Hidalgo, Violeta and La Union. Millrock changed the name of Pembroke Mexico Holdings to Millrock Mexico Holdings. The Mexico subsidiary was renamed Recursos Millrock. The mineral rights contained within the properties at the time of purchase were subject to a net smelter return royalty payable to Pembroke Mining Corporation, which subsequently sold the royalties to Sandstorm Gold Royalties. The royalty payable is 1.5% on gold and silver and 1.0% on other metals. The purchase also included two mineral properties under option. The first is Guadalcazar, under option from the Servicio Geologico Mexicano, and the second is Coatan, under option from Riverside Resources Inc. The Coatan option was terminated prior to any costs being incurred. The option on Guadalcazar was exercised and Millrock owns the property. Millrock has been seeking partners for the various projects and has attracted two different partners to five projects to date.

(d) Los Chinos, Mexico

On March 30, 2016 Millrock entered into an earn-in agreement with Centerra Gold Inc. (“Centerra”) concerning the Los Chinos project in northern Sonora, Mexico, pursuant to which Centerra agreed to fund a US\$350,000 initial exploration program. The agreement provided Centerra the option to earn a 70% interest in the project by making US\$5.0 million in exploration

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expenditures and completing option payments over a five-year period. Centerra terminated the option in 2017. Millrock is actively marketing the property to potential partners. Millrock reduced the size of the claim holdings at the end of 2018 and wrote off \$84,105 of prior capitalized exploration costs. In the second quarter of 2019 all remaining mineral rights were dropped, and the remaining capitalized costs written off.

(e) Los Cuarentas, Mexico

On March 30, 2016 Millrock entered into an earn-in option agreement with Centerra concerning the Los Cuarentas project in northern Sonora, Mexico, pursuant to which Centerra agreed to fund a \$70,000 initial exploration program. The agreement provided Centerra the option to earn a 70% interest in the project by making US\$2.0 million in exploration expenditures and making option payments over a five-year period. Centerra terminated the option in 2017. During the 3rd quarter of 2019 Millrock sold the Los Cuarentas project, along with other properties to Riverside Resources for cash, shares, and small royalty.

(f) La Navidad, Mexico

On June 13, 2017 Millrock entered an option to purchase a 100% interest in the La Navidad gold property located in northern Sonora, Mexico. To earn the interest from owner Western Mining, Millrock must make cash payments totaling US\$2.5 million over the course of the four-year option period, and make exploration expenditures of US\$3.0 million. 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 with Western Mining. Centerra terminated the agreement at the end of 2018. The option agreement was terminated during the second quarter of 2019 and capitalized exploration costs were written off.

(g) El Picacho, Mexico

On June 8, 2017 Millrock entered an option to purchase a 100% interest in the El Picacho gold property located in northern Sonora, Mexico. 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 it has expended US\$2.0 million. Centerra terminated the agreement at the end of 2018. The option agreement was terminated during the second quarter of 2019 and capitalized exploration costs were written off.

(h) El Batamote, Mexico

El Batamote is comprised of three concessions purchased from a subsidiary of Teck Corporation in 2015. Consideration paid was Millrock holds a 100% interest subject to a 0.5% Net Smelter Returns royalty in favour of Teck. Consideration was paid in Millrock shares. The value of the consideration was \$20,000. Additionally, Millrock reimbursed MX\$115,000 in semester tax payments that had been paid during negotiations by Teck. The agreement also called for a

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participation right in the future sale of the property for a 24 month period. The future sale period expired and the granted right no longer burdens the property. Millrock has granted a company the exclusive right to enter the negotiated option agreement. In return the company has paid Millrock to cover various project and administrative costs as well as the semester taxes. The exclusive right expires in June 2020 but may be renewed. The Company recognized other income from the exclusivity agreement of \$195,670.

Other Properties

Currently the Company has several other very early stage properties in its portfolio. These properties are grouped together as "Other Properties" until such time as Millrock has adequately demonstrated mineral potential that warrants individual description, or until Millrock has made an agreement with another Company on the mineral rights. The Company regularly evaluates prospects on open ground and on the claims of others. The costs associated with these evaluations are written off annually if the work does not result in development of a project or claim holding by Millrock. Within the other properties section Millrock dropped certain claims and wrote off the corresponding capitalized costs.

9. Project Cost Advance Received

These costs represent advances from earn-in partners that have not been expended as at December 31, 2019 and 2018.

10. Right-of-use asset and lease liability

The Company has lease agreements for its headquarters office space in Anchorage, AK. Upon transition to IFRS 16, the Company recognized \$295,395 of ROU assets and \$295,395 of lease liabilities.

The lease liability at January 1, 2019 can be reconciled to the operating lease obligations as of December 31, 2018 as follows:

Operating lease obligation as of December 31, 2018	\$	334,756
Discounting using the January 1, 2019 incremental borrowing rate*		39,360
Lease liability recognized as of January 1, 2019		295,395
Current portion		77,894
Long term portion		217,501
Lease liability recognized as of January 1, 2019		295,395

*The lease liability was discounted using an incremental borrowing rate as at January 1, 2019 of 10% per annum

The continuity of ROU assets for the year ended December 31, 2019 is as follows:

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	ROU Asset
January 1, 2019	295,395
Amortization of ROU asset	(73,027)
Foreign currency translation	(12,938)
December 31, 2019	209,430

During the year ended December 31, 2019, the Company recognized amortization of ROU assets of \$73,027, interest expense on lease liabilities of \$25,979.

