



ROCA MINES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(FORM 51-102F1)

SECOND QUARTER ENDED FEBRUARY 29, 2008

APRIL 25, 2008



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**ROCA MINES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
SECOND QUARTER ENDED FEBRUARY 29, 2008**

Date of Report

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited interim consolidated financial statements and related notes thereto for the six months ended February 29, 2008 and February 28, 2007, which have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The reader should also refer to the annual audited consolidated financial statements for the years ended August 31, 2007 and August 31, 2006 and the MD&A for those years.

This MD&A is prepared as of April 25, 2008. All amounts in the financial statements and this MD&A are expressed in Canadian dollars, unless otherwise indicated.

Description of Business

Roca Mines Inc. (the "Company") is engaged in exploration, development and production of mineral resources including base, precious and strategic metals in British Columbia, Canada. The Company, through its wholly-owned subsidiary, FortyTwo Metals Inc., operates the MAX Molybdenum Mine, producing and selling molybdenite concentrates. Exploration projects include expanding the MAX molybdenite resources at depth as well as advanced base and precious metal exploration in north-western British Columbia, and five early-stage properties in south-eastern British Columbia.

Highlights

- MAX Molybdenum mine becomes first new metal mine in British Columbia in over ten years, and declares commercial production as of April 12, 2008.
- Start-up operations produced approximately 410,000 lbs of contained molybdenum in concentrate with a gross metal value of approximately \$13.5 million.
- MAX operations are currently producing in the range of 300,000 lbs of contained molybdenum in concentrates per month.
- Phase II expansion progress at MAX, including #2 adit break-through in April and pre-installation engineering of a third primary ball mill being conducted during the current quarter.
- Initial deep drilling results below the MAX Molybdenum deposit confirm resource expansion potential and extend high grade zones.

Selected Annual Financial Results

The information below has been extracted from the Company's annual financial statements.

| | Year Ended August 31, 2007 | Year Ended August 31, 2006 | Year Ended August 31, 2005 |
|----------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Total revenues | \$ Nil | \$ Nil | \$ Nil |
| Net loss | \$ (838,029) ¹ | \$ (318,654) ² | \$ (156,736) |
| Net loss per share | \$ (0.01) | \$ (0.01) | \$ (0.01) |
| Total assets | \$ 53,361,488 | \$ 17,607,739 | \$ 6,307,296 |
| Total long term debt | \$ Nil | \$ Nil | \$ Nil |

Notes:

- 1) The loss for the year-ended August 31, 2007 includes non-cash stock-based compensation of \$1,121,450 and future income tax recovery of (\$811,942).
- 2) The loss for the year-ended August 31, 2006 includes non-cash stock-based compensation of \$111,059 and future income tax recovery of (\$273,130).



ROCA MINES INC.
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SECOND QUARTER ENDED FEBRUARY 29, 2008

Summary of Quarterly Results

| | Feb. 29, 2008 | Nov. 30, 2007 | Aug. 31, 2007 | May 31, 2007 |
|-----------------------------|----------------------|------------------------|------------------------|---------------------|
| Total revenues | Nil ¹ | Nil | Nil | Nil |
| Net loss (income) | 361,243 | 1,590,332 ² | (631,766) ³ | 158,172 |
| Net loss (income) per share | 0.01 | 0.01 | (0.01) | 0.01 |
| Total assets | 57,396,530 | 57,098,261 | 53,361,488 | 37,818,994 |
| Total long term debt | Nil | Nil | Nil | Nil |

| | Feb. 28, 2007 | Nov. 30, 2006 | Aug. 31, 2006 | May 31, 2006 |
|-----------------------------|------------------------|----------------------|------------------------|----------------------|
| Total revenues | Nil | Nil | Nil | Nil |
| Net loss (income) | 1,163,204 ⁴ | 148,419 | (392,186) ⁵ | 316,067 ⁶ |
| Net loss (income) per share | 0.02 | 0.01 | 0.01 | 0.01 |
| Total assets | 28,236,928 | 20,923,750 | 17,607,739 | 10,766,245 |
| Total long term debt | Nil | Nil | Nil | Nil |

Note 1: Pre-commercial concentrate sales have been reflected as a recovery of development costs at the MAX Mine.

Note 2: The loss for the quarter ended November 30, 2007 includes stock-based compensation expense of \$1,355,363.

