BCSC

British Columbia Securities Commission

QUARTERLY REPORT

BC FORM 51-901F
(previously Form 61)

INCORPORATED AS PART: **X** **Schedule A**

Schedule B and C

ISSUER DETAILS		
Name of Issuer	*For Quarter Ended*	*Date of Report*
ROCA MINES INC.	**MAY 31, 2003**	**July 17, 2003**
Issuer's Address	*Issuer's Fax No.*	*Issuer's Telephone No.*
500 – 1045 HOWE ST. VANCOUVER, BC, V6Z 2A9	**(604) 684-5909**	**(604) 684-5900**
Contact Person	*Contact's Position*	*Contact's Telephone No.*
DAVID SKERLEC	**CHIEF FINANCIAL OFFICER**	**(604) 684-5900 Ext. 147**

Contact Email Address	*Web Site Address*
dskerlec@rocamines.com	**www.rocamines.com**

CERTIFICATE		
The three schedules required to complete this Report are attached and the disclosures contained herein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.		
Director's Signature *"Scott E. Broughton"*	*Print Full Name* **Scott E. Broughton**	*Date Signed* July 17, 2003
Director's Signature *"John M. Mirko"*	*Print Full Name* **John M. Mirko**	*Date Signed* July 17, 2003

ROCA MINES INC.

(A Development Stage Company)

FINANCIAL STATEMENTS

For the Nine Months Ended

MAY 31, 2003

(Expressed in Canadian Dollars)

Prepared by Management Without Audit

Roca Mines Inc.
(A Development Stage Company)
Balance Sheet
Canadian Funds

ASSETS	As at May 31, 2003 (Unaudited)	As at August 31, 2002
Current		
Cash and cash equivalents	**$ 941,723**	$ 50,559
Interest receivable	**4,759**	-
GST receivable	**30,641**	17,780
Prepaid expenses	**7,546**	-
	984,669	68,339
Resource Property Costs - *Schedule (Note 4)*	**635,841**	261,470
Reclamation Bonds	**21,900**	-
Capital Assets *(Note 5)*	**7,282**	3,857
	665,023	265,327
	$ 1,649,692	$ 333,666

LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 161,379**	$ 7,397

SHAREHOLDERS' EQUITY		
Share Capital *(Note 6)*	**1,684,828**	384,216
Contributed Surplus *(Note 6)*	**22,851**	-
Deficit	**(219,365)**	(57,947)
	1,488,313	326,269
	$ 1,649,692	$ 333,666

ON BEHALF OF THE BOARD:

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

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

- See Accompanying Notes -

Roca Mines Inc.
(A Development Stage Company)
Statement of Loss and Deficit
Unaudited
Canadian Funds

	For the Three Months Ended		For the Nine Months Ended	
	May 31, 2003	May 31, 2002	**May 31, 2003**	May 31, 2002
Expenses				
Accounting and legal fees	**$ 12,051**	$ -	$ **16,090**	$ -
Advertising, promotion and shareholder communication	**16,447**	-	**34,979**	-
Amortization	**532**	-	**1,689**	-
Listing and filing fees	**2,763**	-	**8,872**	-
Consulting fees	**22,170**	-	**61,546**	-
Office and sundry	**14,207**	-	**30,208**	-
Rent	**1,500**	-	**4,500**	-
Travel	**10,563**	-	**17,768**	-
Loss before under-noted	**80,232**	-	**175,652**	-
Interest income for the period	**(8,725)**	-	**(14,233)**	-
Loss for the period	**$ 71,507**	$ -	**$ 161,418**	$ -
Deficit, beginning of period	**147,858**	-	**57,947**	-
Deficit, end of period	**$ 219,365**	$ -	**$ 219,365**	$ -
Loss per Share - Basic and Diluted	**$ 0.01**	$ N/A	**$ 0.02**	$ N/A

- See Accompanying Notes -

Roca Mines Inc.