The continuity of ROU liabilities for the year ended December 31, 2019 is as follows:

	ROU Liability
Lease liability recognized as of January 1, 2019	295,395
Lease payments	(42,906)
Interest expense	(25,979)
Lease liability recognized as of December 31, 2019	226,511
Current lease liability	84,041
Non-current lease liability	142,470
	226,511

The Company is committed to pay the following in office rentals for future years:

	At the Year Ended December 31			
		2019		2018
Within 1 year	\$	99,092	\$	87,277
After 1 year, but no more than 5		52,248		49,141
More than 5 years		-		-
	\$	151,340	\$	136,418

The company doesn't have any other commitments other than the lease.

11. Note Payable

The Company executed an interest free note payable for \$240,000 for the purchase of a property that is used for a base of operations for exploration work in the Stewart area of British Columbia. The security for the note payable is the property purchased. It is to be paid down at \$10,000 per month for a period of 24 months. The Company recorded \$3,373 of accretion on the note payable for 2018. The Company sold the property in the second quarter of 2018 and repaid the remaining portion of the loan at that time.

12. Share Capital

The Company's authorized share capital consists of an unlimited number of voting common shares without par value. The Company has reserved shares for issuance under stock option agreements as described under Note 13. Issued and outstanding shares: 96,287,181 common shares (December 31, 2018):

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67,335,123). The Company's other equity instruments are anti-dilutive so the Company's basic and diluted number of shares outstanding are the same.

On December 14, 2018, the Company closed a placement for total proceeds of \$1,044,500. The financing consisted of 10,445,000 units at a price of \$0.10 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of \$0.14 per share until December 14, 2019, thereafter at a price of \$0.17 per share until December 14, 2020, and thereafter at a price of \$0.20 until December 14, 2021. Share issuance costs of \$39,000 in cash and warrants valued at \$15,211 were recorded.

On April 25, 2019, the Company closed a placement for total proceeds of \$1,000,000. The financing consisted of 7,142,857 units at a price of \$0.14 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of \$0.14 per share until December 14, 2019, thereafter at a price of \$0.17 per share until December 14, 2020, and thereafter at a price of \$0.20 until December 14, 2021. Warrant value of \$428,571 was recorded.

On September 6, 2019, the Company closed a placement for total proceeds of \$1,577,475. The financing consisted of 21,032,998 units at a price of \$0.075 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of \$0.14 per share until December 14, 2019, thereafter at a price of \$0.17 per share until December 14, 2020, and thereafter at a price of \$0.20 until December 14, 2021. Share issuance costs of \$88,870 in cash and warrants valued at \$26,348 were recorded.

	Number of Shares	Share Capital	Share-based payment	Warrants
Balance December 31, 2017	56,890,123	\$ 38,672,646	\$ 4,459,310	\$ 503,291
Stock-based compensation	-	-	203,674	-
Issued for cash pursuant to Private placements	10,445,000	1,044,500	-	-
Share issue costs and finder's fee	-	(54,211)	-	15,211
Balance December 31, 2018	67,335,123	\$ 39,662,935	\$ 4,662,984	\$ 518,502
Issued for cash pursuant to Private placements	28,175,855	2,148,904	-	428,571
Share issue costs and finder's fee	-	(88,870)	-	26,348
Stock based compensation	-	-	121,225	-
Issuance of common shares for debt	654,703	58,923	-	-
Issuance of common shares for cash pursuant to Exercise of warrants	121,500	17,010	-	-
Balance December 31, 2019	96,287,181	\$ 41,798,903	\$ 4,784,209	\$ 973,421

13. Share-Based Payments**(a) Share Option Plans**

The Company has a stock option plan whereby the maximum number of shares reserved for issue shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The

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maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX). Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company. Unless otherwise stated share purchase options vest when granted.

The vesting schedule for employees and non-employees is immediate. Non-employees providing outside services have various expiry dates determined at the time of issuance.

On March 26, 2018 the Company granted 1,295,000 incentive stock options to employees exercisable at \$0.23 per share for a period of five years.

On September 30, 2019 the Company granted 1,885,000 incentive stock options to employees exercisable at \$0.09 per share for a period of five years.

The fair value of the options granted in 2019 and 2018 was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	<u>2019</u>	<u>2018</u>
Dividend yield	Nil	Nil
Expected volatility	93.6%	87.19%
Risk-free rate of return	1.32%	1.64%
Expected life of options	5 years	5 years

Total share-based payments expense recognized in the consolidated statements of loss during the year ended December 31, 2019 was \$148,848 (December 31, 2018 was \$171,054). A further \$12,592 was capitalized to exploration and evaluation assets during the year ended December 31, 2019 (December 31, 2018 was \$32,620). Expected volatility is based on the volatility of historical share price during the previous five years.

Information regarding the Company's outstanding and exercisable share purchase options is summarized as follows:

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Stock options	Options	Exercise Price
Outstanding & Exercisable at December 31, 2017	4,210,000	\$0.42
Granted on March 26, 2018	1,295,000	\$0.23
Expired on July 13, 2018	(15,000)	\$1.00
Expired on September 9, 2018	(230,000)	\$0.37
Outstanding & Exercisable at December 31, 2018	5,260,000	\$0.37
Granted on September 30, 2019	1,885,000	\$0.09
Outstanding & Exercisable at December 31, 2019	7,145,000	\$0.29

The following table summarizes the Company's outstanding and exercisable share purchase options as of December 31, 2019:

Number of Options	Exercise Price	Expiry Date
1,010,000	\$ 0.50	13-Mar-20
1,400,000	\$ 0.25	4-Feb-21
1,530,000	\$ 0.50	12-Jan-22
75,000	\$ 0.37	10-Aug-22
1,245,000	\$ 0.23	26-Mar-23
1,885,000	\$ 0.09	30-Sep-24
7,145,000		

The weighted average remaining life of options outstanding at December 31, 2019 is 2.52 years (2018 – 2.73 years).

