



---

**ROCKCLIFF METALS CORPORATION  
CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2021 AND 2020  
(EXPRESSED IN CANADIAN DOLLARS)**

---

*Audit. Tax. Advisory.*

## **Independent Auditor's Report**

To the Shareholders of Rockcliff Metals Corporation

### **Opinion**

We have audited the consolidated financial statements of Rockcliff Metals Corporation and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2021 and 2020 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### **Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

**McGovern Hurley LLP**



**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
July 27, 2021

**Rockcliff Metals Corporation**  
**Consolidated Statements of Financial Position**  
**(Expressed in Canadian dollars)**

	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 6)	\$ 4,529,363	\$ 12,668,363
Prepaid expenses and deposits	15,639	96,603
Amounts receivable and advances (note 7)	46,660	749,798
<b>Total current assets</b>	<b>4,591,662</b>	<b>13,514,764</b>
<b>Long-term assets</b>		
Equipment (note 8)	53,376	65,532
Right-of-use asset (note 9)	-	67,017
<b>Total assets</b>	<b>\$ 4,645,038</b>	<b>\$ 13,647,313</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities (notes 11 and 17)	\$ 428,520	\$ 2,059,139
Deferred flow-through premium (notes 12 and 18)	881,162	2,660,386
Lease obligation (note 10)	-	11,975
<b>Total current liabilities</b>	<b>1,309,682</b>	<b>4,731,500</b>
<b>Long-term liabilities</b>		
Lease obligation (note 10)	-	57,118
CEBA government loan (note 18)	40,000	-
<b>Total liabilities</b>	<b>\$ 1,349,682</b>	<b>\$ 4,788,618</b>
<b>Equity</b>		
Share capital (note 12)	60,721,755	60,697,133
Reserve (notes 14 and 15)	827,219	1,805,003
Deficit	(58,253,618)	(53,643,441)
<b>Total equity</b>	<b>3,295,356</b>	<b>8,858,695</b>
<b>Total liabilities and equity</b>	<b>\$ 4,645,038</b>	<b>\$ 13,647,313</b>

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

Nature of operations and going concern (note 1)  
 Commitments and contingencies (notes 3 and 18)  
 Subsequent event (note 19)

**Approved on behalf of the Board:**

(Signed) "Donald Christie", Director \_\_\_\_\_

(Signed) "Petra Decher", Director \_\_\_\_\_

**Rockcliff Metals Corporation**  
**Consolidated Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian dollars)**

	Year ended March 31,	
	2021	2020
<b>Operating expenses</b>		
Exploration and property acquisition costs (note 3)	\$ 3,644,045	\$ 25,374,093
Legal and professional	225,435	512,495
Share-based payments (notes 15 and 17)	179,117	304,377
General and administrative	261,058	772,689
Depreciation (note 8)	12,156	16,382
Salaries and benefits (note 17)	1,337,666	938,438
Investor relations	113,785	245,560
Technical studies	1,027,270	156,673
Right-of-use asset amortization (note 9)	14,624	8,530
Loss before the following items	<b>(6,815,156)</b>	<b>(28,329,237)</b>
Interest income	51,854	371,220
Gain on lease modification	4,726	-
Foreign exchange gain (loss)	(144)	(2,020)
Amortization of flow-through premium (note 12)	1,779,224	5,038,089
Option payments related to the Bucko mill lease payment (note 18)	<b>(782,800)</b>	<b>(971,200)</b>
<b>Net loss and comprehensive loss for the year</b>	<b>\$ (5,762,296)</b>	<b>\$ (23,893,148)</b>
<b>Basic and diluted net loss per share</b> (note 13)	<b>\$ (0.02)</b>	<b>\$ (0.08)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>307,697,609</b>	<b>285,263,112</b>

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

**Rockcliff Metals Corporation**  
**Consolidated Statements of Cash Flows**  
**(Expressed in Canadian dollars)**

	Year ended March 31,	
	2021	2020
<b>Operating activities</b>		
Net loss for the year	\$ (5,762,296)	\$ (23,893,148)
Adjustments for:		
Depreciation and amortization	26,780	24,912
Share-based payments	179,117	304,377
Shares issued for exploration and evaluation property interest	18,125	11,516,141
Amortization of flow-through premium	(1,779,224)	(5,038,089)
Gain on lease modification	(4,726)	-
Non-cash working capital items:		
Amounts receivable and advances	703,138	(749,798)
Prepaid expenses and deposits	80,964	(78,503)
Amounts payable and other liabilities	(1,630,619)	1,710,811
<b>Net cash (used in) operating activities</b>	<b>(8,168,741)</b>	<b>(16,203,297)</b>
<b>Investing activities</b>		
Acquisition of equipment	-	(46,688)
Decrease in funds held in trust	-	20,240,204
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>20,193,516</b>
<b>Financing activities</b>		
Proceeds from private placement	-	8,455,671
Proceeds from CEBA government loan	40,000	-
Proceeds from broker warrants exercised	1,715	-
Share issue costs	-	(55,582)
Principal payments on lease obligations	(11,974)	(6,454)
<b>Net cash provided by financing activities</b>	<b>29,741</b>	<b>8,393,635</b>
<b>Net change in cash and cash equivalents</b>	<b>(8,139,000)</b>	<b>12,383,854</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>12,668,363</b>	<b>284,509</b>
<b>Cash and cash equivalents, end of year (note 6)</b>	<b>\$ 4,529,363</b>	<b>\$ 12,668,363</b>
<b>Supplemental information:</b>		
Broker warrants issued	\$ -	\$ 36,792
Right-of-use assets acquired	\$ -	\$ 75,547