Note 3: The income recorded in the quarter ended August 31, 2007 includes a future income tax recovery of \$811,942.

Note 4: The loss for the quarter ended February 28, 2007 includes stock-based compensation expense of \$1,062,267.

Note 5: The income recorded in the quarter ended August 31, 2006 includes a future income tax recovery of \$273,130 and significant reallocations of stock-based compensation expense from general and administrative expenses to deferred exploration and development costs.

Note 6: The loss for the quarter ended May 31, 2006 includes stock-based compensation expense of \$228,517.

Results of Operations

During the six months ended February 29, 2008, the Company incurred a loss of \$1,951,575 and incurred exploration, development and acquisition costs of \$13,078,100 (*net of recoveries from start-up concentrate shipments totalling \$7,272,735*), compared to a loss of \$1,311,623 and deferred exploration, development and acquisition costs of \$13,014,446 in the first six months of the prior fiscal year.

During the three months ended February 29, 2008, the Company incurred a loss of \$361,243 and incurred deferred exploration, development and acquisition costs of \$1,156,775 (net of start-up concentrate recoveries) compared to a loss of \$1,163,204 (including stock-based compensation expense of \$1,062,267) and deferred exploration, development and acquisition costs of \$5,352,667 in the second quarter of the prior fiscal year.

Higher advertising, promotion and shareholder relations, travel, insurance, office and sundry, accounting, audit and legal, and rent expenses help account for the overall increase in cash-based general and administrative costs over 2007, reflecting the Company's rapid transition from exploration-company to emerging metals producer. Gross resource property expenditures and property, plant and equipment expenditures have increased as the Company accelerated construction and planned expansion at the MAX Molybdenum Mine.



MAX Molybdenum Mine

Through its wholly-owned subsidiary, FortyTwo Metals Inc., the Company holds a 100% interest in the MAX Molybdenum Mine located approximately 60 kilometres southeast of Revelstoke, B.C. The MAX claims and related holdings cover approximately 8,200 hectares in the Revelstoke Mining Division.

Resource Estimate

A resource estimate completed in September of 2004 in compliance with the CIM Standards stipulated by National Instrument 43-101 of the Canadian securities commissions is summarized below:

| MEASURED | | | INDICATED | | MEASURED & INDICATED | |
|------------------------------|------------|-----------------------------|------------|-----------------------------|----------------------|-----------------------------|
| Cutoff % MoS ₂ | Tonnes | Grade % MoS ₂ | Tonnes | Grade % MoS ₂ | Tonnes | Grade % MoS ₂ |
| 0.10 | 27,870,000 | 0.21 | 15,070,000 | 0.18 | 42,940,000 | 0.20 |
| 0.20 | 9,340,000 | 0.35 | 2,010,000 | 0.41 | 11,350,000 | 0.36 |
| 0.50 | 1,010,000 | 1.01 | 370,000 | 0.77 | 1,380,000 | 0.94 |
| 1.00 | 260,000 | 1.95 | 20,000 | 1.87 | 280,000 | 1.95 |

Notes: In addition to the above measured and indicated resources, inferred resources total 8,900,000 tonnes averaging 0.16% MoS₂ at the 0.10 cut-off, including 460,000 tonnes averaging 0.33% at the 0.20 cut-off.
 To convert molybdenite (MoS₂) values to molybdenum (Mo) value, divide MoS₂ by 1.6681 (e.g. 1% MoS₂ = 0.60% Mo).

Commissioning and Start-up Production

Commissioning of the MAX Molybdenum mill and concentrator began in September 2007 with the first concentrates being shipped at the end of November 2007.

In February 2008, while operating at a prescribed lower throughput rate for start-up, the MAX mine and mill achieved continuous daily throughput of approximately 80% of its Phase I design rate of 500 tonnes per day. During the period, the mill also achieved molybdenum recovery rates averaging 90%, exceeding the design recovery of 87%.

Phase I ore grade material has recently been supplied from underground stopes and delivered directly to the MAX mill and concentrator. Based on a 10-day average grade of the ore supplied, the diluted head grade from the mine exceeded 75% of the planned mine-diluted grade of 1.7% MoS₂. As a result of this recent development, the Company declared that Phase I commercial production was achieved on April 12, 2008, subsequent to the second quarter-ended February 29, 2008.

