ROCA MINES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(FORM 51-102F1)

YEAR ENDED AUGUST 31, 2012

December 27, 2012

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Date of Report

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the consolidated financial statements and related notes thereto for the years ended August 31, 2012 and 2011 which have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") unless otherwise noted. This MD&A is prepared as of December 27, 2012. Unless otherwise noted, amounts in the Company's financial statements and this MD&A are expressed in Canadian dollars.

Description of Business

Roca Mines Inc. (the "Company") engages principally in the exploration, development and mining of resource properties in North America. The Company's wholly-owned subsidiary Minera ROK, S.A. de C.V. was established to hold the Company's potential property interests in Mexico. Minera ROK, S.A. de C.V. is currently inactive.

The Company's wholly-owned subsidiary, FortyTwo Metals Inc., holds title to the MAX Molybdenum mine southeast of Revelstoke British Columbia, a former producer of molybdenite concentrates exported under the terms of an offtake agreement. Production at the MAX Molybdenum Mine is currently suspended because of lower than targeted head grades, lower commodity prices and higher overall operating costs.

The Company is currently listed on the TSX Venture Exchange (the "Exchange") under the symbol "ROK" but has been suspended as a result of the company failing to maintain Exchange requirements. Specifically, the Company is required to have at least three directors and an audit committee consisting of at least three directors, with the majority being independent directors. Reinstatement to trading can occur only when the Company applies for reinstatement and the Exchange has concluded its reinstatement review. If the Company does not complete its reinstatement and does not meet continued listing requirements by January 9, 2013, the Exchange may transfer the common shares of the Company to the NEX board of the Exchange without further notice.

Selected Annual Financial Results

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

Years Ended		**August 31, 2012**		August 31, 2011		August 31, 2010[1]
Total revenues	**$**	**2,005,743**	$	1,773,845	$	17,649,841
Net loss	**$**	**(3,756,734)[2]**	$	(21,669,546)[3]	$	(14,239,676)[4]
Net loss per share	**$**	**(0.03)**	$	(0.17)	$	(0.15)
Total assets	**$**	**9,699,318**	$	11,994,790	$	30,081,281
Total long term debt	**$**	**Nil**	$	Nil	$	Nil

Notes:
1) Information for the year-ended August 31, 2010 is presented in accordance with Canadian generally accepted accounting principles and has not been restated in accordance with IFRS.
2) The loss for the year ended August 31, 2012 includes a write-down of $423,263 in plant and equipment and an impairment charge of $1,274,974 related to previously capitalized exploration and evaluation assets.
3) The loss for the year ended August 31, 2011 includes a write-down of $15,424,654 in plant and equipment and $1,515,643 in deferred income tax assets.
4) The loss for the year ended August 31, 2010 includes non-cash stock-based compensation of $532,190 and a write-down of $11,584,037 in deferred income tax assets.

Summary of Quarterly Results (unaudited)

The information below has been extracted from the Company's unaudited condensed interim quarterly financial statements prepared in accordance with IFRS.

	Aug. 31, 2012	May 31, 2012	Feb. 29, 2012	Nov. 30, 2011
Revenues	Nil	Nil	35,643	1,969,421
Net loss	(2,276,119)[1]	(368,337)	(540,554)	(571,724)
Net loss per share	(0.02)	(0.01)	(0.01)	(0.01)
Total assets	9,699,318	11,330,384	11,127,528	11,306,551
Total long term debt	Nil	Nil	Nil	Nil

	Aug. 31, 2011	May 31, 2011	Feb. 28, 2011	Nov. 30, 2010
Revenues	920,217	Nil	(8,051)	861,679
Net Loss	(18,399,966)[2]	(996,984)	(933,920)	(1,338,676)
Net loss per share	(0.15)	(0.01)	(0.01)	(0.01)
Total assets	11,994,790	28,629,564	27,160,293	28,131,551
Total long term debt	Nil	Nil	Nil	Nil

Notes:
1) The loss for the quarter ended August 31, 2012 includes an impairment charge of $1,274,974 in previously capitalized exploration and evaluation costs relating to the MAX molybdenum project.
2) The loss for the quarter ended August 31, 2011 includes a write-down of $15,424,654 in plant and equipment and $1,515,643 in deferred income tax assets.

Quarter Ended August 31, 2012

During the three months ended August 31, 2012, the Company recorded no revenues and a loss of $2,276,119 compared to $920,217 in revenues and a net loss of $18,399,966 in the fourth quarter of the prior fiscal year. During the quarter ended August 31, 2011, the Company considered the plant and equipment associated with the MAX Molybdenum mine to be impaired and wrote-off a total of $15,424,654 down to the plant and equipment's estimated net recoverable amount. The MAX mine was not operational during the quarter ended August 31, 2012. The loss of $2,276,119 for the latest quarter also reflects an impairment charge of $1,274,974 in previously capitalized exploration and evaluation assets.