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



---

# Rockcliff Metals Corporation

## Notes to the Consolidated Financial Statements

### For the years ended March 31, 2021 and 2020

#### (Expressed in Canadian dollars)

---

#### 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 82 Richmond Street East, Toronto, ON M5C 1P1. The Company is presently funding exploration and advancement of various technical and economic studies with an intent to advance projects towards a development decision.

On February 22, 2019, the Company announced the reorganization transaction (the "Transaction") involving a financing (the "Greenstone Subscription") led by Greenstone Resources II LP ("Greenstone") and a transfer of significant assets from Norvista Capital Corporation (TSX-V: NVV) ("Norvista"). The common shares of Rockcliff commenced trading on the Canadian Securities Exchange ("CSE") on May 8, 2019 under the symbol "RCLF".

As at March 31, 2021, 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 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 business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying values.

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.

#### COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiary in future periods. The Company is closely monitoring the business environment as a result to ensure minimal distribution to business operations.

#### Going Concern

The Company is an exploration company which has not yet achieved production, has recurring losses and an accumulated deficit of \$58.3 million as at March 31, 2021. The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to be able to further explore its mineral properties, retain mining rights and to meet ongoing requirements for general operations. Even if the Company has been successful in the past in doing so, there can be no assurance that additional debt or equity financings will be available to meet these requirements or available on terms acceptable to Rockcliff. Management believes that the current working capital is sufficient to support planned activities over the next 12 months.

---

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

---

**2. Significant accounting policies**

*(a) Statement of compliance*

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee. The accounting policies set out below have been applied consistently to the years presented in these consolidated financial statements unless otherwise noted below.

The Board of Directors approved the consolidated financial statements on July 27, 2021.

*(b) Basis of presentation*

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

*(c) Basis of consolidation*

The consolidated financial statements incorporate financial statements of Rockcliff Metals Corporation and its subsidiary. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiary after eliminating inter-entity balances and transactions.

The following entities have been consolidated within the consolidated financial statements:

	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Ownership</b>
Rockcliff Metals Corporation	Canada	Parent company	100%
Goldpath Resources Corp. (see Note 19)	Canada	Exploration company	100%

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the year. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 2(r).

*(d) Foreign currency translation*

The functional currency, as determined by management, of the Company and its subsidiary is the Canadian dollar. For the purpose of the consolidated financial statements, the results and financial position are expressed in Canadian dollars.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognized in operations. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

---

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

---

**2. Significant accounting policies (continued)**

(e) *Financial instruments*

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss (“FVTPL”), fair value through other comprehensive income (“FVTOCI”) or amortized cost. The Company determines the classification of financial assets at initial recognition.

Financial assets at Fair-value through profit or loss

Financial instruments classified as fair value through profit and loss are reported at fair value at each reporting date, and any change in fair value is recognized in the statement of operations in the year during which the change occurs. Realized and unrealized gains or losses from assets held at FVPTL are included in losses in the year in which they arise.

Financial assets at Fair-value through other comprehensive income

Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument bases) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not recycled to profit or loss.

Financial assets at amortized cost

Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset’s contractual cash flows are comprised solely of payments of principal and interest. The Company’s accounts receivable are recorded at amortized cost as they meet the required criteria. A provision is recorded based on the expected credit losses for the financial asset and reflects changes in the expected credit losses at each reporting year.

Financial liabilities

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or the Company has elected to measure at FVTPL. The Company’s financial liabilities include trade and other payables which are classified at amortized cost.

---

**Classification**

Cash	Amortized cost
Cash equivalents	FVTPL
Amounts receivable and advances	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Lease obligation	Amortized cost
CEBA government loan	Amortized cost

---

---

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

---

**2. Significant accounting policies (continued)**

(e) *Financial instruments (continued)*

Impairment

IFRS 9 requires an 'expected credit loss' model to be applied which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of March 31, 2021, cash equivalents of \$25,000 are classified as Level 2 under the fair value hierarchy (March 31, 2020 - \$25,000).

(f) *Equipment*

Items of equipment are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and fair value of any other consideration given to acquire the asset.

Depreciation:

Equipment is generally depreciated on a straight line basis over their estimated useful lives of 3 to 5 years.

An item of equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of loss and comprehensive loss when the asset is derecognized. The assets' residual values, useful lives and methods of depreciation are reviewed each reporting year, and adjusted prospectively if appropriate.

