



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**QUARTERLY HIGHLIGHTS**

**For the Three and Nine Month Periods Ended December 31, 2021**

**February 23, 2022**

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following is Management's Discussion and Analysis ("MD&A") of the factors management believes are relevant to assessing and understanding the consolidated financial condition and results of operations for Rockcliff Metals Corporation (the "Company" or "Rockcliff") for the three and nine month periods ended December 31, 2021.

This MD&A should be read in conjunction with Rockcliff's unaudited condensed interim consolidated financial statements and related notes for the three and nine months ended December 31, 2021, which are prepared in condensed format in accordance with International Financial Reporting Standards ("IFRS") as applicable to preparation of interim financial statements, including International Accounting Standard IAS 34 Interim Reporting ("IAS 34"). The unaudited condensed interim consolidated financial statements should also be read in conjunction with the audited consolidated financial statements and the related notes for the twelve months ended March 31, 2021.

Results are reported in Canadian dollars, unless otherwise noted, and have been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis. The results presented for the three and nine months ended December 31, 2021 are not necessarily indicative of the results that may be expected for any future period.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors.

The Company is a reporting issuer in the provinces of British Columbia, Alberta, Manitoba and Ontario and trades on the Canadian Securities Exchange ("CSE") under the symbol "RCLF" (OTCQB: RKCLF).

This MD&A contains certain forward-looking statements. Refer to the cautionary language at the end of this MD&A. Information contained herein is presented as at February 23, 2022 unless otherwise indicated.

## **DESCRIPTION OF BUSINESS**

Rockcliff is a Canadian resource development and exploration company with several advanced-stage, high-grade VMS dominant copper and zinc deposits in the Snow Lake area of central Manitoba. The Company is a major landholder in the Flin Flon-Snow Lake greenstone belt (the "Belt") which is the largest Paleoproterozoic VMS district in the world, hosting high-grade mines and deposits containing copper, zinc, gold and silver. The Company's extensive portfolio of properties totals approximately 4,000 km<sup>2</sup> and includes seven of the highest grade, unmined VMS deposits in the Belt. Rockcliff has a joint venture with Hudbay Minerals Inc. at the Company's 49% owned Talbot Property which hosts the Talbot Copper Deposit.

## QUARTER ENDED DECEMBER 31, 2021 HIGHLIGHTS

- Announced the results of the Mineral Resource Estimate on the Company's recently acquired 100% owned Bur Deposit. Results include 3.02Mt Measured and Indicated at 3.84 % copper equivalent and 2.34Mt Inferred at 4.00% copper equivalent.
- Announced assay results for the on-going drill program at Copperman, including significant interpreted true thickness and grades as follows:
  - RCU21-001: 7.1 m grading 3.06% CuEq including 5.0 m grading 4.00% CuEq
  - RCU21-002: 6.0 m grading 4.35% CuEq including 4.0 m grading 5.89% CuEq
  - RCU21-003: 8.3 m grading 3.33% CuEq including 5.3 m grading 4.62% CuEq
  - RCU21-004: 5.0 m grading 2.64% CuEq including 3.0 m grading 3.32% CuEq
  - RCU21-001: 7.1 m grading 3.06% CuEq including 5.0 m grading 4.00% CuEq
  - RCU21-002: 6.0 m grading 4.35% CuEq including 4.0 m grading 5.89% CuEq
  - RCU21-003: 8.3 m grading 3.33% CuEq including 5.3 m grading 4.62% CuEq
  - RCU21-004: 5.0 m grading 2.64% CuEq including 3.0 m grading 3.32% CuEq
- Closed a non-brokered private placement issuing 15,592,332 flow-through units (the "FT Units") at a price of \$0.06 per FT Unit for aggregate gross proceeds of \$935,540. Each FT Unit consisted of one flow-through common share (a "Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"), with each Warrant exercisable at a price of \$0.10 per share of the Company for a period of two years.
- Subsequent to quarter end the Company announced the highlights of the Preliminary Economic Assessment ("PEA") on the Company's 100% owned Tower and Rail Project. Highlights include:
  - After tax NPV8 of \$128.6 million and an IRR of 67%;
  - Initial capital of \$81.0 million;
  - Near term production possible with a 16-month construction period;
  - Initial capital paid back within 12 months of Commercial Production; and
  - 9.5 year life of mine, with opportunities for mine life expansion.
- Subsequent to quarter end, the Company announced that the Board had formed a Special Committee to evaluate strategic alternatives to surface value for all shareholders and has retained INFOR Financial Inc. ("INFOR Financial") as its strategic advisor to pursue, engage and evaluate strategic alternatives to advance the Company's Manitoba assets and unlock value for shareholders. There can be no assurance that the Company's strategic review process will result in any transaction or investment.