(b) Share Purchase Warrants and Agent Warrants

On December 14, 2018, the Company closed a placement for total proceeds of \$1,044,500. The financing consisted of 10,445,000 units at a price of \$0.10 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of \$0.14 per share until December 14, 2019, thereafter at a price of \$0.17 per share until December 15, 2020, and thereafter at a price of \$0.20 until December 14, 2021. The Company issued 390,000 finder's fee warrants exercisable at \$0.17 per share until December 15, 2019, and thereafter at a price of \$0.20 until December 14, 2021.

On April 25, 2019, the Company closed a placement for total proceeds of \$1,000,000. The financing consisted of 7,142,857 units at a price of \$0.14 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of \$0.14 per share until December 14, 2019, thereafter at a price of \$0.17 per share until December 14, 2020, and thereafter at a price of \$0.20 until December 14, 2021. No finders fees or finders warrants were involved in the private placement.

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On September 6, 2019, the Company closed a placement for total proceeds of \$1,577,475. The financing consisted of 21,032,998 units at a price of \$0.075 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of \$0.14 per share until December 14, 2019, thereafter at a price of \$0.17 per share until December 14, 2020, and thereafter at a price of \$0.20 until December 14, 2021. The Company issued 833,630 finder's fee warrants exercisable at \$0.17 per share until December 15, 2020, and thereafter at a price of \$0.20 until December 14, 2021.

The shares issued with the private placement units were fair valued using the market price on the date of the transaction. The residual value of zero was allocated to the share purchase warrants.

The fair value of the finder's options and warrants granted was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	<u>2019</u>	<u>2018</u>
Dividend yield	Nil	Nil
Expected volatility	93.60%	88.84%
Risk-free rate of return	1.32%	1.64%
Expected life of options	2 years	2 years

As of December 31, 2019, the Company had outstanding and exercisable warrants and agent warrants for the purchase of 46,692,985 common shares, as follows:

<u>Issued Date</u>	<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Outstanding at December 31, 2017	34,928,321		
Finders' warrants expired, May 25, 2018	(186,600)	\$ 0.29	25-May-18
Finders' warrants expired, October 9, 2018	(670,000)	\$ 1.50	9-Oct-18
Warrants issued for private placement, December 14, 2018 ##	10,835,000	\$ 0.14	14-Dec-21
Outstanding at December 31, 2018	44,906,721		
Warrants expired, May 25, 2019	(12,400,660)	\$ 0.44	25-May-19
Warrants expired, June 19, 2019	(2,009,000)	\$ 1.00	19-Jun-19
Warrants issued for private placement, April 24, 2019 ##	7,142,857	\$ 0.14	14-Dec-21
Warrants issued for private placement, September 6, 2019 ##	21,866,628	\$ 0.14	14-Dec-21
Warrants expired, October 21, 2019	(8,553,040)	\$ 1.00	21-Oct-19
Warrants exercised, November 6, 2019	(80,000)	\$ 0.14	14-Dec-21
Warrants exercised, November 26, 2019	(41,500)	\$ 0.14	14-Dec-21
Warrants expired, December 10, 2019	(4,139,021)	\$ 0.40	10-Dec-19
Outstanding at December 31, 2019	46,692,985		
## 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	Weighted average price	\$ 0.19	

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14. Financial Instruments**(a) 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 are presented in the table below.

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

Financial Instrument	Level	December 31, 2019	December 31, 2018
Marketable Securities	1	\$ 713,639	\$ 1,510,341

The carrying values of all categories of financial instruments are presented on the consolidated statement of financial position.

(b) Equity Price Risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity transaction decisions.

(c) 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 year ended December 31, 2019 is \$185,874 (\$887,301 as of December 31, 2018).

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(An Exploration Stage Company)

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(d) 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, and note payable are current.

(e) 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 \$351,031 (December 31, 2018: \$192,526) denominated in US dollars. A ten percent change in the exchange rate would result in a \$35,103 (December 31, 2018: \$19,253) impact to the Company's net comprehensive income (loss). The Company has Mexican peso cash and working capital items of \$109,222 (December 31, 2018: \$307,577). A ten percent change in the exchange rate would result in a \$10,922 (December 31, 2018: \$30,758) impact to the Company's net comprehensive 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.

(f) 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 net loss in consolidated financial statements is interest income on Canadian dollar cash and cash equivalents and accretion expense on note payable. The Company is not exposed to significant interest rate risk.

(g) Capital Management Risk

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 to it in light of changes in 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 as part of the option-in agreement. As such, these funds are restricted as of December 31, 2019.

The Company presently derives most of the funding required for its exploration projects from other companies that are earning into the Company's projects. As the projects mature the Company will be dependent on the capital markets as its main source of operating capital and the Company's capital resources will be largely determined by the strength of the junior resource markets, the status of the

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Company's projects in relation to these markets and its ability to compete for investor support of its projects.

15. Related Party Transactions

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

	Years Ended December 31	
	2019	2018
Consulting, directors and compensation	\$ 564,421	\$ 653,798
Stock based compensation	148,848	203,674
	\$ 713,269	\$ 857,472

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 December 31, 2019, there was \$34,276 (December 31, 2018: \$27,182) due to related parties for accrued directors' fees and deferred compensation. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.

