

**ROCA MINES INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(FORM 51-102F1)**  
**FIRST QUARTER ENDED NOVEMBER 30, 2005**

**JANUARY 20, 2006**

**ROCA MINES INC.**  
**Management's Discussion and Analysis**  
**Period Ended November 30, 2005**  
**Dated as of January 20, 2006**

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*This discussion and analysis should be read in conjunction with the unaudited interim financial statements and related notes thereto for the three months ended November 30, 2005 and 2004, which have been prepared in accordance with Canadian generally accepted accounting principles. The reader should also refer to the annual audited financial statements for the years ended August 31, 2005 and August 31, 2004 and the Management's Discussion and Analysis for those years. All amounts in the financial statements and this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.*

**Forward-Looking Information**

This management discussion and analysis ("MD&A") contains certain forward-looking statements and information relating to Roca Mines Inc. (the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, amongst other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration of the Company's properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional, important factors, if any, are identified here.

**Description of Business and Overview of Operations and Financial Condition**

The Company is engaged in exploration for mineral resources including base, precious and strategic metals. Exploration is focused on the search for precious and base metals on two properties located in the Liard Mining Division, near the Eskay Creek Mine, in northern British Columbia, Canada. The Company has also acquired an option to earn a 100% interest in a property near Revelstoke, British Columbia, where the focus of exploration will be an advanced-stage molybdenite deposit.

During the first quarter ended November 30, 2005, the Company incurred a loss of \$272,203 and incurred exploration and acquisition costs of \$174,824. The Company's loss for the first quarter ended November 30, 2005 has increased from a loss of \$93,966 for the corresponding period of the prior year largely due to the non-cash stock based compensation expense of \$170,306 and higher travel and shareholder communication expenses. Exploration and acquisition expenses decreased from \$669,275 for the three months ended November 30, 2004, as the Company cut spending significantly at the Foremore VMS-Gold Project in 2005.

As at November 30, 2005, the Company had cash and cash equivalents of \$317,154 and working capital of \$219,600. The Company incurred costs over its original budget estimates for various programs and studies related to the Max Molybdenum Project, including; infill diamond drilling program, new engineering studies and expanded environmental baseline work. These program additions have paved the way for, a successful BC Small Mines Permit application.

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Subsequent to year end an additional private placement was completed for gross proceeds of \$300,000, leaving the Company in a stronger financial position entering 2006. The Company is now adequately funded to continue operations in the short term but will require additional funds prior to conducting significant exploration programs at the Foremore VMS-Gold Project or prior to funding development of the MAX Molybdenum Mine.

**Selected Annual Financial Results**

	<b>Year Ended August 31, 2005</b>	<b>Year Ended August 31, 2004</b>	<b>Year Ended August 31, 2003</b>
Total revenues	Nil	Nil	Nil
Net loss	(156,736)	(801,979) <sup>2</sup>	(243,451)
Net loss per share	(0.01)	(0.05)	(0.03)
Total assets	6,307,296	3,776,752	1,811,776
Total long term debt	Nil	Nil	Nil

Notes:

- 1) The loss for the year-ended August 31, 2004 includes a one-time write-off of \$186,198 in resource property costs and non-cash stock-based compensation of \$268,500.

**Results of Operations**

***Foremore VMS-Gold Project***

The Company has earned a 100% interest in the Foremore VMS-Gold Project ("Foremore") subject to a 2.5% net smelter return ("NSR"), by paying four cash payments totalling \$100,000 and by issuing 400,000 common shares to the original property vendor. 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 from the earlier of the one-year anniversary of the date when the option is fully exercised or 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. In addition, the Company must issue 200,000 common shares to the vendor upon the commencement of commercial production.

Foremore is located in one of the most active mining and exploration areas in British Columbia - the Eskay/Iskut Camp. This camp includes Barrick Gold's legendary Eskay Creek Mine, Cominco's historic Snip Mine and NovaGold's Galore Creek Project. Foremore comprises a number of volcanogenic massive sulphide (VMS) and gold/silver targets and showings on its 235 km<sup>2</sup> (92 sq. miles) area. The project is located approximately 45 km north of Barrick Gold Ltd.'s Eskay Creek Mine and 20 km east of NovaGold Resources Inc.'s Galore Creek Project.

Foremore has been the focus of the Company's exploration efforts dating back to the summer of 2002 and was the focus of exploration by Cominco Limited between 1989 and 1996. Drawn to the area because of its abundance of mineralized boulders, Cominco's work failed to locate a source of several boulder fields containing thousands of well-mineralized boulders. Roca's exploration crews have now succeeded in discovering numerous showings and mineralized zones in outcrop and in diamond drill-holes, in a relatively short period of time.

