



**ROCKCLIFF METALS CORPORATION
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED
DECEMBER 31, 2018
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Rockcliff Metals Corporation (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Rockcliff Metals Corporation

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

	As at December 31, 2018	As at March 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	\$ 731,266	\$ 93,575
Funds held in trust	-	38,896
Prepaid expenses and deposits	61,220	8,999
Amounts receivable and advances (note 5)	63,754	30,846
Marketable securities (note 6)	-	34,000
Total current assets	856,240	206,316
Equipment (note 7)	37,398	34,334
Exploration and evaluation properties	2,072,482	2,072,482
Total assets	\$ 2,966,120	\$ 2,313,132
LIABILITIES AND EQUITY		
Current liabilities		
Amounts payable and other liabilities (notes 8 and 13)	\$ 376,045	\$ 114,213
Deposits received for equity financing (note 10)	-	-
Total liabilities	376,045	114,213
Equity		
Share capital (note 9)	28,020,169	27,030,460
Shares to be issued (note 16)	-	-
Reserve (notes 11 and 12)	2,232,507	2,047,812
Deficit	(27,662,601)	(26,879,353)
Total equity	2,590,075	2,198,919
Total liabilities and equity	\$ 2,966,120	\$ 2,313,132

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)

Contingencies (note 14)

Commitments (note 15)

Subsequent events (note 16)

Rockcliff Metals Corporation

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2018	2017	2018	2017
Operating expenses				
Exploration costs (note 3)	\$ 612,194	\$ 707,252	\$ 785,283	\$ 1,501,324
Legal and professional	107,286	52,693	288,209	148,583
Share-based payments (notes 12 and 13)	572,187	7,631	578,508	24,348
General and administrative	73,802	38,333	135,314	145,954
Depreciation (note 7)	2,173	2,146	6,063	6,438
Investor relations	42,019	27,502	99,197	86,041
Consulting	-	10,815	25,822	63,395
Shareholder information	-	-	-	-
Loss before the following items	(1,409,661)	(846,372)	(1,918,396)	(1,976,083)
Interest income	-	175	150	2,071
Foreign exchange (loss) gain	(131)	92	(325)	(1,294)
Net loss for the period	\$ (1,409,792)	\$ (846,105)	\$ (1,918,571)	\$ (1,975,306)
Other comprehensive loss				
Items that will not be reclassified subsequently to loss				
Decrease (increase) in unrealized loss on marketable securities	-	(2,000)	1,285	(2,000)
Comprehensive loss for the period	\$ (1,409,792)	\$ (848,105)	\$ (1,917,286)	\$ (1,977,306)
Basic and diluted net loss per share (note 10)	\$ (0.02)	\$ (0.02)	\$ (0.03)	\$ (0.04)
Weighted average number of common shares outstanding - basic and diluted	70,683,754	53,350,885	65,020,348	49,064,550

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Rockcliff Metals Corporation

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

(Unaudited)

	Nine months ended December 31,	
	2018	2017
Operating activities		
Net loss for the period from continuing operations	\$ (1,918,571)	\$ (1,975,306)
Adjustments for:		
Depreciation	6,063	6,438
Share-based payments	578,508	24,348
Shares issued for exploration and evaluation property interest	8,750	139,250
Marketable securities received for option payment	-	(44,000)
Non-cash working capital items:		
Amounts receivable and advances	(32,908)	(64,714)
Prepaid expenses and deposits	(52,221)	44,069
Amounts payable and other liabilities	261,832	(222,663)
Net cash used in operating activities	(1,148,547)	(2,092,578)
Investing activities		
Acquisition of equipment	(9,127)	-
Decrease in funds held in trust	38,896	72
Net cash provided by investing activities	29,769	72
Financing activities		
Proceeds from private placement	1,846,323	1,350,000
Share issue costs	(125,139)	(91,686)
Proceeds from warrant exercise	-	14,000
Proceeds on sale of marketable securities	35,285	-
Net cash provided by financing activities	1,756,469	1,272,314
Net change in cash and cash equivalents	637,691	(820,192)
Cash and cash equivalents, beginning of period	93,575	1,099,322
Cash and cash equivalents, end of period (note 4)	\$ 731,266	\$ 279,130

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Rockcliff Metals Corporation

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

(Unaudited)