(g) *Impairment of non-financial assets*

At the end of each reporting year, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets are impaired. Where such an indication exists, the recoverable amount of the asset is estimated. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGUs"). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

---

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

---

**2. Significant accounting policies (continued)**

*(h) Exploration costs*

The Company expenses exploration and evaluation costs as incurred. Exploration and evaluation expenditures include acquisition costs of mineral exploration properties, property option payments and evaluation activity.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Property option payments received are recognized in the consolidated statement of loss in the year they are received by the Company.

*(i) Cash and cash equivalents*

Cash and cash equivalents in the consolidated statements of financial position comprise cash at banks and other short-term highly liquid investments with original maturities of three months or less. The Company's cash is invested with major financial institutions in business accounts that are available on demand by the Company for its programs. The Company does not invest in any asset-backed deposits/investments.

*(j) Provisions*

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at March 31, 2021 and March 31, 2020.

*(k) Share-based payment transactions*

The fair value of share options granted is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value of share-based payments to employees is measured at the grant date and recognized over the year during which the options vest. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. For those options and warrants that expire after vesting, the recorded value is transferred to deficit.

---

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

---

**2. Significant accounting policies (continued)**

*(l) Income taxes*

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

*(m) Restoration, rehabilitation and environmental obligations*

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset or expensed if they relate to exploration and evaluation activities, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each year for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

*(n) Loss per share*

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. During the years ended March 31, 2021 and 2020, all outstanding options and warrants were considered anti-dilutive and were therefore excluded from the diluted loss per share calculation.

*(o) Lease and right-of-use assets*

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

---

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

---

**2. Significant accounting policies (continued)**

*(o) Lease and right-of-use assets (continued)*

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A lease liability is initially measured at the present value of the unpaid lease payments discounted using the interest rate implicit in the lease or if that rate cannot be reliably determined, the Company's incremental borrowing rate. Subsequently, the Company measures a lease liability at amortized cost using the effective interest method. It is then remeasured to reflect revised in-substance fixed lease payments. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the year in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

*(p) Flow-through shares*

The Company finances some exploration expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. When the common shares are offered, the difference ("premium") between the amount recognized in common shares and the amount the investors pay for the shares is recognized as a flow-through share related liability which is reversed into the statement of loss when the eligible expenditures are incurred. The amount recognized as a flow-through share related liability represents the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. The Company indemnifies the subscribers of flow-through shares for additional taxes payable by the subscribers if the Company does not meet its expenditure requirements.

*(q) Government grants*

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

*(r) Significant accounting judgments and estimates*

The preparation of these consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting year. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates:

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

---

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

---

**2. Significant accounting policies (continued)**

*(r) Significant accounting judgments and estimates (continued)*

*Estimation of restoration, rehabilitation and environmental obligations and the timing of expenditure*

Restoration, rehabilitation and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of restoration, rehabilitation or similar liabilities that may occur. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

*Income taxes and recoverability of potential deferred tax assets*

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting year. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the year in which such determination is made.

*Share-based payments*

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

*Contingencies*

Refer to note 18.

*Critical accounting judgments:*

Determination of whether a set of assets acquired and liabilities assumed constitute a business requires the Company to make certain judgments, taking into account all facts and circumstances. Applying the acquisition method requires the consideration paid and each identifiable asset and liability to be measured at its acquisition-date fair value.

*(s) New standards not yet adopted*

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after April 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

---

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

---

**2. Significant accounting policies (continued)**

*(s) New standards not yet adopted (continued)*

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on or after January 1, 2023.

IAS 16 – Property, Plant and Equipment (“IAS 16”) was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on or after January 1, 2022.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. – costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on or after January 1, 2022.

There are no other standards/amendments or interpretations that are expected to have a significant effect on the consolidated financial statements of the Company.

*(t) New policies adopted during the year*

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The Company adopted this standard on April 1, 2020 and there was no material impact on the Company's consolidated financial statements.

**3. Exploration and evaluation properties**

Tower Property

The Company holds a 100% interest in the Tower property, subject to an existing 2% net smelter return royalty in favour of a previous owner. The property is located in the Thompson Nickel Belt District in Manitoba.

Talbot Property

On November 12, 2019, the Company earned a 51% interest in the Talbot Property, from Hudson Bay Exploration and Development Company Limited (“HBED”), a wholly owned subsidiary of Hudbay Minerals Inc. (“Hudbay”).

On August 18, 2020, Rockcliff was notified of Hudbay’s intention to exercise its Buy-Back Right to acquire an additional 2% ownership interest in the Project by making a one-time cash payment of \$725,892 to Rockcliff. If Hudbay takes the Project into production, Rockcliff will retain a 35% carried interest in the Project through life-of-mine, provided that Rockcliff contributes its pro-rata share of pre-construction capital.

As of March 31, 2021, the Company has a 49% interest in the Talbot Property.

---

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

---

**3. Exploration and evaluation properties (continued)**

Rail Property

The Company holds a 100% interest in the Rail property, subject to a 2% net smelter returns royalty in favour of the former owner, Hudbay. The property located in the Snow Lake District in Manitoba.

