

# THE ATTACHED UNAUDITED INTERIM FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE

## Management Discussion and Analysis as of February 22, 2007

Rockgate Capital Corp. ("Rockgate" or the "Company") was incorporated in the Province of British Columbia on November 23, 2004 under the Business Corporations Act of British Columbia. The Company was classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4 and its common shares became listed on the Exchange in October 2005.

Effective April 25, 2006 Rockgate completed its qualifying transaction consisting of an option to earn up to a 65-per-cent undivided interest in the Ixtapan gold project from Oro Gold Resources ("Oro"). Upon completion of this transaction the Exchange reclassified the Company as a Tier 2 listed company under the trading symbol RGT.

Under the terms of the Oro option agreement, the company may earn a 51-per-cent interest by issuing 100,000 shares to Oro and incurring \$200,000 (U.S.) in expenditures on the property within one year. The company may earn an additional 9-per-cent interest by incurring a further \$300,000 (U.S.) in expenditures on the property and by issuing a further 100,000 shares to Oro by the second anniversary. The company may earn an additional 5-per-cent interest by incurring a further \$500,000 (U.S.) in expenditures on the property and by issuing a further 150,000 shares to Oro by the third anniversary.

Prior to the fiscal year end at June 30, 2006 the Company issued the first 100,000 shares to Oro and finalized its first phase work plan for Ixtapan in conjunction with Oro Gold management. In July 2006 Oro as operator of Ixtapan began a diamond drilling program of up to 1500 meters. The Company is currently evaluating the preliminary results from the first six drill holes.

On November 29, 2006 the Company entered into an option agreement to earn a 60-per-cent interest in the Falea uranium-copper property in southwestern Mali, West Africa, from Delta Explorations Inc. ("Delta"). The Falea uranium-copper property covers an area of 150 square kilometers. Under the terms of the option agreement, Rockgate can earn a 60-per-cent undivided interest in the property from Delta by incurring a total of \$1.5-million in exploration expenses within two years of the date of receipt of TSX Venture Exchange approval. Rockgate must spend \$300,000 by the first anniversary date of the approval date and an additional \$1.2-million by the second anniversary of the approval date. In addition, Rockgate must issue 150,000 shares to Delta within five days of the approval date and a further 200,000 shares on the first anniversary of the approval date. The property agreement is subject to Exchange approval.

During November 2006 the Company engaged Pacific International Securities Inc. to act as exclusive agent on a commercially reasonable efforts basis to raise up to \$3.7-million by issuing up to 9.25 million units of Rockgate at 40 cents per unit. Each unit will consist of one common share and one transferable common share purchase warrant. Each warrant will be exercisable into one additional common share of the Company at an exercise price of 60 cents per common share for a period of 18 months from the closing date. Upon completion of the offering the Company will pay the agent a commission of 7.5 per cent of the gross proceeds of the offering, in cash or in units at the election of the agent and a corporate finance fee of \$15,000. In addition, Rockgate will issue to the agent an option to acquire compensation options equal to 10.0 per cent of the number of units sold under the

offering, at an exercise price equal of 45 cents for a period of 18 months following the date of closing. Proceeds of the offering are for exploration of the Falea property, Mali, West Africa, and for general working capital. The financing is subject to Exchange approval.

Subsequent to the end of the quarter:

- a) The Exchange accepted the filing documentation in connection with a mining option agreement dated Nov. 29, 2006, between the Company and Delta Explorations Ltd. whereby the Company has been granted an option to acquire a 60-per-cent undivided interest in the Falea uranium-copper property located in Mali, West Africa. Consideration is 350,000 common shares and \$1.5-million in exploration expenditures of which the shares and \$300,000 must be expended within the first year.
- b) The Company completed the brokered private placement announced on Nov. 29, 2006, for gross proceeds of \$3.7-million. A total of 9,748,700 units at a purchase price of 40 cents per unit have been issued, including 498,700 units issued to the Company's agent, Pacific International Securities Inc., in partial satisfaction of its commission. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant is exercisable into one additional common share of Rockgate at an exercise price of 60 cents per common share for a period of 18 months. The balance of commission due to the agent in the amount of \$64,520 was satisfied in cash. The agent was also paid a corporate finance fee of \$15,000. In addition, the agent and members of its selling group have been issued agent's options for the purchase of up to 880,000 common shares at a price of 45 cents per share, exercisable for a period of 18 months. All securities issued pursuant to the private placement are subject to a hold period and may not be traded until May 11, 2007. The net proceeds of the financing will be used to finance exploration work on the Falea uranium-copper exploration project in Mali, West Africa, and for working capital.
- c) On Jan. 18, 2007, Rockgate Capital Corp. granted options under its existing stock option plan to directors and officers of the company to purchase a total of one million common shares at an exercise price of 75 cents per share for a five-year term.
- d) Effective January 31, 2007 Krister Kottmeier resigned as an independent director of the Company.

