

(All amounts in Canadian Dollars)

The following Management's Discussion and Analysis « MD&A » of the results of operations and financial condition of Rocmec Mining Inc. « Rocmec » constitutes management's review of various elements that have impacted the company's operational and financial performance during the second quarter ended June 30<sup>th</sup>, 2006. The following MD&A, dated August 28<sup>th</sup>, 2006 should be read in conjunction with the company's interim financial statements dated June 30<sup>th</sup>, 2006 and 2005, including related notes. All amounts included in the following document are in Canadian dollars, unless otherwise stated.

Corporate profile

### Strategies and objectives

With its exclusive thermal fragmentation licensing agreement, Rocmec is concentrating its thermal fragmentation activities on its own narrow vein deposits, in partnership agreements with other producers and hand-over sub licensing technological agreements with other mining companies.

The acquisition of the Russian Kid mining site, located near Rouyn-Noranda in Abitibi, Quebec, will enable the company to commence thermal fragmentation operations on the site, which in turn will serve to showcase this unique patented process for extracting ore.

The company's properties are located in the North West region of Quebec and also in the region of Quebec. The company owns a 50% interest in a 250 tpd gold concentrating mill located in Granada, Quebec and its head office is located in Pointe-Claire, Quebec.

During the third quarter, Rocmec pursued its objective of extracting ore by way of its thermal fragmentation process on narrow vein deposits. The company continued rehabilitation work on the underground infrastructure at Russian Kid in preparation of bulk sampling that started during the fourth quarter. At the end of the third quarter, Rocmec acquired a 50% co-participation interest in a company that acquired a modular gold concentrating mill located in Granada, Quebec near Rouyn-Noranda. Priority will be given to the ore from Russian Kid.

With the start of operations at Russian Kid and the acquisition of a participation in the treatment plant, Rocmec will continue to demonstrate this new technology and its efforts of introducing the thermal fragmentation process to the mining industry.

### Properties

#### Russian Kid

**Infrastructures:** The property includes a 100m deep two compartment shaft, a 844 metre decline allowing access to three levels (150, 300 and 425 feet). On these levels a total of 1700 metres (drifts and cross-cut drift) were driven. The Russian Kid ore body is well defined by diamond drill holes and was sampled and mined in certain areas (McDowell vein).

**Geology:** The mineralisation is associated to a East-West sheared system, almost parallel, broken by faults which create slight displacements. Some of the transversal faults are important, causing displacements exceeding 30 metres (ex: El Coco fault). The orientation of the mineralised structures varies from N070° to N090° with a dip of 55° to 80° towards the south. The movements created by the transversal faults combined with shearing movements are the reason for the discontinued nature of the mineralization. Fractures and tension veins have also developed in close proximity to the sheared zones. They are strongly silicified, very well foliated and are characterized by cataclastic textures with very fine mylonitic grains containing visible or pulverised fragments.

The gold veins on the Russian Kid property are quartz carbonated narrow veins included in an intrusive rock with included quartz or granophyric textures. The narrow veins can be confined in a more competent ground. The high grade iron ore is most favourable for gold precipitation. These quartz carbonated narrow veins are normally created in a table and lense shape structure and are present in the central portion of the sheared zone with a fragile-ductile rocky behavior parallel to the host structure and slightly oblique. (Hogson, 1989; Poulsen et Robert, 1989).

Since this type of ore body is low in sulphur, the exploration strategy would be oriented towards geological criteria instead of geophysical criteria. It is important to focus on the sheared zones included in the host rock where high grade iron igneous rock is present. The mapping done by colored mineralised rock is a simple way to localise the more favourable ore tonnes.

**Mineralisation :** The mineralisation is composed of 2 to 10% of fine pyrite disseminated in sheared zones and breaches breaking the diorite. Numerous quartz veins ranging in thickness from a few centimeters to close to 60 centimeters are frequently located in these zones. The veins also contain pyrite, chalcopyrite and visible gold. Silver grades are normally four to five times lower than gold grades.

(All amounts in Canadian Dollars)

The McDowell vein is the main gold structure on the property. In assuming that the McDowell West, McDowell and Russian Kid veins form only one vein, it was followed or intercepted on distance of 940 metres with an average width of 1 metre. We can also notice many cross-cut faults which break the quartz carbonated veins. These breaks combined with vertical shears are responsible for the discontinued nature of the mineralization.