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At November 30, 2005, the Company had expended a total of \$3,915,138 (net of recorded tax credits of \$175,487) at Foremore including \$260,957 in acquisition costs and the balance deferred exploration costs.

The Company's Foremore VMS-Gold Project remains at an early exploration stage although the Company's consulting geologists are now focusing their efforts on a potential source of several high grade volcanogenic massive sulphide ("VMS") boulder fields on the property (several new gold target areas also exist on the property). The 'North Zone' exhibits all of the characteristics of major world-class VMS systems and clearly shows good precious and base metal grades within the edges of the system drilled to date. With a strike length of some 6 kilometres, the North Zone itself (a small portion of the total project area) has the potential to hold one or several significant deposits. The Company's geological team is awaiting final interpretation of an airborne geophysical study and will provide a comprehensive geological interpretation of the results from the 2005 exploration programs when completed.

***MAX Molybdenum Project***

By agreement dated January 16, 2004 the Company was granted an option to acquire a 100% interest in certain properties, known as the Max Molybdenum Project ("MAX") located in the Revelstoke Mining Division, B.C. Under the terms of its option agreement, the Company may earn a 100% interest by paying cash payments totalling \$200,000 and by issuing 400,000 common shares to the vendor at certain dates up to January 16, 2007. In addition, the Company must issue 200,000 common shares to the vendor upon the commencement of commercial production. As at the date of this report, \$150,000 in cash payments had been made and 300,000 common shares have been issued to the vendor. The vendor will retain a 2.5% NSR of which 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 also acquired a 100% interest in certain crown grants, mining leases and mineral claims contiguous to the original MAX 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 was 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.

MAX was previously explored by a joint venture of Newmont Mines Limited ('Newmont') and Esso Minerals Canada Ltd. ('Esso') from 1975 to 1982. Work expenditure during that period totalled \$14.9 million. Work on the project was suspended by the Newmont-Esso joint venture in 1982 due to a price decline and poor market projection for molybdenum products.

Historic and recent diamond drilling at the MAX Project demonstrates that the deposit hosts zones of continuous molybdenite mineralization with grades that are an order of magnitude greater than many operating molybdenite mines. In November of 2005, the Company's wholly-owned subsidiary, FortyTwo Metals Inc., was granted a permit (the "Permit") which allows for the development and operation of an underground mine and onsite concentrator at the MAX Project. The Company intends to fast-track initial development of a 500 tonne per day mining

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operation that would produce up to 72,000 tonnes per year on a campaigned basis. Initial production will focus on the "HG" Zone, including an estimated 260,000 tonnes ("measured") grading 1.95% MoS<sub>2</sub> hosted within the larger MAX deposit comprising 42.9 million tonnes ("measured" + "indicated") grading 0.20% MoS<sub>2</sub>. The Company's strategy to fast-track a high-grade mine, is intended to minimize the lead time to production and reduce initial capital costs. The use of existing production-sized underground access to the deposit will be maximized. Expansion of the proposed 500 tonne per day mine and mill will be guided by prevailing molybdenum prices and an assessment of ongoing operating costs in late 2006 and in 2007.

Recently the Company announced that its wholly owned subsidiary, FortyTwo Metals Inc, had agreed to purchase a complete 1000 tpd mill and concentrator, and related equipment for the MAX Project. Subject to the terms of a purchase agreement dated January 17th 2006, the Van Stone Mill, located near Colville, Washington State, will be purchased for total consideration of US\$325,000. The mill and equipment is well suited for use at MAX and will significantly reduce capital costs, lead-time and engineering design requirements for bringing the project to production. The rated capacity of the Van Stone mill is greater than the initial planned production at MAX and therefore provides a ready opportunity for possible future expansion of the project.

The mill was originally built by ASARCO to process lead/zinc ore from the Van Stone Mine, most recently in 1993. It is located approximately 380 highway kilometres (230 miles) south of the MAX site. The Company plans to dismantle and move the mill, including; buildings, crushing, grinding and flotation circuits. Importantly, complete engineering drawings for the mill buildings and equipment will allow for rapid reconstruction at the MAX site.

During the first quarter ended November 30, 2005, the Company incurred acquisition and exploration costs \$143,046 at MAX. Exploration costs included costs associated with road and underground rehabilitation, environmental and engineering consulting towards successful completion of the mining permit application. As at November 30, 2005, a total of \$2,099,418 in acquisition and deferred exploration costs have been incurred at MAX, net of \$31,596 in recorded tax credits.