Millrock CEO, Gregory Beischer, holds a position on the board of Sojourn Exploration (now Arcwest Exploration). There are no other transactions between the companies other than those disclosed in note 8.

16. Provisions

The Company recognized \$0 of asset retirement obligations in the year ended December 31, 2019 (December 31, 2018: \$47,000) related to exploration bonds on its properties in British Columbia. The obligation generally arises when ground/environment is disturbed at the exploration operation's location. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result of the development/construction during exploration. Additional disturbances which arise due to further development/construction at a property are recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. Costs related to restoration of site damage (subsequent to start of commercial production) that is created on an ongoing basis during production are provided for at their net present values and recognized in profit or loss as extraction progresses. The exploration bonds were returned to the Company in 2019 thus bringing the balance at year end to \$Nil.

17. Income Taxes

Income tax recovery recognized in the consolidated statements of loss for 2019 is \$32,000 (December 31, 2018 \$19,000)

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Income tax reconciliation

The provision for income taxes reported differs from the amounts computed by applying statutory Canadian federal and provincial tax rates to the loss before tax due to the following:

	December 31, 2019	December 31, 2018
Income (loss) for the year before income taxes	\$ (4,328,920)	\$ (4,338,539)
Statutory tax rate	27%	27%
Recovery of income taxes computed at statutory rates	(1,169,000)	(1,172,000)
Untaxable revenue and undeductible expenses	398,000	34,000
Mexican inflationary adjustments	(66,000)	12,000
Differing effective tax rate on loss in foreign jurisdictions and rate changes	(63,000)	(29,000)
Unrecognized deferred tax assets	2,234,000	1,311,000
Impact of change of prior period estimates	(1,863,000)	(118,000)
Impact of foreign exchange and other	497,000	(57,000)
Total income tax expense (recovery)	\$ (32,000)	\$ (19,000)

	December 31, 2019	December 31, 2018
Current tax (recovery) expense	\$ -	\$ -
Deferred tax (recovery) expense	(32,000)	(19,000)
Total income tax (expense) recovery	\$ (32,000)	\$ (19,000)

Consolidated statements of other comprehensive income**Deferred Tax Asset and Liability Recognized**

The approximate tax effect of each item that gives rise to the Company's recognized deferred tax assets and liabilities as at December 31, 2019 and 2018 are as follows:

	December 31, 2019	December 31, 2018
Deferred income tax assets		
Non-capital losses	\$ 71,000	\$ 59,000
	\$ 71,000	\$ 59,000
Deferred income tax liabilities		
Exploration and evaluation assets	\$ (12,000)	\$ (91,000)
Right of use asset	(59,000)	
	\$ (71,000)	\$ (91,000)
Net deferred income tax liability	\$ -	\$ (32,000)

The Company's movement of net deferred tax liabilities is described below:

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	December 31, 2019	December 31, 2018
At January 1	\$ (32,000)	\$ (48,000)
Foreign exchange impact in equity	-	(3,000)
Other deferred income tax (expense) recovery through income statement	32,000	19,000
At December 31	\$ -	\$ (32,000)

Temporary Differences Not Recognized

The Company has unrecognized deductible temporary differences aggregating \$45,942,000 (2018 - \$38,320,000), noted below, that are available to offset future taxable income. The potential benefit of these deductible temporary differences has not been recognized in these consolidated financial statements as it is not considered probable that sufficient future taxable profit will allow the temporary differences to be recovered.

	December 31, 2019 expiry dates	December 31, 2018
Non-capital losses	\$ 37,187,000 2020-2039	\$ 31,337,000
Capital losses	5,055,000 <i>no expiry</i>	4,790,000
Exploration and evaluation assets	2,250,000 <i>no expiry</i>	705,000
Property, plant and equipment	261,000 <i>no expiry</i>	305,000
Financing fees	129,000 2040 - 2043	139,000
Other	1,060,000 <i>no expiry</i>	1,044,000
Total	\$ 45,942,000	\$ 38,320,000

At December 31, 2019, the Company has accumulated non-capital losses in Canada aggregating \$16,507,000 (December 31, 2018: \$15,801,000) which expire over the period between 2026 and 2039, available to offset future taxable income in Canada.

The Company has accumulated capital loss carry forward in Canada of \$5,055,000 (December 31, 2018: \$4,790,000) which are available only to offset future capital gains for Canadian tax purposes and may be carried forward indefinitely.

At December 31, 2019, the Company has accumulated non-capital loss carry forward in Mexico aggregating \$12,795,000 (December 31, 2018: \$8,018,000) which expire over the period between 2020 and 2029, available to offset future taxable income in Mexico.

At December 31, 2019, the Company has accumulated non-capital loss carry forward in the United States aggregating \$8,137,000 (December 31, 2018: \$7,726,000) which expire over the period between 2034 and 2039, available to offset future taxable income in the United States.

