



ROCA MINES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(FORM 51-102F1)

YEAR ENDED AUGUST 31, 2007

DECEMBER 21, 2007

ROCA MINES INC.
Management's Discussion and Analysis
Year Ended August 31, 2007
Dated as of December 21, 2007

This discussion and analysis should be read in conjunction with the consolidated financial statements and related notes thereto for the years ended August 31, 2007 and 2006, which have been prepared in accordance with Canadian generally accepted accounting principles. 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 and development of mineral resources including base, precious and strategic metals in British Columbia, Canada. The Company, through its wholly-owned subsidiary, FortyTwo Metals Inc., also holds a 100% interest in the MAX Molybdenum Project, located approximately 60 kilometres from Revelstoke, British Columbia. FortyTwo Metals operates the MAX Molybdenum Mine, producing and selling molybdenite concentrates. Exploration is focused on the search for precious and base metals on two properties located in the Liard Mining Division in north-western British Columbia and four properties located in the Revelstoke Mining Division in south-eastern British Columbia.

During the year ended August 31, 2007, the Company incurred a loss of \$839,029 and incurred deferred exploration, development and acquisition costs (net of tax credits) of \$30,390,634 compared to a loss of \$318,654 and deferred exploration, development and acquisition costs of \$5,495,848 in the prior fiscal year.

Selected Annual Financial Results

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

ROCA MINES INC.
Management's Discussion and Analysis
Year Ended August 31, 2007
Dated as of December 21, 2007

	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).

Results of Operations

MAX Molybdenum Project

In August of 2004, the Company acquired a 100% interest in certain crown grants, mining leases and mineral claims contiguous to the MAX Molybdenum Project mineral claims. Under the terms of this acquisition agreement, the Company paid \$100,000 for the property and original data detailing all previous exploration. The Company granted a 2.5% NSR on the contiguous property, reducible to 1% upon payment of \$2,000,000 at any time prior to commencement of commercial production. The Company must also issue 200,000 shares if it commences commercial production from any part of the contiguous property.

In August of 2006, the Company completed the 100% acquisition of certain properties, known as the MAX Molybdenum Project located in the Revelstoke Mining Division, B.C. In order to earn its interest and prepare for commercial production from the property, the Company issued 600,000 shares to the vendor and made cash payments totalling \$200,000. The MAX Project is subject to a 2.5% Net Smelter Return ("NSR"). The Company may purchase, at any time, 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).

Historic and more 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. 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

ROCA MINES INC.
Management's Discussion and Analysis
Year Ended August 31, 2007
Dated as of December 21, 2007

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.

In November of 2005, the Company's wholly-owned subsidiary, FortyTwo Metals Inc., was granted a permit allowing for the development and operation of an underground mine and onsite concentrator at the MAX Project. Initial production will focus on the "HG" Zone, including an estimated 280,000 tonnes ("measured + indicated") grading 1.95% MoS₂ hosted within the larger MAX deposit comprising 42.9 million tonnes ("measured" + "indicated") grading 0.20% MoS₂. 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 mine and mill will be guided by prevailing molybdenum prices and an assessment of ongoing operating costs in 2008.

During the year ended August 31, 2007, the Company incurred deferred acquisition, development and exploration costs of \$29,527,093 at the MAX Project, compared to \$5,574,724 for the year ended August 31, 2006. Development costs included costs associated with mine, mill and tailings facility development, engineering and environmental consulting.

As at August 31, 2007, a total of \$37,058,189 in acquisition and deferred exploration and development costs have been incurred at MAX, net of recorded tax credits. Commissioning of the mill began subsequent to year-end in September, 2007 with the first concentrates shipped in November of 2007.

Foremore VMS-Gold Project

In May of 2005, the Company completed the acquisition of a 100% interest in the Foremore VMS-Gold project in the Liard Mining Division, B.C. for total payments of \$100,000 in cash and 400,000 common shares. The Foremore Project is subject to a 2.5% Net Smelter Return ("NSR") of which the Company may purchase up to 60% at any time by paying \$1,000,000 for each 30% (\$2,000,000 for the full 60% of the 2.5% NSR). The Company is required to make annual advance royalty payments of \$50,000 on May 1st of each year (\$100,000 paid to date). This advance royalty ceases in the year in which commercial production commences at which time all advance royalty payments paid to commercial production may be applied as a reduction of future royalty payments. The Company must also issue 200,000 common shares to the vendor upon the commencement of commercial production.