Equity attributable to shareholders

	Share capital	Contributed surplus	Reserve			Total
			Warrants	Accumulated other comprehensive loss	Deficit	
Balance, March 31, 2017	\$ 26,274,744	\$ 569,611	\$ 1,382,915	\$ -	\$ (25,249,775)	\$ 2,977,495
Units issued in private placement	1,350,000	-	-	-	-	1,350,000
Warrant valuation	(587,288)	-	587,288	-	-	-
Share issue costs	(175,806)	-	84,120	-	-	(91,686)
Shares issued for mineral exploration property interest	139,250	-	-	-	-	139,250
Warrants exercised	14,000	-	-	-	-	14,000
Fair value of warrants exercised	15,560	-	(15,560)	-	-	-
Expiry of warrants	-	-	(238,790)	-	238,790	-
Expiry of stock options	-	(92,559)	-	-	92,559	-
Share-based payments	-	24,348	-	-	-	24,348
Increase in unrealized loss on marketable securities	-	-	-	(2,000)	-	(2,000)
Loss for the period	-	-	-	-	(1,975,306)	(1,975,306)
Balance, December 31, 2017	\$ 27,030,460	\$ 501,400	\$ 1,799,973	\$ (2,000)	\$ (26,893,732)	\$ 2,436,101
Balance, March 31, 2018	\$ 27,030,460	\$ 263,741	\$ 1,794,071	\$ (10,000)	\$ (26,879,353)	\$ 2,198,919
Units issued in private placement	1,846,323	-	-	-	-	1,846,323
Warrant valuation	(740,225)	-	740,225	-	-	-
Share issue costs	(125,139)	-	-	-	-	(125,139)
Shares issued for mineral exploration property interest	8,750	-	-	-	-	8,750
Expiry of stock options	-	(21,375)	-	-	21,375	-
Share-based payments	-	578,508	-	-	-	578,508
Expiry of warrants	-	-	(1,122,663)	-	1,122,663	-
Increase in unrealized gain on marketable securities	-	-	-	1,285	-	1,285
Reclass of realized loss on marketable securities	-	-	-	8,715	(8,715)	-
Loss for the period	-	-	-	-	(1,918,571)	(1,918,571)
Balance, December 31, 2018	\$ 28,020,169	\$ 820,874	\$ 1,411,633	\$ -	\$ (27,662,601)	\$ 2,590,075

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Rockcliff Metals Corporation

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2018

(Expressed in Canadian dollars)

(Unaudited)

1. Nature of operations and going concern

Rockcliff Metals Corporation (the "Company" or "Rockcliff") is engaged in the acquisition and exploration of mineral properties in Manitoba, Canada. The head office of the Company is located at 141 Adelaide Street West, Suite 1660, Toronto, Ontario, M5H 3L5.

On July 19, 2010, Solvista Gold Corporation was incorporated by articles of incorporation in the Province of Ontario. On October 21, 2015, the Company changed its name from Solvista Gold Corporation to Rockcliff Copper Corporation. On June 17, 2015, the Company completed its amalgamation with Rockcliff Resources Inc. On November 1, 2017, the Company changed its name from Rockcliff Copper Corporation to Rockcliff Metals Corporation.

As at December 31, 2018, the Company had not determined the existence of economically recoverable reserves. The Company's exploration property interests may be subject to increases in taxes and royalties, renegotiation of contracts, changes in environmental designations, currency exchange fluctuations and restrictions, and political uncertainty.

These unaudited condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company has incurred a loss in the current and prior periods, with a current net loss of \$1,918,571 and has an accumulated deficit of \$27,662,601 (March 31, 2018 - \$26,879,353). In addition, the Company had working capital of \$480,195 at December 31, 2018 (March 31, 2018 - working capital of \$92,103). These circumstances cast significant doubt as to the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon its obtaining additional financing and eventually achieving profitable production in the future. The Company is currently evaluating various options in order to address its financing needs. There can be no assurance that the Company's financing activities will continue to be successful or sufficient.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements.

2. Significant accounting policies

(a) *Statement of compliance*

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of February 25, 2019, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent audited consolidated financial statements as at and for the year ended March 31, 2018, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2019 could result in restatement of these unaudited condensed interim consolidated financial statements.

