

**ROCA MINES INC.**

*(A Development Stage Company)*

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the Three Months Ended**

**NOVEMBER 30, 2005**

**(Expressed in Canadian Dollars)**

Prepared by Management Without Audit

## **UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the period ended November 30, 2005.

## Consolidated Balance Sheets

Canadian Funds

	As at November 30, 2005 (Unaudited)	As at August 31, 2005
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 317,154	\$ 18,417
Receivables	16,527	86,985
B.C. Mining Exploration Tax Credit (BCMETS) receivable	-	238,435
Prepaid expenses and deposits	33,542	3,744
Marketable securities (Note 4)	23,250	23,250
	<u>390,473</u>	<u>370,831</u>
<b>Resource Property Costs - Schedule (Note 5)</b>	<b>6,052,415</b>	<b>5,877,591</b>
<b>Reclamation Bonds</b>	<b>30,900</b>	<b>30,900</b>
<b>Property, Plant and Equipment (Note 6)</b>	<b>25,343</b>	<b>27,974</b>
	<u>6,108,658</u>	<u>5,936,465</u>
	<b>\$ 6,499,131</b>	<b>\$ 6,307,296</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 78,695	\$ 450,530
Due to related parties (Note 8d)	92,178	104,111
	<u>170,873</u>	<u>554,641</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital (Note 7a)</b>	<b>7,361,466</b>	<b>6,683,966</b>
<b>Contributed Surplus (Note 7f)</b>	<b>499,108</b>	<b>328,802</b>
<b>Deficit - Statement 2</b>	<b>(1,532,316)</b>	<b>(1,260,113)</b>
	<u>6,328,258</u>	<u>5,752,655</u>
	<b>\$ 6,499,131</b>	<b>\$ 6,307,296</b>

ON BEHALF OF THE BOARD:

"Scott E. Broughton", Scott E. Broughton, Director

"John M. Mirko", John M. Mirko, Director

- See Accompanying Notes -

## Consolidated Statements of Loss and Deficit

For the Three Months Ended November 30

Canadian Funds

Unaudited

	2005	2004
<b>Expenses</b>		
Stock option based compensation	\$ 170,306	\$ 36,200
Consulting fees – Related parties	23,700	23,300
Advertising, promotion and shareholder relations	26,884	7,946
Office and sundry	6,567	7,860
Consulting Fees	6,129	7,200
Travel and Insurance	21,119	5,849
Amortization	2,631	2,339
Listing and filing fees	3,649	1,728
Rent	1,500	1,500
Accounting, audit and legal fees	10,271	1,335
<b>Loss before the Undernoted</b>	<b>272,756</b>	<b>95,257</b>
Interest income	(553)	(1,291)
<b>Loss for the Period</b>	<b>272,203</b>	<b>93,966</b>
Deficit - Beginning of Period	1,260,113	1,103,377
<b>Deficit - End of Period</b>	<b>\$ 1,532,316</b>	<b>\$ 1,197,343</b>
<b>Loss per Share - Basic and Diluted</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>
<b>Weighted Average Number of Common Shares Outstanding</b>	<b>37,760,133</b>	<b>26,783,779</b>

- See Accompanying Notes -

## Consolidated Statements of Cash Flows

For the Three Months Ended November 30

Canadian Funds

Unaudited

Cash Resources Provided By (Used In)	2005	2004
<b>Operating Activities</b>		
Loss for the Period	\$ (272,203)	\$ (93,966)
Items not affected by cash:		
Stock-based compensation	170,306	36,200
Amortization	2,631	2,339
	<u>(99,266)</u>	<u>(55,427)</u>
Changes in non-cash working capital:		
Receivables	70,458	23,097
BCMETC Receivable	238,435	-
Prepaid expenses	(29,798)	(2,789)
Accounts payable and accrued liabilities	(383,768)	80,922
	<u>(203,939)</u>	<u>45,803</u>
<b>Investing Activities</b>		
Purchase of capital assets	-	(2,610)
Resource property costs	(174,824)	(669,275)
	<u>(174,824)</u>	<u>(671,885)</u>
<b>Financing Activities</b>		
Share issue proceeds	737,500	500,000
Share issuance costs	(60,000)	(37,711)
	<u>677,500</u>	<u>462,289</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>298,737</b>	<b>(163,793)</b>
Cash and cash equivalents - Beginning of Period	18,417	736,148
<b>Cash and Cash Equivalents - End of Period</b>	<b>\$ 317,154</b>	<b>\$ 572,355</b>
<b>Supplemental Schedule of non-cash Transactions</b>		
Stock option based compensation	\$ 170,306	\$ 36,200

