



**MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR THE PERIOD ENDED JUNE 30, 2012**

**RockBridge Resources Inc.**  
**Management Discussion and Analysis**  
**For the period ended June 30, 2012**  
(all figures in Canadian dollars unless otherwise indicated)

**Management discussion and analysis (“MD&A”)**  
(To be read in conjunction with the financial statements and notes)

Forward-looking Statements

The following Management Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the accompanying consolidated financial statements and notes included in this report. Certain statements contained in this MD&A constitute forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. These forward-looking statements speak only as of the date of this MD&A and subject to the requirements of applicable securities legislation, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise.

In particular, this MD&A may contain forward-looking statements pertaining to the following:

- oil and natural gas production levels;
- mineral explorations;
- capital expenditure programs;
- the quantity of oil and natural gas reserves;
- projections of market prices and costs;
- supply and demand for oil and natural gas;
- expectations regarding the ability to raise capital and to continually add to reserves through acquisitions, exploration and development; and
- Treatment under governmental and other regulatory regimes.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A:

- liabilities inherent in oil and natural gas operations;
- liabilities inherent in mineral explorations;
- volatility in market prices for oil and natural gas;
- uncertainties associated with estimating oil and natural gas reserves;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions;
- geological, technical, drilling and processing problems;

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- fluctuations in foreign exchange or interest rates and stock market volatility; and
- actions by governmental or regulatory authorities;

These factors should not be considered exhaustive.

The Company disclaims any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

1.1 Date

August 27, 2012

1.2 Overall Performance

*Description of Business*

RockBridge Energy Inc. was incorporated under the Business Corporations Act (British Columbia) on November 20, 2007. RockBridge Energy Inc. subsequently changed its name to RockBridge Resources Inc. on April 6, 2010.

It's wholly owned subsidiaries, RockBridge Energy Alberta Inc. was incorporated under the Business Corporations Act (Alberta) on May 27, 2008 and RockBridge Minerals Inc was incorporated under the Business Corporations Act (British Columbia) on August 26, 2009. Company sold Rockbridge Minerals Inc. during the year.

Effective October 1, 2011 the Corporation adopted International Financial Reporting Standards ("IFRS") with a transition date of October 1, 2010. In 2010, the CICA Handbook was revised to incorporate IFRS, and require publically accountable enterprises to apply IFRS standards effective for years beginning on or after January 1, 2011. Accordingly, the Corporation has commenced reporting on this basis and in this MD&A, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS. This MD&A should be read in conjunction with the audited Canadian GAAP financial statements and notes thereto for the years ended September 30, 2011 and 2010 and the condensed unaudited interim financial statements and notes thereto for the nine months ended June 30, 2012 and 2011. All amounts are stated in Canadian dollars unless indicated otherwise.

The principal business carried on and intended to be carried on by the Company is the acquisition and development of oil and natural gas properties.

*Oil Properties Update since December 31, 2010*

The Company and Brookemont Capital Inc. (Brookemont) each acquired an undivided 50% interest in the Property on March 27, 2008. The Property consists of 1 producing oil and gas well known as the Bantry well located approximately 60 miles northwest of Medicine Hat, Alberta,

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and 8 producing oil and gas wells known as the Pembina wells located approximately 50 miles southwest of Edmonton, Alberta.

On December 11, 2009, Brookemont entered into an agreement to sell its 50% interest to Rustler Petroleum Inc. As of February 1, 2010, Rustler Petroleum Inc. (now Avatar Energy Inc.) has taken over operations and management of the Pembina and Bantry wells.

On March 24, 2010 two new oil and gas discoveries were made at the Woodrush project, located in the Peace River Arch of northeastern British Columbia, in which RockBridge has a 1% interest. The operator successfully drilled, completed and tested the two additional wells and the property is on production.

RockBridge has expanded the land position to 5 sections in its Pembina oil and gas properties located southwest of Edmonton, Alberta. The first horizontal well in Pembina was drilled in the first quarter of 2011 by RockBridge (from 15% to 50% net working interest) and has been put on production. Further land acquisition and horizontal drilling is anticipated on the Pembina lands.