Bur Property

The Company holds a 100% interest in the Bur property, subject to a Buy-Back Right by Hudbay's 12 month back-in right which expires on August 11, 2021. The back-in right gives Hudbay the right to reacquire a 70% ownership interest in the property, by making cash payments to the Company totaling \$3,000,000 plus two times the amount of expenditures incurred by the Company during the back-in waiting period to a maximum of \$1,500,000. If Hudbay does not exercise its back-in right, Rockcliff as the operator, shall pay 2% of net smelter return royalty from the date of the commencement of commercial production.

Freebeth Property

The Company holds a 100% interest in the Freebeth Property, subject to a 2% net smelter return royalty in favour of the former owner, Hudbay. The property located in the Snow Lake District in Manitoba.

Copperman Property

The Company holds a 100% interest in the Copperman Property, located in the Snow Lake District in Manitoba.

Morgan Property

The Company holds a 100% interest in the Morgan Property, subject to a 2% net smelter return royalty. The property is located in the Snow Lake District in Manitoba.

Pennex Property

The Company holds a 100% in the Pennex Property, located in the Snow Lake District in Manitoba.

Lon Property

The Company holds a 100% interest in the Lon Property located in the Snow Lake District in Manitoba. The Company also acquired certain mining rights and mining data in respect of the Lon Deposit subject to a ½% net smelter return royalty in two of the claims acquired. The Company may purchase this net smelter return royalty for \$250,000.

Snow Lake Gold Property

The Company holds, through its 100% owned subsidiary Goldpath Resources Corporation ("Goldpath"), an option agreement on the Snow Lake Gold Property whereby it can earn a 100% interest by spending \$1 million by October 4, 2022. The property is located in the Snow Lake District in Manitoba. Subsequent to March 31, 2021, this property/subsidiary was sold. See Note 19.

Laguna Property

The Company holds, through its 100% owned subsidiary Goldpath, 30% interest in this property. Subsequent to March 31, 2021, this property/subsidiary was sold. See Note 19.

Snow Lake South (SLS) and Danlee Properties

The Company holds a 100% interest in the SLS properties (SLS #1-5), which surround the Danlee Property, which it subjected to 2% NSR. The properties are located in the Snow Lake District in Manitoba.

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

**3. Exploration and evaluation properties (continued)**

The following is a breakdown by property of exploration costs:

**Year ended March 31, 2021**

	Freebeth	Talbot	Tower	Rail	Bur	SLS	Goldpath	Bucko	Other	Total
Acquisition costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ 80,000
Exploration expenditures	31,356	10,294	3,307,405	197,314	216,295	145,961	1,495	-	370,442	4,280,562
Option payments	-	-	-	-	-	9,375	-	-	-	9,375
Buy-back right received (note 3)	-	(725,892)	-	-	-	-	-	-	-	(725,892)
<b>Total, March 31, 2021</b>	<b>\$ 31,356</b>	<b>\$ (715,598)</b>	<b>\$ 3,307,405</b>	<b>\$ 197,314</b>	<b>\$ 216,295</b>	<b>\$ 235,336</b>	<b>\$ 1,495</b>	<b>\$ -</b>	<b>\$ 370,442</b>	<b>\$ 3,644,045</b>

**Year ended March 31, 2020**

	Freebeth	Talbot	Tower	Rail	Bur	SLS	Goldpath	Bucko	Other	Total
Acquisition costs	\$ -	\$ 4,192,125	\$ 2,876,566	\$ -	\$ -	\$ -	\$ 75,000	\$ 4,385,016	\$ 19,000	\$ 11,547,707
Exploration expenditures	938,281	2,997,713	4,485,825	2,370,692	1,699,948	471,191	145,827	-	716,909	13,826,386
<b>Total, March 31, 2020</b>	<b>\$ 938,281</b>	<b>\$ 7,189,838</b>	<b>\$ 7,362,391</b>	<b>\$ 2,370,692</b>	<b>\$ 1,699,948</b>	<b>\$ 471,191</b>	<b>\$ 220,827</b>	<b>\$ 4,385,016</b>	<b>\$ 735,909</b>	<b>\$ 25,374,093</b>

---

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

---

**4. Capital risk management**

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors of the Company.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended March 31, 2021. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

**5. Financial risk management**

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There were no changes to credit risk, liquidity risk or market risk during the years ended March 31, 2021 and March 31, 2020.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash and cash equivalents are held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company prepares annual capital expenditure budgets, which are monitored and updated as required. In addition, the Company requires authorization for expenditures on projects to assist with the management of capital. The Company's financial liabilities comprise amounts payable and other liabilities and current lease obligations which are due within 12 months.

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

**5. Financial risk management (continued)**

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

(a) Interest rate risk

The Company currently does not have any short-term or long-term debt that is interest bearing and, as such, the Company's current exposure to interest rate risk is minimal.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and the Company holds minimal cash balances in US dollars which could give rise to exposure to foreign exchange risk. It is not the Company's policy to hedge its foreign currency related to the US dollar. Foreign currency risk is not considered significant.