## CORPORATE DEVELOPMENTS

### Management Changes

Subsequent to quarter end, on January 13, 2022, the Company announced the appointment of Ken Lapierre, previously Vice-President of Exploration, to the role of Interim President and CEO. Concurrently Don Christie announced his departure from his management role at the Company due to other commitments. Ken Lapierre is the founder and a Director of the Company. He is a Professional Geologist, with over 35 years experience in exploration, discovery, production and mining in base and precious metals across North and South America.

Subsequent to quarter end, the Company announced that the Board had formed a Special Committee to evaluate strategic alternatives to surface value for all shareholders and has retained INFOR as its strategic advisor. INFOR Financial will work collaboratively with the Rockcliff management team, the Special Committee and Board of Directors to pursue, engage and evaluate strategic alternatives to advance the Company's Manitoba assets and unlock value for shareholders. INFOR Financial is one of Canada's top ranked independent advisory investment banks. Since inception, INFOR Financial has advised on transactions totaling over \$26 billion in value, across a broad range of sectors including financial services, mining, technology, media, communications, healthcare/cannabis, energy, and diversified industries. There can be no assurance that the Company's strategic review process will result in any transaction or investment.

### NI 43-101 PEA Study Results

Subsequent to quarter end, on February 1, 2022, the Company announced the results of its PEA for the Company's 100% owned Tower and Rail Project, located in the Flin Flon-Snow Lake Greenstone Belt in the Snow Lake area of central Manitoba. All references to currency herein are in Canadian dollars unless otherwise specified.

	<b>Base Case</b> (Nov 30, 2021 trailing 18 month average)	<b>Spot Price Case</b> (Jan 19, 2022)
<b>Metal Price Assumptions (US\$)</b>	\$3.76/lb Cu \$1.25/lb Zn \$1,828/oz Au \$24.64/oz Ag	\$4.44/lb Cu \$1.63/lb Zn \$1,840/oz Au \$24.12/oz Ag
<b>FX Rate (CAD: USD)</b>	0.78	0.80
<b>NPV pre-tax (8% discount) / IRR (100% equity)</b>	\$206.6 million / 83%	\$318.6 million / 123%
<b>NPV after tax (8% discount) / IRR (100% equity)</b>	\$128.6 million / 67%	\$208.9 /105%
<b>LOM undiscounted pre-tax free cash flow</b>	\$344.5 million	\$514.5 million

	<b>Base Case</b> (Nov 30, 2021 trailing 18 month average)	<b>Spot Price Case</b> (Jan 19, 2022)
<b>LOM undiscounted after-tax free cash flow</b>	\$216.9 million	\$336.7 million
<b>Initial capital investment (incl 20% contingency)</b>	\$81.0 million	\$81.0 million
<b>Profitability index (NPV<sub>8</sub>/IRR)</b>	1.6x	2.6x
<b>Construction period</b>	16 months	16 months
<b>Payback from commencement of commercial production ("CP")</b>	12 months	7 months
<b>Life of mine ("LOM")</b>	9.5 years	9.5 years
<b>Annual CuEq production (years 1-4)</b>	14.0ktpa	14.0ktpa
<b>Annual CuEq production (LOM)</b>	11.9ktpa	11.9ktpa
<b>All-in sustaining cost/lb Cu (net of by-products)</b>	US\$2.46/lb	US\$2.13/lb

The PEA was commissioned in 2021 with the aim of exploring alternative development approaches in order to reduce initial capital requirements and improve financeability of the Project. It is proposed that the Project be constructed as underground mines, using the Alimak raise mining method, with dual concentrates of copper and zinc produced on site through the use of a modular mill. Rockcliff considers the study a huge success as the results support the view that the Project can be developed in a low capital intensive manner with a very short payback period. The forecast potential economic returns from the Project justify further development and advancing work to secure the required permits for operation. The Study supersedes all previous studies and incorporates the updated Mineral Resource Estimates for the Tower and Rail Properties. The study was authored by A-Z Mining Professionals Ltd. ("AMPL").