**Metallurgic testing and ore treatment:** In 1983, two 45 kg samples from the 425m level of the Beaudoin vein and from the 300m level of the McDowell West vein underwent treatment testing at the Center for Mineral Research (CMR) of the government of Quebec

Gold grades from the Beaudoin and McDowell West veins were 12.8 and 30.3 gr/t Au respectively. Gold recuperation rates with cyanide testing following a recrushing period of 25 minutes of flotation concentrate from the Beaudoin vein attained 95%. However, gold recuperation rates without resorting to recrushing of concentrate from the McDowell West vein were 91-92%.

### Table outlining resources

Vein	Category Proven		Category Probable		Category Possible		TOTAL
	Metric tonnes	Grade (oz/t)	Metric tonnes	Grade (oz/t)	Metric tonnes	Grade (oz/t)	Tonnes
McDowell	34,862	0.16	146,654	0.17	222,942	0.19	404,458
Talus	9,960	0.15	50,650	0.17	72,340	0.22	132,950
McDowell West	14,835	0.16	27,035	0.15	19,510	0.27	61,380
Talus West	0	0	56,720	0.25	109,955	0.24	166,675
Shaft	1,458	0.20	18,458	0.23	7,790	0.18	27,706
Beaudoin	1,250	0.15	34,431	0.27	248,990	0.39	284,671
Lachance	0	0	6,420	0.19	1,500	0.15	7,920
Claude West	0	0	7,370	0.65	0	0	7,370
Russian Kid	0	0	22,766	0.18	8,633	0.18	31,399
<b>TOTAL</b>	<b>62,365</b>	<b>0.16</b>	<b>370,507</b>	<b>0.20</b>	<b>691,660</b>	<b>0.28</b>	<b>1,124,529</b>

**NOTE:** Even though the resource categories used by ABBDL-Tecsult (page 60 ABBDL-Tecsult report) are not in accordance with the National Instrument 43-101, they are stated in this document for the sole purpose to allow the reader to appreciate the significance of each mineralised zone in accordance with the global tonnage and grades of the deposit. The authors of the report did not include the 200,000 tonnes classified as "geological" resources attributed to the Talus vein because additional exploration work is required.

**Lake Rose** is a mining concession located approximately 37 km north of Lebel-sur-Quévillon. Rocmec acquired the mining rights for a period of 2 years compensated for by a royalty of \$30.00 per ounce. Underground infrastructure from previous work includes a ramp and galleries on three different levels. The technical report prepared by a consulting geologist reports measured and indicated resources of 3,909 ounces on zones A & E. A flat near surface vein has been discovered and the company plans to extract the mineralized ore with its thermal fragmentation process. Other surface mineralized structures have been recorded and the company plans to conduct exploration drilling to better understand their contents. During the coming quarter, the Company must re-negotiate the mining rights. At this stage it is difficult for management to comment on the outcome of the re-negotiations.

**Denain**, the property is located in Louvicourt, in close proximity to Val-d'Or, and is a site, on which, the company conducted development work to evaluate its future potential. The principal vein, referred to as the south vein, has been intercepted on close to 400 metres in length, and identified to a depth of 100 metres. The technical report prepared by a consulting geologist reports measured and indicated resources of 9,570 ounces and inferred resources of 31,185 ounces. Furthermore, another mineralized structure, referred to as the north vein, has been identified but as of yet no resource calculation has been made. Our request for a mining lease to exploit the site is currently being processed, and for the moment management prefers not to comment on the outcome of the request. The company, Texas T. Minerals Inc. has acquired a 15% interest in the property in exchange for \$300,000 of exploration work on the property.

**Management's Discussion and Analysis**

(All amounts in Canadian Dollars)

**Montauban**, the property is located approximately 80 km south-west of Quebec, owned by the company since its founding in 2000. No exploration work was conducted on the site during the past year.

The supracrustal rocks from the Montauban Group on Rocmec's Montauban property constitute the majority of the outcrop areas and are represented principally within four (4) lithologies: biotite gneiss, amphibolites, quartzites and hornblend-biotite gneiss. However, the biotite gneiss rock is the most prominent on the Montauban property and within the surrounding areas. It is to be noted that the mineralisation is generally located in the interface between the previously mentioned lithologies, which are, the biotite gneiss and sillimanite and the amphibolites.