- See Accompanying Notes -

## Consolidated Schedules of Resource Property Costs

For the Three Months Ended November 30

Canadian Funds

Unaudited

	2005	2004
<b>FOREMORE VMS-Gold Project, B.C., Canada</b>		
<b>Acquisition Costs</b>		
Additional staking and land costs	\$ -	\$ 6,472
<b>Deferred Exploration Costs</b>		
Geological and project management	2,058	64,941
Drilling costs	-	196,481
Materials and equipment	1,342	9,872
Geophysical	13,967	58,235
Field transportation, mobilization	5,278	154,359
Travel and accommodation	1,298	4,511
Communication	4,578	2,658
Prospecting, labour, camp costs and meals	3,248	37,046
Maps and reports	-	12,086
Assaying	9	50,054
	<b>31,778</b>	<b>596,716</b>
<b>MAX Molybdenum Project, B.C., Canada</b>		
<b>Acquisition Costs</b>		
Additional staking and land costs	5,000	1,623
<b>Deferred Exploration Costs</b>		
Geological and project management	19,250	6,280
Engineering studies and consulting	29,064	-
Environmental studies and consulting	51,059	7,464
Materials, equipment and underground rehabilitation	10,011	21,967
Labour costs	6,876	-
Travel, transportation and & accommodation	17,526	4,027
Communication	1,622	2,059
Assays	2,638	-
Maps and reports	-	2,868
	<b>143,046</b>	<b>46,288</b>
<b>SEAGOLD Project, B.C., Canada</b>		
<b>Acquisition Costs</b>		
Option payment - cash	-	25,000
<b>Deferred Exploration Costs</b>		
Geological	-	350
Assays	-	921
	<b>-</b>	<b>26,271</b>
<b>Total Resource Property Costs for the Period</b>	<b>174,824</b>	<b>669,275</b>
Balance - Beginning of period	<b>5,877,591</b>	<b>2,823,974</b>
<b>Balance - End of Period</b>	<b>\$ 6,052,415</b>	<b>\$ 3,493,249</b>

- See Accompanying Notes -

**Roca Mines Inc.***(A Development Stage Company)***Notes to Consolidated Financial Statements****November 30, 2004 and 2005***Canadian Funds***Unaudited**

---

**1. Nature of Operations**

The Company was incorporated on June 19, 2001 as 629645 BC Ltd. and changed its name to Roca Mines Inc. on April 29, 2002.

These financial statements are presented on a consolidated basis as the Company incorporated a wholly owned subsidiary, FortyTwo Metals Inc. on February 3, 2005. FortyTwo Metals, a British Columbia corporation, holds the mineral claims and underlying agreements and will serve as the operating subsidiary for the Max Molybdenum Project.

The Company is a development stage company that engages principally in the acquisition, exploration and development of resource properties. The recovery of the Company's investment in its resource properties is dependent upon the discovery, development and sale of ore reserves and the ability to raise sufficient capital to finance these operations. The ultimate outcome of these operations cannot presently be determined because they are contingent on future matters.

---

**2. Significant Accounting Policies**

These interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements as at August 31, 2005.

---

**3. Fair Value of Financial Instruments**

The Company's financial instruments consist of cash and cash equivalents, receivables, prepaid expenses, reclamation bonds and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

---

**4. Marketable Securities**

Marketable securities consist of 150,000 (2004 – Nil) shares of Romios Gold Resources Inc. ("Romios") at a cost of \$27,750 and a recorded market value of \$23,250. The Company's share ownership in Romios is very minimal and it has no control or significant influence over Romios.

---

**5. Resource Property Costs**

Details are as follows:

	Acquisition	Deferred Exploration	Total As at November 30 2005	Total As at November 30 2004
FOREMORE VMS-Gold Project	\$ 260,957	\$ 3,654,181	\$ 3,915,138	\$ 2,948,965
MAX Molybdenum Project	287,659	1,811,759	2,099,418	464,805
SEAGOLD Project	18,750	19,109	37,859	79,479
	<u>\$ 567,366</u>	<u>\$ 5,485,049</u>	<u>\$ 6,052,415</u>	<u>3,493,249</u>

**Roca Mines Inc.***(A Development Stage Company)***Notes to Consolidated Financial Statements****November 30, 2005 and 2004***Canadian Funds***Unaudited****5. Resource Property Costs - Continued****a) FOREMORE VMS-Gold Project, Liard Mining Division, B.C., Canada**

The Company acquired a 100% interest in certain properties, known as the Foremore mineral claims located in the Liard Mining Division, B.C. by paying cash payments of \$100,000 (paid) and issuing 400,000 common shares (issued) to the property vendor.

