



ROCA MINES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(FORM 51-102F1)

THIRD QUARTER ENDED MAY 31, 2008

July 28, 2008



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**ROCA MINES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THIRD QUARTER ENDED MAY 31, 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 nine months ended May 31, 2008 and 2007, which have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). Readers should also refer to the Company's 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 July 28, 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 the exploration, development and production of mineral resources including base, precious and strategic metals in British Columbia ("BC"), Canada. The Company, through its wholly-owned subsidiary, FortyTwo Metals Inc., operates the MAX Molybdenum Mine, a producer and seller of molybdenite concentrates. Exploration projects exclusive of the MAX Molybdenum Mine include advanced base and precious metal exploration claims in north-western BC, and five early-stage properties in close proximity to MAX in south-eastern BC.

Highlights

- Roca's MAX Molybdenum mine becomes first new molybdenum producer in British Columbia, Canada and declares commercial production at the MAX Mine on April 12, 2008.
- Revenues of \$6.3 million since declaring commercial production on April 12, 2008; the average realized price for sales of molybdenum in the quarter was US\$32.82 per lb;
- The Company reported its first operating profit of \$1.5 million or 2 cents per share;
- The Company reported cash flows from operations of \$2.2 million or 3 cents per share;
- Molybdenum production during the quarter was 345,571 lbs compared with 261,462 lbs for the three months ended Feb 29, 2008; and,
- Molybdenum cash costs for the quarter were approximately \$7.75 per lb of molybdenum.
- Phase II expansion progress at MAX, including #2 Adit completion and installation of a third primary ball mill is being conducted.
- Exploration results from drill programs conducted below the MAX Molybdenum deposit confirm resource expansion potential and have extended high grade zones within the known resource.

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



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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).

Summary of Quarterly Results

	May 31, 2008	Feb. 29, 2008	Nov. 30, 2007	Aug. 31, 2007
Total revenues	6,275,767 ¹	Nil ¹	Nil	Nil
Net income (loss)	1,516,846	(361,243)	(1,590,332) ²	631,766 ³
Net income (loss) per share	0.02	(0.01)	(0.01)	0.01
Total assets	59,553,816	57,396,530	57,098,261	53,361,488
Total long term debt	Nil	Nil	Nil	Nil

	May 31, 2007	Feb. 28, 2007	Nov. 30, 2006	Aug. 31, 2006
Total revenues	Nil	Nil	Nil	Nil
Net income (loss)	(158,172)	(1,163,204) ⁴	(148,419)	392,186 ⁵
Net income (loss) per share	(0.01)	(0.02)	(0.01)	(0.01)
Total assets	37,818,994	28,236,928	20,923,750	17,607,739
Total long term debt	Nil	Nil	Nil	Nil

Note 1: Concentrate sales prior to April 13, 2008 have been recorded as a development cost recovery, not as revenues.

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.

Results of Operations

During the three months ended May 31, 2008, the Company declared commercial production as of April 12, 2008 and recorded its first earnings totalling \$1,561,846 compared to a loss of \$158,172 in the third quarter of the prior fiscal year. Cash flows from operations totalled \$2,232,709 during the current quarter which funds were reinvested in property plant and equipment upgrades and exploration expenditures. General and administrative expenses increased slightly over 2007, reflecting the Company's rapid transition from exploration-company to emerging metals producer.

During the nine months ended May 31, 2008, the Company recorded a loss of \$366,993, compared to a loss of \$1,469,795 in the first nine months of the prior fiscal year. The loss decreased substantially despite higher general and administrative and stock based compensation expenses, as a result of the Company's first earnings being recognized in the last six weeks of the period ending May 31, 2008. During the 2007 fiscal year, the Company remained in the development stage.

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.



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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).