On December 28, 2011 the company entered into an agreement to joint venture up to five Alberta oil and gas projects with Crimson Energy Ltd. of Calgary, through farm-out or purchase. The projects are low risk, near production opportunities and most involve completed wells presently tied in or near tie-in points, all containing producing zones indicated to have by-passed production. The joint venture projects include Crimson's 100% working interest in a Violet Grove area gas property, in which RockBridge has acquired 50% and is to pay 100% of the costs, estimated at \$345,000, to frac, test and equip the existing well and tie it in to the gas gathering system servicing sweet gas production in the area.

A second project is the acquisition of Crimson's four sections in the Knopcik area. The joint venture projects include Crimson's 100% working interest in a Knopcik area gas property, in which RockBridge, has acquired 50%, and is to pay 100% of the costs, estimated at \$350,000, to frac, test and equip the existing well and tie it in to the gas gathering system servicing sweet gas production in the area.

*Mineral Properties Update since December 31, 2009*

On February 1, 2010 the Company and the shareholders of 0859842 BC Ltd., a private exploration company, formalized their agreement for the acquisition of the private company by the Company. The private company was subsequently renamed RockBridge Minerals Inc.

The terms for the acquisition was for 4,500,000 units, with each consisting of one share and a warrant exercisable at \$0.12 for 2 years, plus a cash payment of \$50,000 and 100,000 RockBridge shares as a finder's fee. The acquisition of the private company included the Cross

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Hills Rare Metals and Rare Earths Property in southern Newfoundland, 6 mineral claims in the Stewart area of British Columbia, and 9 mineral claims in the Yukon.

On June 6, 2011 the company sold its 100% investment in Rockbridge Minerals Inc. to Cache Exploration Inc. The purchase price was an aggregate of \$275,000 to be paid by the issuance of 1,100,000 units of Cache, each unit consisting of one common share and one share purchase warrant, each warrant exercisable for the purchase of an additional common share at a price of \$0.30 in first 12 months and \$0.40 in second 12 months (the "Cache Units") at a deemed price of \$0.25 per Cache Unit. The warrants will expire as of June 15, 2013.

*Overall performance*

Overall, the Company's performance increased for the period ended June 30, 2012 compared to 2011 as the company increased revenue by and decreased operating cost.

For the period ended June 30, 2012, cash decreased by \$31,383 as a result of operating activities. Operating revenue increased by \$79,755 or 58.13% for the year. Revenues were \$216,960 compared to \$137,205 for the period ended June 30, 2012 and June 30, 2011, respectively.

Revenues have increased due to additional production from the horizontal well in Pembina that was drilled in the in the first quarter of 2011. Operating expenses were substantially lower in the period, as there were no mineral exploration expenditures incurred in the period ended June 30, 2012 compared to June 30, 2011.

1.3 Selected Annual Information

The following financial data, are selected information for the Company for the three most recent years.

	IFRS	Canadian GAAP	Canadian GAAP
	September	September	September
	2011	2010	2009
Total revenue	\$ 242,697	\$ 186,363	\$ 158,164
Net comprehensive loss	\$ (1,001,634)	\$ (1,802,879)	\$ (1,676,885)
Basic and diluted loss per share	\$ (0.03)	\$ (0.08)	\$ (0.10)
Total assets	\$ 1,117,187	\$ 490,774	\$ 968,434
Total long-term liabilities	\$ 687,248	\$ 500,104	\$ 579,637
Cash dividends declared per share for each class of share	\$ Nil	\$ Nil	\$ Nil

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1.4 Results of Operations

The Company earns its revenues through the sale of oil and gas through third party operators. Operations are contracted out through management and consultants agreements.

*Expenses*

For the period ended June 30, 2012 general and administrative expenses totaled \$260,270 for 2012 and \$378,540 in 2011. Operating expenses for the period ended June 30, 2012 totaled \$125,104 and \$238,793 in 2011. Depletion totaling \$60,675 on June 30, 2012 and \$18,000 in 2011 was incurred for the operation of the wells.