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. It is situated in one of the most active mining and exploration areas in British Columbia. Significant operations include Barrick Gold's legendary Eskay Creek Mine, Cominco's historic Snip Mine and NovaGold and Teck Cominco's Galore Creek Project. Foremore is located approximately 45 km north of the Eskay Creek.

ROCA MINES INC.
Management's Discussion and Analysis
Year Ended August 31, 2007
Dated as of December 21, 2007

Drawn to the area because of its abundance of mineralized boulders, previous explorers failed to locate a source for those boulders at Foremore. In contrast, the Company's exploration crews have succeeded in discovering numerous showings and mineralized zones in outcrop and in diamond drill-holes, over the past few seasons. The 'North Zone' exhibits all of the characteristics of major world-class volcanogenic massive sulphide ("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.

To date, the Company has expended a total of \$4,173,685 (net of recorded tax credits) at Foremore including \$388,831 in acquisition costs and the balance in deferred exploration costs. While relatively inactive at Foremore during the two prior fiscal years, the Company is planning a comprehensive exploration program for summer-2008.

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 in the Liard Mining Division, British Columbia. 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.

On December 1, 2006, the Company completed the acquisition of a 100% interest in the SeaGold Project for staged payments totalling \$100,000 and 200,000 common shares. The SeaGold Project is subject to a 2.5% Net Smelter Return ("NSR"). The Company may purchase at any time, 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 must also issue 200,000 common shares to the vendor upon the commencement of commercial production and advance royalty payments of \$30,000 per annum commencing on December 1, 2007. This advance royalty ceases in the year in which commercial production commences at which time all advance royalty payments paid to commercial production are a reduction of future royalty payments.

Management has now focused most of its efforts and budget at the MAX Molybdenum Project and other exploration projects 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 an initial 50% interest in the SeaGold Property as follows:

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

ROCA MINES INC.
Management's Discussion and Analysis
Year Ended August 31, 2007
Dated as of December 21, 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 December 1, 2007.

During the year ended August 31, 2007, the Company paid \$25,000 (2006 - \$25,000) and issued 75,000 shares (2006 - 50,000) to the original property vendor to complete the 100% acquisition, and received \$50,000 (2006 - \$50,000) and 150,000 shares (2006 - 150,000) due under the terms of its option agreement with Romios. Subsequent to year end, Romios confirmed the required expenditures and paid the remaining \$75,000 and 150,000 shares to earn its initial 50% interest.

Lardeau Properties

The Company's September 2006 exploration program reviewed potential targets within a 100-kilometre radius of the MAX Molybdenum Mine, resulting in the selection of the following important projects in the historic Lardeau Mining Camp during the year-ended August 31, 2007:

The *Farside property* is a road accessible bulk tonnage porphyry prospect consisting of a 500-metre by 900-metre area containing outcrop of biotite quartz monzonite and skarn. These rocks host intensive veining and hornfels assaying in gold, bismuth, tungsten and molybdenum.

The *Bonanza-Butte* property consists of four high-grade silver-gold vein targets and one stockwork quartz-carbonate zone covering a 2,000-metre by 900-metre zone hosted in schistose rocks.

The *Ellsmere-Horne* property includes massive sulphide contact zones containing copper, lead, zinc, silver and gold exposed intermittently over a 4,000-metre strike length.

The *Tin City* property is a road accessible bulk tonnage tungsten and base metal target. Previous work by Newmont Exploration of Canada (1984 and 1985) reported assays up to 1.12 per cent WO₃ over two metres from a 2,700-metre-long mineralized amphibolite unit.