Production Results

During the quarter, the Company produced and sold 345,571 lbs of molybdenum contained in concentrates. The value of the molybdenum in concentrates sold equalled \$11.3 million based on an average molybdenum price received of US\$32.82 per lb. Revenues of \$6.3 million for the quarter result from sales that occurred after the commencement of commercial production on April 12, 2008. Concentrate inventory at May 31, 2008, was 24,729 lbs of molybdenum contained in concentrate. The Company sells its concentrates to a UK-based buyer with sales revenues based on prevailing molybdenum oxide prices. The Company has no hedging program nor has it sold forward any of its production.

The table below is a summary of the operating statistics for the three months ended May 31, 2008:

MAX Molybdenum Mine	Q3 – 2008		
	MAR-08	APR-08	MAY-08
Molybdenum Produced (lbs) ¹	69,825	125,243	150,502
Average Head Grade (% Mo)	0.333	0.712	0.732
Molybdenum Recovery (%)	89.9	93.8	94.3
Mill Availability (%)	79	74	82
Average Daily Throughput (tpd)	348	300	335

Notes: (1) molybdenum in concentrate

The Company announced on April 12, 2008 that it had achieved commercial production at its MAX Molybdenum Mine located in British Columbia, Canada. The MAX Mine was constructed over an 18-month fast-tracked timeframe, with a capital cost for the Phase I mine of approximately C\$55 million. The mine became British Columbia's first new metal mine in a decade and the newest primary molybdenum mine in Canada.

Production during the Phase I commissioning process was facilitated utilizing stockpiled development material to run mill tests and optimize circuits. During the quarter, Phase II development of a second access adit, engineering for a third ball mill and other expansion activities were carried out. Also during the quarter, the delivery and processing of ore directly from mine stopes to the mill



commenced. After review of operations it is clear that the number of tonnes mined was greater than planned and resulting head grades from those stopes was lower than anticipated due to mine dilution. Mine dilution occurs as a result of diluting higher grade material with lower grade rock and can occur for a number of reasons. Lack of previous exposure in the high-grade zone and inexperience with geological controls on mineralization in general are believed to have caused the lower overall head grades to the mill.

Opportunities to run continuous milling operations were also hampered due to availability and unscheduled maintenance of on-site generator sets. These primary power sources impacted production capacity and the number of lbs of concentrate produced for the quarter.

At various times and for prolonged periods the mine and mill have operated well and achieved their targeted production rates. However, grade control and power generation at the site have only recently been resolved and have had a prolonged impact and effect into the months of June and July 2008. The resulting down time, reduced production capacity and lesser grades than planned, occurring in each month of the quarter have caused target production rates to be missed.

Since the end of the third quarter grade control has improved with the implementation of a grade control program. The redesign of longhole blasting in stopes and overall improvements in stope layout and procedures makes the mining operation much less susceptible to mine dilution. However, some of these improvements were not realized until after the reporting period and their beneficial effects may not be delivered until August 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 of ("measured + indicated") ore grading 1.95% MoS₂. Expansion of the mine and mill is being guided by prevailing molybdenum prices and an assessment of ongoing operating costs throughout 2008 and beyond.

During the quarter, the Company completed development of the #2 Adit with work now underway to establish an upgraded ventilation system for the Phase II mine.

The Company is currently completing the foundations on a mill base for a third ball mill acquired in 2007. The installation of this mill will allow for greater production flexibility and will provide for a nominal capacity of 1,000 tonnes per day. The new equipment is to be commissioned by the fall of 2008. A concentrate drying system has also been installed to control moisture content in the molybdenite concentrates to levels consistent with the minimum specification for the product.

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. 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 Adit #2, the 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.



MAX Exploration

Underground Drilling

Five diamond drill holes totalling approximately 4,800 metres were completed in 2007. All holes were collared from a common underground drill station within Adit #1, east of the deposit currently being mined. Results from the five holes have identified extensions to known mineralization and indicate the potential for additional porphyry systems at depth.

Hole MX07-01 returned an impressive intersection of 186 m (610feet) 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. 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 previously drilled. 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.

The lower half of Hole MX07-03 and Hole MX07-04, oriented along the lower southwest margin of the MAX deposit were both variably mineralized over much of their lengths and will help to guide future exploration but were not considered significant.