(c) Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. As of March 31, 2021, the Company was not a precious mineral, base metals and other minerals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

**6. Cash and cash equivalents**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Cash	\$ 4,504,363	\$ 12,643,363
Cash equivalents	25,000	25,000
<b>Total</b>	<b>\$ 4,529,363</b>	<b>\$ 12,668,363</b>

**7. Amounts receivable and advances**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Harmonized sales tax recoverable - (Canada)	\$ 46,660	\$ 749,798
<b>Total</b>	<b>\$ 46,660</b>	<b>\$ 749,798</b>

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

**8. Equipment**

Equipment is represented by the following:

<b>Cost</b>	<b>Equipment</b>
Balance, March 31, 2019	\$ 62,341
Additions	46,688
<b>Balance, March 31, 2020</b>	<b>109,029</b>
<b>Balance, March 31, 2021</b>	<b>\$ 109,029</b>

<b>Depreciation</b>	<b>Equipment</b>
Balance, March 31, 2019	\$ 27,115
Depreciation	16,382
<b>Balance, March 31, 2020</b>	<b>43,497</b>
Depreciation	12,156
<b>Balance, March 31, 2021</b>	<b>\$ 55,653</b>

<b>Net book value</b>	<b>Equipment</b>
Balance, March 31, 2020	\$ 65,532
<b>Balance, March 31, 2021</b>	<b>\$ 53,376</b>

**9. Rights-of-use assets**

Balance, March 31, 2019	\$ -
Additions	75,547
Amortization	(8,530)
<b>Balance, March 31, 2020</b>	<b>\$ 67,017</b>
Amortization	(14,624)
Effect of cancellation of lease	(52,393)
<b>Balance, March 31, 2021</b>	<b>\$ -</b>

As of March 31, 2021, the Company cancelled the lease agreement and adjusted the outstanding balance against net income.

**10. Lease obligations**

At the commencement date of the leases, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 10%, which is the Company's incremental borrowing rate. The lease liability is an operating type lease for office premises. The continuity of the lease liabilities is presented in the table below:

<b>Balance, March 31, 2019</b>	<b>\$ -</b>
Additions	75,547
Lease payments	(6,454)
<b>Balance, March 31, 2020</b>	<b>\$ 69,093</b>
Interest expense	4,890
Lease payments	(13,758)
Effect of cancellation of lease	(60,225)
<b>Balance, March 31, 2021</b>	<b>\$ -</b>

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

**11. Amounts payable and other liabilities**

	As at March 31, 2021	As at March 31, 2020
Trade payables	\$ 199,020	\$ 1,711,902
Accrued liabilities	229,500	347,237
<b>Total</b>	<b>\$ 428,520</b>	<b>\$ 2,059,139</b>

**12. Share capital**

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.

b) Common shares issued

	Number of common shares	Amount
<b>Balance, March 31, 2019</b>	<b>78,966,523</b>	<b>\$ 28,275,966</b>
Units issued in private placement (i)	87,760,833	20,862,600
Shares issued in private placement (iii)	52,221,832	7,833,275
Deferred flow-through premium (ii)	-	(7,698,475)
Share issue costs (v)	-	(55,582)
Shares issued for mineral exploration property interest (v)	88,669,999	11,516,141
Warrant valuation (iv)	-	(36,792)
<b>Balance, March 31, 2020</b>	<b>307,619,187</b>	<b>\$ 60,697,133</b>
Warrants exercised (vi)	24,500	6,497
Shares issued for mineral exploration property interest (vii) (viii)	250,000	18,125
<b>Balance, March 31, 2021</b>	<b>307,893,687</b>	<b>\$ 60,721,755</b>

(i) On May 7, 2019, the Company closed a flow-through equity financing of \$19,862,600 consisting of 82,760,833 common shares of the Company that qualify as flow-through shares for purposes of the Income Tax Act (Canada) (the "Tax Act") priced at \$0.24 per share.

In addition, the Company issued 5,000,000 common shares of the Company that qualify as flow-through shares for the purposes of the Tax Act priced at \$0.20 per flow-through share in the sum of \$1,000,000.

(ii) As a result of the flow-through common shares being issued at a premium to the market price in recognition of the tax benefits accruing to subscribers; a deferred flow-through premium has been recorded for \$7,698,475. As the Company incurs eligible expenditures against this liability, the Company reduces the liability at the same premium rate and records this as a flow-through premium recovery on the statement of operations.

(iii) On May 8, 2019, the Company issued 52,221,832 common shares priced at \$0.15 per common share for the sum of \$7,833,275.

(iv) Eligible finders were issued 350,000 Flow-Through Broker Warrants ("FT Warrants") for the flow-through financing and 78,633 Financing Warrants ("HD Warrants") for the non flow-through financing. Each FT Warrant entitles the holder to acquire one common share at a price of \$0.20 until May 2, 2021 and each HD Warrant entitles the holder to acquire one common share at a price of \$0.15 until May 2, 2021. The FT Warrants and HD Warrants were given a value of \$29,761 and \$7,031, respectively; 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 1.61%; and expected volatility factor of 169%; an expected dividend yield of 0%; and an expected life of 2 years.