(A Development Stage Company)

Statement of Cash Flows

Unaudited

Canadian Funds

	For the Three Months Ended		For the Nine Months Ended	
	May 31, 2003	May 31, 2002	**May 31, 2003**	May 31, 2002
Cash Resources Provided By (Used In):				
Loss for the period	**$ (71,507)**	$ -	**$ (161,418)**	$ -
Items not affected by cash:		-		-
Amortization	**532**	-	**1,689**	-
Stock-option based portion of consulting fees	**4,570**		**22,851**	
	(66,405)	-	**(136,878)**	-
		-		-
Changes in non-cash working capital:		-		-
Interest receivable	**(50)**	-	**(4,759)**	-
GST receivable	**(16,413)**	-	**(12,861)**	-
Prepaid expenses	**(5,338)**	-	**(7,546)**	-
Accounts payable and accrued liabilities	**109,514**	-	**153,982**	-
	87,713	-	**128,816**	-
Investing Activities				
Purchase of capital assets	**(5,114)**	-	**(5,114)**	-
Reclamation bonds	**(21,900)**		**(21,900)**	
Resource property costs	**(190,238)**	-	**(284,371)**	-
	(217,252)		**(311,385)**	
Financing Activities				
Share issue proceeds	**-**	-	**1,500,000**	-
Share issue costs	**(1,177)**	-	**(289,388)**	-
	(1,177)	-	**1,210,612**	-
Net Increase in Cash and cash equivalents	**(197,122)**	-	**891,164**	-
Cash and cash equivalents - Beginning of Period	**1,138,845**	-	**50,559**	-
Cash and cash equivalents – End of Period	**$ 941,723**	$ -	**$ 941,723**	$ -
Supplemental Schedule of non-cash Transactions				
Stock-Option based consulting expense	**$ 4,570**		**$ 22,851**	
Shares issued for property	**60,000**		**90,000**	
Shares issued for services	**-**		**25,000**	
	$ 64,570		**$ 137,851**	

- See Accompanying Notes -

Roca Mines Inc.

(A Development Stage Company)

Schedule of Resource Property Costs

Unaudited

Canadian Funds

	For the Three Months Ended		For the Nine Months Ended	
	May 31, 2003	May 31, 2002	**May 31, 2003**	May 31, 2002
Foremore Project, B.C., Canada				
Acquisition Costs				
Option payment – cash	**$ 15,000**	$ -	**$ 15,000**	$ -
Option payment – shares	**30,000**	-	**60,000**	-
Staking	**333**	-	**12,834**	-
Deferred Exploration Costs				
Geological	**10,233**	-	**44,071**	-
Field transportation	**1,836**	-	**24,446**	-
Travel	**2,868**	-	**15,634**	-
Communication	**727**	-	**5,096**	-
Labour	**-**	-	**-**	-
Camp costs and Meals	**4,154**	-	**6,541**	-
Maps and reports	**124**	-	**4,469**	-
Mobilization	**-**	-	**(190)**	-
Materials	**2,011**	-	**3,594**	-
Assaying	**-**	-	**(76)**	-
	67,287	-	**191,419**	-
PBR Property, B.C., Canada				
Acquisition Costs				
Option payment – shares	**30,000**	-	**30,000**	-
Deferred Exploration Costs				
Geological	**16,650**	-	**16,650**	-
Field transportation	**17,633**	-	**17,633**	-
Travel	**3,462**	-	**3,462**	-
Communication	**406**	-	**406**	-
Drilling costs	**67,500**	-	**67,500**	-
Camp costs and Meals	**16,746**	-	**16,746**	-
Mobilization	**30,240**	-	**30,240**	-
Materials	**314**	-	**314**	-
	182,951	-	**182,951**	-
Costs for the Period	**250,238**	-	**374,371**	-
Balance - Beginning of Period	**385,603**	-	**261,470**	-
Balance - End of Period	$ **635,841**	**$** -	$ **635,841**	-

- See Accompanying Notes –

1. Nature of Operations

The Company was incorporated on June 19, 2001 as 629645 BC Ltd. and changed its name to Roca Mines Inc. on April 29, 2002. The Company was inactive until it commenced operations in the 2002 fiscal year.