## **Trend Analysis**

The business of the Company entails significant risks. Any analysis of the trend of the company's activities would reveal this. And there is nothing to suggest that these trends will change.

The company's sole activity is its search for a viable, economic mineral resource. Exploring for such a resource is inherently risky. There is no assurance that a resource will be located and/or if it is located it can be produced on a commercially viable basis.

## Selected Financial Data [Annual]

(Expressed in Canadian Dollars)

		Year Ended June 30	Inception to June 30
		2006	2005
Net Operating Revenues	\$	8,037	0
Net income (loss)	\$	(286,292)	(26,088)
Income (Loss) per share from continued operations	\$	(0.07)	(0.04)
Share capital per Canadian GAAP	\$	1,217,130	100,000
Common shares issued		9,050,000	2,000,000
Weighted average shares outstanding per Canadian GAAP		4,292,329	663,737
Total Assets	\$	1,020,704	91,464
Net Assets (liabilities)	\$	970,850	73,912
Cash Dividends Declared per Common Shares	\$	0	0
Exchange Rates (Cdn\$ to U.S.\$) Period Average	\$	0.8599	0.8123

## Overview

Under two separate option agreements - Rockgate has been granted options to earn up to:

1. a 65-per-cent undivided interest in the Ixtapan gold property, located 120 kilometers west of Mexico City, Mexico. The property is approximately 4,190 hectares in size and forms part of a larger mineral concession held by Oro (approximately 8,730 hectares in size). Rockgate holds no interest in the other areas comprised in the concession; and
2. a 60-per-cent undivided interest in the Falea uranium-copper property located in Mali, West Africa. Consideration is 350,000 common shares and \$1.5-million in exploration expenditures of which the shares and \$300,000 must be expended within the first year.

### *Ixtapan Gold Property*

Under the terms of the option agreement, Rockgate can acquire an initial 51-per-cent interest in the gold project by incurring \$200,000 (U.S.) in expenditures on the project within one year of the date of TSX Venture Exchange acceptance of the agreement and issuing 100,000 shares to Oro Gold. Rockgate has two further options to acquire in total an additional 14-per-cent interest (for a total 65-per-cent interest) in the gold project by incurring in total an additional \$800,000 (U.S.) on the project over a two-year period and issuing in total an additional 250,000 shares to Oro Gold. Oro Gold will be the operator during the first year and receive a cash payment of \$20,000 (U.S.) as a management fee.

The Ixtapan gold property is located in the municipalities of Ixtapan del Oro and Donato Guerra, Mexico, approximately 120 kilometers west of Mexico City. The property is easily accessible via paved highway. The property comprises a series of northeast-trending gold-bearing structures hosted

in andesite volcanics that outcrop over a 500-meter-wide by one-kilometer-long area. The Ixtapan structures are interpreted to be fault related and are characterized by zones up to eight meters wide cut by quartz veins up to one meter wide and/or stockworks containing narrow quartz veins. Individual veins can be up to 750 meters in length and are open along strike and at depth. Silicified breccias containing vein and host rock fragments are also observed. The Ixtapan structural trend can be traced along strike for up to seven kilometers.