*Income taxes*

The Company has available a non-capital loss of \$1,777,000 which may be carried forward to reduce taxable income in future years. The non-capital loss expires as follows:

<u>Expiry Date</u>	<u>Amount</u>
2028	\$ 311,000
2029	\$ 522,000
2030	\$ 555,000
2031	\$ 389,000

1.5 Summary of Quarterly Results

	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	Canadian GAAP
	30-Jun-12	31-Mar-12	31-Dec-11	30-Sep-11	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10
Total Revenue	\$ 53,795	\$ 82,234	\$ 80,931	\$ 105,441	\$ 35,853	\$ 61,182	\$ 40,221	\$ 65,086
Net Gain(Loss)	(98,217)	(135,103)	(160,165)	(607,019)	8,326	(141,322)	(261,619)	(1,474,796)
Basic and diluted Earning ( loss) per share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ 0.01	\$ (0.01)	\$ (0.01)	\$ (0.06)
Total Assets	\$1,107,081	\$1,063,362	\$1,228,406	\$1,117,187	\$2,005,261	\$1,665,912	\$1,247,833	\$490,774
Total long-term liabilities	\$ (687,248)	\$ (687,248)	\$ (687,248)	\$ (687,248)	\$ (650,104)	\$ (653,014)	\$ (650,104)	\$ (500,104)
Cash dividends declared per share for each class of share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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1.6 Liquidity

For the quarter ended June 30, 2012, the Company experienced a net decrease in cash of \$195,616 from the operation of wells, investing and financing activities and expenses.

1.7 Capital Resources Updated Since Sept 30, 2010

On December 30, 2010 the Company completed a private placement of 5,206,000 Units at \$0.12 per Unit comprised of one regular Common Share and one-half Common Share Warrant; and 1,859,499 Flow-Through Units at \$0.15 per Unit comprised of one Flow-Through Common Share and one-half Common Share Warrant. Each whole Warrant is exercisable to purchase one regular Common Share at \$0.25 on or before November 30, 2011. The Company has incurred share issued costs of \$88,391 payable to investment dealers and has granted 509,400 broker warrants exercisable for one Common Share at a price of \$0.13 which expired on May 31, 2011.

On April 20, 2011 the Company completed a private placement of 3,030,500 Units at \$0.14 per Unit for proceeds of \$424,270 and has paid agents commission of \$33,941.60 and issued 242,440 agent's warrants. The offering consists of 4,000,000 Units at \$0.14 per Unit comprised of one regular Common Share and one-half Common Share Warrant. Each whole Warrant is exercisable to purchase one regular Common Share at \$0.25, up to one year from the closing of the offering.

On December 30, 2011 the Company completed its flow-through offering of 5,420,000 units at \$0.05 per Unit for proceeds of \$271,000. Each unit comprised of one flow-through common share and one-half warrant, with each whole warrant exercisable to purchase one non-flow-through common share at \$0.15 each for two years. The Company has paid agent's fees of \$8,000 and issued 160,000 agent's warrants with each warrant exercisable for two years for one common share at \$0.15.

On June 13, 2012 the company announced it is proceeding with a non-brokered private placement financing of up to \$3 million in flow-through units and non flow-through units, subject to regulatory approval. All units are priced at \$0.05 each and each flow-through unit consists of one flow-through common share and one-half share purchase warrant. Each non flow-through unit consists of one regular common share and one whole share purchase warrant. Each whole share purchase warrant is exercisable for two years for one regular share at \$0.15 each. Finder's fees, subject to regulatory approval, of 10% will be paid on the financing to investment dealers or other qualified finders, and 10% brokers' warrants to brokers, with each warrant exercisable for two years for one regular share at \$0.15.

The Company intends to expend existing working capital and the net proceeds raised from the offering to pay for administrative costs for the next twelve months, to acquire additional interest in oil and gas properties, fund current oil exploration and for working capital.

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1.8 Off-balance sheet arrangements

None

1.9 Related Party Transactions

**Key Management Personnel Compensation**

Key management of the Company are directors and officers of the Company and their remuneration includes the following:

During the quarter, the Company incurred the following charged by directors of the Company and private companies controlled by directors of the Company:

	June 2012	June 2011
Accounting fees	\$ 8,450	\$ 2,591
Directors' fees	3,600	-
Management fee	23,178	17,327
Office expenses	1,207	1,653
Travel expenses	543	-
	<u>\$ 36,978</u>	<u>\$ 21,571</u>

These expenditures occurred in the normal course of business operations and were measured by the exchange amount which is the amount agreed upon by the transacting parties.