Start-up operations at the MAX Molybdenum Mine overcame minor challenges and disruptions to commissioning resulting from crusher and mill equipment modifications, process optimization, and reagent quality control. As planned, the initial operations made use of lower-grade stockpiled development rock to facilitate the start-up production run. That material was significantly lower in grade than the ore currently being processed.

Through February 29, 2008, the MAX operation delivered approximately 636,000 dry lbs of concentrates containing approximately 291,000 lbs of molybdenum. During the entire start-up period through April 12, 2008, the MAX operation delivered approximately 880,000 dry lbs of concentrates containing an estimated 410,000 lbs of molybdenum, with a gross metal value of \$13.5 million based on average molybdenum oxide prices during the period. Proceeds received from concentrate sales during start-up have been used for completion costs and to fund ongoing Phase II expansion of the mine and mill.

Proceeds from sales of molybdenite concentrates from the date of commercial production forward will be recorded as revenues and associated costs treated as operating expenses. These items will first be



reflected in the Company's financial statements dated May 31, 2008 to be reported in July 2008. All costs associated with Phase I production, have been capitalized to date, with any start-up concentrate proceeds recorded as a reduction to capital costs in accordance with Canadian GAAP. Net pre-production costs will be amortized on a unit of production basis over the Company's Phase I mine plan.

Phase II Expansion Project

Initial production at MAX is focusing on the "HG" Zone, including an estimated 280,000 tonnes ("measured + indicated") grading 1.95% MoS₂. Expansion of the mine and mill will be guided by prevailing molybdenum prices and an assessment of ongoing operating costs throughout 2008 and beyond.

In 2007, the Company announced the development of a second adit to the mine working area. Adit #2 recently reached a break-through location to workings in the mine, and final completion of the connection is expected early in May 2008. Once connected, the underground mine will be capable of achieving its Phase II ventilation requirements. This will allow for concurrent mine development and production to increase to 1,000 tonnes per day.

The installation of a third primary ball mill will allow for greater production flexibility and will provide for a nominal capacity of at least 1,000 tpd at the MAX mill and concentrator. A third mill has now been acquired and delivered to the site and power distribution systems and controls have been prepared. Engineering of a new mill base is complete and construction will commence shortly, with the new equipment to be fully commissioned by the fall of 2008.

The Company plans to seek a graduated permit increase for the operation of the Phase II mine enabling it to produce at the as-built capacity in late 2008 and beyond. The application for this increase in production rate will be submitted after environmental and water quality data is collected and compiled this spring/summer. The information will demonstrate that the mine is working well within its compliance requirements and with minimal impact to the environment.

Costs associated with the Company's Phase II expansion, including the #2 Adit, third primary ball mill and associated direct overhead costs will continue to be capitalized until those assets are "available for use" in accordance with Canadian GAAP.

Exploration

The Company has now received assays from the first two holes and a portion of the third hole of its 4800 metre, initial five hole deep diamond drilling program MAX.

Hole MX07-01 returned an impressive intersection of 186m (610ft) grading 0.27% Mo (0.45% MoS₂), including several higher grade intervals. This intersection occurs in an area of limited prior drilling which was previously assigned a lower grade, significantly expanding the high grade potential of the deposit at depth. Further, significant molybdenite (MoS₂) mineralization occurred throughout the remainder of the hole and appears to continue at depth.

Hole MX07-02 was drilled below the southeast flank of the MAX deposit and returned further significant intercepts. Drill Hole MX07-03 intersected a number of high grade feeder structures all hosted within low grade mineralization. Assay results have been completed for only the upper 540m of this 1500m deep hole.

Significant intercepts in MX07-03 occur north of Mine Section 8 and above an area of Mine Sections 6 and 7 which had not been drilled previously. These intervals suggest a deep target, the upper fingers of which may be represented by these higher grade structures. Like other targets identified, this area



must be drilled from a station on the West side of the MAX deposit, in the area of current mine development, in order to properly orient drilling.

A 15cm fragment of intrusive rock, with chilled margins and containing well mineralized (estimated >0.5% MoS₂) disseminated molybdenite, was observed within a younger, non-mineralized leucocratic quartz feldspar porphyry in the upper part of drill hole MX07-03. The origin of this mineralized fragment may be a separate, as yet undiscovered, molybdenite deposit at depth, however this is not yet confirmed by thin-section petrographic assessment. A possibly similar, weakly mineralized porphyry phase also appears to separate the two high grade molybdenite intervals in this hole between depths of 405 and 428.6 metres.