Rockcliff Metals Corporation

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2018

(Expressed in Canadian dollars)

(Unaudited)

2. Significant accounting policies (continued)

(b) Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis other than cash equivalents which are measured at fair value. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Change in accounting policies

IFRS 9 — Financial Instruments ("IFRS 9") was updated by the IASB in November 2009 and will replace part of IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 addresses the classification and measurement of financial assets. The two measurement categories for financial assets include amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is recorded at fair value through profit or loss.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. On April 1, 2018, the Company adopted these amendments and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL").

Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on April 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

Classification	IAS 39	IFRS 9
Cash	Loans and receivables	FVTPL
Cash equivalents	FVTPL	FVTPL
Funds held in trust	Loans and receivables	Amortized cost
Marketable securities	Available for sale	FVOCI
Amounts receivable and advances	Loans and receivables	Amortized cost
Amounts payable and other liabilities	Amortized cost	Amortized cost

Marketable securities previously classified as available-for-sale financial assets satisfied the conditions for classification as financial assets at FVOCI and the Company elected to irrevocably designate them at FVOCI. Gains and losses in respect of these investments are recognized in other comprehensive income or loss in the unaudited condensed interim consolidated statements of comprehensive loss, are not transferred to profit or loss upon disposition and are not subject to impairment assessments. The Company has adopted the policy to reclassify realized gains and losses to deficit on disposition.

Rockcliff Metals Corporation

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2018

(Expressed in Canadian dollars)

(Unaudited)

3. Exploration and evaluation properties

(i) During the nine months ended December 31, 2018, the Company announced it agreed to assign its interest in the Talbot Option Agreement and the Talbot Property to Norvista Capital Corporation ("Norvista"). Rockcliff will assign its interest to Norvista for total cash consideration of \$3.0M and an additional 1/2% Net Smelter Royalty ("NSR") on the nearby Norvista owned Tower Copper Property that is slated for production in 2020. In the event that Norvista secures at least a 90% interest in the Talbot Property, Rockcliff will receive a 2% NSR on the Talbot Property.

Highlights of Rockcliff assigning its option agreement are:

- \$50,000 cash on signing (received during the current period)
- \$150,000 in 3 months from signing payable at the discretion of Norvista (received during the current period)
- Norvista is obligated to spend \$206,000 to satisfy the remainder of the fifth-year expenditure requirement under the Talbot Agreement
- \$1,000,000 cash on commencement of the Tower mine construction (estimated to be July 2019)
- \$900,000 cash 3 months after commencement of commercial production (estimated to be October 2020)
- \$900,000 cash 6 months after commencement of commercial production
- additional 1/2% NSR on Tower Copper Property (Rockcliff will then own a total of 2% NSR on Tower Property). Norvista can purchase 1% NSR for \$2.0M and has right of first refusal on the remaining 1% NSR
- on or before July 1, 2019, Norvista must elect to either spend \$2,270,000 to earn a 51% interest under the Talbot Option Agreement, or return the property and the agreement back to the Company and the additional 1/2% NSR on the Tower Property is forfeited
- 2% NSR on Talbot Property if Norvista acquires at least a 90% interest in the Talbot Property. Norvista can purchase 1% NSR for \$2.0M and has right of first refusal on the remaining 1% NSR

(ii) During the nine months ended December 31, 2018, the Company announced it entered into a Definitive Option Agreement ("DOA") with KG Exploration (Canada) Inc., an affiliate of Kinross Gold Corporation (TSX:K) ("Kinross") on the Company's Laguna and Lucky Jack Gold Properties.

The DOA provide Kinross with the right to earn a 70% interest in both properties by spending a minimum of \$5,500,000 in exploration expenditures over six years, making cash payments totalling \$120,000 (\$40,000 on or before each of September 19, 2018 (received), 2019 and 2020) and pay the advance royalty payment in accordance with the terms of the Laguna Gold Property option agreement. Kinross is committed in the first and second year to aggregate minimum expenditures totaling \$1,250,000 (\$750,000 in first year). Rockcliff will act as operator.

(iii) During the nine months ended December 31, 2018, the Company issued 41,666 common shares (valued at \$4,375) and paid cash of \$40,000 under the option agreement for the Laguna Gold property.

(iv) During the nine months ended December 31, 2018, the Company acquired through map staking a 100% interest in 2 separate land packages of 8 Mineral Exploration Licenses ("MEL") totalling over 115,452 hectares. Yearly escalating expenditures must be completed and submitted to the Government to maintain the property in good standing. The first year's exploration commitment is \$144,315 to maintain the MEL claims.