---

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

---

**12. Share capital (continued)**

(v) On May 3, 2019, the Company closed an asset acquisition ("Acquisition") and acquired i) 100% of Norvista Capital Corporation's ("Norvista") interest in an option agreement with Hudbay Minerals Inc. (the "Talbot Option Agreement") granting the Company 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"), in consideration for the issuance of 66,290,000 common shares of the Company. In addition, pursuant to the agreement with Akuna Minerals Inc. (a subsidiary of Norvista), the Company acquired 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, in consideration for the issuance of 22,096,667 common shares of the Company. The Company and Norvista share certain common directors.

The 88,386,667 common shares issued for the Acquisition, the 82,760,833 (note 12(b) (i)) common shares acquired by Greenstone Capital Corporation ("Greenstone") along with the 49,819,167 (note 12(b) (iii)) common shares issued to Greenstone as part of the Acquisition are subject to escrow, to be released over a three year period. Norvista and its affiliates held approximately 27.4% of the issued and outstanding capital of the Company following the completion of the Acquisition. Greenstone acquired a total of 132,580,000 common shares of the Company, representing approximately 43.1% of the issued and outstanding common shares.

On June 11, 2019, the Company issued 200,000 common shares at \$0.095 for the acquisition of the Danlee Property.

During the year ended March 31, 2020, the Company agreed to issue a total of 83,332 common shares under the terms of option agreements on its Laguna and Snow Lake Properties.

(vi) On August 13 and 14, 2020, 24,500 warrants with an exercise price of \$0.07 were exercised for gross proceeds of \$1,715 (note 14).

(vii) On November 23, 2020, the Company agreed to issue a total of 125,000 common shares under the terms of option agreement on its Snow Lake Properties. These common shares were valued at \$9,375 based on their most recent trading price.

(viii) On February 3, 2021, the Company agreed to issue a total of 125,000 common shares under the terms of option agreement on its Laguna Property. These common shares were valued at \$8,750 based on their most recent trading price.

**13. Net loss per common share**

The calculation of basic and diluted loss per share from operations for the year ended March 31, 2021, was based on the loss attributable to common shareholders of \$5,762,296 (year ended March 31, 2020 - \$23,893,148) and the weighted average number of common shares outstanding of 307,697,609 (year ended March 31, 2020 - 285,263,112).

Diluted loss per share for the year ended March 31, 2021 did not include the effect of 428,633 warrants (March 31, 2020 - 18,393,312) and 11,464,183 stock options (March 31, 2020 - 14,880,848) as they are anti-dilutive.

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

**14. Warrants**

The following table reflects the continuity of warrants for the years ended March 31, 2021 and 2020:

	Number of warrants	Grant date Fair value (\$)	Weighted average exercise price (\$)
<b>Balance, March 31, 2019</b>	<b>25,836,067</b>	<b>1,411,633</b>	<b>0.21</b>
Granted (note 12(b) (iv))	428,633	36,792	0.19
Expired	(7,871,388)	(671,408)	0.35
<b>Balance, March 31, 2020</b>	<b>18,393,312</b>	<b>777,017</b>	<b>0.21</b>
Exercised	(24,500)	(4,782)	0.07
Expired	(17,940,179)	(735,443)	0.15
<b>Balance, March 31, 2021</b>	<b>428,633</b>	<b>36,792</b>	<b>0.19</b>

The following table reflects the warrants issued and outstanding as of March 31, 2021:

Number of warrants outstanding	Grant date fair value (\$)	Exercise price (\$)	Expiry date
428,633	36,792	0.19	May 2, 2021

**15. Stock options**

The following table reflects the continuity of stock options for the years ended March 31, 2021 and 2020:

	Number of stock options	Weighted average exercise price (\$)
<b>Balance, March 31, 2019</b>	<b>6,874,997</b>	<b>0.16</b>
Options granted (i) (ii) (iii) (iv)	9,847,517	0.15
Options expired	(1,841,666)	0.15
<b>Balance, March 31, 2020</b>	<b>14,880,848</b>	<b>0.15</b>
Options granted (v)	200,000	0.15
Options expired	(3,616,665)	0.15
<b>Balance, March 31, 2021</b>	<b>11,464,183</b>	<b>0.15</b>

(i) On June 10, 2019, the Company granted 5,250,000 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 June 10, 2024. The grant date fair value of \$586,567 was assigned to the 5,250,000 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 1.91%; and expected volatility factor of 150%; an expected dividend yield of 0%; and an expected life of 5 years. During the year ended March 31, 2021, the Company record a stock based compensation expenses of \$78,236 (Year ended March 31, 2020 of \$252,246).

(ii) On December 16, 2019, the Company granted 1,250,000 incentive stock options to a director of the Company. The options are exercisable at \$0.15 per share for a period of 5 years, terminating on December 16, 2024. The grant date fair value of \$75,180 was assigned to the 1,250,000 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 1.72%; and expected volatility factor of 146%; an expected dividend yield of 0%; and an expected life of 5 years. During the year ended March 31, 2021, the Company record a stock based compensation expenses of \$30,315 (Year ended March 31, 2020 - \$35,592).