The Company is a development stage company that engages principally in the acquisition, exploration and development of resource properties. The recovery of the Company's investment in its resource properties is dependent upon the discovery, development and sale of ore reserves and the ability to raise sufficient capital to finance this operation *(Note 9)*. The ultimate outcome of these operations cannot presently be determined because they are contingent on future matters.

2. Significant Accounting Policies

These interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements, except as follows below. These interim financial statements should be read in conjunction with the audited financial statements as at August 31, 2002.

<u>Change in Accounting Policy</u>

The Company has adopted the new recommendations of CICA Handbook Section 3870, Stock-based compensation and other stock-based payments. It is applied on a prospective basis and applies to all awards granted on or after September 1, 2002. This Section establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services.

<u>Non-employees</u>

The standard requires that all stock-based awards made to non-employees be measured and recognized using a fair value based method.

<u>Employees</u>

The standard encourages the use of a fair value based method for all awards granted to employees, but only requires the use of a fair value based method for direct awards of stock, stock appreciation rights, and awards that call for settlement in cash or other assets. Awards that a company has the ability to settle in stock are recorded as equity, whereas awards that the entity is required to or has a practice of settling in cash are recorded as liabilities. The Company has elected to account for employee stock options by measuring compensation cost for options as the excess, if any, of the quoted market price of the Company's common shares at the date of grant over the amount an employee must pay to acquire the common shares. As required for the employee stock options, the Company will disclose pro-forma income (loss) and pro-forma earnings (loss) per share using a fair value based method.

3. Fair Value of Financial Instruments

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

4. Resource Property Costs

a) By agreement dated March 29, 2002 the Company was granted an option to acquire a 100% interest in certain properties, known as the Foremore mineral claims located in the Liard Mining Division, B.C. In order to earn the interest the company shall, at its option, complete the following:

		Cash Payments	Share Issuances
Upon signing of the agreement (paid)	$	10,000	-
Upon approval of the option agreement by the Exchange on or before March 1, 2003 (issued)		-	100,000
On or before May 1, 2003 (paid and issued)		15,000	100,000
On or before May 1, 2004		25,000	100,000
On or before May 1, 2005		50,000	100,000
Upon commencement of commercial production		-	200,000
	$	100,000	600,000

The Foremore Project is subject to a 2.5% Net Smelter Return ("NSR"). The Company may purchase at any time prior to commencement of commercial production up to 60% of the NSR by paying $1,000,000 for each 30% ($2,000,000 for the full 60% of the 2.5% NSR). The Company will be required to make annual advance royalty payments of $50,000 starting from the earlier of the one-year anniversary of the date when the option is fully exercised or May 1, 2006. This advance royalty ceases in the year in which commercial production commences. All advance royalty payments paid to commercial production are a reduction to future royalty payments.

b) By agreement dated April 8, 2003 with Homestake Canada Inc., a wholly owned subsidiary of Barrick Gold Corporation ("Barrick"), the Company was given an option to earn a 50% interest in the PBR (an acronym for Pillow Basalt Ridge) Property near Barrick's Eskay Creek Mine in northwestern B.C. In order to earn its interest, the company is required to complete minimum work commitments and cash payments outlined below. At the Company's option, the cash payments may be satisfied by the issuance of common shares with an equivalent value:

	Share Issuances		Work Commitment		Cash (or Share Equivalent)
Upon approval of the option by the Exchange (issued)	100,000				
On or before April 8, 2004		$	375,000	$	25,000
On or before April 8, 2005			475,000		25,000
On or before April 8, 2006			575,000		25,000
On or before April 8, 2007			575,000		
	100,000	$	2,000,000	$	75,000

Once the Company has vested, Barrick will have 120 days to elect to participate in a joint venture and become operator. In the event that Barrick elects not to participate, the Company may earn an additional 15% interest by spending $2.55 million. Barrick may then elect to participate at 35% or convert to a 3.5% Net Smelter Return.