At June 30, 2012, accounts payable and accrued liabilities includes \$33,278 (2011: \$nil) payable to a director and a company controlled by a director of the Company

1.10 Third Quarter

For the quarter ended June 30, 2012, Oil & Gas Revenue was \$53,795 (2011 \$35,853) Operating expenses for the quarter ended June 30, 2012 were \$30,753 and \$35,639 in the comparable period in 2011.



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1.11 Proposed Transactions

On May 23, 2012 the company engaged CHF Investor Relations, to provide it with investor relations services. CHF is a highly regarded Canadian investor relations firm headquartered in Toronto and operating under the same management for the past nineteen years.

“The proposed merger of RockBridge and Crimson Energy Ltd. is a transformative step in which we are eager to garner new interest,” said Mike O’Byrne, RockBridge CEO. “Communicating our merger and growth strategy, which involves drilling wells in the highly prospective Pembian Cardium play, to brokers, analysts and investment bankers across Canada will be substantive to our success.”

Subject to TSX Venture Exchange approval, the agreement for investor relations and market-making services is for a twelve-month term, subject to a review at the six-month mark and may be extended by up to one year. Under the terms of the agreement, fees to CHF are \$7,500 per month and eligible expenses will be reimbursed. As part of this agreement, and subject to TSX Venture approval, CHF will be granted a total of 600,000 options with 200,000 options exercisable at \$0.10; 200,000 options exercisable at \$0.15; and 200,000 options exercisable at \$0.20. The options vest in stages over twelve months with no more than one quarter of the options vesting in any three-month period, to expire in five years. Further, upon termination of the contract, CHF will have 30 days to exercise any vested options. Prior to the grant of options, CHF had no direct or indirect interests in RockBridge or its securities.

The market-making activity will be conducted using a registered broker in compliance with Policy 3.4 of the TSX Venture Exchange Corporate Finance Manual (the "Manual"), IIROC's Universal Market Integrity Rules & Policies (2010) and other relevant policies, so that trading orders in RockBridge's shares are made to manage share price volatility and imbalances of orders in order to improve trading liquidity on the exchange. In accordance with Policy 3.4, section 2.8 of the Manual that states in part "an Issuer may not use its own funds, or provide direct or indirect compensation to other parties to undertake a market-making function in its securities," the Company and CHF confirm that capital for the purposes of market-making has not and will not be provided from the Company's treasury.

1.12 Critical Accounting Estimates

RockBridge Resources Inc. makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

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The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

**i) Decommissioning Liabilities**

Decommissioning liabilities have been created based on Rockbridge Resources Inc.'s internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual decommissioning costs will ultimately depend on future market prices for the decommissioning costs which will reflect the market condition at the time of the decommissioning costs are actually incurred. The final cost of the currently recognized decommissioning liabilities may be higher or lower than currently provided for.

A credit-adjusted risk-free rate of 5% was used to calculate the fair value of the decommissioning liabilities.

**ii) Exploration and Evaluation Expenditure**

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

**iii) Income Taxes**

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of

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these matters however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

**iv) Share-based Payment Transactions**

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 10 of the condensed consolidated interim financial statements.

1.13 Changes in Accounting Policies including Initial Adoption

Effective the fiscal year beginning October 1, 2011, we adopted IFRS for publicly accountable enterprises as required by the Accounting Standards Board of Canada and the Canadian Securities Administrators, and will report interim and annual periods beginning on October 1, 2011 and comparative periods, as applicable, under IFRS. Our company's transition date to IFRS was October 1, 2010, and therefore the comparative periods for the periods between that date and September 30, 2011 are restated to IFRS. The financial information presented in this MD&A for periods prior to October 1, 2010 has not been restated to IFRS.

Our IFRS accounting policies presented in Note 3 of the financial statements have been applied in preparing these condensed consolidated interim financial statements for the period ended June 30, 2012, the comparative information and the opening statement of financial position at the date of transition.

We have applied IFRS 1 *First-time Adoption of International Financial Reporting Standards* in preparing these first IFRS condensed consolidated interim financial statements. IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be September 30, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS, the Company prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP").

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**OPTIONAL EXEMPTIONS**

The IFRS 1 applicable exemptions and exceptions applied in the conversion from pre-changeover Canadian GAAP to IFRS are as follows:

**Business Combinations**

The Company elected not to retrospectively apply IFRS 3 Business Combinations to any business combinations that may have occurred prior to its Transition Date and such business combinations have not been restated.