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

**15. Stock options (continued)**

(iii) On January 1, 2020, the Company granted 2,723,404 incentive stock options to certain directors and officers of the Company. The options are exercisable at \$0.15 per share for a period of 7 years, terminating on January 1, 2027. The grant date fair value of \$134,335 was assigned to the 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 2.56%; and expected volatility factor of 151%; an expected dividend yield of 0%; share price of \$0.07; and an expected life of 7 years with a probability of vesting as per below. During the year ended March 31, 2021, the Company record a stock based compensation expenses of \$67,076 (Year ended March 31, 2020 - \$16,539).

The options vest on January 1, 2023 subject to performance vesting conditions where if the total shareholder return compared to a peer group is:

- in the 75th percentile of the performance condition, 100% of the stock options vest.
- between 40-74 percentile of the performance condition, proportionate vesting of the stock options occur.
- lower than the 40th percentile of the performance condition, no options will vest.

Management estimated the probability for the Company to be in the 75th percentile to be 25%, between 40-74 percentile to be 50% and lower than the 40th percentile to be 25%.

(iv) On March 5, 2020, the Company granted 624,113 incentive stock options to an officer of the Company. The options are exercisable at \$0.15 per share for a period of 6.8 years, terminating on January 1, 2027, and the same vesting conditions described in Note 13 (iii). The grant date fair value of \$10,635 was assigned to the 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 0.81%; and expected volatility factor of 152%; an expected dividend yield of 0%; share price of \$0.06; and an expected life of 6.8 years with a probability of vesting as per the option granted on January 1, 2020, see note 13(iii). During the year ended March 31, 2021, the Company record a stock based compensation expenses of \$nil (Year ended March 31, 2020 - \$nil).

(v) On February 1, 2021, the Company granted 200,000 incentive stock options to an officer of the Company. The options are exercisable at \$0.15 per share for a period of 1.5 years, terminating on July 31, 2022. The grant date fair value of \$5,449 was assigned to the 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 0.15%; and expected volatility factor of 126%; an expected dividend yield of 0%; share price of \$0.07; and an expected life of 1.5 years. During the year ended March 31, 2021, the Company record a stock based compensation expenses of \$3,490 (Year ended March 31, 2020 - \$nil).

Details of the stock options outstanding at March 31, 2021 are as follows:

<b>Grant date fair value(\$)</b>	<b>Contractual life (years)</b>	<b>Number of options</b>	<b>Exercisable options</b>	<b>Exercise price (\$)</b>	<b>Expiry date</b>
3,625	0.00	33,333	33,333	0.30	April 1, 2021*
71,046	0.01	483,333	483,333	0.15	April 4, 2021*
34,563	0.53	300,000	300,000	0.15	October 9, 2021
5,449	1.33	200,000	-	0.15	July 31, 2022
270,745	2.53	1,850,000	1,850,000	0.15	October 9, 2023
338,534	3.20	4,000,000	4,000,000	0.15	June 10, 2024
75,180	3.72	1,250,000	833,334	0.15	December 16, 2024
134,335	5.76	2,723,404	-	0.15	January 1, 2027
10,635	5.76	624,113	-	0.15	January 1, 2027
<b>944,112</b>	<b>3.65</b>	<b>11,464,183</b>	<b>7,500,000</b>	<b>0.15</b>	

\*Subsequent to March 31, 2021 these options expired unexercised.

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

**16. Income taxes**

(a) Provision for income taxes

Major items causing the Company's income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2020 - 26.5%) were as follows:

	Year ended March 31,	
	2021	2020
Loss before income taxes	\$ (5,762,296)	\$ (23,893,148)
Expected loss tax recovery based on the statutory rate:	\$ (1,527,000)	\$ (6,332,000)
Adjustments to expected loss tax benefit:		
Share-based payments	47,000	81,000
Expenses not deductible for tax purposes	2,000	2,000
Other	(2,299,000)	5,354,000
Change in unrecorded deferred tax asset	3,777,000	895,000
Deferred income tax provision (recovery)	\$ -	\$ -

(b) Deferred income tax

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	March 31, 2021	March 31, 2020
Deductible temporary differences		
Non-capital loss carry-forwards	\$ 21,446,000	\$ 14,397,000
Exploration and evaluation assets	17,290,000	10,035,000
Share issue costs	102,000	171,000
Other temporary differences	16,215,000	256,000
Deductible temporary differences not recognized	\$ 55,053,000	\$ 24,859,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profits will be available against which the Company can use the benefits.

At March 31, 2021, the Company has estimated non-capital losses for Canadian income tax purposes of approximately \$21,446,000 (2020 - \$14,397,000) available to use against future taxable income. The non-capital losses expire between 2031 and 2041.