The Company has now paid \$31,500 and issued 120,000 common shares to the vendors of the four properties discussed above and will, at its option, pay an additional \$124,500 and issue 195,000 common shares to the vendors in staged payments ending April 1, 2010 to earn a 100% interest in all four properties. Each property is subject to a 2.0-per-cent net smelter return held by the vendors which may be purchased by the Company for \$2 million.

In June of 2007, the Company signed an option agreement to acquire a 100% interest in 513 hectares contiguous with the Tin City property. The Company paid the vendor \$12,300 on signing and, to complete the acquisition, must pay an additional \$100,000 and issue 50,000

ROCA MINES INC.
Management's Discussion and Analysis
Year Ended August 31, 2007
Dated as of December 21, 2007

common shares on or before June 5, 2009. This contiguous property is subject to a 2.5% Net Smelter Return, which may be reduced to 0.5% upon payment of \$1.5 million.

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.

Operating Expenses and Loss

During the year ended August 31, 2007, the Company incurred a loss of \$838,029 and incurred deferred exploration, development and acquisition costs (net of tax credits) of \$30,390,634 compared to a loss of \$318,654 and deferred exploration, development and acquisition costs of \$5,495,848 in the prior fiscal year.

General and administrative expenses increased substantially over the comparable period in 2006 primarily because of higher non-cash, stock-based compensation expense in the current fiscal year. Higher advertising, promotion and shareholder relations, office and sundry, accounting, audit and legal, and rent expenses help account for the overall increase in general and administrative costs over 2006, reflecting the Company's rapid expansion and transition from exploration company to emerging metals producer. Property expenditures increased significantly as the Company accelerated construction and planned expansion at the MAX Molybdenum Mine.

Liquidity and Capital Resources

During the prior fiscal year ending August 31, 2006, the Company raised over \$10.7 million through warrant and stock option exercises and through various private placements. During the year ended August 31, 2007, the Company raised a further \$34.8 million by private placements, and the exercise of warrants and stock options. At August 31, 2007, the Company held cash and cash equivalents of \$8,697,717 compared to cash of \$4,909,936 at August 31, 2006. Management believes that it has raised sufficient capital to fund its exploration programs, mine development, and mine expansion plans prior to becoming cash-flow positive from operations in fiscal 2008.

Summary of Quarterly Results

	Aug. 31, 2007	May 31, 2007	Feb. 28, 2007	Nov. 30, 2006
Total revenues	Nil	Nil	Nil	Nil
Net loss (income)	(631,766) ¹	158,172	1,163,204 ²	148,419
Net loss (income) per share	(0.01)	0.01	0.02	0.01
Total assets	53,361,488	37,818,994	28,236,928	20,923,750
Total long term debt	Nil	Nil	Nil	Nil

ROCA MINES INC.
Management's Discussion and Analysis
Year Ended August 31, 2007
Dated as of December 21, 2007

	Aug. 31, 2006	May 31, 2006	Feb. 28, 2006	Nov. 30, 2005
Total revenues	Nil	Nil	Nil	Nil
Net loss (income)	(392,186) ³	316,067 ⁴	122,570	272,203 ⁵
Net loss (income) per share	0.01	0.01	0.01	0.01
Total assets	17,607,739	10,766,245	6,640,982	6,499,131
Total long term debt	Nil	Nil	Nil	Nil

Note 1: The income recorded in the quarter ended August 31, 2007 includes a future income tax recovery of \$811,942.

Note 2: The loss for the quarter ended February 28, 2007 includes stock-based compensation expense of \$1,062,267.

Note 3: 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 4: The loss for the quarter ended May 31, 2006 includes stock-based compensation expense of \$228,517.

Note 5: The loss for the quarter ended November 30, 2005 includes stock-based compensation expense of \$170,306.

Quarter Ended August 31, 2007

During the fourth quarter, the Company recorded income of \$631,766 and incurred deferred exploration, development and acquisition costs of \$11,514,563 compared to a loss of \$158,172 and deferred exploration, development and acquisition costs of \$5,861,625 in the third quarter ended May 31, 2007. The significant income recorded in the fourth quarter resulted from the recognition of a future income tax recovery of \$811,942. On a cash basis, general and administrative expenses were relatively consistent between the third and fourth quarter. As is typical in every fourth quarter, property expenditures increased significantly as the Company accelerated development and exploration expenditures on all properties in the summer months in British Columbia.