### ***SeaGold Property***

The SeaGold Project is a relatively early stage exploration project located 35 km north of Barrick Gold's Eskay Creek gold/silver mine. The property comprises 160 units in 8 claim blocks and covers an area of approximately 40 square kilometers, centered on a number of gold and copper occurrences.

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. Under the terms of its option agreement, the Company may earn a 100% interest by paying four cash payments totalling \$100,000 and by issuing 200,000 common shares to the vendor at certain dates up to December 1, 2006. In addition, the Company must issue 200,000 common shares to the vendor upon the commencement of commercial production. At the date of this report, \$75,000 in cash payments have been made and 75,000 shares issued to the vendor who will retain a 2.5% NSR subject to various conditions. The Company may purchase at any time prior

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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).

Management has now focused all efforts and budget at MAX and Foremore and allowed a partner to fund exploration at the SeaGold Project. The Company has signed an agreement dated May 1, 2005 with Romios Gold Resources Inc. ("Romios") whereby Romios can earn up to a 75% interest in the SeaGold Property. To earn its initial 50% interest, Romios has agreed to pay the Company a total of \$200,000 in cash (\$75,000 received as of the date of this report), issue to Roca 600,000 common shares of Romios (300,000 shares received as of the date of this report), and incur aggregate exploration expenses of \$1 million in stages ending on or before December 31, 2007. Upon vesting its initial 50% interest, Romios will have the right to earn an additional 25% interest in the SeaGold Property by paying the Company \$2 million in cash or common share equivalent value at that time the additional option is exercised. 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.

Subsequent to the period ending November 30, 2005, the Company paid the original property vendor \$25,000 to maintain its option and received \$50,000 and 150,000 shares due under the terms of its option agreement with Romios.

### **Operating Expenses and Loss**

During the first quarter ended November 30, 2005, the Company incurred a loss of \$272,203 (\$0.01 per share) and incurred exploration and acquisition costs of \$272,203. The Company's loss for the first quarter ended November 30, 2005 has increased from a loss of \$93,966 for the corresponding period of the prior year largely due to higher travel costs and non-cash, stock-based compensation expense of \$170,306.

### **Liquidity and Capital Resources**

As at November 30, 2005, the Company had cash and cash equivalents of \$317,154 and working capital of \$219,600. Subsequent to year-end, an additional private placement was completed for gross proceeds of \$300,000 (see *Subsequent Events*), leaving the Company in a stronger financial position entering 2006. The Company is now adequately funded to continue operations in the short term but will require additional funds prior to conducting significant exploration programs at the Foremore VMS-Gold Project or prior to funding development of the MAX Molybdenum Mine.

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**Summary of Quarterly Results**

	<b>Nov. 30, 2005</b>	<b>Aug. 31, 2005</b>	<b>May 31, 2005</b>	<b>Feb. 28, 2005</b>
Total revenues	Nil	Nil	Nil	Nil
Net income (loss)	(272,203) <sup>1</sup>	98,126 <sup>2</sup>	(69,051)	(91,845)
Net income (loss) per share	(0.01)	0.00	(0.01)	(0.01)
Total assets	6,499,131	6,307,296	5,058,825	4,662,247
Total long term debt	Nil	Nil	Nil	Nil

	<b>Nov. 30, 2004</b>	<b>Aug. 31, 2004</b>	<b>May 31, 2004</b>	<b>Feb. 29, 2004</b>
Total revenues	Nil	Nil	Nil	Nil
Net loss	(93,966)	(300,050) <sup>3</sup>	(111,552)	(286,451) <sup>4</sup>
Net loss per share	(0.01)	(0.02)	(0.01)	(0.02)
Total assets	4,262,197	3,776,752	1,891,384	1,771,177
Total long term debt	Nil	Nil	Nil	Nil

Note 1: The loss for the quarter ended November 30, 2005 includes stock-based (non-cash) compensation expense of \$170,306.

Note 2: The income recorded in the quarter ended August 31, 2005 includes a future income tax recovery of \$178,000.

Note 3: The loss for the quarter ended August 31, 2004 includes stock-based (non-cash) compensation expense of \$247,800.

Note 4: The loss for the quarter ended February 29, 2004 includes a one-time write-off of \$186,198 in resource property costs.