Results of Operations

During the year ended August 31, 2012, the Company recorded production revenues of $2,005,743 and a net loss of $3,756,734 compared to revenues of $1,773,845 and a net loss of $21,669,546 for fiscal 2011. In the current year, the Company achieved slightly higher molybdenum sales, wrote off $423,263 (2011 – 15,424,654) in plant and equipment and $1,274,974 (2011 - Nil) in exploration and evaluation assets because of significant ongoing operational difficulties at the MAX Molybdenum mine. General and administrative expenses have been minimized and have remained fairly consistent year over year.

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.

Production Results

Revenues of $2,005,064 (2011 - $1,773,845) for the year ended August 31, 2012 result from shipments totalling 175,449 lbs (2011 – 141,794 lbs) of molybdenum contained in concentrate and final pricing at year-end. The Company historically has sold its concentrates with final sales revenues based on average prevailing molybdenum oxide prices in periods subsequent to delivery. The Company has no hedging program nor has it sold forward any of its production.

The MAX Molybdenum mine had a sustained shutdown during fiscal 2011 due to ground instability that occurred in September of 2010. Given molybdenum oxide prices in the US$14 range, lower than targeted head grades, the historically high Canadian dollar, labour and energy costs, the Company was again forced to place the operation on temporary shutdown status in October 2011.

Global uncertainty and a general weakening of support in the resource sector and in particular molybdenum investments have brought the company to a point where new financial initiatives must be undertaken. The Company recently engaged a financial adviser to assist in evaluating a broader range of opportunities available to it, including structured debt, asset and tax pool sales, joint ventures, and other arrangements. The primary intent of this engagement, which continues as of the date of this report, is to preserve value for the Company's shareholders and all stakeholders, including its trade-related creditors.

MAX Property Exploration

Deferred exploration costs for the MAX project represent costs incurred in the search for new ore bodies including a deep molybdenum porphyry target below the existing MAX mine mineralization, the "North molybdenum biogeochemical target" and the "Ridge Tungsten Zone". The Company did not expend significant funds on these projects during fiscal 2010 through 2012.

In light of reduced global expectations on future molybdenum and tungsten prices, the Company booked an impairment charge of $1,274,974 related to these capitalized exploration and evaluation costs at MAX.

Foremore VMS-Gold Project

The Company holds a 100% interest in the Foremore VMS-Gold project situated in the "Golden Triangle" one of the most active mining and exploration areas in north-western British Columbia. The property comprises 65 contiguous mineral claims totaling 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's and Teck Resource's Galore Creek Project. The Foremore project was explored by Cominco Limited between 1989 and 1996. The Company's exploration efforts at Foremore date back to the summer of 2002.

Capitalized acquisition and exploration expenditures on the Foremore Project to August 31, 2012 totalled $6,727,588 (net of tax credits and adjustments). Results from a recent prospecting and sampling program conducted in the summer of 2012 are pending as of the date of this report.

SeaGold Property

The Company holds an 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 BC. The balance of the property interest is now held by Romios Gold Resources Inc. ("Romios"). Romios serves as the operator of a joint venture on the SeaGold project and conducted approximately $500,000 in work during the summer 2012.

Liquidity, Financial Position and Going Concern

The viability of the Company's future operations is dependent on future financing. The Company's consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis and be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the year ended August 31, 2012, the Company reported a loss of $3,756,734 and an accumulated deficit of $65,731,301 at that date. The Company had a working capital deficit of $3,566,516 and cash and cash equivalents at August 31, 2012 amounted to $1,775. These circumstances lend significant doubt as to the ability of the Company to continue as a going concern.

Exploration at the Company's Foremore project and SeaGold joint venture has been constrained by available funding and the MAX Molybdenum mine has encountered low commodity prices and operating difficulties over the past two years. Continuing operations as a going concern are dependent upon management's ability to reactivate the mine and improve operating margins or to raise adequate financing in the capital markets or by sale of assets. Although management has been successful in the past; there is no assurance that these initiatives will be successful in the future.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

Critical Accounting Estimates

The Company's accounting policies are described in Note 3 to the Company's annual consolidated financial statements. The preparation of these financial statements in conformity with IFRS requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. These estimates are based on past experience, industry trends and known commitments and events. By their nature, these estimates are subject to measurement uncertainty and the effects on the financial statements of changes in such estimates in future periods could be significant. The estimates made in applying the policies below can be uncertain and a change in these estimates could materially impact the financial statements.