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18. Segmented Information

	Year ended December 31, 2019			
	USA	Mexico	Canada	Total
Revenue				
Overhead recovery fees	\$ 100,896	\$ -	\$ -	\$ 100,896
Exploration services revenue	1,029,328	-	-	\$ 1,029,328
	1,130,224	-	-	1,130,224
Cost of sales				
Direct cost of exploration services	904,132	-	-	904,132
General and administrative expense				
Accounting, audit and legal	100,688	92,882	174,046	367,616
Amortization, depreciation, and impairment	4,483	349	527	5,359
Amortization of right of use asset	73,027	-	-	73,027
Consulting, directors and salaries	446,250	124,228	360,275	930,752
Foreign exchange (loss)/gain	230	-	1,504	1,734
General exploration	93,190	(52,758)	206	40,638
Interest expense of lease liability	25,979	-	-	25,979
Investor relations	44,456	-	231,151	275,607
Office and miscellaneous expense	251,646	80,921	102,966	435,532
Stock-based compensation	148,848	-	-	148,848
	1,188,796	245,621	870,675	2,305,092
Loss before other items	\$ (962,703)	\$ (245,621)	\$ (870,675)	\$ (2,079,000)
Other items				
(Loss)/Gain on disposal of assets	-	(3,647)	-	(3,647)
(Loss)/Gain on disposal of exploration property	-	(877,996)	-	(877,996)
Unrealized loss on marketable securities	-	-	(291,952)	(291,952)
Impairment / write off of exploration and evaluation assets	(721,147)	(449,531)	-	(1,170,678)
(Loss)/Gain on sale of marketable securities	-	-	(101,316)	(101,316)
Other Income	-	195,670	-	195,670
Loss before income taxes	\$ (1,683,850)	\$ (1,381,126)	\$ (1,263,943)	\$ (4,328,919)
Income tax recovery	-	32,000	-	32,000
Net loss	\$ (1,683,850)	\$ (1,349,126)	\$ (1,263,943)	\$ (4,296,919)
Current Assets	199,086	191,430	940,992	1,331,508
Non-Current Assets	3,066,876	511,278	-	3,578,154
Total Assets	\$ 3,265,962	\$ 702,708	\$ 940,992	\$ 4,909,662
Current Liabilities	687,295	37,878	117,588	842,761
Non-Current Liabilities	142,470	-	-	142,470
Total Liabilities	\$ 829,765	\$ 37,878	\$ 117,588	\$ 985,231

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(Expressed in Canadian dollars)

	Year ended December 31, 2018			
	USA	Mexico	Canada	Total
Revenue				
Overhead recovery fees	\$ 42,083	\$ 401,967	\$ -	\$ 444,049
Exploration services revenue	5,238,869	-	-	\$ 5,238,869
	5,280,951	401,967	-	5,682,918
Cost of sales				
Direct cost of exploration services	4,859,698	-	-	4,859,698
General and administrative expense				
Accounting, audit and legal	91,083	50,510	143,629	285,222
Amortization, depreciation, and impairment	13,204	15,923	3,738	32,865
Amortization of right of use asset	-	-	-	-
Consulting, directors and salaries	441,605	85,839	464,053	991,496
Foreign exchange (loss)/gain	-	-	(13,738)	(13,738)
General exploration	334,587	65,921	51,843	452,351
Interest expense of lease liability	-	-	-	-
Investor relations	60,449	-	253,400	313,849
Office and miscellaneous expense	374,415	225,750	115,407	715,572
Stock-based compensation	-	-	171,054	171,054
	1,315,343	443,943	1,189,385	2,948,671
Loss before other items	\$ (894,090)	\$ (41,976)	\$(1,189,385)	\$ (2,125,451)
Other items				
(Loss)/Gain on disposal of assets	-	15,900	-	15,900
(Loss)/Gain on disposal of exploration property	-	-	(58,408)	(58,408)
Unrealized loss on marketable securities	-	-	(1,467,571)	(1,467,571)
Impairment / write off of exploration and evaluation assets	(18,924)	(557,522)	-	(576,447)
(Loss)/Gain on sale of marketable securities	-	-	(126,563)	(126,563)
Loss before income taxes	\$ (913,014)	\$ (583,599)	\$(2,841,925)	\$ (4,338,539)
Income tax recovery	-	19,000	-	19,000
Net loss	\$ (913,014)	\$ (564,599)	\$(2,841,925)	\$ (4,319,539)
Current Assets	267,498	477,852	2,121,694	2,867,043
Non-Current Assets	2,015,075	1,529,260	47,527	3,591,862
Total Assets	\$ 2,282,573	\$ 2,007,111	\$ 2,169,221	\$ 6,458,905
Current Liabilities	175,125	376,087	108,801	660,013
Non-Current Liabilities	-	32,000	47,000	79,000
Total Liabilities	\$ 175,125	\$ 408,087	\$ 155,801	\$ 739,013

19. Subsequent Events

On February 13, 2020, the Company closed a placement for total proceeds of \$1,509,040. The financing consisted of 12,575,333 units at a price of \$0.12 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of \$0.17 per share until December 14, 2020, and thereafter at a price of \$0.20 until December 14, 2021.

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On February 28, 2020, the Company issued 2,430,000 stock options to employees and consultants of the Company. The options have a 5 year life and are exercisable at \$0.135.

Subsequent to year-end, there was a global outbreak of COVID-19, which has had a significant impact on businesses through the restrictions put in place by the Canadian and U.S. governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact that the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are implemented. As a precaution against the risk of COVID-19 Millrock and Resolution temporarily suspended drilling operations at the 64North property.

Subsequent to year end the Company sold the Guadalcazar property in Sonora, Mexico for proceeds of \$10,000 and a 0.5% NSR.

Subsequent to year end the Company has had 400,000 warrants exercised at a price of \$0.17.



Management Discussion & Analysis

For the Year Ended December 31, 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 year ended December 31, 2019 and supporting notes. These consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”).

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 April 29, 2020.
- 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 ten mineral exploration projects in Alaska USA and Sonora State, Mexico

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.

In 2019 Millrock prepared itself for the future by expanding certain land positions and disposing of others. The Company had two partners that funded exploration. There was a small program on the Dragonslayer prospect and work began planning and preparing for a winter drill program on the 64North (formerly Goodpaster) project.

MILLROCK RESOURCES INC.

