

## **THE ATTACHED 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 May 23, 2006**

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 is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4.

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. 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 option agreement, the company may earn a 51-per-cent interest by issuing 100,000 shares to Oro Gold 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 Gold 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 Gold by the third anniversary.

The Company is now finalizing its work plan for Ixtapan in conjunction with Oro Gold management, and Rockgate anticipates that an exploration team will be mobilized shortly.

The Company completed a non-brokered private placement of 4.75 million units at a price of 20 cents per unit. Each unit consists of one common share of the company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share of the company at 34.5 cents per share until Oct. 6, 2007.

The net proceeds of the private placement will be used to finance work programs on the company's Ixtapan gold project in Mexico and for general working capital.

In connection with the private placement, the Company issued, as a finder's fee, 100,000 common shares and a share purchase warrant entitling the finder to purchase up to 117,500 common shares on the same terms and conditions as contained in the warrants. All securities issued pursuant to the private placement, including the securities issued as a finder's fee, are subject to a hold period expiring on Aug. 7, 2006

### **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 precious metal resource at Ixtapan. Additionally, Rockgate's management will continue to seek other properties of merit for exploration/development of a metals or minerals resource.

### Selected Financial Data [Annual]

(Expressed in Canadian Dollars)

	Inception to June 30 2005	
Net Operating Revenues	\$	0
Net income (loss)	\$	(26,088)
Income (Loss) per share from continued operations	\$	(0.04)
Share capital per Canadian GAAP	\$	100,000
Common shares issued		2,000,000
Weighted average shares outstanding per Canadian GAAP		663,737
Total Assets	\$	91,464
Net Assets (liabilities)	\$	73,912
Cash Dividends Declared per Common Shares	\$	0
Exchange Rates (Cdn\$ to U.S.\$) Period Average	\$	0.8123

### Overview

Rockgate has been granted an option to earn up to a 65-per-cent undivided interest in the Ixtapan gold property, located 120 kilometres 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.

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 kilometres 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-metre-wide by one-kilometre-long area. The Ixtapan structures are interpreted to be fault related and are characterized by zones up to eight metres wide cut by quartz veins up to one metre wide and/or stockworks containing narrow quartz veins. Individual

veins can be up to 750 metres 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 kilometres.

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 kilometres 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 metres, and an average grade of 6.62 g/t Au over 1.31 metres of average width for 132 samples over a strike length of 215 metres (not 43-101). Oro Gold completed a geochemical survey over this area which resulted in defining a surface gold anomaly over 800 metres long by 300 metres wide, and confirmed the existence of high-grade gold values in trenches. The best trench results returned 16.2 g/t Au over five metres, and included 62.4 g/t over 1.2 metres

## **Results of Operations**

The Corporation has incurred expenses, since its incorporation, of \$177,487 all of which are directly related to becoming a reporting issuer, completing its Initial Public Offering and completing its Qualifying Transaction pursuant to Policy 2.4 of the Exchange. The expenses are made-up of professional fees related to audit work, legal work and the work of an independent geological consultant; 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.

The Company will continue to use its available resources to finance work programs on the company's Ixtapan gold project in Mexico and for general working capital.

## **Fluctuations in Results**

The Company has no historical operations by which fluctuations can be measured. Expenses incurred in the latest financial quarter are consistent with the two previously reported quarters.

## **Liquidity and Capital Resources**

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

As at March 31, 2006, the Company had accumulated losses totaling \$177,487. The Company had working capital of \$522,703 as at March 31, 2006. As at March 31, 2006 the Company had cash and equivalents on hand of \$524,968.

## Selected Financial Data [Quarterly - unaudited]

(Expressed in Canadian Dollars)

		Quarter Ended		
		3/31/2006	12/31/2005	9/30/2005
Net Revenues	\$	975	0	0
Net income (loss)	\$	(45,038)	(52,736)	(32,517)
Income (loss) per share from continued operations	\$	(0.01)	(0.01)	(0.02)
Share capital per Canadian GAAP	\$	660,190	300,000	100,000
Common shares issued		5,949,800	4,000,000	2,000,000
Weighted average shares outstanding per Canadian GAAP		4,462,350	3,926,868	2,000,000
Total Assets	\$	524,968	191,519	75,146
Net Assets (liabilities)	\$	522,703	188,659	41,395
Cash Dividends Declared per Common Shares	\$	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 on the Ixtapan Gold project 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 Ixtapan 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>
<b>Option From</b>	<b>Oro Gold Resources Ltd.</b>
Year One: To earn 51% of the Ixtapan project, by April 25, 2007	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
Year Two: To earn an additional 9% of the Ixtapan project, by April 25, 2008	Complete \$300,000 USD in work expenditures, and issue 100,000 shares to Oro Gold Resources
To earn an additional 5% of the Ixtapan project, by April 25, 2009	Complete \$500,000 USD in work expenditures, and issue 150,000 shares to Oro Gold Resources

### **Critical Accounting Estimates**

There are no critical accounting estimates.

### **Changes in Accounting Policies**

There have been no changes in accounting policies.