All three holes have intersected strong hydrothermal alteration and textural variations within intrusive rocks that may be indicative of multiple phases of intrusion which are spatially associated with molybdenite mineralization. Further evidence of this includes the identification of multiple episodes of molybdenite mineralization based on the cross cutting relationships of various quartz-MoS₂ veinlets seen in drill core. Additional research, including petrographic analyses, is planned to fully document these features but these early indications of a multiple phase intrusive and mineralizing event provide compelling evidence for molybdenite mineralization at depth below the MAX deposit and further exploratory work is warranted.

Assay results for the remainder of MX07-03 and MX07-04/05 are pending and will be reported once they have been completed and received from the assay lab.

Foremore VMS-Gold Project

The Company holds a 100% interest in the Foremore VMS-Gold project situated in one of the most active mining and exploration areas in British Columbia. The property comprises 65 contiguous mineral claims totalling 23,609 hectares in the Liard Mining Division. Significant operations in the area include Barrick Gold's legendary Eskay Creek Mine, Cominco's historic Snip Mine and NovaGold and Teck Cominco'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. While relatively inactive at Foremore during the two prior fiscal years, the Company is planning a comprehensive exploration program, to include diamond drilling for summer-2008.

SeaGold Property

The Company holds a 50% interest in the SeaGold Project, comprising 8 claim blocks of 4,000 hectares, centered on a number of gold and copper occurrences approximately 35 km north of Barrick Gold's Eskay Creek gold/silver mine in British Columbia. The balance of the property interest is now held by Romios Gold Resources Inc. ("Romios"), with which the Company will be finalizing the terms and scope of a joint exploration program over the coming months.

Lardeau Properties

A 2006 exploration program by the Company reviewed potential targets within a 100-kilometre radius of the MAX Molybdenum Mine, resulting in the optioning of a 100% interest in four projects in the historic Lardeau Mining Camp during the year-ended August 31, 2007, covering an area of approximately 5,600 hectares. The Company is in the process of reviewing data from its 2007 exploration programs to determine on which to focus its efforts during the summer of 2008.

The Company has acquired by staking, and holds a 100% interest in the *Butters Peak Molybdenum Property*, located approximately 25 kilometres northeast of the MAX Mine. Covering approximately 1,650 hectares, the property was originally discovered by tracing highly anomalous regional silt



geochemical results to molybdenite float. A single diamond drill hole by a Noranda-Amax joint venture in 1978 to 882 metres (drill capacity) intersected at least two porphyry stocks and at least five intrusive phases have been observed in float.

Liquidity and Financial Position

At February 29, 2008, the Company held cash and cash equivalents of \$192,528 compared to cash of \$8,697,717 at February 28, 2007. Subsequent to February 29, 2008, 797,418 warrants exercisable at \$2.25 per share were exercised (64,287 by a director of the Company) and 15,000 options exercisable at \$1.45 per share were exercised for total proceeds of \$1,815,941. As concentrate shipments began in November of 2007, management believes that it has now raised sufficient capital to fund its ongoing operations through cash-flow.

The Company has no long-term debt.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, marketable securities, reclamation deposit, accounts payable and amounts due to related parties. 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.

Critical Accounting Estimates

The Company's accounting policies are described in Note 2 to the annual consolidated financial statements. The estimates made in applying the policies below can be uncertain and a change in these estimates could materially impact the consolidated financial statements.

Resource Property Costs, Property Plant and Equipment

Resource property costs and Property, Plant and Equipment represent the most significant assets of the Company. The costs associated with resource costs and/or property, plant and equipment include acquired interests in production, development and exploration stage properties representing the fair value at the time they were acquired. The values of such mineral properties are primarily driven by the nature and amount of mineral interests believed to be contained or potentially contained, in properties to which they relate. The Company reviews and evaluates its mining interests for impairment at least annually or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is considered to exist if the total estimated future undiscounted cash flows are less than the carrying amount of the assets. An impairment loss is measured and recorded based on discounted estimated future cash flows. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs.

Depreciation and depletion is also determined based on property, plant and equipment carrying values. Depreciation and depletion is calculated on the units of production basis over existing mineral reserves or resources. Mineral resources or reserves are an estimate of the quantity of economically recoverable ore and/or mineralization and will change from time to time as a result of additional geological information, actual grade or recoveries different from original estimates or commodity price changes.