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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 OTCQB 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. 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

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Year Ended December 31, 2019

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.

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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 does generate revenues from overhead recovery fees charged to third parties funding exploration for administration of project development work. It also recognizes revenues from exploration services provided to third parties by managing exploration projects on their properties. 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 year end there were 7,145,000 stock options and 46,692,985 warrants outstanding. Directors and officers held 4,400,000 of the options and 1,080,000 of the warrants, and 2,745,000 of the options were held by employees and consultants of the Company. As of the year end there were 96,287,181 shares issued and outstanding. On a fully diluted basis including stock options and warrants the Company has a capitalization of 150,125,166 shares. Subsequent to year end the Company issued 12,575,333 shares through a private

MILLROCK RESOURCES INC.

Management Discussion and Analysis
For the Year Ended December 31, 2019

placement and also granted 2,430,000 options, and had 400,000 warrants exercised. Therefore, at report date the Company has 109,262,514 shares outstanding and a fully diluted capitalization of 177,086,782.

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

became aware of a possible problem with title on a portion of claims under the Liberty Bell Project and has resolved the issue.

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

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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, and/or on the Company’s website at <http://www.millrockresources.com>.

General

The Company continued to advance its business objectives through 2019. In total, Millrock expended \$2,854,730 on exploration properties during the year, of which \$781,007 was supplied by companies earning an interest in Millrock’s projects. Additionally, the Company spent \$40,638 on generative exploration through 2019.

Highlights for the Year Ended December 31, 2019

- Millrock raised a total of \$2,577,475 through private placement financings.
- Millrock acquired a giant land position through staking in the Goodpaster Mining District and negotiated an earn-in agreement with Resolution Minerals Limited (“Resolution”) and the project was subsequently named the 64North Gold Project.
- Millrock carried out geophysical surveys that indicate a new gold deposit discovered on neighboring claims may come on to Millrock’s 64North Gold Project claims.
- Millrock 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.

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- 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.

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. The Company formed a strong new partnership on the 64North Project, with a robust budget, and now realizing the benefits of cost cutting measures made throughout 2018 and 2019, Millrock is in a position to deliver increased share value.

Operations Review

United States Properties

Millrock owns and operates five 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.
- 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

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- workings on the project from which approximately 25,000 ounces of gold was 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) **64North Gold Project, Goodpaster Mining District, 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 (source Northern Star website) 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 Millrock 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. 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. Late in 2019 Millrock executed geophysical surveys 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. In December 2019 Millrock an agreement with an Australian Stock Exchange called Northern Cobalt which was then renamed Resolution Minerals ("Resolution"). A drill road and winter water well were constructed 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 were received. The sampling conditions proved not to be highly conducive for good soil or stream sediment sampling. Despite the poor sampling conditions, anomalous values in a wide variety of metals provided some support for the idea that a porphyry copper-gold deposit is causing the geophysical target. Nevertheless, the results are not strongly conclusive. FQM elected not to enter the option agreement. Millrock believes there is good exploration potential worth pursuing. Induced polarization and overburden drilling are recommended. Millrock is seeking a funding partner.
- 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

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partners for the project were not successful. Millrock abandoned the projects during 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. El Picacho and La Navidad, which were optioned from

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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 retains 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 unmetamorphosed 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 2019.

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

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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 2019.

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. At year end Millrock wrote off a portion of the value. Subsequent to the end of the year Millrock sold the property.

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 has done rock sampling and geological mapping, and compiled all available data. Millrock is in discussion with another company that may form a partnership to explore the project, they have been granted exclusive rights to the property. The exclusive right expires in June 2020 but may be renewed. The Company recognized other income from the exclusivity agreement of \$195,670.

Highlights for the Year Ended December 31, 2019**Material Financial Information****Selected Annual Information**

	December 31, 2019	December 31, 2018
Overhead recovery fees & Exploration revenue	\$ 1,130,224	\$ 5,682,918
Loss before taxes	(4,328,920)	(4,338,539)
Net and comprehensive loss	(4,507,573)	(4,020,865)
Basic and diluted loss per share	(0.06)	(0.08)
Current assets	\$ 1,331,508	\$ 2,867,043
Non-current assets	3,578,154	3,591,862
Current liabilities	842,761	660,013
Non-current liabilities	142,470	79,000

The Company is at the exploration and evaluation stage and generates overhead recovery fees on projects which it operates for earn-in partners. In 2019 and 2018 the Company also conducted exploration services on behalf of PolarX and recorded revenues and costs

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directly related to operating exploration on properties owned by PolarX. The level of 2019 exploration conducted with PolarX was much smaller than the amount spent in 2018. There have been no distributions or cash dividends declared or paid.

In 2018 the Company had more earn-in partners with higher budgets and therefore, had higher overhead recovery fees. In 2018 the Company also had higher income and expenses related to operating exploration on behalf a third party on their exploration property. In 2019 a significant portion of the annual loss was from the impairment of exploration properties.

The 2019 and 2018 net loss was similar, but for different reasons. The 2019 year had \$1,170,678 recorded as impairment and write off for mineral properties as compared to 2018 having \$576,447 recorded for the same, but 2018 included unrealized loss on marketable securities of \$1,467,571 as opposed to 2019 having an unrealized loss on marketable securities of \$291,952.

2018 saw a high year-end total of current assets because of the marketable securities and amounts receivable it held at year-end. Non-current assets for the company are primarily its exploration and evaluation assets, which was similar for both years.

Current liabilities in 2019 and 2018 consisted of accounts payable, and 2019 also included a current portion of lease liability pursuant to the adoption of IFRS 16.