Oro Gold believes that certain parallels can be drawn between the geological environment at Ixtapan del Oro and the world-class El Oro historic mining camp, located 60 kilometers to the north, where more than 10 million gold equivalent ounces were mined from quartz veins. Specifically, quartz vein and ore shoot development at El Oro is greatest within phyllite basement rocks just below the contact with the overlying volcanic rocks. At Ixtapan, phyllite basement rocks similar to those at El Oro outcrop to the east and are believed to underlie the volcanic rocks hosting the gold mineralized structures at a fairly shallow depth. As such, proposed drilling will target the Ixtapan veins just below the contact between the basement phyllites and the overlying volcanic rocks.

Prior exploration on the Ixtapan property was completed by the Mexican government during the early 1980s which included channel sampling from underground workings that reported grades up to 15.25 grams per tonne Au over 3.5 meters, and an average grade of 6.62 g/t Au over 1.31 meters of average width for 132 samples over a strike length of 215 meters (not 43-101). Oro Gold completed a geochemical survey over this area which resulted in defining a surface gold anomaly over 800 meters long by 300 meters wide, and confirmed the existence of high-grade gold values in trenches. The best trench results returned 16.2 g/t Au over five meters, and included 62.4 g/t over 1.2 meters.

In preliminary results from the summer 2006 drill program at Ixtapan the Company announced six diamond drill holes, totaling 929 meters, were completed as part of the drill program. All six drill holes successfully intersected the projected vein targets over a 750-metre strike length and tested the down-dip projection of the Ixtapan vein system between 50 and 150 meters below the known historic underground mine workings. Core samples for the mineralized intervals of all holes have now been analyzed by BSI Inspectorate laboratory (see table below).

The best gold results come from hole IXT-002, drilled beneath the Frank mine, which returned 0.58 g/t Au over 16.5 meters (11.5 m true width), including 1.52 g/t Au over 4.25 meters (3.0 m true width). Silver values for the mineralized intervals were correspondingly low.

**Drill Hole Assay Summary Table**

Drill Hole*	Hole Depth (m)	Mineralized Intervals (from – to) (m)	Width of Interval (m)	Au (g/t)
06-IXT-1	144	60.3 – 70.3	10.0	0.31
06-IXT-2	170	82.0 – 98.5	16.5	0.58
		84.4 – 88.7	4.3	1.57
		159.1 – 160.1	1.0	0.31
06-IXT-3	165	120.5 – 121.5	1.0	2.10
		155.5 – 162.8	7.3	0.22
06-IXT-4	185	145.0 – 146.7	1.7	0.45
		162.5 – 172.3	9.8	0.23
06-IXT-5	135	60.9 – 68.6	7.7	0.31
		115.0 – 119.0	4.0	0.31

06-IXT-6	130	117.0 -122.0	5.0	0.25
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\* Note: 06-IXT-1 and 2 were sampled in their entirety, whereas 06-IXT-3 through 6 were only sampled over their mineralized portions.

Rockgate management is conducting a final review of the data to decide on a course of action for the Ixtapan gold project. A decision regarding additional work is being made and will be announced shortly.

### *Falea Uranium-Copper Property*

The Falea uranium-copper property covers an area of 150 square kilometers and overlies a Neoproterozoic sedimentary basin surrounded by older Birrimian greenstones.

A total of 86 widely spaced diamond drill holes were completed by Cogema in the early 1980s to evaluate the prospectivity of a 100-square-kilometre portion of the Falea basin. Uranium and copper mineralization were found to occur in the lower portion of the basin, in the Kania sequence of interbedded conglomerates, sandstones and black sulphide and stromatolite-rich argillites. Down-hole radiometric surveys from Cogema's diamond drilling program confirmed that all radiometric anomalies occur within the Kania sequence, which is up to 26 meters thick.

Subsequent to the end of the quarter Rockgate's joint venture partner Delta signed a contract with BLY Mali SA, a subsidiary of Boart Longyear Inc., to provide diamond drilling services on the Falea uranium-copper property. Mobilization of the drilling equipment and technical team to Falea will begin in late-February with drilling to commence immediately thereafter. Rockgate and Delta plan to diamond drill a minimum of 5,000 metres, testing the Kania formation, a favourable stratigraphic horizon for uranium and copper mineralization as indicated by historical results obtained by Cogema in the late 1970s and early 1980s.