**Share-based Payment Transactions**

The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to outstanding equity instruments that are unvested as at the Transition Date to IFRS.

**Property, Plant & Equipment**

The Company has elected an IFRS 1 exemption whereby, upon transition to IFRS, oil and gas properties were measured as follows:

- a) Exploration and evaluation assets were reclassified from oil and gas properties as exploration and evaluation assets at the amount that was recorded under Canadian GAAP. Exploration and evaluation assets on transition are those unproved properties excluded from the full cost pool under Canadian GAAP; and
- b) The remaining balance of oil and gas properties included in the Canadian GAAP full cost pool was allocated to CGUs and components pro-rata using Proved plus Probable reserve values.

On adoption of IFRS 1, the exploration and evaluation assets and oil and gas properties were tested for impairment. The impairment tests compared the carrying value of the assets to their recoverable amounts. The recoverable amount is the higher of fair value less costs to sell or value in use.

As a result of applying the IFRS 1 exemption for Canadian oil and gas assets previously accounted for under the full cost approach under Canadian GAAP, no adjustment was required as the Company had no assets that meet the Exploration and evaluation asset category. All capital expenditures to Oil and Natural Gas properties were to established proven and probable fields. Mineral properties expenditures under Canadian GAAP made prior to a determination that a property has economically recoverable resources were expensed as incurred.

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**MANDANTORY EXEMPTIONS**

**Derecognition of Financial Assets and Liabilities**

The Company has applied the derecognition requirements in IAS 39 Financial Instruments: Recognition and Measurement prospectively from the Transition Date. As a result any non-derivative financial assets or non-derivative financial liabilities derecognized prior to the Transition Date in accordance with pre-changeover Canadian GAAP have not been reviewed for compliance with IAS 39.

**Estimates**

The estimates previously made by the Company under pre-changeover Canadian GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result the Company has not used hindsight to revise estimates.

**RECONCILIATIONS OF PRE-CHANGEOVER CANADIAN GAAP EQUITY AND COMPREHENSIVE INCOME TO IFRS**

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The changes made to the statements of financial position and statements of comprehensive income as shown below have resulted in reclassifications of various amounts on the statements of cash flows, however as there have been no material adjustments to the net cash flows, no reconciliation of the statement of cash flows has been prepared.

**Explanation for the Adjustments are as follows:**

**a) Flow through Shares**

Under pre-changeover Canadian GAAP, the entire proceeds from the issuance of flow-through shares were recognized in equity less the tax effects of renunciation. Under IFRS, on issuance of flow-through shares, the Company bifurcates the flow-through share into

- i) A flow-through Share Premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and;
- ii) Share capital.

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Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as Other income and the related deferred tax is recognized as a tax provision.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the end of the reporting period, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

As a result, for issuances of flow-through shares for which expenditures have been incurred, share capital was not changed at the date of transition (June 30, 2011 – decreased by \$55,785); September 31, 2011 – (decreased by \$55,785) and retained earnings was not changed (June 30, 2011 – increased by \$55,785); (September 30, 2011 – increase by \$55,785). The impact on net income for three months-ended June 30, 2011 - \$55,785; year-ended September 30, 2011 - \$55,785.

Where flow-through shares were issued but expenditures not incurred by the end of the reporting period, a liability is shown in “Non Current liabilities”. This resulted in a liability of \$Nil at the date of transition (June 30, 2011 - \$Nil; September 30, 2011 - \$Nil).

**b) Other Comprehensive Income (deficit)**

As at June 30, 2012, the available for sale investment consisted solely of 980,000 shares of Cache Exploration Inc. As a result of the change in fair value of these shares since acquisition, the company recorded \$100,600 in other comprehensive loss for the period.

1.14 Financial Instruments and Other Instruments

The carrying values of cash and cash equivalent, accounts receivable, accounts payable, and advances payable as reflected in the balance sheet, approximate their respective fair values because of the demand or short-term maturity of these instruments.

Financial instruments which potentially subject the Company to credit risk consist of bank deposits, and accounts receivable. Cash and investments are deposited with high credit quality financial institutions. Accounts receivable consist of amounts receivable from a related party. The Company does not require collateral or other securities to support accounts receivable. The Company has not recorded an allowance for doubtful accounts.

