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Rockcliff Metals is bullish on copper as everything goes electric

Rockcliff Metals (CSE:RCLF) is a Canadian near-term copper producer and active explorer in the Snow Lake greenstone belt of Manitoba.

The company has one of the largest land parcels in the Snow Lake mining belt, a region home to copper, zinc, gold and silver deposits — the portfolio spans more than 4,500 square kilometres. Also key to the plan is the Bucko Mill, a facility Rockcliff will convert to process copper (it was originally built to handle nickel).

Rockcliff's growth outlook is simple to grasp, with near-term annual copper production projected at 20,000 tonnes, rising gradually to over 50,000 tonnes.

Chief Executive Officer Alistair Ross spoke with Public Entrepreneur about the realities of taking a mine into production in the current environment, and what shareholders can expect from his team in 2020.

You are a seasoned mining veteran who has lived in many different parts of the world, including England and Africa. What drew you to Rockcliff's project in Manitoba?

The opportunity to build a mining company from scratch was something I had been contemplating for a while. When the Rockcliff opportunity presented itself, I was asked to take the company from an explorer to a producer, from essentially a one-person company directing exploration activities to a company that would find its way into the mid-tier ranks of copper producers.

I jumped out of my second retirement when I saw the resource base it already had. The fact that some of the heavy lifting had already been done by Greenstone Resources providing the capital to get us through the study phase, and Norvista providing the cornerstone asset of the Bucko Mill lease as well as an important mineral resource in the Tower project, is really important.

Rockcliff's portfolio of properties is extensive. Walk us through the highlights.

The bulk of the properties are similar in a couple of ways. One, the deposits are at or near surface, and that would allow for rapid access via ramp and portal rather than shaft. Secondly, they are typically narrow veins and steeply dipping in nature. This has allowed us to focus on designing a mining method that could fit multiple ore bodies and allow transfer of capital equipment from one mine to the next.

Tell us how you transform a junior explorer into a high-grade copper-zinc producer.

Our strategy is to focus on our copper-rich deposits initially due to our belief that of all metals needed for the next phase of greening our planet, copper is virtually alone as a core part of almost all solutions currently being contemplated and pursued.

Battery-powered electric vehicles, renewable power generation, storage of energy - all of these require copper in differing amounts. BHP put out a forecast in May 2019 suggesting that at the mid-point of forecast EV penetration, approximately 1 million tonnes per annum of extra copper would be required.

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How we are aiming to position ourselves to deliver some of that extra production is that we have selected three of our more promising projects (Rail, Tower and Talbot) for drilling with an eye to preliminary economic analyses. We would then select the best looking one to advance to a bankable feasibility study (BFS) that would include defining the work required to recommission the Bucko Mill.

We would concurrently permit the mining property and the mill to become a copper producer and have a financing plan in place so that upon board approval of a construction decision at the end of 2020, we could begin to mobilize in early 2021. That would all be with a view to producing our first concentrate for sale in early to mid-2022.

Outline your work program for 2020 and tell us if you expect it to be a busy summer.

The whole year will be busy. We intend on having updated resource statements for Tower, Rail and Talbot by the end of February, and our preliminary economic analyses of those three properties should be ready by early May.

From there we would go into a bankable feasibility study on the chosen property for completion by year-end. In parallel, our permitting for the mine property and the mill will be proceeding, as well as our financing plan being completed based on the preliminary economics.

While we are waiting for the BFS project selection, we are drilling our secondary properties at Copperman, Free Beth and Tramping. As soon as we have made our decision for the BFS property, we will then launch an intensive drill program to further upgrade our knowledge and allow for BFS-level work on the resource, mining and metallurgical factors.

Can you shed some light on Rockcliff's status regarding production permits, environmental permits and road access to the Snow Lake properties?

We have taken all the samples and completed our studies on the Tower and Talbot properties, and at Rail we are just short of our spring study samples to be in a similar position.

We have completed our studies on the implications of placing copper tailings in the tailing area at Bucko and found no impact. We are therefore ready to file for a Notice of Alteration for the mill once we have completed our mining studies to understand what throughput may be required to match the mine output.

Roads are only contemplated for the Talbot and Rail properties and studies are underway to assess both environmental permit applications and engineering design implications.

How much cash do you have on hand and how far does it get you?

We currently have sufficient funding to complete our required exploration program with approximately \$12 million in our flow-through account, and we are on track to complete our studies for a board construction decision in December. We have about \$5 million in our hard dollar account to support us until then. We would require a raise to begin construction in 2021.

What are the prospects for subsidiary Goldpath Resources, which has five highly prospective lode-gold properties within the Snow Lake area?

We are pleased that Kinross Gold has agreed to continue its earn-in option at Laguna and Lucky Jack, and look forward to seeing their continued success. The rest of the properties are of secondary interest at the moment and we will be undertaking a strategic review of their role in our company during 2020.

Given your advanced work, has the company signed any preliminary offtake agreements?

We have not signed any offtake agreements but have been approached with expressions of interest to talk as our studies develop. Our very early review of the ores suggests that our concentrate will be clean and of reasonable to high

grade, so with current knowledge I do not anticipate any issues placing these concentrates on the market at competitive rates.

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