### *Corporate Personnel Changes*

On September 20, 2006 Rockgate announced the appointment of Lorne Warner, PGeo, to the board of directors of the company. Mr. Warner has also accepted the position of vice-president, exploration for the company in conjunction with his current role of qualified person under National Instrument (NI) 43-101.

Mr. Warner has over 20 years experience in mineral exploration, open pit and underground mining, predominantly in Canada, United States and Brazil, working with Noranda Exploration and Placer Dome Exploration. As senior project geologist at Placer Dome, his responsibilities included management of several advanced-stage exploration projects, and the development of 3-D models and resource calculations both on advanced-stage projects and at mine sites. He completed extensive mine exploration programs resulting in the discovery or extension of several gold zones at Detour Lake Mine in Ontario. Mr. Warner is a registered professional geologist in British Columbia, Ontario, Nunavut and Northwest Territories.

In November the directors appointed Kirk Gamley to the position of Vice President - Corporate Development. Mr. Gamley will be responsible for general corporate development, corporate communications and shareholder relations, compliance and financing activities.

Effective January 31, 2007 Krister Kottmeier resigned as an independent director of the Company.

## Results of Operations

During the quarter the Corporation has incurred expenses of \$254,028 [2005: \$52,736]. The expenses were directly related to the work conducted at Ixtapan in the quarter and the costs of being and administering a reporting issuer. Significant expenses were incurred or accrued related to the Falea uranium-copper property option and the brokered private placement. The expenses are primarily made-up of professional fees related to audit work, legal work, filing fees, rent and management services. Since the completion of the Company's IPO the level of expenses have increased due to the increased activity required to locate and research prospects for a Qualifying Transaction and once found to complete the transaction and commence operations.

The Company will to use its available resources to pursue its obligations under the option agreements with Oro and Delta.

## Fluctuations in Results

Comparison to the prior period is difficult since the prior period only encompassed the formation of the Company and preliminary work to make it a reporting issuer. Expenses incurred in the latest fiscal year include all items related to completion of the year-end accounting, commencement of work on the Ixtapan gold project, negotiating the Falea uranium-copper property option, and the brokered private placement completed in January 2007.

## Liquidity and Capital Resources

Since the Company is organized in Canada, the Company's December 31, 2006 financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

As at December 31, 2006 and 2005 the Company had accumulated losses totaling \$630,109 and \$111,341, respectively. The Company had working capital of \$685,896 as at December 31, 2006 and \$188,659 at December 31, 2005. As at December 31, 2006 and 2005 the Company had cash and equivalents on hand of \$932,091 and \$186,954, respectively.

### Selected Financial Data [Quarterly - unaudited]

(Expressed in Canadian Dollars)

		Quarter Ended					
		12/31/2006	9/30/2006	6/30/2006	3/31/2006	12/31/2005	9/30/2005
Net Revenues	\$	1,282	2,347	7,062	975	0	0
Net income (loss)	\$	(252,746)	(74,469)	(156,001)	(45,038)	(52,736)	(32,517)
Income (loss) per share from continued operations	\$	(0.03)	(0.01)	(0.03)	(0.01)	(0.01)	(0.02)
Share capital per Canadian GAAP	\$	1,249,905	1,217,130	1,217,130	660,190	300,000	100,000
Common shares issued		9,145,000	9,050,000	9,050,000	5,949,800	4,000,000	2,000,000
Weighted average shares outstanding per Canadian GAAP		9,145,000	9,050,000	4,292,329	4,000,000	3,926,868	2,000,000

Total Assets	\$	942,587	998,574	1,020,704	524,968	191,519	75,146
Net Assets (liabilities)	\$	685,896	896,382	970,850	522,703	188,659	41,395
Cash Dividends Declared per Common Shares	\$	0	0	0	0	0	0

### **Additional Disclosure for Venture Issuers Without Significant Revenue**

*(a) Rockgate was only recently incorporated, and has just recently commenced commercial operations. It has no history of earnings, and shall not generate earnings or pay dividends in the foreseeable future;*