The Foremore Project is subject to a 2.5% Net Smelter Return ("NSR"). The Company may purchase, at any time prior to commencement of commercial production, up to 60% of the NSR by paying \$1,000,000 for each 30% (\$2,000,000 for the full 60% of the 2.5% NSR). The Company will be required to make annual advance royalty payments of \$50,000 starting May 1, 2006. This advance royalty ceases in the year in which commercial production commences and all advance royalty payments paid are a reduction of future royalty payments. The Company must issue 200,000 common shares to the vendor upon the commencement of commercial production.

**b) MAX Molybdenum Project, Revelstoke Mining Division, B.C., Canada**

By agreement dated January 16, 2004, the Company was granted an option to acquire a 100% interest in certain properties, known as the Max Project located in the Revelstoke Mining Division, B.C. In order to earn its interest the Company, at its option, must complete the following:

	Cash Payments	Share Issuances
Upon signing of the agreement (paid)	\$ 50,000	-
Upon TSX approval and before February 29, 2004 (issued)	-	100,000
On or before January 1, 2005 (paid)	50,000	-
On or before January 16, 2005 (issued)	-	100,000
On or before January 1, 2006 (paid subsequently)	50,000	-
On or before January 16, 2006 (issued subsequently)	-	100,000
On or before January 1, 2007	50,000	-
On or before January 16, 2007	-	100,000
Upon commencement of commercial production	-	200,000
	\$ 200,000	600,000

The MAX Project is subject to a 2.5% Net Smelter Return ("NSR"). The Company may purchase, at any time prior to commencement of commercial production, up to 60% of the NSR by paying \$1,000,000 for each 30% (\$2,000,000 for the full 60% of the 2.5% NSR). Advance royalty payments of \$50,000 will be payable by the Company starting from the earlier of the one-year anniversary of the date the property option is fully exercised and January 16, 2008, ceasing in the year in which commercial production commences.

On August 6, 2004, the Company acquired a 100% interest in certain crown grants, mining leases and mineral claims contiguous to the MAX Project mineral claims. Under the terms of this acquisition agreement, the Company agreed to pay \$100,000 (paid) for the contiguous property and original data detailing all previous exploration. This \$100,000 has been included in acquisition costs for the year ended August 31, 2004. The Company has granted a 2.5% NSR, reducible to 1% upon payment of \$2,000,000, and has agreed to issue 200,000 shares if it commences commercial production from any part of the newly acquired contiguous property.

**Roca Mines Inc.***(A Development Stage Company)***Notes to Consolidated Financial Statements****November 30, 2005 and 2004***Canadian Funds***Unaudited****5. Resource Property Costs - Continued****c) SEAGOLD Project, Liard Mining Division, B.C., Canada**

By agreement dated December 1, 2003, the Company was granted an option to acquire a 100% interest in certain properties, known as the SeaGold Project in the Liard Mining Division, B.C. In order to earn its interest the Company, at its option, must complete the following:

	Cash Payments	Share Issuances
Upon signing of the agreement (paid)	\$ 25,000	-
On or before May 1, 2004 (issued)	-	25,000
On or before December 1, 2004 (paid)	25,000	-
On or before May 1, 2005 (issued)	-	50,000
On or before December 1, 2005 (paid subsequently)	25,000	-
On or before May 1, 2006	-	50,000
On or before December 1, 2006	25,000	75,000
Upon commencement of commercial production	-	200,000
	\$ 100,000	400,000

The SeaGold Project is subject to a 2.5% NSR. The Company may purchase, at any time prior to commencement of commercial production, up to 60% of the NSR by paying \$1,000,000 for each 30% (\$2,000,000 for the full 60% of the 2.5% NSR). Advance royalty payments of \$30,000 will be payable by the Company starting from the earlier of the one-year anniversary of the date the property option is fully exercised and December 1, 2007, ceasing in the year in which commercial production commences.