Critical Accounting Estimates

The Company's accounting policies are described in note 2 to the 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

Resource property costs represent the most significant assets of the Company with a carrying value of approximately \$41 million at August 31, 2007. In subsequent fiscal years, the majority of pre-production capital incurred at the MAX Molybdenum project will be considered property, plant and equipment and will be amortized using a unit-of-production method.

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

ROCA MINES INC.
Management's Discussion and Analysis
Year Ended August 31, 2007
Dated as of December 21, 2007

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 at August 31, 2007.

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

In April 2005, the Canadian Institute of Chartered Accountants ("CICA") issued three new standards relating to financial instruments, applicable for fiscal years beginning on or after October 1, 2006, as follows:

a) Financial Instruments—Recognition and Measurement (Section 3855)

The standard 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.

b) Hedges (Section 3865)

The standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on the existing Accounting Guideline 13 (acG-13) "Hedging Relationships" and Section 1650 "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

c) Comprehensive Income (Section 1530)

This standard introduces new rules for the reporting and display of comprehensive income. Comprehensive income is currently reported under US generally accepted accounting principles to measure the change in shareholders' equity of a company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period, except those resulting from investments by owners and distributions to owners. These items include holding gains and losses on certain investments, gains and losses on certain derivative instruments, and foreign currency gains and losses related to self-sustaining foreign operations.

The impact from the adoption of these new standards on the Company's financial statements is still to be determined.

Related Party Transactions

Each of Scott Broughton, David Skerlec, John Mirko, and John Kiernan either directly or through a wholly owned company, provided consulting or contract services to the Company pursuant to a consulting agreement during year. Mr. Broughton charges a per diem rate of \$400, and Messrs. Skerlec and Mirko charge per diem rates of \$350. Mr. Kiernan was paid a monthly consulting fee of \$13,000 prior to termination of the contract subsequent to year-end. During the year ended August 31, 2007, consulting fees of \$95,200 (2006 - \$81,800) 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. Of this amount, \$54,800 (2006 - \$45,200) is contained in deferred exploration and development costs for the year and the balance expensed as consulting fees. During the year ended August 31, 2007, consulting fees of \$71,225 (2006 - \$70,875) were paid or accrued to the CFO and Secretary of the Company. Services provided include corporate finance and fund raising initiatives, contract negotiations,

ROCA MINES INC.
Management's Discussion and Analysis
Year Ended August 31, 2007
Dated as of December 21, 2007

financial accounting, office management and general administration. During the year ended August 31, 2007 per-diem contract fees \$83,887 (2006 - \$69,650) were paid or accrued to a director or a company controlled by a director. Of this amount, \$72,687 (2006 - \$58,800) is contained in deferred exploration and development costs for the year and the balance has been expensed as consulting fees or generative exploration expense. During the year ended August 31, 2007, per-diem consulting fees of \$11,900 (2006 - \$3,750) were paid or accrued to another director. Of this amount, \$11,900 (2006 - \$Nil) is contained in deferred exploration and development costs for the year and Nil (2006 - \$2,250) has been expensed as consulting fees. During the year ended August 31, 2007, monthly consulting fees of \$156,000 (2006 - \$65,000) were paid or accrued to the Company's former Vice President of Mining. Services provided include drafting and engineering work, equipment procurement, and general project management. This amount is contained in deferred exploration and development costs for the year. During the year ended August 31, 2007, the Company was reimbursed for rent and office expenses totalling \$20,937 (2006 - \$7,078) by a company with common management. As at August 31, 2007, current liabilities include \$51,369 (2006 - \$79,769) payable to related parties. These amounts were incurred in the ordinary course of business, are non-interest bearing, and without specific repayment terms. During the year, a short term loan of \$1,150,000 was advanced to the Company by the Company's Chief Financial Officer. This loan was non-interest bearing with no specific repayment terms, and was repaid as at February 28, 2007.

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.