(v) During the nine months ended December 31, 2018, the Company issued 41,666 (valued at \$4,375) common shares and paid cash of \$40,000 under the option agreement for the Snow Lake Gold property.

Rockcliff Metals Corporation

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2018

(Expressed in Canadian dollars)

(Unaudited)

3. Exploration and evaluation properties (continued)

The following is a breakdown by property of exploration costs:

Nine months ended December 31, 2018

	Talbot Property	Rail Property	Laguna Gold Property	Other Properties	Total
Acquisition costs	\$ -	\$ -	\$ 44,375	\$ 44,375	\$ 88,750
Exploration expenditures	30,453	26,221	874,393	595,914	1,526,981
Government grants received	-	-	-	(87,464)	(87,464)
Option payments	(200,000)	-	(522,984)	(20,000)	(742,984)
	-	-	-	-	-
	\$ (169,547)	\$ 26,221	\$ 395,784	\$ 532,825	\$ 785,283

Nine months ended December 31, 2017

	Talbot Property	Rail Property	Laguna Gold Property	Other Properties	Total
Acquisition costs	\$ -	\$ -	\$ 52,500	\$ 279,000	\$ 331,500
Exploration expenditures	219,224	30,022	403,384	861,991	1,514,621
Government grants received	(161,158)	-	-	(109,639)	(270,797)
Option payments	-	-	-	(74,000)	(74,000)
	\$ 58,066	\$ 30,022	\$ 455,884	\$ 957,352	\$ 1,501,324

4. Cash and cash equivalents

	As at December 31, 2018	As at March 31, 2018
Cash	\$ 706,266	\$ 42,586
Cash equivalents	25,000	50,989
Total	\$ 731,266	\$ 93,575

5. Amounts receivable and advances

	As at December 31, 2018	As at March 31, 2018
Harmonized sales tax recoverable - (Canada)	\$ 63,754	\$ 30,846
Total	\$ 63,754	\$ 30,846

6. Marketable securities

	Number of shares	Cost	Market value adjustment	Fair Value
March 31, 2018				
Nevada Zinc Corporation ("Nevada Zinc")	200,000	\$ 44,000	\$ (10,000)	\$ 34,000
December 31, 2018	-	\$ -	\$ -	\$ -

Rockcliff Metals Corporation

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2018

(Expressed in Canadian dollars)

(Unaudited)

6. Marketable securities (continued)

During the nine months ended December 31, 2018, the Company sold 200,000 shares of Nevada Zinc for gross proceeds of \$35,285 for a realized loss of \$8,715.

7. Equipment

Equipment is represented by the following:

Cost	Machinery and equipment	
Balance, March 31, 2017 and March 31, 2018	\$	53,214
Balance, Additions		9,127
Balance, December 31, 2018	\$	62,341

Depreciation	Machinery and equipment	
Balance, March 31, 2017	\$	10,296
Depreciation		8,584
Balance, March 31, 2018		18,880
Depreciation		6,063
Balance, December 31, 2018	\$	24,943

Net book value	Machinery and equipment	
Balance, March 31, 2018	\$	34,334
Balance, December 31, 2018	\$	37,398

8. Amounts payable and other liabilities

	As at December 31, 2018	As at March 31, 2018
Falling due within the year		
Trade payables	\$ 77,508	\$ 46,180
Accrued liabilities	298,537	68,033
Total	\$ 376,045	\$ 114,213

9. Share capital

On August 16, 2018, the Company completed the share consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for every three pre-consolidation common shares. All applicable references to the number of shares, warrants and stock options and per share information has been restated to reflect the effect of the share consolidation, unless otherwise noted.

a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Rockcliff Metals Corporation

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2018

(Expressed in Canadian dollars)

(Unaudited)

9. Share capital (continued)

b) Common shares issued

	Number of common shares	Amount
Balance, March 31, 2017	45,452,428	\$ 26,274,744
Units issued in private placement (iv)	7,500,000	1,350,000
Warrant valuation (iv)	-	(587,288)
Share issue costs (iv)	-	(175,806)
Shares issued for mineral exploration property interest (i) (ii) (iii)	550,000	139,250
Warrants exercised (note 11)	66,667	14,000
Fair value of warrants exercised (note 11)	-	15,560
Balance, December 31, 2017	53,569,095	\$ 27,030,460
Balance, March 31, 2018	53,569,064	\$ 27,030,460
Units issued in private placement (v)	22,923,502	1,846,323
Warrant valuation (v)	-	(740,225)
Share issue costs (v)	-	(125,139)
Shares issued for mineral exploration property interest (note 3)	83,332	8,750
Balance, December 31, 2018	76,575,898	\$ 28,020,169

(i) During the nine months ended December 31, 2017, the Company issued 133,333 common shares (valued at \$28,000) and the final 333,333 common shares (valued at \$85,000) to Copper Reef Mining Corporation under the acquisition agreement for the Morgan property.