1.15 Other MDA Requirements

*Disclosure of Outstanding Share Data*

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a) Authorized:

Unlimited common shares without par value

b) Issued:

	<u>Number</u>	<u>Amount</u>	<u>Contributed Surplus</u>
Balance, September 30, 2009	16,403,000	\$ 2,573,185	\$ 857,804
Share issued for asset acquisition	4,500,000	495,000	-
FMV of warrants issued for asset acquisition	-	-	390,000
Finder's fee	100,000	11,000	-
Share issued Private Placement	5,000,000	400,000	-
Stock Based Compensation	<u>-</u>	<u>-</u>	<u>69,284</u>
Balance, September 30, 2010	<u>26,003,000</u>	<u>\$3,479,185</u>	<u>\$ 1,317,088</u>
Stock option exercised	600,000	60,000	-
Shares issued for Private Placement	10,095,999	1,327,915	-
Share issue costs	-	(129,298)	30,061
Warrants exercised	56,000	6,720	-
Fair value of options/warrants		68,341	(68,341)
FIT recovery on flow through shares		(75,310)	
Flow through shares premium liability	-	(55,785)	-
Stock based compensation	<u>-</u>	<u>-</u>	<u>62,460</u>
Balance, September 30, 2011	<u>36,754,999</u>	<u>\$4,681,768</u>	<u>\$ 1,341,268</u>
Flow through shares issued for Cash	7,120,000	356,000	-
Non Flow through shares issued for Cash	1,500,000	75,000	
Share issue for debt	1,062,657	53,133	-
Share issue costs	-	(13,800)	-
Non cash share issue cost (Agent Warrants)	-	(6,100)	6,100
FIT recovery on flow through shares		(96,120)	
Stock based compensation	<u>-</u>	<u>-</u>	<u>(3,015)</u>
Balance, June 30, 2012	<u>46,437,656</u>	<u>\$5,049,881</u>	<u>\$ 1,344,353</u>

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Share Purchase Warrants

As at June 30, 2012, the Company had 10,365,000 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common as follow:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
5,000,000	\$0.16	February 1, 2015
2,710,000	\$0.15	December 29, 2013
160,000	\$0.15	December 29, 2013
2,350,000	\$0.15	June 29, 2014
145,000	\$0.15	June 29, 2014

Share Purchase Options

On November 16, 2009 the TSX Venture Exchange, approved an amendment to the February 28, 2008 Share Option plan agreement revising the option price from \$0.25 per common share to \$0.10 per common share. Additional information may be found on SEDAR.

Information regarding the Company's outstanding share purchase options is summarized below:

	<u>Outstanding #</u>	<u>Weighted Average Price (\$)</u>
<b>September 30, 2010</b>	<b>2,170,000</b>	<b>0.13</b>
Issued	600,000	0.10
Exercised	(600,000)	0.14
Expired/Forfeited	(450,000)	0.14
<b>September 30, 2011</b>	<b>1,720,000</b>	<b>0.13</b>
Issued	-	-
Expired/Forfeited	(300,000)	0.14
<b>June 30, 2012</b>	<b>1,420,000</b>	<b>0.14</b>

The weighted average contractual life remaining of all stock options is 1.88 years (2011: 3.43 years).

As of June 30, 2012, the number of exercisable options are 1,420,000 (2011: 1,720,000).



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As at June 30, 2012, the following options were outstanding and exercisable:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
720,000	\$0.10	September 10, 2013
250,000	\$0.25	September 10, 2013
150,000	\$0.14	May 26, 2015
300,000	\$0.14	January 30, 2016
<hr/> <hr/> 1,420,000 <hr/> <hr/>		

Escrow Shares:

As at June 30, 2012, no common shares issued are held in escrow, subject to the escrow restriction as required by National Policy 46-201 “Escrow for Initial Public Offering” for emerging issuers.

Additional Disclosure for Venture Issuers without significant Revenue

During the three months ended June 30, 2012 and 2011, our company incurred expenses including the following:

	<b>2012</b>	<b>2011</b>
Depletion	\$ 6,000	\$ 6,000
General & administrative costs	\$ 80,932	\$101,970
Impairment on Oil & Gas properties	\$ 20,196	\$ -

Risks and Uncertainties

*Dilution* - There are a number of outstanding securities and agreements pursuant to which common shares of the Corporation may be issued in the future. This will result in further dilution to the Corporation’s shareholders.