The polymetallic mining site of Montauban, located on the Montauban property operated since the beginning of the century until its closing in 1990. Two types of ore were extracted, 0.8 M tonnes of gold-bearing ore grading 3.55 g/t Au and 17.72 g/t Ag and 2.5 M tonnes of polymetallic ore grading 6.8% Zn, 2.27%Pb, 131 g/t Ag and 1.3 g/t Au. The site is considered as a syngenetic deposit linked in close proximity to exhalites within a volcanic context. The mineralization is basically formed of sphalerite, galena, chalcopryrite in a marble level or a anthophyllite-cordylite-gahnite gneiss associated to sillimanite nodules gneiss and quartzic gneiss. According to certain authors, it is a massive metamorphosed volcanogenic sulphur altered zone. During the mining of the southern section of the mineralised zone, gold and silver were recuperated as by-products, whereas mining and exploration activities on the northern section were concentrated on precious metals. Recent work supports the idea of classifying the Montauban mining site as massive gold-bearing sulphur associated to heavily metamorphosed volcanic rock.

The gold-bearing mineralisation on the Montauban property tends to show a certain lateral continuity, controlled by one or more structures that stretch beyond the immediate sectors of the mine. Thus, the Saint-Thomas indicator, located more than 3 kilometers to the south, presents itself as a mineralisation with free gold within quartz stockwerk. The authors of the report support the assumption brought forward by certain authors, that the gold-bearing mineralization at Montauban was late in its formation and intersects just about all of the lithologies including the amphibolites. Following work conducted by Muscocho Exploration Ltd., it was thought that the mineralisation was located under a particular level of amphibolite, however, the author believes that the mineralization follows a corridor that becomes subhorizontal towards the south. This assumption is valid for the property (Montauban) considering the presence of a similar lithology within the same structural context. Furthermore, the North and South mineralised zones on the Montauban property display excellent surface continuity observed through overburden removal, trenches spaced at 30 metre intervals and to depth in proximity, as indicated by numerous past and recent diamond drill holes spaced at 30 metre intervals. Zone thicknesses vary from between 1 to 3 metres, however, locally they can reach 10 metres or more. Grades vary from between 1 to 6 g/t Au.

**Resource evaluation****Resource estimate done by the Block Method****Zone 1 South**

We evaluate the indicated mineral resource of the unmined crown pillar of this zone at 114,473 tonnes with grades of 6,1 g/t Au and 94 g/t AG, for a total of 22,281 gold ounces and 347,086 silver ounces.

Considering a ratio of 73 g Ag pour 1 g Au the equivalent gold grade is 7,3 g/t eqAu (82 % Au et 18 % Ag)

**For zone 1 North**, we calculate a indicated resource totaling 274,500 tonnes with grades of 2,8 g/t Au et 15 g/t Ag., for a total of 24,917 gold ounces and 133,912 silver ounces. Considering a ratio of 73 g Ag pour 1 g Au the equivalent gold grade is 3.0 g/t eqAu (93 % Au et 7 % Ag).

However, we advise that within this sector 113,284 tonnes with grades of 3.1 g/t Au and 19 g/t Ag (3.4 g/t eqAu), are available in the first 10 metres. The volume corresponds to 46% of the total value of the crown pillar.

The above mentioned information was taken from a technical report dated June 2003, prepared by Mr. Jacques Marchand, a consulting engineer geologist.

The Company has been approached by certain groups interested in acquiring an option on Montauban. Ongoing discussions include an option agreement that would be tied to a partnership agreement. At this stage it is difficult for management to comment on the outcome of the agreement. However, if an agreement is not reached, the Company plans on starting thermal fragmentation operations during the Summer of 2007.

**Courville-Maruska and Vauquelin**, are two other properties owned by the company. For the moment they are at the exploration stage. Very little work is planned for both properties during the coming year and Management have not determined when exploration activities will take place.