(ii) During the nine months ended December 31, 2017, the Company issued 41,667 common shares (valued at \$12,500) under the option agreement for the Laguna Gold Property.

(iii) During the nine months ended December 31, 2018, the Company issued 41,666 common shares (valued at \$13,750) under the option agreement for the Snow Lake Gold property.

(iv) On August 28, 2017, the Company closed a non-brokered private placement of 7,500,000 units at a price of \$0.18 per unit for gross proceeds of \$1,350,000. Each unit consisted of one common share and one common share purchase warrant. Each full warrant entitles the holder to purchase one common share at a price of \$0.36 for two years from closing. The grant date fair value of \$587,288 was assigned to the 7,500,000 warrants issued as estimated by using a fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: a risk-free interest rate of 1.26%; an expected volatility factor of 180%; an expected dividend yield of 0%; and an expected life of 2 years.

Eligible finders were paid cash fees of \$66,850 and issued 371,388 broker warrants. Each broker warrant entitles the holder to acquire one common share of the Company at \$0.18 for a period of two years from closing. The grant date fair value of \$84,120 was assigned to the broker warrants issued as estimated by using a fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: a risk-free interest rate of 1.26%; an expected volatility factor of 180%; an expected dividend yield of 0%; and an expected life of 2 years.

Insiders of the Company subscribed for 150,000 units.

Rockcliff Metals Corporation

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2018

(Expressed in Canadian dollars)

(Unaudited)

9. Share capital (continued)

(v) On August 16, 2018, the Company closed a non-brokered private placement for total gross proceeds of \$1,846,323. The Company placed 12,083,885 Flow Through Units ("FTU") at a price of \$0.09 per FTU for gross proceeds of \$1,087,550 and 10,839,617 Working Capital Units ("WCU") at a price of \$0.07 per WCU for gross proceeds of \$758,773. Red Cloud Klondike Strike Inc. acted as a finder in connection with the financing.

Each FTU consisted of one common share and one-half of a common share purchase warrant. Each WCU consisted of one common share and one common share purchase warrant. Each full warrant entitles the holder to purchase one common share at a price of \$0.15 for two years from closing.

The grant date fair value of \$567,113 was assigned to the 16,881,560 warrants issued as estimated by using a fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: a risk-free interest rate of 2.08%; an expected volatility factor of 117%; an expected dividend yield of 0%; and an expected life of 2 years.

Eligible finders were paid cash fees of \$91,174 and issued 767,784 FT Broker Warrants and 315,335 WC Broker Warrants. Each FT Broker Warrant entitles the holder to acquire one broker unit at a price of \$0.09, with each broker unit consisting of one common share and one-half of a warrant, for a period of two years from closing and each WC Broker Warrant entitles the holder to acquire one WCU at a price of \$0.07 for a period of two years from closing.

The grant date fair value of \$61,553 and \$111,559 was assigned to the FT Broker Warrants and WC Broker Warrants issued, respectively, as estimated by using a fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: a risk-free interest rate of 2.08%; an expected volatility factor of 117%; an expected dividend yield of 0%; and an expected life of 2 years.

An insider of the Company subscribed for 100,000 WCUs.

10. Net loss per common share

The calculation of basic and diluted loss per share from operations for the three and nine months ended December 31, 2018 was based on the loss attributable to common shareholders of \$1,409,792 and \$1,918,571 (three and nine months ended December 31, 2017 - \$846,105 and \$1,975,306) and the weighted average number of common shares outstanding of 70,683,754 and 65,020,348 (three and nine months ended December 31, 2017 - 53,350,885 and 49,064,550).

Diluted loss per share for the three and nine months ended December 31, 2018 did not include the effect of 25,836,067 warrants (December 31, 2017 - 12,893,321 warrants) and 7,316,663 stock options (December 31, 2017 - 2,650,000 stock options) as they are anti-dilutive.