As part of the PEA, an update Mineral Resource Estimate was prepared, which supersedes previous estimates published by the Company. The mineral resource estimate uses a recovered value cut-off of \$80/tonne. Apart from updated specific gravity calculations, no additional information or drill results were included in this Mineral Resource Estimate.

#### **Tower Mineral Resource Estimate**<sup>1-7</sup>

<b>Category</b>	<b>Tonnes</b>	<b>Cu (%)</b>	<b>Zn (%)</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>
Indicated	1,711,000	3.28	1.04	0.7	16.5
Inferred	499,000	1.74	1.16	0.2	8.4

#### **Rail Mineral Resource Estimate**<sup>1-7</sup>

<b>Deposit</b>	<b>Tonnes</b>	<b>Cu (%)</b>	<b>Zn (%)</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>
Indicated	2,053,000	1.87	0.59	0.6	6.1
Inferred	1,079,000	2.14	0.83	0.9	7.6

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Resources calculated using MineSight® software
3. Mineral Resources are estimated at a cut-off grade of \$80 per tonne in-situ value
4. The Mineral Resource figures herein are estimates based on information at the time calculation and are not Mineral Reserves, i.e., they do not yet demonstrate economic viability of the deposit.
5. The mineable in-situ resources constitute approximately 65% of the global Mineral Resources.
6. Mineral Resources were estimated using the following prices in US\$: Copper, \$3.52/lb, Zinc, \$1.18/lb, Gold, 1817/Tr oz, and Silver, \$23.75/Tr oz
7. The numbers for tonnage, average grade and contained pounds metal as well as ounces of precious metals are rounded figures.

Full details of the PEA in the form of a technical report for the purposes of NI 43-101 will be filed on SEDAR within the next 45 days.

### **Flow Through Financing**

On December 31, 2021, the Company closed a non-brokered Private Placement and issued 15,592,332 FT Units at a price of \$0.06 per FT Unit for aggregate gross proceeds of \$935,540 (net proceeds of \$873,412).

Each FT Unit consists of one Share and one-half of one common share purchase warrant, with each whole Warrant exercisable at a price of \$0.10 per share of the Company for a period of two years.

The Company has paid cash finder's fees of \$62,128 and issued 1,035,463 Finder's Warrants. The Finder's Warrants are exercisable at a price of \$0.06 per share for a period of two years.

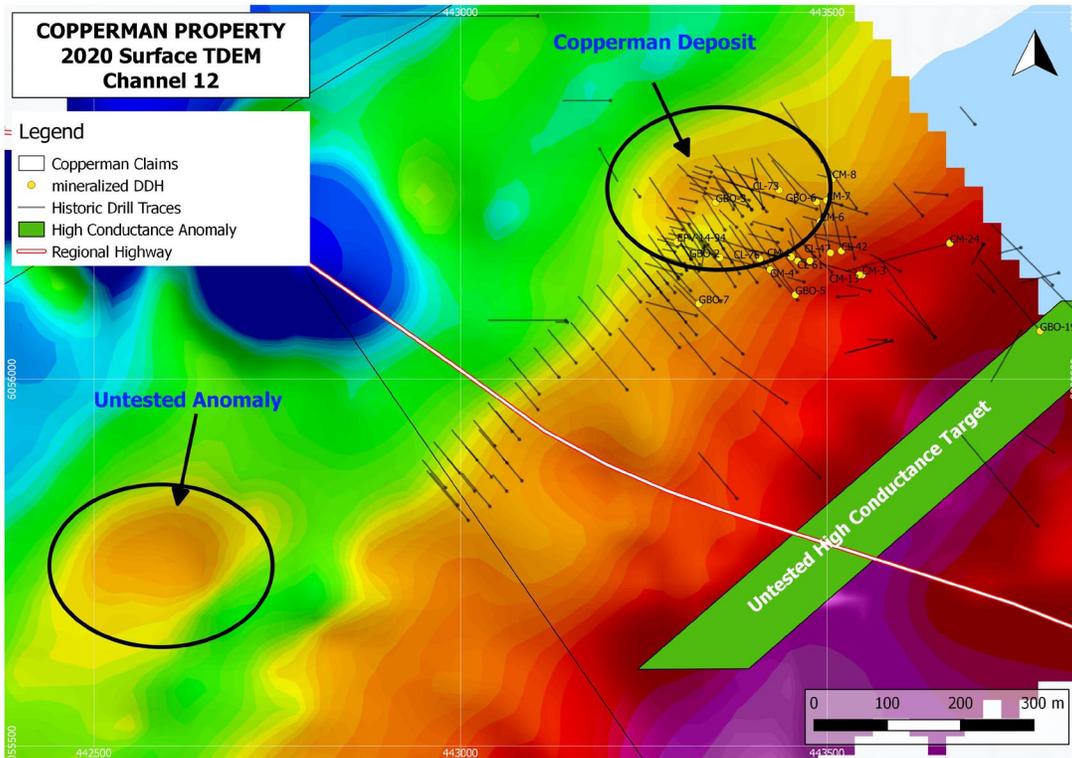
All of the securities issued under the Private Placement will be subject to a hold period of four months and one day from the date of issuance in accordance with applicable securities laws.