Hole MX07-05 oriented to test the area immediately adjacent on Mine Section 9, shows that the narrow feeders coalesce into a larger cohesive mineralized zone, open to depth and open laterally. This new zone extends some 200 m below the boundary of the known MAX resource and will be a focus of further underground exploration drilling in the future.

Roca's underground exploration drilling has thus far intersected strong hydrothermal alteration, indications of several intrusive phases, and significant multiple episodes of mineralization below the MAX deposit.

Detailed petrographic studies by previous workers also concluded that there are at least four intrusive pulses, and a highly repetitive mineralizing event at MAX. The size of the inferred system is also significant. It is estimated that a pluton at depth could have a diameter of roughly 1,000 m, based on the width of the contact metamorphic aureole on surface, whereas the intrusion at the centre of the deposit is roughly 200 m in diameter. This suggests that the known deposit may have other zones and/or other deposits that are not yet discovered. Additional exploration drilling will be collared from new locations within the mine workings in the future.



Surface Exploration

An initial diamond drill program was completed at both the North molybdenum biogeochemical target and at the Ridge Tungsten Zone. Both of these targets are located at the Company's MAX project and are wholly located within the existing property. Drilling at the North molybdenum biogeochemical target consisted of a total of 732 metres in three holes and drilling at the Ridge Tungsten Zone consisted of a total of 1,170 metres in four holes.

The Ridge and Upper Ridge tungsten zones located approximately 1.2 kilometres southwest of the Max mine portal area were most recently explored by others in 1979, including a total of three diamond drill holes. Of interest, drill hole 79-13 intersected 56 feet (17.3 metres) of 0.395 per cent scheelite (WO₃) (see company's news in Stockwatch dated Dec. 12, 2006). The tungsten area was significantly expanded by Roca in 2006 when the company's prospectors discovered scheelite mineralization southeast of the Ridge zone and hosted in low-sulphide, garnet-rich skarn boulders and outcrop. With the addition of the Upper Ridge zone, the strike length of tungsten mineralization as indicated by all of the outcrop sampled to date and encompassing all zones now totals 1,450 metres in length and extends over a vertical range of 600 metres. Roca's initial drill program tested the size and potential of this large mineralized and near-surface zone.

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 has recently commenced a comprehensive exploration program, including diamond drilling scheduled to commence in early August 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"). Romios serves as the operator in a 50:50 joint venture on the SeaGold project.

Lardeau Properties

A 2006 exploration program by the Company reviewed potential targets within a 100 km radius of the MAX Molybdenum Mine. This work resulted in the optioning of a 100% interest in four projects in the historic Lardeau Mining Camp covering an area of approximately 5,600 hectares. The Company is currently conducting exploratory prospecting and diamond drill programs on these four properties.

The Company has acquired by staking a 100% interest in the *Butters Peak Molybdenum Property*, located approximately 25 km 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-Ammax 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 May 31, 2008, the Company held cash and cash equivalents of \$155,960 and working capital of \$1,265,791 compared to cash of \$5,347,331 and working capital of \$4,714,968 at May 31, 2007. Subsequent to May 31, 2008, 400,000 warrants exercisable at \$2.25 per share were exercised for additional proceeds of \$900,000. Management is confident that it has raised sufficient capital to fund its ongoing operations through cash-flow.

The Company has no significant long-term debt or capital commitments.

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 interim and 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.

Under this new standard, all financial assets are classified as held-for-trading, available-for-sale, held-to-maturity or loans and receivables and all financial liabilities are classified as held-for-trading or other financial liabilities. Financial instruments classified as held-for-trading or available-for-sale are measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are measured at amortized cost using the effective interest rate method. Derivative financial instruments must be measured at fair value with changes in fair value recorded in net earnings.

The Company has designated its financial instruments as follows:

- Cash and cash equivalents, marketable securities and reclamation bond amounts are classified as *“Available-for-Sale* and recorded at fair value with changes in fair value recorded in comprehensive income;
- Receivables including B.C. exploration tax credit receivables 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, accrued liabilities and due to related parties are classified as *“Other Financial Liabilities”*. These financial liabilities are recorded at values that approximate their amortized cost using the effective interest method.