Rockcliff Metals Corporation

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2018

(Expressed in Canadian dollars)

(Unaudited)

11. Warrants

The following table reflects the continuity of warrants for the nine months ended December 31, 2018 and 2017:

	Number of warrants	Grant date fair value (\$)	Weighted average exercise price (\$)
Balance, March 31, 2017	7,830,550	1,382,915	0.30
Granted (note 9(b)(iv))	7,871,388	671,408	0.36
Exercised	(66,667)	(15,560)	0.21
Expired	(2,741,950)	(238,790)	0.27
Balance, December 31, 2017	12,893,321	1,799,973	0.33
Balance, March 31, 2018	12,828,320	1,794,071	0.33
Granted (note 9(b)(v))	17,964,679	740,225	0.15
Expired	(4,956,932)	(1,122,663)	0.30
Balance, December 31, 2018	25,836,067	1,411,633	0.21

The following table reflects the warrants issued and outstanding as of December 31, 2018:

Number of warrants outstanding	Grant date fair value (\$)	Exercise price (\$)	Expiry date
7,500,000	587,288	0.36	August 28, 2019
371,388	84,120	0.18	August 28, 2019
16,881,560	567,113	0.15	August 16, 2020
315,335	61,553	0.07	August 16, 2020 ⁽¹⁾
767,784	111,559	0.09	August 16, 2020 ⁽²⁾
25,836,067	1,411,633	0.21	

(1) Exercisable into units consisting of 1 common share and 1 warrant. Each additional warrant is exercisable at \$0.15 until August 16, 2020.

(2) Exercisable into units consisting of 1 common share and 1/2 warrant. Each additional whole warrant is exercisable at \$0.15 until August 16, 2020.

12. Stock options

The following table reflects the continuity of stock options for the nine months ended December 31, 2018 and 2017:

	Number of stock options	Weighted average exercise price (\$)
Balance, March 31, 2017	2,826,667	0.45
Options expired	(176,667)	1.50
Balance, December 31, 2017	2,650,000	0.39
Balance, March 31, 2018	2,341,663	0.21
Options granted (i)	5,050,000	0.15
Options expired	(75,000)	0.90
Balance, December 31, 2018	7,316,663	0.16

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(Unaudited)

12. Stock options (continued)

(i) On October 9, 2018, the Company granted 5,050,000 incentive stock options to certain directors, officers and consultants of the Company. The options are exercisable at \$0.15 per share for a period of 5 years, terminating on October 9, 2023. The grant date fair value of \$569,135 was assigned to the 5,050,000 stock options issued as estimated by using a fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: a risk-free interest rate of 3.05%; and expected volatility factor of 169%; an expected dividend yield of 0%; and an expected life of 5 years.

Details of the stock options outstanding at December 31, 2018 are as follows:

Grant date fair value(\$)	Contractual life (years)	Number of options	Exercisable options	Exercise price (\$)	Expiry date
20,728	0.06	225,000	225,000	0.33	January 22, 2019
22,223	1.13	225,000	225,000	0.33	February 17, 2020
67,639	1.48	633,332	633,332	0.15	June 22, 2020
3,625	2.25	33,333	33,333	0.30	April 1, 2021
145,322	2.26	1,149,998	862,499	0.15	April 4, 2021
569,135	4.78	5,050,000	5,050,000	0.15	October 9, 2023
828,672	3.83	7,316,663	7,029,164	0.16	

13. Major shareholders and related party transactions

Major shareholders

To the knowledge of the directors and senior officers of the Company, as of December 31, 2018, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company.

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned by another corporation, by any government or by any natural or legal person severally or jointly.

Related party transactions

Related parties include the Board of Directors and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties) and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations. All amounts payable are non-interest bearing, unsecured and due on demand.

(a) The Company entered into the following transactions with related parties:

(i) During the three and nine months ended December 31, 2018, the Company expensed \$15,000 and \$45,000 (three and nine months ended December 31, 2017 - \$15,000 and \$45,000) paid or accrued to Durham Exploration, a company controlled by a director of the Company, for advisory and geological services. The amounts charged by Durham Exploration are recorded at their exchange value. Included in the December 31, 2018, amounts payable and other liabilities is \$26,300 (March 31, 2018 - \$15,650).