ROCA MINES INC.
Management's Discussion and Analysis
Year Ended August 31, 2007
Dated as of December 21, 2007

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% 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.

Contractual Commitments

During the prior fiscal year, the Company signed a lease agreement for the rental of office space. The lease began April 1, 2006 and ends on March 31, 2009. The future minimum lease obligations are as follows:

	<u>Amount</u>
2007	\$ 36,523
2008	36,523
2009	<u>21,305</u>
	<u>\$ 94,351</u>

The Company entered into several contracts as part of the development plan for the MAX Molybdenum Mine. As mine development neared completion, construction deposits were transferred from long terms deposits to short term prepaid expenses, and the Company had recorded long term deposits of Nil at August 31, 2007 (2006- \$265,000).

The Company has signed an offtake agreement with a U.K.-based purchaser (the "Purchaser"), for molybdenite concentrates produced at the Company's MAX Molybdenum Mine. Under the terms of the offtake agreement, the purchaser has agreed to purchase 100 per cent of the molybdenite concentrates produced at the mine. The contract is renewable through 2017 by mutually agreed upon pricing. The Purchaser will accept delivery at the Company's storage facility at the site and will be responsible for all downstream roasting and/or processing charges, transportation, insurance and marketing costs after pickup at the mine gate.

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 August 31, 2007. 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 also requires a reporting issuer to submit an annual certificate relating to the design of internal control over financial reporting. 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 August 31, 2007 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.

Changes in Internal Control over Financial Reporting

Under the provisions of Multilateral Instrument 52-109, a reporting issuer is also required to disclose in their MD&A any change in internal control over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect internal control over financial reporting. Management has determined that there have been no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting.

Legal Claims and Contingent Liabilities

At August 31, 2007, 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 – August 31, 2007

Common shares and convertible securities outstanding as at August 31, 2007 were:

ROCA MINES INC.
Management's Discussion and Analysis
Year Ended August 31, 2007
Dated as of December 21, 2007

Security	Expiry Dates	Exercise Prices	Common Shares on Exercise
Common Shares	-	-	79,569,910
Warrants	July 4, 2008 to Aug 7, 2009	\$2.25 to \$4.00	16,007,688
Options	Dec 17, 2007 to Feb 19, 2012	\$0.20 to \$1.45	5,735,000
Total at August 31, 2007			101,312,598

In February of 2007, the Company completed a private placement for gross proceeds of \$7,000,000 in two tranches. Five million units were issued each consisting of one common share and one common share purchase warrant, each warrant entitling the holder to acquire one additional common share until July 4, 2008 (as to 1,828,571 warrants) or August 9, 2008 (as to 3,171,429 warrants) at a price of \$2.25 per common share. Cash finders' fees totalling \$326,250 were paid, and 18,750 Agent warrants were issued in connection with this offering, the Agent warrants exercisable until August 9, 2008 at \$2.25 per common share. The Company's Chief Financial Officer purchased 64,287 units of this private placement.

In March of 2007, the Company completed a \$10 million private placement upon the issuance of 7,142,857 units at a price of \$1.40 per unit. Each unit issued consists of one common share and one share purchase warrant, each warrant entitling the holder to acquire an additional common share until September 6, 2008, at a price of \$2.25. Cash fee in the amount of \$825,000 were paid in connection with this financing.

Also in March of 2007, the Company completed a \$2 million private placement issuing 1,212,121 units at a price of \$1.65 per unit. Each unit issued consists of one common share and one share purchase warrant, each warrant entitling the holder to acquire an additional common share until September 28, 2008, at a price of \$2.25. A cash finder's fee in the amount of \$140,000 was paid in connection with this financing.

In August of 2007, the Company completed a \$14.96 million private placement on a bought deal basis, issuing 4,703,500 units at a price of \$3.18 per unit, including the underwriter's over-allotment option of 613,500 units. Each unit issued consists of one common share and one half of one common share purchase warrant, each warrant entitling the holder to acquire an additional common share until August 7, 2009, at a price of \$4.00. The underwriter received cash commissions of 6 per cent of the gross proceeds and 282,210 warrants, each warrant entitling the underwriter to acquire one common share for \$3.18 until August 7, 2008 or August 20, 2008 (as to 36,810 of the total).