The Company has signed an agreement dated May 1, 2005 with Romios Gold Resources Inc. ("Romios") whereby Romios can earn up to a 50% interest in the SeaGold Property by completing the following:

	Cash Payments	Share Issuances	Property Expenditures
Upon Exchange Approval (received)	\$ 25,000	150,000	\$ -
December 1, 2005 (received subsequently)	50,000	150,000	-
December 31, 2005	-	-	150,000
December 1, 2006	50,000	150,000	-
December 31, 2006	-	-	150,000
December 1, 2007	75,000	150,000	-
December 31, 2007	-	-	700,000
	\$ 200,000	600,000	\$ 1,000,000

Romios will also assume the Company's obligation to issue the original property vendor 200,000 common shares upon commencement of commercial production, and advance royalty payments of \$30,000 per annum commencing on the earlier of one year from the date the option is fully exercised and December 1, 2007.

An additional 25% (up to 75%) can be earned by Romios by paying the Company \$2,000,000 in cash or common share equivalent within 90 days of the vesting of the initial 50%.

**Roca Mines Inc.***(A Development Stage Company)***Notes to Consolidated Financial Statements****November 30, 2005 and 2004***Canadian Funds***Unaudited****6. Property, Plant and Equipment**

Details are as follows:

	Cost	Accumulated Amortization	November 30, 2005 Net Book Value	November 30, 2004 Net Book Value
Office equipment	\$ 15,342	\$ 7,988	\$ 7,354	\$ 6,893
Geological Software	4,292	2,683	1,609	-
Crew and Equipment Van	29,761	13,381	16,380	23,400
	<u>\$ 49,395</u>	<u>\$ 24,052</u>	<u>\$ 25,343</u>	<u>\$ 30,293</u>

**7. Share Capital**

a) Details are as follows:

Authorized:

100,000,000 common shares without par value

	Number of Shares	Amount
<b>Balance - August 31, 2004</b>	26,690,001	\$ 4,202,174
Issued for cash:		
Private placement – November 2004	2,000,000	500,000
Private placement – January 2005	2,080,000	624,000
Private placement – July 2005	2,668,334	800,500
Exercise of Warrants	2,009,500	502,375
Exercise of Agent warrants at \$0.20	1,000,000	200,000
Exercise of Agent warrants at \$0.25	182,900	45,725
Exercise of Incentive stock options	180,000	36,000
Issued to agent as commission and fees – Nov. 2004	110,000	-
Issued to agent as corporate finance fee – Jan. 2005	40,000	-
Issued for MAX Project	100,000	33,000
Issued for Foremore Project	100,000	28,000
Issued for SeaGold Project	50,000	14,000
Fair value of stock options exercised <i>(Note 7i)</i>	-	18,224
Share issuance costs	-	(142,032)
Flow-through share renunciation – tax effect	-	(178,000)
<b>Balance – August 31, 2005</b>	37,210,735	\$ 6,683,966
Issued for cash:		
Exercise of Warrants	3,400,000	680,000
Exercise of Agent warrants	230,000	57,500
Share issuance costs	-	(60,000)
<b>Balance – November 30, 2005</b>	40,840,735	7,361,466

**Roca Mines Inc.***(A Development Stage Company)***Notes to Consolidated Financial Statements****November 30, 2005 and 2004***Canadian Funds***Unaudited****7. Share Capital - Continued**

- b) As at November 30, 2005 the following share purchase warrants are outstanding:

	Number	Exercise Price/Share	Expiry Date
Warrants	2,080,000	\$0.40	January 18, 2006
Agent Warrants	206,400	\$0.40	January 18, 2006
Warrants	1,334,167	\$0.35*	July 21, 2006
Agent Warrants	77,800	\$0.35*	July 21, 2006
	3,698,367	\$0.20-\$0.40	Nov. 19, 2005 to January 18, 2006

\* Exercise price increases to \$0.40 on January 22, 2006.