**17. Major shareholders and related party transactions**

**Major shareholders**

As of March 31, 2021, Greenstone holds a total of 132,580,000 common shares of the Company, representing approximately 43.1%. See note 12(b)(v) (March 31, 2020 - 43.1%)

As of March 31, 2021, Norvista holds a total of 82,925,238 common shares of the Company, representing approximately 26.9%. See note 12(b)(v) (March 31, 2020 - 27.0%)

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

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

**17. Major shareholders and related party transactions (continued)**

Related parties include the Board of Directors and key management personnel 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).

<b>Related Party</b>	<b>Nature of Relationship</b>
Durham Exploration Services Inc. (i)	Controlled by a former Director
Lapierre Exploration Services Inc. (ii)	Controlled by a former President and CEO
Norvista Capital Corporation (iii)	Shareholder of the Company and common directors
Greenstone Resources II LLP	Major shareholder of the Company and common directors

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

	<b>Year ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Geological consulting (i)	-	70,000
Geological consulting (ii)	-	153,000
Rent (iii)	-	6,500

Included in the March 31, 2021, amounts payable and other liabilities is \$5,503 due to related parties (March 31, 2020 - \$67,215). These amounts are unsecured, non-interest bearing and due on demand.

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:

	<b>Year ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Directors fees, management salaries and benefits	<b>1,025,000</b>	879,341
Share-based payments	<b>179,117</b>	304,377

See Note 12 (b)(v) and Note 18.

**18. Commitments and contingencies**

As at March 31, 2021, pursuant to the issuance of 87,760,833 flow-through shares on May 7, 2019, the Company is required to incur qualifying expenditures of approximately \$20,862,600 by December 31, 2020. On July 10, 2020, the Department of Finance proposed to extend the flow-through funds spend period and the look-back rule by one year, including suspending the Part XII.6 tax for the same period. The Company is subject to Part XII.6 taxes on any unspent flow-through expenditures after February 1, 2021 for flow-through funds raised in 2019. If the extension is finalized by the Department of Finance, the dates to incur Part XII.6 taxes will be extended by one year. The Company has indemnified the subscribers for any tax related amounts that become payable by the subscriber as a result of the Company not meeting its expenditure commitments. As of March 31, 2021 the Company has fulfilled approximately \$18,450,000 of the total commitment.

---

**Rockcliff Metals Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2021 and 2020**  
**(Expressed in Canadian dollars)**

---

**18. Commitments and contingencies (continued)**

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

In August 2020, the Company received a \$40,000 interest-free loan from the Emergency Business Account (CEBA) to support business by providing financing for their expenses and a loan forgiveness of 25% (up to \$10,000) if \$30,000 is repaid on or before December 31, 2022.

The Company has entered into an option agreement for the Bucko mill lease. As at March 31, 2021, the Company has a minimum commitment of \$80,000 with respect to this agreement due within 30 days.

The Company is party to certain management contracts. These contracts require payment of \$590,000 upon the occurrence of a change of the Company, as defined by each officers' respective consulting agreement. The Company is also committed to payments upon termination of approximately \$590,000 pursuant to the terms of these contracts. As a triggering event has not taken in place, these amounts have not been recorded in these consolidated financial statements.

**19. Subsequent event**

On July 6, 2021, the Company closed the Share Purchase Agreement ("SPA") and sold to KG Exploration (Canada) Inc. ("Purchaser") all issued and outstanding common shares in the capital of Goldpath Resources Corp. for a total consideration of \$3,000,000 and the following royalties in favour to the Company:

- a 2% net smelter returns royalty ("NSR") in respect of mineral extracted from the BER Property (included in the Snow Lake Gold Property and Laguna Property), under on the terms and conditions set forth in the BER Royalty Agreement ("BER Royalty") and including: i) a right in favour of the Purchaser to purchase from the Company up to a 1% BER Royalty in 0.5% increments for \$500,000 per increment for an aggregate cost of \$1,000,000, and ii) a right of first refusal in favour of the Purchaser to purchase the BER Royalty on the same terms as the Company is prepared to sell the BER Royalty;
- a 2% net smelter returns royalty ("NSR") in respect of mineral extracted from the DSN Property (included in the Snow Lake Gold Property and Laguna Property) on the terms and conditions set forth in the DSN Royalty Agreement ("DSN Royalty") and including: i) a right in favour of the Purchaser to purchase from the Company up to a 1% DSN Royalty in 0.5% increments for \$500,000 per increment for an aggregate cost of \$1,000,000, and ii) a right of first refusal in favour of the Purchaser to purchase the DSN Royalty on the same terms as the Company is prepared to sell the DSN Royalty; and
- if applicable, promptly following the exercise of the option in the SLG Agreement: a 0.5% net smelter returns royalty in respect of mineral extracted from the SLG Property (included in the Snow Lake Gold Property and Laguna Property) on the terms and conditions set forth in SLG Royalty Agreement ("SLG Royalty") and including a right of first refusal in favour of the Purchaser to purchase the SLG Royalty on the same terms as the Company is prepared to sell the SLG Royalty.
- Transaction fee payable to Red Cloud Securities Inc. at 4.8% given the transaction value is \$3,000,000; cash bonus of \$5,000 for each 1% NSR - 2% NSR for each of the BER and DSN properties and 0.5% for SLG.