A non-current liability balance occurred in 2018 made up of an asset retirement obligation for reclamation bonds on the Company's Canadian exploration properties, and the Company had those refunded in 2019. In 2019 the Company had a long term portion of lease liability recorded as having adopted IFRS 16.

Additionally, in 2019 and 2018 Millrock issued shares towards private placement financings. In all cases Millrock has collected and used funds in order to pursue additional project acquisition and exploration as well as general corporate purposes as shown through its continued dedication to the project generator business model and moves to strengthen and diversify its exploration assets in prospective mineral jurisdictions.

Summary of Quarterly Results

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

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	Dec. 31 2019 Q4	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
Mineral expenditures	(140,156)	(327,356)	(2,595)	425,678	(423,491)	69,290	445,098	278,871
Overhead Recovery Fees & Exploration rev.	289,969	711,162	65,740	63,353	466,093	3,242,666	1,759,069	215,090
G&A expense (including stock-based comp.)	561,432	592,047	623,370	528,243	1,112,261	597,594	854,657	981,753
Stock-based compensation	40,215	108,633	-	-	-	-	-	171,054
Mineral properties write-off	188,636	11,836	970,206	-	576,447	-	-	-
Net Income/(loss) before tax	\$ (531,204)	\$ (1,307,810)	\$ (1,894,817)	\$ (595,089)	\$ (1,984,100)	\$ (141,986)	\$ (1,657,847)	\$ (554,606)
Loss per share (basic)	(0.01)	-	(0.04)	(0.01)	(0.04)	-	(0.03)	(0.01)
Loss per share (diluted)	(0.01)	-	(0.04)	(0.01)	(0.04)	-	(0.02)	(0.01)

The Company recognized the bulk of its revenue via Overhead Recovery Fees in both the third quarters of 2019 and 2018. In 2018 Overhead Recovery Fees were split between projects in Mexico and Alaska. In 2019 the Company recorded exploration revenue and costs related to operations only on Alaska exploration.

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, but in 2019 the Company had overhead recovery fees generated through the fourth quarter in preparation for the 64North project. 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. In 2018 the earn-in agreements with Centerra on two Mexican properties helped generate income throughout the year. 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 first quarter of 2018 and third quarter of 2019 is for the issuance of stock options to employees. Stock based compensation can vary widely in valuation.

G&A expenses typically remain fairly consistent throughout the years. There is a slight decrease of expense items in the 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 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:

	Twelve Months Ended	Twelve Months Ended
	December 31, 2019	December 31, 2018
Consulting, directors and salaries	\$ 930,752	\$ 991,496
Office and miscellaneous	\$ 435,532	\$ 715,572
Accounting, audit and legal	\$ 367,616	\$ 285,222
Investor relations	\$ 275,607	\$ 313,849
Stock-based compensation	\$ 148,848	\$ 171,054
General Exploration	\$ 40,638	\$ 452,351
Amortization and depreciation	\$ 5,359	\$ 32,865

The Company's annual financial results for the years December 31, 2019 and 2018 have been prepared in accordance with IFRS.

Quarter Ended December 31, 2019 Compared to the Quarter Ended December 31, 2018

The Company had overhead recovery fees of \$152,848 for the quarter ended December 31, 2019 compared to overhead recovery fees of \$77,876 for the quarter ended December 31, 2018, and a net operating loss of \$418,470 as compared to its net operating loss of \$465,859 for the fourth quarter 2018. There were property write-offs amount of \$188,636 in the fourth quarter 2019, compared to \$576,447 in 2018. The revenue is attributable to overhead recovery fees received from earn in partners. In 2018 the majority of overhead recovery fees were earned from Mexican and US projects, with a small amount attributable to the British Columbia properties, but in 2019 all overhead recovery fees were from Alaskan properties. The Company also had exploration service revenue of \$334,205 and direct costs related to exploration services of \$316,591 for the quarter ended December 31, 2019.

General and Administrative expenses overall for the quarter ended December 31, 2019 totaled \$588,933 as compared to \$706,239 for the corresponding quarter end 2018. The five largest expense items for the quarter ended December 31, 2019 are:

- Consulting, director and salary expenses of \$193,732;
- Accounting, audit and legal expenses of \$162,382;
- Investor relations expenses of \$90,960;
- Office and miscellaneous expenses of \$85,469;
- Stock based compensation expenses of \$40,215.

These items comprise approximately 98% of the total general and administrative expenses of the Company.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

The Company had overhead recovery fees of \$100,896 for the twelve months ended December 31, 2019 compared to \$444,049 of revenue for the twelve months ended December 31, 2018, and a net loss of \$4,328,920, as compared to \$4,338,539 for its net loss for the twelve months ended December 31, 2018.

In 2019, the Company also recognized exploration service revenue of \$1,029,328 for operating exploration on behalf of a third party. Related to these services the Company also recognized \$904,132 of direct costs. In 2018, the Company recognized exploration service revenue of \$5,238,869 and direct costs of \$4,859,698

General & administrative expenses overall for the year ended December 31, 2019 totalled \$2,305,092 as compared to \$2,948,671 for the same period in 2018. The five largest expense items are:

- Consulting, director and salary costs of \$930,752;
- Office and miscellaneous expenses of \$435,532;
- Accounting, audit and legal of \$367,616;
- Investor relation expenses of \$275,607;
- Stock based compensation expenses of \$148,848;

These items comprise approximately 94% 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 year ended December 31, 2019 was approximately 40% compared to 32% for the year ended December 31, 2018. The salaries cost had decreased in dollars spent, but was a higher proportional total of the overall general and administrative expenses.