During the year ended August 31, 2007, the Company issued 75,000 shares pursuant to the terms of an option to earn a 100% interest in the SeaGold Project. The Company also issued a total of 120,000 shares pursuant to the terms of option agreements to earn a 100% interest in four separate properties in the Revelstoke mining division, British Columbia.

ROCA MINES INC.
Management's Discussion and Analysis
Year Ended August 31, 2007
Dated as of December 21, 2007

During the year ended August 31, 2007, a total of 871,002 warrants and Agent warrants ("B-Warrants") were exercised for proceeds of \$368,069. A summary of the Company's warrants and Agent warrants outstanding at August 31, 2007 and the changes for the period are as follows:

Number Outstanding August 31, 2006	Issued	Exercised	Number Outstanding August 31, 2007	Exercise Price Per Share	Expiry Date	Description
831,667	-	(831,667)	-	\$0.40	8-Dec-06	Warrant
-	1,828,571	-	1,828,571	\$2.25	4-Jul-08	Warrant
-	3,171,429	-	3,171,429	\$2.25	9-Aug-08	Warrant
-	7,142,857	-	7,142,857	\$2.25	6-Sep-08	Warrant
-	1,212,121	-	1,212,121	\$2.25	28-Sep-08	Warrant
-	2,351,750	-	2,351,750	\$4.00	7-Aug-09	Warrant
39,335	-	(39,335)	-	\$0.90	28-Aug-07	B-Warrant
-	18,750	-	18,750	\$2.25	9-Aug-08	B-Warrant
-	245,400	-	245,400	\$3.18	7-Aug-08	B-Warrant
-	36,810	-	36,810	\$3.18	20-Aug-08	B-Warrant
871,002	16,007,688	(871,002)	16,007,688			

There were no changes subsequent to year-end.

During the year ended August 31, 2007, 1,175,000 previously granted stock options were exercised and 2,600,000 options were granted. A summary of the Company's stock options at August 31, 2007 and changes for the year are as follows:

Number Outstanding August 31, 2006	Granted	Exercised	Number Outstanding August 31, 2007	Exercise Price Per Share	Expiry Date
908,000	-	(150,000)	758,000	\$0.20	17-Dec-07
150,000	-	(150,000)	-	\$0.20	7-Jan-08
397,000	-	(30,000)	367,000	\$0.20	11-Dec-08
930,000	-	(170,000)	760,000	\$0.25	24-Aug-09
200,000	-	(100,000)	100,000	\$0.25	26-Nov-09
975,000	-	(75,000)	900,000	\$0.25	18-Oct-10
200,000	-	(150,000)	50,000	\$0.55	13-Mar-11
450,000	-	(250,000)	200,000	\$0.55	10-Apr-11
100,000	-	(100,000)	-	\$0.60	8-May-11
-	2,600,000	-	2,600,000	\$1.45	19-Feb-12
4,310,000	2,600,000	(1,175,000)	5,735,000		

Subsequent Events

Subsequent to the year-ending August 31, 2007, the Company 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.

ROCA MINES INC.
Management's Discussion and Analysis
Year Ended August 31, 2007
Dated as of December 21, 2007

758,000 incentive options expiring on December 17, 2007 were exercised, 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.

Outstanding Share Data – December 21, 2007

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	-	-	80,407,910
Warrants	July 4, 2008 to Aug 7, 2009	\$2.25 to \$4.00	16,007,688
Options	Dec 11, 2008 to Feb 19, 2012	\$0.20 to \$3.55	6,747,000
Total at December 21, 2007			103,162,598

Outlook

The Company recently announced that it had started producing concentrates at the MAX Molybdenum Mine near Revelstoke, British Columbia. Exploration at the MAX Project will focus 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, 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 highly prospective Butters Peak Molybdenum Property. Results from prospecting on all Roca's exploration properties in the Revelstoke area are pending.

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 summer of 2008. The Foremore program will focus on both base and precious metal targets, following up on encouraging geological, diamond drilling and geophysical programs conducted previously.