*Business Risks* – Exploration and production for oil and gas is very capital intensive. As a result, the Corporation relies on equity markets as a source of new capital. Funds from operation also are a source for funding capital expenditures. Equity and debt capital are subject to market

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conditions and availability may increase or decrease from time to time. Operating funds also fluctuate with changing commodity prices.

*Environmental Risks* - The oil and natural gas industry is subject to provincial and federal environmental regulations. Such legislation provides for restrictions and prohibitions on the release or emission of various substances produced in association with certain oil and natural gas operations. In addition, such legislation requires that well and facility sites are abandoned and reclaimed to the satisfaction of provincial authorities. Compliance with such legislation can require significant expenditures and breach of such requirements may result in the suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage, and the imposition of material fines and penalties

Our directors and officers are involved in other business activities. As a result of their other business endeavours, our directors and officers will exercise their fiduciary duties and duty of care but nonetheless may not be able to devote sufficient time to our business affairs, which may negatively affect our ability to conduct our ongoing operations and our ability to generate revenues. In addition, the management of our company may be periodically interrupted or delayed as a result of our officers' other business interests.

## RISKS RELATING TO OUR COMMON STOCK

*A decline in the price of our common stock could affect our ability to raise further working capital and adversely impact our ability to continue operations.*

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Because a significant portion of our operations have been and will be financed through the continued sale of equity securities, a decline in the price of our common stock could be especially detrimental to our liquidity and our operations. Such reductions may force us to reallocate funds from other planned uses and may have a significant negative effect on our business plan and operations, including our ability to continue our current operations. If our stock price declines, we can offer no assurance that we will be able to raise additional capital or generate funds from operations sufficient to meet our obligations. If we are unable to raise sufficient capital in the future, we may not be able to have the resources to continue our normal operations or become insolvent. The market price for our common stock may also be affected by our ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of our common stock and our operations as a result.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this MD&A, and in the accompanying financial statements, is the responsibility of management. In the preparation of this MD&A and the financial statements,

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estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Lack of optimal segregation of duties has been observed due to the relatively small size of the Company, but management believes that these weaknesses have been adequately mitigated through management and director oversight.

1.16 Subsequent Events

RockBridge has entered into a formal amalgamation agreement with Crimson Energy Ltd. ("Crimson") dated July 4, 2012 (the "Agreement"), pursuant to which RockBridge and Crimson have agreed to complete a merger by a three-cornered amalgamation (the "Transaction"). Pursuant to the terms of the Transaction, RockBridge will acquire all of the issued and outstanding common shares of Crimson ("Crimson Shares"), assuming exercise of all outstanding Crimson options pursuant to the amalgamation agreement, for a total purchase price of \$4,362,018 with a deemed price of \$0.80 per Crimson Share. RockBridge will issue 16 common shares of RockBridge (the "RockBridge Shares") for each Crimson Share for an aggregate total of 87,240,368 RockBridge Shares to be issued in exchange for all of the outstanding Crimson Shares. The Transaction, when completed, will constitute a reverse takeover transaction of RockBridge pursuant to Policy 5.2 of the TSX Venture Exchange (the "Exchange").

RockBridge has entered into Lock-up Agreements with directors and officers of Crimson and related parties, who have agreed, subject to certain standard exceptions, to vote their shares in favour of the Transaction. A total of 3,774,970 Crimson Shares, or approximately 71.3% of the Crimson Shares, together with all outstanding Crimson options, are subject to the Lock-up Agreements.

On July 24, 2012, a second tranche of the financing closed totalling \$186,300, for which RockBridge issued 3,600,000 flow through units and 126,000 non flow-through units.. RockBridge paid commissions of \$18,130 cash and issued 362,600 brokers' warrants, exercisable for one share for two years at \$0.15.

On August 22, 2012, the third and final tranche of the financing closed totalling \$30,500, for which RockBridge issued 610,000 non flow-through units., RockBridge paid commissions of \$3,050 cash and issued 61,000 brokers' warrants, exercisable for one share for two years at \$0.15.