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13. Major shareholders and related party transactions (continued)

Related party transactions (continued)

(a) The Company entered into the following transactions with related parties: (continued)

(ii) During the three and nine months ended December 31, 2018, the Company expensed \$45,000 and \$195,000 (three and nine months ended December 31, 2017 - \$45,000 and \$135,000) paid or accrued to Lapierre Exploration Services Inc., a company controlled by the President and Chief Executive Officer, for advisory and geological services. The amounts charged by Lapierre Exploration Services Inc. are recorded at their exchange value. Included in the December 31, 2018, amounts payable and other liabilities is \$8,475 (March 31, 2018 - \$nil).

(iii) The Chief Financial Officer is a senior employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services. During the three and nine months ended December 31, 2018, the Company expensed \$12,501 and \$37,503 (three and nine months ended December 31, 2017 - \$12,501 and \$37,503) paid or accrued to MSSI. The amounts charged by MSSI are recorded at their exchange value. Included in the December 31, 2018, amounts payable and other liabilities is \$3,430 (March 31, 2018 - \$9,545).

(iv) During the three and nine months ended December 31, 2018, the Company expensed \$2,250 and \$6,750 (three and nine months ended December 31, 2017 - \$2,250 and \$6,750) paid or accrued to Gardiner Roberts LLP, a company where a director is a partner, for corporate secretarial services and \$35,894 and \$115,867 (three and nine months ended December 31, 2017 - \$25,692 and \$73,531) for legal services. The amounts charged by Gardiner Roberts LLP are recorded at their exchange value. Included in the December 31, 2018, amounts payable and other liabilities is \$9,846 (March 31, 2018 - \$8,810).

(v) During the three and nine months ended December 31, 2018, the Company expensed \$2,850 and \$12,515 (three and nine months ended December 31, 2017 - \$6,610 and \$21,105) paid or accrued to Norvista, a shareholder and a company with common directors and management, for rent. The amounts charged by Norvista are recorded at their exchange value. Included in the December 31, 2018, amounts payable and other liabilities is \$3,491 (March 31, 2018 - \$2,289).

(b) In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of directors and key management personnel of the Company was as follows:

	Three months ended December 31,		Nine months ended December 31,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Share-based payments	436,815	7,299	442,861	23,335

14. Contingencies

The Company's exploration activities are subject to foreign government laws and regulations, including foreign tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations comply in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

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15. Commitments

(i) On June 18, 2015, the Company entered into a consulting agreement, providing for payment of \$15,000 per month for the services of the President and Chief Executive Officer, for advisory and geological services. That agreement had an initial term of one year but automatically extends thereafter for successive terms of one year, unless terminated by the Company thirty days prior to any yearly extension. In the event of termination, the agreement provides for the payment of twelve months of monthly fees.

Upon a Change of Control occurring, the agreement shall automatically be extended to two years from the date upon which a Change of Control occurs. If the agreement is terminated within twelve months after the date upon which a Change of Control occurs, other than for Cause, or if the agreement is terminated for good reason by the CEO, as defined in the agreement, a lump sum payment equivalent to twenty four months of base salary will be payable.

(ii) The Company entered into an agreement for investor relations services. Under the agreement the Company has the remaining commitments:

2019	\$ <u>8,400</u>
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16. Subsequent events

(i) Subsequent to December 31, 2018, the Company signed a purchase agreement with RNC Minerals to acquire 14 properties located in the Snow Lake, Manitoba. The Company issued 2,250,000 common shares to RNC in exchange for the acquisition of the properties and issued 140,625 common shares as a finder's fee.

(ii) Subsequent to December 31, 2018, the Company announced a reorganization transaction (the "Transaction") involving financing of up to \$30,000,000 led by Greenstone Resources II LP ("Greenstone") and a transfer of significant assets from Norvista Capital Corporation ("Norvista"). The financing package will include:

i) Flow-through financing of \$19,862,600 (the "FT Financing") consisting of 82,760,833 commons shares of Rockcliff that qualify as flow-through shares for the purposes of the Income Tax Act (Canada) priced at \$0.24 per share. The FT Shares are part of a donation arrangement structured by PearTree Securities Inc. Greenstone will acquire the 82,760,833 shares indirectly through the donation arrangement at \$0.15 per share for a total cost of approximately \$12,414,126 (the "Greenstone Commitment"), with the flow-through investors retaining the tax benefits of the flow-through share structure.

ii) Hard dollar equity financing of \$7,472,875 consisting of 49,819,167 commons shares of Rockcliff priced at \$0.15 per share (the "Greenstone Subscription").

iii) An additional best efforts financing ("Additional Financing") of up to \$2,601,500 from existing shareholders of Rockcliff and third party accredited investors. The additional best efforts financing will consist of \$1,601,500 hard dollar financing consisting of 10,676,667 Rockcliff common shares priced at \$0.15 per share and \$1,000,000 flow-through financing consisting of 5,000,000 commons shares of Rockcliff that qualify as flow-through shares for the purposes of the Income Tax Act (Canada) priced at \$0.20 per share.