(All amounts in Canadian Dollars)

**Financial Aspects**

The preparation of financial statements requires the usage of estimates and the formulation of assumptions that effect reported amounts of revenues and expenses and also the amounts of assets and liabilities. Elements reported in the financial statements that require accrued usage of estimates include the calculation of the useful life of assets, amortisation calculations, calculations pertaining to maintenance obligations for out of service assets and those related to income taxes on profits and future mining income taxes. Consequently, actual results could differ from these estimates

**Summary of quarterly activities**

During the third quarter, the Company concentrated its activities on preparing the Russian Kid site and financing the work planned for the coming year. The underground infrastructure seems to have been constructed in order to support production levels of a conventional mine, the decline is 3.4 metres high by 5 metres wide and is completely rock bolted. The drift is also 3.4 metres high by 5 metres wide. In order to verify the grades, a bulk sampling permit for 44,000 tonnes was requested and obtained from the Ministry of Natural Resources. Two blocks (A and B) were prepared for thermal fragmentation on level 150 in order for the Company to familiarise itself with the geology of the deposit and to insure that it would be able to attain sufficient production levels to continue the planned work.

Following the results obtained from blocks A and B, preparatory work on blocks C to H was started and completed during the fourth quarter. During the third quarter and at the beginning of the fourth quarter the Company focussed on preparing extraction sites as per its bulk sampling program. All the necessary services including air, water, electricity, mechanical ventilation and structural support work have been completed. Diamond drilling was conducted on a regular basis to verify both the angle and grades in preparation for work over the coming months.

Over the coming months, the Company plans on expending the necessary funds to continue the preparation of work sites for bulk sampling. Diamond drilling and exploration drift excavation will allow for further block preparation. Financings completed since the end of the quarter coupled with current financings will allow the company to pursue the planned work.

At the end of the second quarter, the Company announced that it received its Canadian patent (no: 2,495,143) from the Canadian patent Office. The patent issued to Rocmec International Inc. grants to the Company the exclusive rights to utilise its thermal fragmentation technology as per its licensing agreement. Furthermore, on July 14<sup>th</sup>, 2006 the Company obtained a patent for South Africa. The patent issued to Rocmec International Inc. grants to the Company the exclusive rights to utilise its thermal fragmentation technology as per its licensing agreement. The patent number is 2005-4251 and valid for 25 years from the international filing date being November 26<sup>th</sup>, 2003. Both patents are in addition to the United States patent no: U.S. 6,913,320 received on July 5<sup>th</sup>, 2005 and the Moroccan patent no: 27552 received on October 3<sup>rd</sup>, 2005.

**Summary of quarterly results**

	4th 2005	1st 2006	2 <sup>nd</sup> 2006	Quarter 3rd, 2006
Revenues – management services	(9)	-	164	-
Stock based remuneration	14,300	-	13,000	-
General and Administration expenses	143,609	296,562	177,677	253,878
Amortisation	1,578	1,241	1,241	1,241
Income Tax from part XII.6	14,048	-	-	-
Write-off of deferred exploration and development costs	133,066	345,693	(314,582)	60,849
Interest and bank charges	79,036	25,486	21,605	54,497
Future Income taxes	(137,637)	(111,939)	(89,704)	(42,654)
<b>Net loss</b>	<b>248,009</b>	<b>555,998</b>	<b>(190,927)</b>	<b>327,811</b>
Stock issuance expenses	277,219	281,751	246,974	303,601

## Management's Discussion and Analysis

Third Quarter ended June 30<sup>th</sup>, 2006

(All amounts in Canadian Dollars)

Cash flows from operating activities	(138,480)	(519,242)	(928,044)	317,997
Investment in fixed assets	14,383	11,750	2,400	217,279
Investment in mining properties	2,012	-	1,182	672
Deferred exploration and development costs	(219,347)	(236,320)	(748,895)	(884,713)
Cash and cash equivalents	8,017	41,753	379,064	350,161
Cash flow	(1,467,290)	(1,632,657)	(92,055)	(816,451)
Shareholder equity	3,855,008	4,175,176	6,630,358	6,586,645
Net loss per share	0.01	0.015	(0.005)	(0.007)
Weighted average outstanding shares	29,840,741	36,754,410	40,075,243	43,870,872
Shares outstanding	35,411,728	41,742,927	50,633,836	53,059,701