Asset Retirement Obligations

The Company is subject to various laws governing reclamation of its mine sites and exploration sites. These laws are continually changing and these changes may affect the procedures and costs required to complete reclamation obligations. Estimates of the fair value of these liabilities for asset retirement



obligations are recognized in the period they are incurred. A corresponding increase in the related asset is recorded and depreciated over the estimated life of the asset. If the fair value of the liability decreases due to changes in future cash flow estimates, a corresponding decrease in the related asset is recorded. If the reduction exceeds the value of the related asset, the remaining amount is reduced through earnings. Where a related asset is not identifiable with a liability, the change in fair value is charged to earnings in the period. Each period, the liability is increased to reflect the accretion (or interest) portion of the initial fair value estimate and changes in estimated cost and timing of the reclamation procedures. Actual future reclamation costs may be materially different from the costs estimated by the Company.

Stock Option and Warrant Valuation

The determination of the fair value of stock options and warrants issued requires management to estimate future stock volatility, expected life, and a risk-free rate of return. The Company uses historic information to estimate these future variables. Given the change in the Company from an exploration to emerging producer, historic information may no longer be valid and these estimates could materially impact the consolidated financial statements.

Income and Mining Taxes

The Company uses the liability method of accounting for income taxes. Under the liability method, future tax assets and liabilities are determined based on differences between the financial statement carrying amounts and their respective tax bases, and for tax losses and other deductions carried forward. The Company evaluates the carrying values of its future tax assets periodically by assessing its valuation allowance and by adjusting the amount of such valuation allowance in the period, if necessary.

Changes in Accounting Policies

New Accounting Policies Effective September 1, 2007

The Company has adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA").

a) Section 3855, *Financial Instruments – Recognition and Measurement* prescribes when a financial asset, financial liability and non-financial derivative is to be recognized on the Balance Sheet and whether fair value or cost-based measures should be used. It also specifies how financial instruments gains or losses should be presented.

The Company is required to designate its financial instruments into one of the following five categories: held-for-trading; available-for-sale; held-to-maturity; loans and receivables; and other financial liabilities. All financial instruments are to be initially measured at fair value. Financial instruments classified as held-for-trading or available-for-sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

All derivative financial instruments, including derivative features embedded in financial instruments or other contracts but which are not considered closely related to the host financial instrument or contract, are generally classified as held-for-trading and, therefore, must be measured at fair value with changes in fair value recorded in net earnings. However, if a derivative financial instrument is designated as a hedging item in a qualifying cash flow hedging relationship, the effective portion of changes in fair value is recorded in other comprehensive income. Any change in fair value relating to the ineffective portion is recorded immediately in net earnings.

The Company has designated its financial instruments as follows:



- Cash, cash equivalents, and marketable securities are classified as “*Available-for-Sale*”. Due to their short-term nature, management believes that their carrying value approximates their fair value;
- Receivables and prepaid expenses are classified as “*Loans and Receivables*”. These financial assets are recorded at values that approximate their amortized cost using the effective interest method; and
- Accounts payable and accrued liabilities are classified as “*Other Financial Liabilities*”. These financial liabilities are recorded at values that approximate their amortized cost using the effective interest method.

Under Section 3855, embedded derivatives are required to be separated from the host contract and accounted for as a derivative financial instrument if the embedded derivative and host contract are not closely related, and the combined contract is not held-for-trading or designated at fair value. This change did not have any impact on the Company as it does not have any embedded derivatives.

b) Section 1530, *Comprehensive Income*, introduces a new financial statement “Statement of Comprehensive Income” and provides guidance for the reporting and display of other comprehensive income. Comprehensive income represents the change in equity of an enterprise during a period from transactions and other events arising from non-owner sources including gains and losses arising on translation of self-sustaining foreign operations, gains and losses from changes in fair value of available-for-sale financial assets and changes in the fair value of the effective portion of cash flow hedging instruments. The Company has not recognized any adjustments through other comprehensive income for the six months ended February 29, 2008.

c) Section 3865, *Hedges* specifies the criteria under which hedge accounting may be applied, how hedge accounting should be performed under permitted hedging strategies and the required disclosures. This standard did not have an impact on the Company for the six months ended February 29, 2008.