*(b) the directors and officers of the Company will only devote a portion of their time to the business and affairs of Rockgate and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time;*

*(c) there can be no assurance that an active and liquid market for the Company's Common Shares will develop and an investor may find it difficult to resell its Common Shares;*

*(d) there is no assurance that the exploration work disclosed herein will be successful in its quest to find a commercially viable quantity of mineral resource;*

*(e) Rockgate has only limited funds with which to explore its properties and to identify and evaluate other opportunities there can be no assurance that the Company will be able to complete either with the funds on hand;*

*(f) The Company has a history of operating losses and may have operating losses and a negative cash flow in the future;*

*(l) the Company's commercial efforts may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of Rockgate;*

### **Off-Balance Sheet Arrangements**

There are no off-balance sheet arrangements.

## Table of Contractual Obligations

<i>Contractual Obligations:</i>	<i>Payments Due by Period</i>
<p><b>Option From</b></p> <p>To earn a 60% undivided interest in the Falea Uranium-Copper property</p>	<p><b>Delta Explorations Inc.</b></p> <p>Year One: Spend \$300,000 on exploration prior to January 4, 2008 and issue 150,000 common shares prior to January 12, 2007;</p> <p>Year Two: Spend \$1,200,000 on exploration prior to January 4, 2009 and issue 200,000 common shares prior to January 4, 2008.</p>
<p><b>Option From</b></p> <p>Year One: To earn 51% of the Ixtapan project, by April 25, 2007</p> <p>Year Two: To earn an additional 9% of the Ixtapan project, by April 25, 2008</p> <p>To earn an additional 5% of the Ixtapan project, by April 25, 2009</p>	<p><b>Oro Gold Resources Ltd.</b></p> <p>Complete \$200,000 USD in work expenditures. Within 5 business days of issuance of Final Exchange Bulletin accepting the completion of the Qualifying Transaction the Company must issue 100,000 shares to Oro Gold Resources</p> <p>Complete \$300,000 USD in work expenditures, and issue 100,000 shares to Oro Gold Resources</p> <p>Complete \$500,000 USD in work expenditures, and issue 150,000 shares to Oro Gold Resources</p>

## Related Party Transactions

Effective August 1, 2005, the Company entered into a management services agreement with a company controlled by a director of the Company to provide rental space and office services at a month-to-month fee of \$1,750. For the quarter ended December 31, 2006 the Company incurred \$4,953 [2005: \$5,250] of these fees. These charges were measured by the exchange amount, which is the amount agreed upon by the transacting parties. Effective February 28, 2007 this arrangement will end. It is anticipated that the Company will enter into a new landlord-tenant arrangement with a company controlled by certain officers and directors of the Company effective March 1, 2007.

During the period ended December 31, 2006, the Company paid a director \$3,750 [2005: \$nil] for his professional services as Chief Financial Officer; \$15,000 [2005: \$nil] to a private company controlled by a director of the Company for the professional services of that director as President of the Company; and \$22,500 [2005: \$nil] to a private company controlled by a director of the Company for the professional services of that director as Vice President -- Exploration of the Company. Given the Company's expected increase in activity it is anticipated that amounts paid to related parties will increase during the quarter and into the future.

## Critical Accounting Estimates

There are no critical accounting estimates.

### Changes in Accounting Policies

There have been no changes in accounting policies.

### Share Capital Data

The following table sets forth the Company's share capital data as at February 22, 2007:

Common Shares -issued & outstanding	19,656,200		
Warrants	4,360,000	Expiry: 10/06/2007	Exercise price: \$0.345
Warrants	9,748,700	Expiry: 07/10/2008	Exercise price: \$0.60
Share Purchase Options	300,000	Expiry: 10/12/2010	Exercise price: \$0.10
Share Purchase Options	500,000	Expiry: 11/29/2011	Exercise price: \$0.40
Share Purchase Options	880,000	Expiry: 07/10/2008	Exercise price: \$0.45
Share Purchase Options	1,000,000	Expiry: 01/18/2012	Exercise price: \$0.75

### Further Information

Additional information about the Company is available at the Canadian disclosure website [www.sedar.ca](http://www.sedar.ca)