5. Capital Assets

Details are as follows:

	Cost	Accumulated Amortization	Net Book Value May 31, 2003	Net Book Value August 31, 2002
Computer equipment	$ 9,652	$ 2,370	$ 7,282	$ 3,857

6. Share Capital

a) Details are as follows:

	Number	Amount
Authorized		
100,000,000 common shares without par value		
Issued and fully paid		
Seed capital	4,000,001	$ 40,000
Common shares	1,167,000	125,050
Flow-through common shares	1,500,000	225,000
Share issue costs	-	(5,834)
Balance as at August 31, 2002	6,667,001	$ 384,216
Issued and fully paid		
Flow-through common shares	2,700,000	945,000
Common shares	2,220,000	555,000
Issued for services provided		
Common shares	100,000	25,000
Issued for Foremore Project		
Common shares	200,000	60,000
Issued for PBR Property		
Common shares	100,000	30,000
Share issue costs	-	(314,388)
Balance as at May 31, 2003	11,987,001	$ 1,684,828

b) During the nine months ended May 31, 2003 the Company completed its initial public offering of 2,700,000 flow-through common shares at $0.35 per share and 2,220,000 common shares at $0.25 per share, raising the maximum gross proceeds of $1,500,000. The agent received a commission of 10% of the gross proceeds, a corporate finance fee of $10,000, 100,000 common shares, and warrants to purchase up to 492,000 common shares of the Company exercisable at a price of $0.35 per share prior to December 13, 2003. The Company also reimbursed the agent for expenses totalling $25,724. The common shares of the Company began trading on the TSX Venture Exchange on December 17, 2002, under the trading symbol “ROK”.

6. Share Capital (Continued)

c) During the nine months ended May 31, 2003 the Company issued 200,000 shares at $0.30 per share as per the terms of the Foremore Project option agreement (Note 4) and 100,000 shares at $0.30 per share as per the terms of the PBR Property option agreement (Note 4).

d) During the year ended August 31, 2002 the Company issued 4,000,000 shares to three directors and officers for total proceeds of $40,000.

e) During the year ended August 31, 2002 the Company completed two private placements consisting of 1,167,000 Regular Special Warrants for gross proceeds of $125,050 and 1,500,000 Flow-through Special Warrants for gross proceeds of $225,000. Each Regular Special Warrant was converted to one common share, and each Flow-through Special Warrant was converted to one flow-through common share upon completion of the Company's initial public offering in December of 2002.

During the year ended August 31, 2002 a director of the Company subscribed for 100,000 Regular Special Warrants at $0.10 per special warrant, for total proceeds of $10,000.

f) Flow-through securities are securities issued by a company that incurs certain resource expenditures and renounces them for tax purposes thereby allowing the expenditures to flow-through to the subscriber who purchased the securities. Subscribers may in turn claim the expenditure as a deduction on their personal or corporate tax returns.

The total amount of funds raised through the sale of the Flow-through Special Warrants and Flow-through common shares must be spent on qualified mineral exploration. The proceeds from the Flow-through Special Warrants and Flow-through common shares are restricted in use for certain qualifying Canadian Exploration Expenditures ("CEE") under Canadian Tax Legislation.