Impairment of long-lived Assets

Carrying values of non-producing mining properties and the property, plant and equipment associated with those exploration and evaluation assets are reviewed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount. If the property is assessed to be impaired, it is written down to its estimated recoverable amount. Significant judgments and estimates are made when estimating this net recoverable value. Therefore the recorded value of exploration and evaluation assets could materially change from period to period due to changes in estimates.

As at August 31, 2012, management of the Company determined that impairment indicators existed, and completed an impairment assessment for capitalized exploration and evaluation costs related to the MAX molybdenum mine and surrounding property. *The current economic environment and reductions in forecast tungsten and molybdenum prices were considered as impairment indicators.*

In light a significantly reduced global outlook for future molybdenum and tungsten prices, the Company assessed the fair value of previously capitalized grass roots exploration costs at the MAX project to be nil as of August 31, 2012. An impairment loss of $1,274,974 was recognized during the year ended August 31, 2012 in connection with the write-down.

Asset Retirement Obligations

The Company is subject to various laws governing reclamation of its exploration sites. These laws are subject to change and these changes may affect the procedures and costs required to complete reclamation obligations. Estimates of the 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 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 value is charged to earnings in the period. Each period, the liability is increased to reflect the accretion (or interest) portion of the initial value estimate and changes in estimated cost and timing of the reclamation procedures.

The Company has estimated its MAX Molybdenum mine future site restoration costs to be $1,313,403 and other property retirement obligations to be $21,600. All amounts are now recorded undiscounted due to the Max mine's temporary shutdown status and uncertainty in forecasting ultimate closure dates on all properties.

Actual future reclamation costs may be materially different from the costs estimated by the Company.

Recent Accounting Developments

Adoption of International Financial Reporting Standards ("IFRS")

Effective January 1, 2011 Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. Due to the requirement to present comparative financial information, the Company's effective transition date is September 1, 2010.

Full disclosure of the Company's accounting policies in accordance with IFRS can be found in Notes 2, 3 and 4 to the Company's August 31, 2012 consolidated financial statements. These financial statements also include reconciliations of the previously disclosed comparative period financial statements prepared in accordance with GAAP to IFRS as set out in Note 15.

Related Party Transactions

During the year ended August 31, 2012, the Company was reimbursed for rent and office expenses totalling $40,614 (2011 - $39,042) by a company with common management. During the year ended August 31, 2012, per-diem consulting fees of $7,500 (2011 – Nil) were paid or accrued to a director of the Company. Also during the same period, Directors of the Company provided various short–term, non-interest bearing loans, without fixed repayment terms, which at August 31, 2012 stood at $252,500 (2011 - $200,000). As at August 31, 2012, current liabilities include $767,929 (2011 - $260,494) payable to related parties.

Key management includes the Chief Executive Officer and the Chief Financial Officer. The compensation paid or accrued to key management for services during the years ended August 31, 2012 and 2011 is as follows:

		2012		2011
Salaries and benefits	**$**	**286,795**	$	295,523
Share-based payments		**-**		-
	$	**286,795**	$	295,523

These transactions were incurred in the ordinary course of business (except as to the short term loans described above), are non-interest bearing, and without specific repayment terms. The transactions are measured at the exchange amount, which is the fair value consideration established and agreed to by the related parties.

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 cash flows from the Company's single operating mine or from external sources of financing. Actual funding may vary from what is planned due to a number of factors including mine performance, commodity prices, and the progress of exploration and development on its current properties. Should changes in commodity and equity market conditions prevent the Company from obtaining additional financing, the Company will need to review its development and exploration plans to prioritize project expenditures based on funding availability.

Share Capital

At the date of this report there were 123,864,898 common shares outstanding and no securities convertible into common shares.

Legal Claims and Contingent Liabilities

At August 31, 2012, there were no material legal claims or contingent liabilities outstanding that have not been fully accounted for.

Off-balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Outlook

Recent uncertainty in the global financial markets has seriously eroded the supply of financing for new mine development, and management believes that this may ultimately lead to positive changes in commodity prices in the future. It is therefore management's goal to continue to finance and explore its various property interests.

The Company recently engaged a financial adviser to assist in evaluating a broader range of opportunities available to it, including structured debt, asset and tax pool sales, joint ventures, and other arrangements. The primary intent of this engagement is to preserve value for the Company's shareholders and all stakeholders, including its trade-related creditors.

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.