Commercial Production

Commercial production is deemed to have commenced when management determines that the completion of operational commissioning of major mine and plant components is completed, operating results are being achieved on average for at least a 10 day period, and that there are indicators that these operating results will continued in the future. The Company determines commencement of commercial production based on the following factors:

- (i) 75% of Phase I designed plant/mill capacity of 500 tpd is achieved;
- (ii) 75% of Phase I designed mining grade of 1.70% MoS₂ is achieved; and
- (iii) MoS₂ recovery of at least 75% of designed 87% recovery is achieved.

New Accounting Pronouncements

The CICA has issued three new standards which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning September 1, 2008. The company will adopt the requirements commencing in the interim period ended November 30, 2008 and is considering the impact this will have on the Company's financial statements.

a) Section 1535, *Capital Disclosures*, establishes standards for disclosing information about an entity's capital and how it is managed. Under this standard the Company will be required to disclose the following, based on the information provided internally to the entity's key management personnel:



- (i) qualitative information about its objectives, policies and processes for managing capital;
- (ii) summary quantitative data about what it manages as capital;
- (iii) whether during the period it complied with any externally imposed capital requirements to which it is subject; and
- (iv) when the company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

b) Section 3031, *Inventories*, prescribes the accounting treatment for inventories and provides guidance on the determination of costs and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

c) Section 3862 – *Financial Instruments-Disclosures*, requires entities to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks.

Entities will be required to disclose the measurement basis or bases used, and the criteria used to determine classification for different types of instruments. The Section requires specific disclosures to be made, including the criteria for:

- (i) designating financial assets and liabilities as held for trading;
- (ii) designating financial assets as available-for-sale; and
- (iii) determining when impairment is recorded against the related financial asset or when an allowance account is used.

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB's strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period.

In February of 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended August 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Related Party Transactions

Each of Scott Broughton, David Skerlec, John Mirko, and John Baker either directly or through a wholly owned company, provided consulting or contract services to the Company pursuant to a consulting agreement. Mr. Broughton charges a per diem rate of \$400, and Messrs. Skerlec, Mirko and Baker charge per diem rates of \$350. During the six months ended February 29, 2008, consulting fees of \$54,800 (2007 - \$39,600) were paid or accrued to the President and CEO of the Company. Services provided include general corporate, exploration and acquisition strategy, drafting and engineering work, contract negotiations, and investment presentations. Of this amount, \$20,400 (2007 - \$19,600) is contained in deferred exploration and development costs for the period and the balance expensed as consulting fees. During the six months ended February 29, 2008, consulting fees of \$44,100 (2007 - \$34,125) were paid or accrued to the CFO and Secretary of the Company. Services provided include corporate finance and fund raising initiatives, contract negotiations, financial accounting, office management and general administration. During the six months ended February



29, 2008 per-diem contract fees \$30,450 (2007 - \$42,350) were paid or accrued to a director or a company controlled by a director. Of this amount, \$30,450 (2007 - \$31,850) is contained in deferred exploration and development costs for the period and the balance has been expensed as consulting fees or generative exploration expense. During the six months ended February 29, 2008, per-diem consulting fees of \$5,950 (2007 - \$Nil) were paid or accrued to a director. This amount is contained in deferred exploration and development costs. During the six months ended February 29, 2008, the Company was reimbursed for rent and office expenses totalling \$10,419 (2007 - \$10,518) by a company with common management. At February 29, 2008, current liabilities include \$362,641 (2007 - \$122,650) 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, exploration and development 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 and development property holdings to prioritize project expenditures based on funding availability.

Developing mineral deposits is subject to various risks and is dependent on a number of criteria, including the deposit size, grade, proximity to infrastructure, as well as commodity prices. While management believes that the grade and quantity of the high-grade measured and indicated molybdenite resource (280,000 tonnes of 1.95% MoS₂ at a 1% cutoff grade) at the MAX project is sufficient to justify mining and production, no feasibility study has been completed and therefore these resources should not be considered mineable reserves.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of February 29, 2008. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, are effective to ensure that information required to be disclosed in reports filed or submitted by the Company under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules.

Internal Control over Financial Reporting

Multilateral Instrument 52-109 requires a reporting issuer to submit an annual certificate relating to the design of internal control over financial reporting. The Company relies on British Columbia Securities Commission Policy 52-511 - *Relief for Venture Issuers from Certification Requirements*.