Office and miscellaneous expenses relative to the total general and administrative expenses for the year ended December 31, 2019 amount to approximately 19% compared to 23% for the same period 2018. These expenses saw a decrease in dollars spent as the Company was able to reduce office and overhead costs.

Accounting, audit and legal costs relative to the Company's administrative expenses for the year ended December 31, 2019 was approximately 16% compared to 9% for the year ended December 31, 2018. Accounting and legal costs increased as the Company was very active pursuing deals in the US and Mexico and took efforts to improve the accounting systems for its subsidiaries.

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Stock based compensation costs relative to the total general and administrative expenses for the year ended December 31, 2019 amount to approximately 7% compared to 6% for the same period in 2018. The Company had decreased costs based on the value of stock based compensation, but it was a higher proportion of total costs compared to the prior year.

Investor relations expenses as a portion the Company's administrative expenses for the year ended December 31, 2019 were approximately 12% compared to 10% for the same period ended 2018. The Company has remained consistently engaged with shareholders and investors, but was very selective about costs and able to make a small reduction in investor relations expenses, but they were a higher proportion overall than the prior year.

Liquidity and Capital Resources

As of December 31, 2019, the Company has accumulated a deficit of \$43,380,264 and has working capital of \$488,747 based on current assets of \$1,331,508 and current liabilities of \$842,761.

The Company realizes income from option agreement payments, and from management fees it collects as the operator of earn in projects, and exploration service revenue (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 8,565,000 options and 59,259,268 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 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:

Twelve Months Ended December 31		
	2019	2018
Consulting, directors and compensation	\$ 564,421	\$ 653,798
Stock based compensation	148,848	203,674
	\$ 713,269	\$ 857,472

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 December 31, 2019, there was \$34,276 (December 31, 2018: \$27,182) due to related parties for accrued directors' fees and deferred salaries. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.

Millrock CEO, Gregory Beischer, holds a position on the board of Sojourn Exploration (now Arcwest Exploration). There are no other transactions between the companies other than those disclosed in note 8 of the financials.

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, 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

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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, 2019.

The 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 the 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 December 31, 2019, the Company had not yet achieved profitable operations, but had working capital of \$488,747 (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

The Company applied IFRS 16 effective January 1, 2019.

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

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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 headquarters in Anchorage, Alaska. In the context of the transition to IFRS 16, ROU assets of \$295,395 and lease liabilities of \$295,395 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. There were no leases classified as finance leases at transition.

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.

IFRS Standards Issued But Not Yet Effective

Management has reviewed upcoming IFRS standards for implementation and determined that there are no new standards that will impact the Company's reporting.

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:

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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 year ended December 31, 2019 \$185,874 (\$887,301 as of December 31, 2018).

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 \$351,031 (December 31, 2018: \$192,526) denominated in US dollars. A ten percent change in the exchange rate would result in a \$35,103 (December 31, 2018: \$19,253) impact to the Company's net comprehensive income (loss). The Company has Mexican peso cash and working capital items of \$109,222 (December 31, 2018: \$307,577). A ten percent change in the exchange rate would result in a \$10,922 (December 31, 2018: \$30,758) impact to the Company's net comprehensive 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.

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 Year Ended December 31			
		2019		2018
Within 1 year	\$	99,092	\$	87,277
After 1 year, but no more than 5		52,248		49,141
More than 5 years		-		-
	\$	151,340	\$	136,418

Share Capital

i) Authorized

Unlimited common shares without par value.

- ii) Issued and outstanding common shares for the year ended December 31, 2019 was 96,287,181.

Legal Claims and Contingent Liabilities

At December 31, 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

On February 13, 2020, the Company closed a placement for total proceeds of \$1,509,040. The financing consisted of 12,575,333 units at a price of \$0.12 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of \$0.17 per share until December 14, 2020, and thereafter at a price of \$0.20 until December 14, 2021.

On February 28, 2020, the Company issued 2,430,000 stock options to employees and consultants of the Company. The options have a 5 year life and are exercisable at \$0.135

Subsequent to year-end, there was a global outbreak of COVID-19, which has had a significant impact on businesses through the restrictions put in place by the Canadian and U.S. governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact that the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are implemented. As a precaution against the risk of COVID-19 Millrock and Resolution temporarily suspended drilling operations at the 64North property.

Subsequent to year end the Company sold the Guadalucazar property in Sonora, Mexico for proceeds of \$10,000 and a 0.5% NSR.

Subsequent to year end the Company has had 400,000 warrants exercised at a price of \$0.17.

Disclosure of Outstanding Share Data

The following table summarizes the number of common shares, stock options and share purchase warrants as of April 29, 2020:

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	Amount	Exercise Price	Expiry Date
Common Shares outstanding as of April 29, 2020	109,262,514		
Warrants *	6,970,000	\$0.55	December 15, 2020
##	10,555,000	\$0.17	December 14, 2021
##	7,142,857	\$0.17	December 14, 2021
##	21,625,128	\$0.17	December 14, 2021
##	12,966,283	\$0.17	December 14, 2021
Employee Stock Options	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
	2,430,000	\$0.14	February 28, 2025
Fully Diluted Shares Outstanding	177,086,782		

* 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 April 29, 2020:

	Number of Share	Weighted Average Exercise Price (\$CDN)
Incentive stock options	8,565,000	\$ 0.19
Share purchase warrants	59,259,268	\$ 0.29
	67,824,268	-

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Committee*

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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 April 29, 2020)

Shares Authorized: Unlimited
Shares Issued: 109,262,514

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