- c) At November 30, 2005, 615,001 shares are held in escrow, to be released on December 17, 2005.
- d) The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. The maximum number of shares issuable under the stock option plan shall not exceed 10% of the issued and outstanding common shares. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the board of directors and the exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date. Options vest on the grant date unless determined otherwise by the board of directors.
- e) A summary of the Company's options at November 30, 2005 and the changes for the period are as follows:

Number Outstanding August 31 2005	Granted	Exercised	Cancelled	Expired	Number Outstanding November 30, 2005	Exercise Price Per Share	Expiry Date
908,000	-	-	-	-	908,000	\$0.20	December 17, 2007
150,000	-	-	-	-	150,000	\$0.20	January 7, 2008
397,000	-	-	-	-	397,000	\$0.20	December 11, 2008
930,000	-	-	-	-	930,000	\$0.25	August 24, 2009
200,000	-	-	-	-	200,000	\$0.25	November 26, 2009
-	1,125,000	-	-	-	1,125,000	\$0.25	October 18, 2010
2,565,000	1,125,000	-	-	-	3,710,000		

During the first quarter period ended November 30, 2005, the Company granted incentive stock options to directors and consultants of the Company to purchase up to 1,125,000 common shares of the Company at a price of \$0.25 per share for a period of five years. The total fair value of the options granted was calculated to be \$170,306 on the grant date. The offsetting entry is to share capital.

**Roca Mines Inc.***(A Development Stage Company)***Notes to Consolidated Financial Statements****November 30, 2005 and 2004***Canadian Funds***Unaudited**

---

**7. Share Capital - Continued**

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

Average risk-free interest rate	3.69%
Expected dividend yield	Nil
Expected stock price volatility	70.05%
Average expected option life in years	5 years

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

**f) Contributed Surplus**

Details are as follows:

Balance at August 31, 2005	<b>\$ 328,802</b>
Fair value of stock-based compensation	<b>170,306</b>
Fair value of stock options exercised – to share capital	<b>Nil</b>
Balance – End of Period	<b><u>\$ 499,108</u></b>

---

**8. Related Party Transactions**

Except as noted elsewhere in these financial statements, related party transactions are as follows:

- a) During the three month period ended November 30, 2005, consulting fees of \$19,600 (2004 - \$10,000) were paid or accrued to the President and CEO. Services provided include general corporate, exploration and acquisition strategy, drafting and engineering work, contract negotiations, and investment presentations. Of this amount, \$14,800 is contained in deferred exploration costs for the period and \$4,800 is contained in related-party consulting.
- b) During the three month period ended November 30, 2005, consulting fees of \$18,900 (2004 – 11,550) were paid or accrued to the current CFO and Secretary. Services provided include corporate finance and fund raising initiatives, contract negotiations, financial accounting, office management and general administration.
- c) During the three month period ended November 30, 2005, per-diem contract fees of \$23,100 (2004 - \$9,800) were paid or accrued to a director or a company controlled by a director. This amount is contained in deferred exploration costs for the period.
- d) As at November 30, 2005, current liabilities include \$92,178 (2004 -\$36,222) payable to related parties. These amounts were incurred in the ordinary course of business, are non-interest bearing, and without specific repayment terms.

**Roca Mines Inc.***(A Development Stage Company)***Notes to Consolidated Financial Statements****November 30, 2005 and 2004***Canadian Funds***Unaudited**

---

**9. Income Taxes**

The Company has incurred certain resource property related expenditures of approximately \$4,030,120 that may be carried forward indefinitely and are available to offset future taxable income.

The Company has non-capital losses for tax purposes of approximately \$880,215 that are available to offset future taxable income. These losses may be carried forward and expire as follows:

	Amount
2010	\$ 190,999
2014	367,244
2015	321,972
	<u>\$ 880,215</u>

The potential future tax benefits of these expenditures and tax losses have not been recognized in these financial statements.

## Income Tax Recovery

	2005	2004
Canadian and British Columbia income tax rate	<u>35.6%</u>	35.6%
Income tax recovery at statutory rate	\$ 1,748,079	\$ 724,370
Effect on income taxes of:		
Valuation allowance	(1,748,079)	(724,370)
Reversal of valuation allowance	178,000	-
Income tax recovery	<u>\$ 178,000</u>	\$ -

---

**10. Subsequent Events**

Subsequent to the period ended November 30, 2005, the Company completed a private placement for gross proceeds of \$300,000. One million units were issued each consisting of one common share and one common share purchase warrant, each warrant entitling the holder to acquire one additional common share for one year following closing at price of \$0.40 per share. The terms and conditions of the warrants provide that, if the Company's shares trade above \$0.80 for 10 consecutive trading days, the warrant holders will be given notice that they have 30 days to exercise or the warrants will expire.

2,080,000 warrants and 206,400 Agent warrants exercisable at \$0.40 expired unexercised on January 18, 2006.

---