The Company intends to use the net proceeds of the Private Placement for "Canadian exploration expenses" that will qualify as "flow-through mining expenditures" as defined in the Income Tax Act (Canada) on the Company's Copperman and Bur Properties, which will be incurred before December 31, 2022.

## **EXPLORATION UPDATES**

### **Copperman Property**

The Company commenced a drill program at the Copperman property during the quarter. The drilling will test the historical Copperman Cu-Zn Deposit and several nearby untested surface geophysical anomalies. The Copperman Cu-Zn Deposit was discovered in 1927 by surface trenching. Mineralization is associated with at least two zones of high-grade mineralization.



**Figure 1:** Plan Surface TDEM view of Copperman Property Highlighting the Historical Copperman Deposit and Surface Untested Geophysical Anomalies.

To-date, a total of 22 holes have been completed totalling 4,241 metres targeting in and around the historical Copperman deposit. Holes RCU021-18 to RCU021-022 are out for assay or presently being split and sampled. Results will be reported on when received from the assay lab. The results of holes RCU021-01 to RCU021-17 are included in the table below.

Hole #	From (m)	To (m)	Length (m)	Copper %	Zinc %	Gold g/t	Silver g/t	CuEq*
RCU21-001	42.88	50.00	7.12	1.88	2.52	0.18	6.00	<b>3.06</b>
includes	44.00	49.00	5.00	2.47	3.24	0.24	7.93	<b>4.00</b>
RCU21-002	52.00	58.00	6.00	2.82	3.09	0.27	10.95	<b>4.35</b>
includes	53.00	57.00	4.00	3.86	4.04	0.38	14.95	<b>5.89</b>
includes	54.00	55.00	1.00	7.11	9.95	0.79	27.60	<b>11.88</b>
RCU21-003	71.70	80.00	8.30	1.88	3.29	0.12	7.36	<b>3.33</b>
includes	71.70	77.00	5.30	2.61	4.56	0.17	10.12	<b>4.62</b>
includes	71.70	72.70	1.00	5.13	7.50	0.22	17.90	<b>8.39</b>
RCU21-004	95.40	97.00	1.60	2.06	0.92	0.32	7.90	<b>2.76</b>
and	114.00	119.00	5.00	0.48	5.32	0.07	3.80	<b>2.64</b>
includes	114.00	117.00	3.00	0.60	6.75	0.07	4.33	<b>3.32</b>
RCU21-006	107.00	110.00	3.00	0.44	7.24	0.14	4.67	<b>3.41</b>
includes	109.00	110.00	1.00	0.85	9.40	0.15	6.90	<b>4.69</b>
RCU21-007	147.00	148.00	1.00	0.37	2.34	0.20	2.70	<b>1.46</b>