As a result of adopting this new standard, the Company has recorded an unrecognized loss on marketable securities of \$4,000 for the nine months ended May 31, 2008.

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 recognized a \$4,000 adjustment through other comprehensive income for the nine months ended May 31, 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 nine months ended May 31, 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. 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 various new standards which may affect the financial disclosures and results of operations of the Company.

i) Section 1400, *General Standards of Financial Statement Presentation - Going Concern* requires management to assess an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity's ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date. The company will adopt the requirements of this new standard commencing in the interim period beginning September 1, 2008 and is currently assessing the impact this will have on the Company's financial statements.

ii) Section 1535, *Capital Disclosures*, establishes standards for disclosing information about an entity's capital and how it is managed. The purpose will be to enable users of the financial statements to evaluate the entity's objectives, policies and processes for managing capital. The company will adopt the requirements of this new standard commencing in the interim period beginning September 1, 2008 and is currently assessing the impact this will have on the Company's financial statements.

iii) 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. The company will adopt the requirements of this new standard commencing in the interim period beginning September 1, 2008 and is currently assessing the impact this will have on the Company's financial statements.



iv) Sections 3862 and 3863 – *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. The company will adopt the requirements of this new standard commencing in the interim period beginning September 1, 2008 and is currently assessing the impact this will have on the Company's financial statements.

v) Section 3064 – *Goodwill and Intangible Assets* replaces sections 3062 and 3450 and establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. The company will adopt the requirements of this new standard commencing in the interim period beginning September 1, 2009 and is currently assessing the impact this will have on the Company's financial statements.

International Financial Reporting Standards

On February 13, 2008, the Canadian Accounting Standards Board confirmed that International Financial Reporting Standards will replace Canada's current generally accepted accounting principles for publicly accountable profit-orientated enterprises for interim and annual financial statements effective January 1, 2011. The Company is presently considering the effect these standards will have on its financial statements.

Related Party Transactions

During the nine months ended May 31, 2008, consulting fees of \$78,000 (2007 - \$62,800) 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. During the nine months ended May 31, 2008, consulting fees of \$68,250 (2007 - \$50,925) 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 nine months ended May 31, 2008 per-diem contract fees \$71,350 (2007 - \$42,350) were paid or accrued to a director or a company controlled by a director and per-diem consulting fees of \$8,750 (2007 - \$Nil) were paid or accrued to another director. This amount is contained in deferred exploration and development costs. During the nine months ended May 31, 2008, the Company was reimbursed for rent and office expenses totalling \$15,805 (2007 - \$15,728) by a company with common management. At May 31, 2008, current liabilities include \$325,568 (2007 - \$62,114) 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.

Legal Claims and Contingent Liabilities

At May 31, 2008, there were no material legal claims or contingent liabilities outstanding.

Off-balance Sheet Arrangements

The Company has no material off-balance sheet arrangements.

Share Capital

Subsequent to May 31, 2008 400,000 warrants exercisable at \$2.25 per common share were exercised for proceeds of \$900,000 and 695,440 warrants expired unexercised

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	-	-	81,970,328
Warrants	Aug 7, 2008 to Aug 7, 2009	\$2.25 to \$4.00	14,114,830
Options	Dec 11, 2008 to Nov 15, 2012	\$0.20 to \$3.55	6,082,000
Total			102,167,158

The Company has announced that it had filed with the TSX Venture Exchange a notice of its intention to make a normal course issuer bid for its common shares through the facilities of the exchange. A maximum of 4,078,500 common shares, representing approximately 5 per cent of the issued and outstanding common shares in the company, will be eligible for purchase in the 12-month period commencing June 2, 2008, and ending on June 1, 2009.

The Company believes that there may be times over the course of the year when its common shares may trade in a price range that does not adequately reflect their value in relation to Roca's business and its future business prospects. As a result, depending on future price movements and other factors, Roca believes that its outstanding common shares may represent an attractive investment and a desirable use of a portion of its available finances. The repurchase by the company of any of its shares should not be deemed or construed as a recommendation to purchase any of its shares or an indication of the present or future value of the company's shares.