Internal control over financial reporting is a process designed by management to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian generally accepted accounting principles. As part of this process, management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the design of the internal control over financial reporting at February 29, 2008 and based on this evaluation, management has concluded that a weakness existed in the design of internal control over financial reporting caused by a lack of adequate segregation of duties.

The Chief Financial Officer is responsible for preparing, authorizing, and reviewing information that is key to the preparation of financial reports. He also has the responsibility to prepare and to review the resulting financial reports. This weakness has the potential to result in material misstatements in the Company's financial statements. Management has concluded that taking into account the present stage of the Company's development; the Company does not have sufficient size and scale to warrant the hiring of additional staff to correct the weakness at this time. To help mitigate the impact of this weakness and to ensure quality financial reporting, financial reports are also reviewed by the Audit Committee prior to their release.

Legal Claims and Contingent Liabilities

At February 29, 2008, there were no material legal claims or contingent liabilities outstanding.

Off-balance Sheet Arrangements

The Company has no material off-balance sheet arrangements.

Outstanding Share Data – February 29, 2008

During the first quarter ended November 30, 2007, 30,000 options expiring on February 19, 2012 were exercised, 50,000 options expiring April 10, 2011 were exercised and 150,000 options were cancelled upon termination of a consulting contract. The Company also granted incentive stock options to directors and consultants of the company to purchase up to 2,000,000 common shares of the Company at a price of \$3.55 per share for a period of five years.

In the second quarter ended February 29, 2008, 758,000 options expiring on December 17, 2007 were exercised, 100,000 options expiring August 24, 2009 were exercised, 100,000 options expiring on November 26, 2009 were exercised and 125,000 options expiring on October 18, 2010 were exercised.

Common shares and convertible securities outstanding as at the end of the quarter were:

| Security | Expiry Dates | Exercise Prices | Common Shares on Exercise |
|-----------------|------------------------------|------------------------|----------------------------------|
| Common Shares | - | - | 80,732,910 |
| Warrants | July 4, 2008 to Aug 7, 2009 | \$2.25 to \$4.00 | 16,007,688 |
| Options | Dec 11, 2008 to Nov 15, 2012 | \$0.20 to \$3.55 | 6,422,000 |
| Total | | | 103,162,598 |

Outstanding Share Data – Date of Report

Subsequent to February 29, 2008, 797,418 warrants exercisable at \$2.25 per share were exercised (64,287 by a director of the Company) and 15,000 stock options exercisable at \$1.45 per share were exercised for total proceeds of \$1,815,941.



Common shares and convertible securities outstanding as at the date of this report are:

| Security | Expiry Dates | Exercise Prices | Common Shares on Exercise |
|-----------------|------------------------------|------------------------|----------------------------------|
| Common Shares | - | - | 81,545,328 |
| Warrants | July 4, 2008 to Aug 7, 2009 | \$2.25 to \$4.00 | 15,210,270 |
| Options | Dec 11, 2008 to Nov 15, 2012 | \$0.20 to \$3.55 | 6,407,000 |
| Total | | | 103,162,598 |

Outlook

The Company recently announced that it had commenced commercial production of molybdenite concentrates at the MAX Molybdenum Mine and is working towards completing its Phase II mill and mine plans as soon as possible. Exploration at the MAX Project is focusing on expanding the known molybdenite mineralization at depth and following up on various tungsten discoveries on surface.

The Company remains committed to new project generation and exploration. In July of 2007, the Company signed an option agreement to acquire a 100-per-cent interest in 513 hectares contiguous with its Tin City property and acquired by staking the prospective Butters Peak Molybdenum Property near Revelstoke, British Columbia.

In the Eskay/Iskut camp in north-western British Columbia, the Company will continue to work with its partner on a gold exploration program at SeaGold and looks forward to renewing its advanced stage exploration program at the Foremore VMS-Gold project during the summer of 2008. The Foremore program will focus on precious metal-rich polymetallic base and precious metal-only targets, following up on geological, diamond drilling and geophysical programs conducted previously.

Additional Information

Additional information is available for viewing at the Company's website www.rocamines.com or on the SEDAR website www.sedar.com.

Forward-Looking Information

This management discussion and analysis contains certain forward-looking statements and information relating to 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.