The Additional Financing will be open to participation by existing shareholders of Rockcliff (the "Existing Shareholder Offering") residing in Canada as of the record date of February 5, 2019 (the "Record Date"). The Existing Shareholder Offering consists of up to \$450,000 of the Additional Financing or 3,000,000 common shares priced at \$0.15 per share. The Existing Shareholder Offering will be open for a period of up to twenty-one days, expiring on the earlier of March 15, 2019 and the closing of the Additional Financing. There is no minimum offering. The maximum offering for existing shareholders is \$450,000. All securities issued pursuant to the Existing Shareholder Offering are subject to a statutory four month hold period and regulatory approval.

The Company intends to use the proceeds raised from the Existing Shareholder Offering for general working capital.

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(Unaudited)

16 Subsequent events (continued)

(ii) (continued) The Greenstone Subscription and the Additional Financing will proceed by way of an offering of subscription receipts of Rockcliff (each, a "Subscription Receipt") issued at a price of \$0.15 per regular Subscription Receipt and at a price of \$0.20 per flow-through Subscription Receipt. Release of the funds to be held in escrow pursuant to the Subscription Receipts financings will be conditional upon receipt of Rockcliff shareholder approval to the Transaction, the closing of the Asset Acquisition (referred to below) and regulatory approval to listing the shares issued pursuant to the Transactions (the "Conditions"). Upon satisfaction of the Conditions, each Subscription Receipt will, for no additional consideration, be automatically exercised into one Rockcliff Share.

As part of the Transaction the Company also entered into asset purchase agreements with Norvista and Akuna Minerals Inc. ("Akuna"), a private company 80% of whose common shares are held by Norvista. Pursuant to the agreement with Norvista, Rockcliff will acquire: i) 100% of Norvista's interest in an option agreement with Hudbay Minerals Inc. (the "Talbot Option Agreement") granting Rockcliff an option to earn a minimum 51% interest in the Talbot Property in central Manitoba (the "Talbot Property"); and, ii) 100% of Norvista's interest in a lease agreement with CaNickel Mining Limited providing for a lease of the mill and auxiliary facilities at the Bucko Lake Mine near Wabowden, in central Manitoba (the "Bucko Mill Lease"). Pursuant to the agreement with Akuna, Rockcliff will acquire a 100% interest in certain mining claims located in central Manitoba, known as the Tower Property (the "Tower Property"), which is located approximately 40 kilometres east of the Talbot Property.

As consideration for the acquisition of the respective interests in the Talbot Option Agreement, the Bucko Mill Lease and the Tower Property (collectively, the "Asset Acquisition"), Rockcliff has agreed to issue to Norvista and Akuna a total of 88,386,667 Rockcliff Shares (the "Asset Acquisition Shares") at a deemed price of \$0.15 per share for aggregate consideration of \$13,258,000.

These transactions including the release of funds pursuant to the Subscription Receipts are conditional on the completion of the Transaction and the receipt of requisite shareholder and stock exchange approvals. Securities issued pursuant to the Greenstone Subscription and the Additional Financing will be subject to a statutory four month and one day hold period from the closing of the Subscription Receipts financings. Securities issued pursuant to the FT Financing and the Asset Acquisition will be subject to a statutory four month and one day hold period from the Closing of the Transaction. The Asset Acquisition Shares and the shares acquired by Greenstone pursuant to the Greenstone Commitment and the Greenstone Subscription shall be subject to escrow in accordance with the terms of National Policy 46-201 - *Escrow for Initial Public Offerings*, to be released on the basis that Rockcliff is deemed to be an emerging issuer as defined therein.

The Transaction is expected to close in April 2019.

(iii) Subsequent to December 31, 2018, the Company announce that its CFO Daniel Crandall has resigned. Mr. Aamer Siddiqui has been appointed Interim CFO, subject to regulatory approval, pending completion of the Transaction when Rockcliff will appoint a permanent CFO.