**Related Party Transactions**

Each of Scott Broughton, David Skerlec and John Mirko, either directly or through a wholly owned company, provides consulting or contract services to the Company pursuant to a consulting agreement. Mr. Broughton charges a per diem rate of \$400, and Messrs. Skerlec and Mirko charge per diem rates of \$350. During the quarter year 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, investor presentations and contract negotiations. Of this amount, \$14,800 is contained in deferred exploration costs for the period and the balance in related-party consulting. Consulting fees of \$18,900 (2004 - \$11,550) were paid or accrued to the CFO and Secretary for corporate finance services, contract negotiations, financial accounting and general corporate management. Per-diem geological and contract management fees of \$23,100 (2004 - \$9,800) were paid or accrued to a director or a company controlled by a director during the period ended November 30, 2005. This amount is contained in deferred exploration costs. 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.

### **Risks and Uncertainties**

The Company's financial success will be dependent upon the extent to which it can discover mineralization or acquire mineral properties and the economic viability of developing its properties. The Company competes with many companies possessing greater financial resources and technical facilities than itself. The market price of minerals and/or metals is volatile and cannot be controlled. There is no assurance that the Company's mineral exploration and development activities will be successful. The development of mineral resources involves many risks in which even a combination of experience, knowledge and careful evaluation may not be able to overcome. All of the Company's short to medium term operating and exploration cash flow must be derived from external financing. Actual funding may vary from what is planned due to a number of factors including the progress of exploration and development on its current properties. Should changes in equity market conditions prevent the Company from obtaining additional external financing; the Company will need to review its exploration property holdings to prioritize project expenditures based on funding availability.

### **Outstanding Share Data**

During the first quarter ended November 30, 2005, 3,400,000 warrants exercisable at \$0.20 were exercised for proceeds of \$680,000 and 230,000 previously granted Agent warrants exercisable at \$0.25 per share were exercised for proceeds of \$57,500.

Subsequent to the end of the first quarter, the Company completed a private placement for gross proceeds of \$300,000. 1,000,000 units were issued, each consisting of one common share and one share purchase warrant, each warrant entitling the holder to purchase one common share until December 8, 2006 at price of \$0.40. 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.

In December, the Company issued 100,000 shares at a price of \$0.35 per share pursuant to the terms of an option to earn a 100% interest in the MAX Molybdenum Project.

At November 30, 2005, 615,001 shares were held in escrow. 615,001 shares were released from escrow on December 17, 2005, leaving no shares in escrow as of the date of this report.

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**OUTSTANDING SHARE DATA**

Authorized:

Unlimited 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	-	18,224
Share issuance costs	-	(142,032)
Flow-through share renunciation – tax effect	-	(178,000)
<b>Balance – August 31, 2005</b>	<b>37,210,735</b>	<b>\$ 6,683,966</b>
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>	<b>40,840,735</b>	<b>7,361,466</b>
Issued for cash:		
Private placement –December 2005	1,000,000	300,000
Issued for MAX Project	100,000	35,000
Share Issuance Costs	-	(17,465)
<b>Balance – January 20, 2006</b>	<b>41,940,735</b>	<b>7,679,001</b>

As at November 30, 2005, the following share purchase warrants were 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	\$0.35-\$0.40	January 18 to July 21, 2006

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

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Subsequent to November 30, 2005, 2,080,000 warrants and 206,400 Agent warrants exercisable at \$0.40 expired unexercised on January 18, 2006. 1,000,000 new warrants were granted pursuant to a private placement completed in December. Each warrant entitles the holder to purchase one common share until December 8, 2006 at price of \$0.40. 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.

At the date of this report, the following share purchase warrants were outstanding:

	<b>Number</b>	<b>Exercise Price/Share</b>	<b>Expiry Date</b>
Warrants	1,334,167	\$0.35*	July 21, 2006
Agent Warrants	77,800	\$0.35*	July 21, 2006
Warrants	1,000,000	\$0.40**	December 8, 2006
	2,411,967	\$0.35-\$0.40	July 21 to December 8, 2006

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

\*\* Forced exercise clause at \$0.80.

In October, 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. A summary of the Company's stock options at November 30, 2005 and at the date of this report is as follows:

Number at August 31, 2005	Granted	Exercised	Cancelled	Expired	Number at November 30, 2005 and January 20, 2006	Exercise Price	Expiry
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
2,585,000	1,125,000	-	-	-	3,710,000		

### **Subsequent Events**

Subsequent to the end of the first quarter, the Company completed a private placement consisting of units issued at a price of \$0.30 per unit. 1,000,000 units were issued, each consisting of one common share and one share purchase warrant, each warrant entitling the holder to purchase one common share until December 8, 2006 at price of \$0.40. 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.