## Summary of quarterly results

	4th 2004	1st 2005	2 <sup>nd</sup> 2005	Quarter 3rd 2005
Revenues – management services	-	-	-	22,020
Stock based remuneration	93,425	-	-	-
General and Administration expenses	223,458	218,105	176,590	194,845
Amortisation	2,749	1,577	1,578	1,577
Income Tax from part XII.6	-	-	-	-
Write-off of mining property	190,650	-	-	-
Write-off of deferred exploration and development costs	16,140	2,643	20,370	118,278
Interest and bank charges	6,712	31,044	48,348	43,132
Future Income taxes	26,409	-	-	-
Gain on debt settlement	-	-	-	-
<b>Net Loss</b>	<b>559,543</b>	<b>253,369</b>	<b>246,886</b>	<b>335,812</b>
Stock issuance expenses	14,279	454,854	3,400	31,013
Cash flows from operating activities	(278,327)	(604,946)	(26,349)	(202,398)
Investment in fixed assets	207,585	199,608	294,977	198,841
Investment in mining properties	13,000	592	3,036	11,731
Deferred exploration and development costs	102,465	501,300	613,466	(279,482)
Cash and cash equivalents	249,153	1,092,446	126,781	79,336
Cash flow	(293,877)	885,835	(307,434)	(469,854)

**Management's Discussion and Analysis**Third Quarter ended June 30<sup>th</sup>, 2006

(All amounts in Canadian Dollars)

Shareholder equity	2,242,118	4,168,546	3,918,260	4,141,445
Net loss per share	0.03	0.01	0.01	0.01
Weighted average outstanding shares	18,941,496	24,908,685	27,647,423	28,718,626
Shares outstanding	21,960,022	30,347,022	30,547,022	33,018,897

**Summary of financial results for the third quarter of 2006****General and administration expenses**

Expenses related to administrative salaries, professional fees, legal expenses, communications and other office expenses. The expenses are relatively the same as those for the same quarter last year. Details of G & A are listed in the interim financial statements and available on SEDAR.

**Write-off of deferred exploration and development costs**

The write-off of deferred exploration and development costs represent costs expended on properties that the company has no intention to conduct further exploration activities.

**Interest and bank charges**

Interest on the debentures contracted during the past quarters represents an important portion of the interest expenses.

**Results of operations**

For the quarter ended June 30<sup>th</sup>, 2006, operating expenses totaled \$370,465 compared to \$357,832, an increase of \$12,633 over the same period last year.

For the third quarter, the company had a net loss of \$327,811 or \$0.007 per share.

The net loss was calculated based on 43,870,872 common shares representing the weighted average outstanding common shares as of June 30<sup>th</sup>, 2006, compared to 28,718,626 shares representing the weighted average outstanding common shares as of June 30<sup>th</sup>, 2005.

**Data on capital stock**

	30 June 2006		30 September 2005		30 September 2004	
	Number	Amount	Number	Amount	Number	Amount
<b>Outstanding at beginning</b>	<b>35,411,728</b>	<b>8,117,588</b>	<b>21,960,022</b>	<b>5,015,294</b>	<b>15,977,965</b>	<b>3,487,093</b>
Issuance of shares for cash	3,466,278	372,393	8,484,000	1,613,994	1,250,000	376,750
Issuance of shares under flow-through agreements	6,344,195	1,573,600	2,607,706	942,000		
Issuance of shares for acquisition of mining properties	875,000	147,500	2,360,000	546,300	1,300,000	447,000
Issuance of shares on the exercise of stock options and warrants	150,000	25,200			3,432,057	704,451
Issuance of shares for settlement of debt	6,812,500	1,914,909	-	-	-	-
<b>Outstanding at end</b>	<b>53,059,701</b>	<b>12,1251,190</b>	<b>35,411,728</b>	<b>8,117,588</b>	<b>21,960,022</b>	<b>5,015,294</b>

(All amounts in Canadian Dollars)

## Liquidity and financial condition

### Liquidity

At June 30<sup>th</sup>, 2006, the company maintained a cash or cash equivalent position of \$350,161 plus an additional \$112,527 that was set aside for development and exploration expenditures, compared to \$79,336 at the same period last year.

### Tax credit receivable

Tax credit receivables total \$399,767, compared to \$353,010 for the same period last year. The amount is a reimbursable mining rights tax credit for 2004 and 2005 including also an estimate of resource and mining tax credits accumulated for the current period.