RCU21-008	76.00	77.00	1.00	0.70	0.83	0.03	3.20	<b>1.08</b>
RCU21-009	59.00	65.00	6.00	3.31	3.36	0.23	11.22	<b>4.91</b>
includes	61.00	65.00	4.00	4.70	3.89	0.30	15.45	<b>6.61</b>
and	79.00	91.00	12.00	0.39	1.16	0.10	2.82	<b>0.95</b>
includes	90.00	91.00	1.00	2.00	2.64	0.42	12.40	<b>3.48</b>
RCU21-010	86.00	96.00	10.00	4.39	4.05	0.57	14.86	<b>6.58</b>
includes	88.00	92.00	4.00	9.08	8.10	1.10	30.28	<b>13.49</b>
RCU21-011	143.00	148.00	5.00	0.22	5.42	0.06	2.35	<b>2.39</b>
includes	145.60	147.00	1.40	0.35	10.30	0.10	4.90	<b>4.47</b>
RCU21-012	165.12	174.12	<b>9.00</b>	0.56	2.24	0.07	2.48	<b>1.51</b>
includes	165.12	168.12	<b>3.00</b>	1.27	2.82	0.15	5.13	<b>2.54</b>
RCU21-013	180.30	186.30	<b>6.00</b>	0.09	0.94	0.01	0.70	<b>0.92</b>
RCU21-014	103.50	114.25	<b>10.75</b>	2.04	2.55	0.23	7.05	<b>3.28</b>
includes	105.50	111.25	<b>5.75</b>	3.23	3.33	0.29	10.70	<b>4.86</b>
includes	110.25	111.25	<b>1.00</b>	7.75	2.70	0.42	23.20	<b>9.37</b>
RCU21-015	73.35	74.35	<b>1.00</b>	0.67	2.67	0.05	2.10	<b>1.76</b>
and	107.10	108.10	<b>1.00</b>	0.14	3.59	0.04	2.10	<b>1.59</b>
RCU21-016	105.00	116.00	<b>11.00</b>	1.33	1.76	0.08	3.95	<b>2.12</b>
includes	106.00	113.10	<b>7.10</b>	1.92	2.23	0.10	5.60	<b>2.93</b>
includes	112.00	113.10	<b>1.10</b>	2.30	5.48	0.15	7.60	<b>4.62</b>
and	122.00	130.45	<b>8.45</b>	0.41	1.09	0.22	3.23	<b>1.04</b>
RCU21-017	135.83	138.86	<b>3.03</b>	2.14	4.14	0.25	7.34	<b>4.02</b>
includes	145.60	147.00	<b>1.40</b>	0.35	10.30	0.10	4.90	<b>4.47</b>

RCU021-005 did not have significant mineralization, (m) = metres represent interpreted true thickness, % = percentage, g/t = grams per tonne, \*CuEq = copper equivalent value used US\$3.25/pound copper, US\$1.25/pound zinc, US\$1750/ troy ounce gold and US\$22 /per ounce silver. CuEq = Cu grade % + (Zn grade % X Zn price per lb / Cu price per pound) + (Au grade g/t X Au price per gram / Cu price per tonne) X 100 + (Ag grade g/t X Ag price per gram / Cu price per tonne) X 100. No process recoveries or smelter payables were included in the calculation. The numbers may not add up due to rounding.

Additional drill hole information is summarized below.

Hole #	UTM-E	UTM-N	Dip°	Azimuth°	Length-metres
RCU21-001	443288	6056177	-45	325	151
RCU21-002	443304	6056171	-45	325	101
RCU21-003	443316	6056153	-45	325	131
RCU21-004	443317	6056158	-65	325	176
RCU21-005	443347	6056115	-58	318	203
RCU21-006	443305	6056129	-45	325	145
RCU21-007	443305	6056129	-62	325	197
RCU21-008	443270	6056175	-45	325	135
RCU21-009	443312	6056193	-51	325	149
RCU21-010	443333	6056166	-55	325	185

RCU21-011	443347	6056137	-55	325	212
RCU21-012	443380	6056111	-55	325	245
RCU21-013	443380	6056111	-60	325	251
RCU21-014	443349	6056136	-48	325	221
RCU21-015	443312	6056199	-55	345	164
RCU21-016	443339	6056156	-55	345	185
RCU21-017	443365	6056120	-55	345	209.5

### TGR Ni-PGE Prospect, Tower Property

Four holes totalling 1,175 metres were completed as of the date of this MD&A, as a follow up on the discovery hole and additional drilling completed in 2020. Assay results are pending. The TGR Ni-PGE discovery hole was initially tested for potential VMS mineralization associated with a large interpreted VMS target located 600 metres south of the Company's high-grade Tower Copper Deposit. The 2020 discovery hole intersected significant nickel-PGE mineralization at a down hole depth of 244.8 metres.