All proceeds from the sale of Flow-through common shares totalling $945,000 will be spent by the Company on qualifying expenditures for income tax purposes. These expenditures were renounced to the flow-through investors with an effective date of renunciation of December 31, 2002. Proceeds from the sale of Flow-through Special Warrants totalling $225,000 were spent by the Company on qualifying expenditures before August 31, 2002 and were renounced to the flow-through investors with an effective date of renunciation of December 31, 2002.

g) The company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the board of directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date. Options vest on the grant date unless determined otherwise by the board of directors.

i) A summary of the company's options at May 31, 2003 and the changes for the nine-month period are as follows:

Number Outstanding 31 August 2002	Granted	Exercised	Cancelled	Expired	Number Outstanding May 31 2003	Exercise Price Per Share	Expiry Date
-	900,000	-	300,000	-	600,000	$0.35	December 17, 2007
-	100,000	-	-	-	100,000	$0.35	December 17, 2007
-	150,000	-	-	-	150,000	$0.35	January 7, 2008
-	250,000	-	-	-	250,000	$0.35	December 17, 2007
-	1,400,000	-	300,000	-	1,100,000		

6. Share Capital (Continued)

During the nine-month period ended May 31, 2003, the company granted 900,000 incentive stock options to directors and officers of the company at the exercise price of $0.35 per share expiring December 17, 2007. 250,000 options were later cancelled by continuing directors and 50,000 were cancelled upon resignation of the former CFO. The Company granted 250,000 options to the incoming CFO at an exercise price of $0.35 per share expiring December 17, 2007.

In addition, the company granted 100,000 and 150,000 options to outside consultants and advisors at an exercise price of $0.35 per share expiring December 17, 2007 and January 7, 2007, respectively.

Compensation expense is based on the fair value (based on Black-Scholes option pricing model) of the options of the grant date.

ii) The fair value of stock options used to calculate compensation expense for both employees and non-employees is estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

Average risk-free interest rate	4.08%
Expected dividend yield	Nil
Expected stock price volatility	35.00%
Average expected option life in years	4.96 years

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

iii) For non-employees, option grants result in non-cash compensation expenses of $22,851, which amount has been recorded in consulting fees for the nine-month period ended May 31, 2003. The offsetting entry is to contributed surplus.

iv) The pro forma effect on net loss and loss per share for the nine-month period ended May 31, 2003 of the actual results had the company accounted for the stock options granted to directors and employees using the fair value method is as follows:

Net loss for the nine months ended May 31, 2003		
Reported	$	161,418
Pro forma	$	272,650
Basic and diluted loss per share		
Reported	$	0.02
Pro forma	$	0.03

7. Related Party Transactions

a) During the nine month period ended May 31, 2003 consulting fees of $28,200 (2002 – $NIL) were paid or accrued to the President and CEO.

b) During the nine month period ended May 31, 2003 consulting fees of $8,400 (2002 – $NIL) were paid or accrued to the current CFO and Secretary.

7. Related Party Transactions (continued)

c) During the nine month period ended May 31, 2003 per-diem geological fees of $ 21,200 (2002 – $NIL) were paid or accrued to a company controlled by a director. This amount is included in resource property costs.

d) During the nine month period ended May 31, 2003 consulting fees of $5,095 (2002 – $NIL), accounting fees of $7,982 (2002 – $NIL), and share issuance costs of $2,062 (2002 – $NIL) were paid or accrued to a company of which the former CFO is both the president and a director.

8. Income Taxes

The Company has incurred certain mineral property related expenditures of approximately $93,000 that may be carried forward indefinitely and are available to offset future taxable income.

The Company has non-capital losses for tax purposes of approximately $1,000 that are available to offset future taxable income. These losses may be carried forward and expire in 2009.

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

9. Subsequent Events

The Company closed two private placements subsequent to the quarter ended May 31, 2003. On June 25, 2003, 400,000 common shares were issued raising gross proceeds of $100,000 and on July 10, 2003, 575,000 common shares were issued raising an additional $143,750. Proceeds from these private placements will be added to the Company's working capital and exploration reserves.

Also subsequent to the end of the quarter, 180,000 stock options exercisable at a price of $0.25 were granted to a consultant of the company and 42,000 stock options held by existing directors were cancelled.