### Fixed assets

During the quarter, the company acquired equipment totaling \$217,179, compared to \$198,841 the same quarter of 2005. The acquisitions are principally equipment for operations.

### Mining properties

During the third quarter, the company invested \$884,713 in deferred exploration expenses compared to \$279,482 for the same quarter last year. The funds were principally expended on development work on the Russian Kid property, additional funds will be invested on the property during the next quarters.

### Intangible assets

During the period, the company filed, in the name of Rocmec International Inc., a patent request covering 7 countries including Canada, the related costs were capitalised as intangible assets. During the quarter, the Company incurred \$4,998 in costs relating to the filings. Furthermore, during the last quarter, the Company concluded a new thermal fragmentation exclusive licensing with Rocmec International Inc. In the new agreement, the royalties have been substantially reduced and the minimum guaranteed royalties eliminated. The assumed costs in compensation for the transaction was fixed at \$1,273,302 and accounted for as an intangible asset.

### Assets

As at June 30<sup>th</sup>, 2006, the company's assets totaled \$11,188,434, an increase of \$4,909,308 compared to September 30<sup>th</sup>, 2005. The increase is due to the various financing that were completed during the quarter and the transaction with Rocmec International Inc..

### Cash flow insufficiency

As of June 30<sup>th</sup>, 2006, the company faces a cash flow insufficiency. In order to rectify the situation a series of financing were completed after the quarter.

### Loans

During the quarter, the Company contracted loans totalling \$1,000,000 with companies and individuals unrelated to the Company. These gold loans bear a 1% monthly interest rate, payable quarterly, beginning on November 30<sup>th</sup>, 2006. Reimbursement will be in gold ounces.

### Debentures

During the quarter, the Company issued a series of debentures to an institutional financing company. The debentures total \$500,000 as described in the financial statements. They bear an annual interest rate of 12%, maturing on various dates between 30 and 54 months. The debentures issued during the last two quarters total \$2,050,000, of which, \$1,200,00 are convertible at prices ranging between \$0.22 and \$0.28.

### Off-balance sheet arrangements

The company has no off-balance sheet arrangements.

### Related party transactions

During the quarter the company had no related party transactions.

### Modification of accounting principals

The company has maintained the same accounting methods, practices and principals as in the past.

(All amounts in Canadian Dollars)

**Income taxes on profits and future income taxes**

Note that the income taxes on profits and future income taxes have been accounted for as both assets and liabilities, the reason being is that the amounts originate from different tax levels such as: federal, provincial and mining income taxes.

**Risks and uncertainties****Financial Risks**

An important part of the company's activities may be considered as exploration. The Corporation intends to finance these activities either through existing financial resources or through additional equity or quasi-equity financing. However, even though the company has been successful in the past in raising the required funds there can be no assurance that the company will be able to raise such additional equity.

All of the company's properties are at the exploration and development stage. The long-term profitability of the company's operations will be in part directly related to the cost and success of its exploration and subsequent development programmes, which may be affected by a number of factors. These include the quantity and quality of the ore, the cost to develop infrastructure for production, the financing costs, as well as fluctuations in precious metal prices.

**Environmental risks**

The company is subject to different environmental incidents that may occur during exploration or development work. Management has implemented programs to manage the risks involved, which include various plans and operational practices.

**Flow-through shares**

The company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the company will qualify as Canadian exploration charges, even if the company has taken all the necessary measures for this purpose.

**Dividend policy**

Since the date of incorporation, the company has not declared nor paid a dividend on its common shares. All decisions pertaining to the payment of dividends to holders of common shares shall be the responsibility of the Board of Directors and will be based on the financial situation of the company, its funding requirements to insure future growth and any other pertinent factor given the circumstances.

**Other information**

The discussion and analysis of the financial results as of June 30<sup>th</sup>, 2006 should be read in conjunction with the company's audited financial statements for the period ended September 30<sup>th</sup>, 2005 and the interim financial statements for the quarter ended June 30<sup>th</sup>, 2006. Additional information may be obtained at the web site [www.sedar.com](http://www.sedar.com).

On Behalf of the Board

Dated May 25<sup>th</sup>, 2006

Donald Brisebois (s)

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Donald Brisebois  
President and CEO

Daniel Gilbert (s)

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Daniel Gilbert c.a.  
Vice-President and CFO