From	To	Length	Ni%	Pt gpt	Pd gpt	Rh gpt	Ir gpt	Os gpt	Ru gpt	NiEq %
<b>244.8</b>	<b>247.2</b>	2.4	2.53	1.32	3.35	0.48	0.45	0.69	1.53	<b>4.99</b>
<b>244.8</b>	<b>246.7</b>	1.9	3.08	1.64	4.20	0.60	0.56	0.87	1.92	<b>6.17</b>
<b>245.45</b>	<b>246.7</b>	1.25	4.46	2.28	6.13	0.88	0.83	1.29	2.84	<b>8.96</b>
<b>245.45</b>	<b>245.7</b>	0.25	10.80	9.19	14.50	2.51	1.85	2.70	7.40	<b>22.82</b>

Nickel Equivalent ("NiEq") metals values used in the April 30, 2020 press release were US\$6.10/pound nickel, US\$1,450/ounce palladium, US\$865/ounce platinum, US\$6,000/ounce rhodium, US\$1,675/ounce Iridium, US\$400/ounce osmium and US\$280/ounce ruthenium. No process recoveries or smelter payables were included in the calculation. True thickness is not presently known at this time.

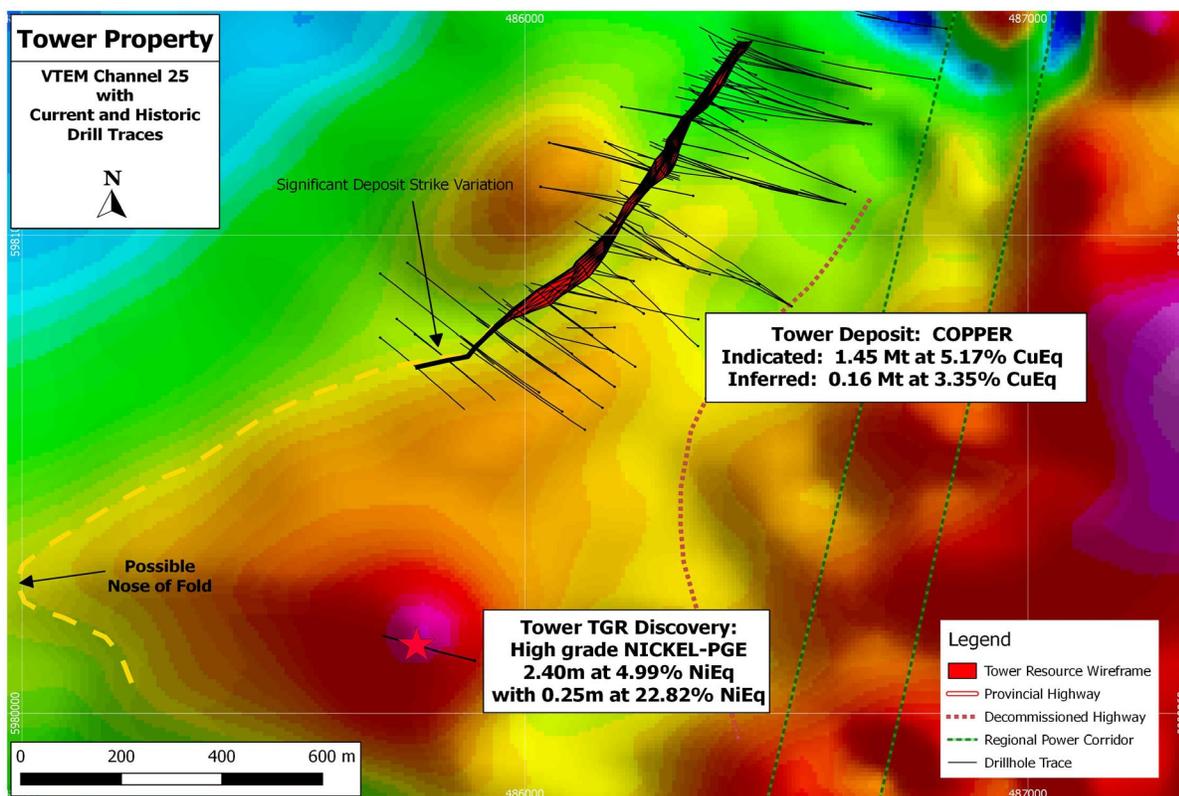


Figure 2: Tower TGR Ni-PGE Prospect

## SLS #1-#5 Properties

The favourable VMS geology within the Company's 100% owned SLS properties are buried under a thin limestone cover from bedrock in the north to depths of approximately 100 m vertical in the south. The SLS properties represent a significant and strategic land package of underexplored VMS potential located in the southern half of the prolific Belt that hosts the Flin Flon and Snow Lake VMS mining camps. A total of over 2,200 kilometres of airborne VTEM flying has been completed over specific strategic areas of the properties that represent high priority areas interpreted as VMS conductive trends. The purpose of the program will be to isolate anomalies with potential VMS upside in preparation of a planned drill program in early 2022.