Outlook

Having commenced commercial production of molybdenite concentrates at the MAX Molybdenum Mine, the Company is directing efforts towards the completion of the Phase II mill and mine development and expansion plans.



In early July 2008 both the mine and the mill were operating at target production rates for a prolonged period demonstrating capacity and grade as planned. Later in July however, activities occurring in the mine prevented attaining the planned production rate of 500 tpd. As a result of that head grades to the mill were also lower than expected because of blending dilution that was taking place at the mill. Blending was being carried out with lower grade material such that milling operations could proceed at mill capacity. The underground activities included excess freshet drainage into the adits causing sediment control challenges in mine water effluent and overall mine ventilation challenges. Both of these are currently being remedied and significant improvement is anticipated in early August 2008. Recorded head grades in June and July 2008 are therefore unrelated to actual stope grades during certain periods in those months. Production of molybdenum in June and July 2008 was 112,555 lbs and 126,326 lbs respectively.

Exploration at the MAX Project will focus on expanding the known molybdenite mineralization at depth and to follow up on previously conducted work which continues to confirm the existence of multi-phase mineralization. Roca's 2007 exploration program strengthened the Company's view that molybdenite mineralization may be present in the form of a feeder zone and that the potential for a stacked deposit similar to the Urad/Henderson mines in Colorado is sound.

Roca is also following up on various surface tungsten showings and has recently completed an initial drill program on the MAX property to better understand the nature of this mineralization. In 2006, the Company conducted ground exploration and sampling programs and received encouraging results previously announced on December 12, 2006. Assay results are pending for this initial drill program. Tungsten is similar to molybdenum in its use as an alloy but can also be processed and concentrated using flotation technology.

The Company is renewing exploration on its advanced stage at the Foremore VMS-Gold project during the summer of 2008. An extensive drill program will focus on precious metal-rich polymetallic base and precious metal targets, following up on geological, diamond drilling and geophysical programs conducted previously. Foremore is located in north-western B.C., mid-distance between Highway 37 and NovaGold/Teck Cominco's Galore Creek project.

In the Eskay/Iskut camp, also in north-western B.C., the Company will continue to work with its partner (Romios Gold Corp.) on a gold exploration program at SeaGold. The SeaGold property is contiguous to Romios' Newmont Lake property and adjacent to the NW Zone with a reported inferred resource 1,406,000 tonnes grading 4.43 grams per tonne (g/t) gold, 0.22 per cent copper and 6.4 g/t silver

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 in September of 2007, acquired by staking the prospective Butters Peak Molybdenum Property near Revelstoke, British Columbia.

Molybdenum and the Moly Market

Molybdenum's attributes include its high heat strength, hardness and corrosion resistant qualities rendering it vital in a variety of industrial applications. "Moly" is used primarily as an alloy in specialty steels including numerous applications within the energy industry used to discover (drilling equipment), deliver (pipelines) and clean (de-sulphurization catalyst) various petroleum products. Many analysts have embraced the notion that with increases in future demand for molybdenum and molybdenum products, the potential exists for sustained higher moly prices.

The molybdenum price has remained relatively stable at over US\$30/lb. for more than a year and over US\$20/lb. for nearly 4 years. Demand for molybdenum continues to grow at a projected rate of 4-6% per year. In contrast to many other exchange-traded metals and the general financial markets, molybdenum has not experienced the same volatility nor has it seen to have been impacted by hedging or speculation as with other commodities. The molybdenum market is further supported by a



lack of new, significant near-term production which may result in future supply shortages and potential increases in the price for molybdenum products. Elevated capital costs coupled with challenges in the ability to secure timely financing to develop new mining operations may also extend the horizon for robust molybdenum prices to the benefit of existing producers such as Roca.

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. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change except as required by law. These statements are based on a number of assumptions, including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for proposed transactions and exploration and development programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.