## FINANCIAL RESULTS OF OPERATIONS

	3 months ended December 31,		9 months ended December 31,	
	2021	2020	2021	2020
Exploration costs	1,638,985	706,840	2,581,861	3,128,118
Salaries and fees	189,836	341,324	788,874	1,018,731
Legal and professional	79,530	46,987	165,309	161,247
Investor relations	18,024	10,926	131,862	49,500
General and administrative	64,221	60,858	192,994	211,489

Technical studies	106,337	225,648	355,633	994,032
Share-based payments	16,039	39,535	65,201	142,109
Right-of-use asset amortization	-	3,656	-	10,968
Depreciation	2,409	3,113	7,613	9,667
Mill lease option payments	-	240,000	240,000	542,800
<b>Loss from operations</b>	<b>(2,115,381)</b>	<b>(1,678,887)</b>	<b>(4,529,347)</b>	<b>(6,268,661)</b>
Interest income	5,065	7,914	19,956	45,815
Foreign exchange (loss) gain	233	168	(187)	(13)
Amortization of flow-through premium	468,334	356,145	881,162	1,585,072
Gain on sale of equipment	-	-	16,269	-
Gain on sale of mineral exploration property, net	-	-	2,844,030	-
<b>Net and Comprehensive income (loss)</b>	<b>(1,641,749)</b>	<b>(1,314,660)</b>	<b>(768,117)</b>	<b>(4,637,787)</b>
<b>Basic and diluted net income (loss) per share</b>	<b>0.01</b>	<b>(0.00)</b>	<b>0.00</b>	<b>0.02</b>

The Company had a net and comprehensive loss for the three and nine months ended December 31, 2021 of \$1,641,749 and \$768,117, respectively, compared to net losses of \$1,314,660 and \$4,637,787 in the respective comparable periods.

The difference between the comparable three-month periods is primarily attributable to:

- Mineral exploration costs increased to \$1,638,985 (\$706,840 in the comparable quarter). Current quarter expenditures relate to mobilization of drill contractors to support the drill programs at Copperman and Tower, as described earlier in this MD&A. In the comparable quarter drilling focused on smaller programs testing extensions to the Tower deposit.
- Salaries and fees decreased to \$189,836 (\$341,324 in the comparable quarter). Decrease is attributable to reduction in management team size and reduction in director fees for the Company.
- Legal and professional expenses increased in the current quarter to \$79,530 (\$46,987 in the comparable period). Current period costs relate to corporate advisory, on-going general corporate legal counsel, accounting, and audit support services.
- Investor relations increased to \$18,024 in the current period related to the Company's annual general meeting costs (\$10,926 in the comparable period).
- General and administrative expense increased to \$66,221 (\$60,858 in the comparable period). General and administrative expenditures include ongoing administrative and corporate costs associated with running the business.
- Technical studies decreased to \$106,337 (\$225,648 in the comparable period). Current quarter expenditures relate to the revised PEA completed on the Tower and Rail deposits, as discussed earlier in this MD&A.
- Share based payments decreased in current period to \$16,039 (\$39,535 in the comparable period). The decrease is related to fewer options vesting as a result of the forfeited stock options during the quarter.
- Lease option payments decreased in the current period to nil (\$240,000 in the comparable period). The Company terminated its lease option on the Bucko Mill. No

additional lease option payments have been, or are required to be made to the owner of the Bucko Mill.

- Interest income decreased to \$5,065 (\$7,914 in the comparable period) due to declining cash balance.
- Amortization of flow-through premium increased to \$468,334 (\$356,145 in the comparable period) as a result of flow through related expenditures in the current period.

The difference between the comparable nine-month periods is primarily attributable to:

- Mineral exploration costs decreased to \$2,581,861 (\$3,128,118 in the comparable quarter). Current period expenditures relate to commencement of an airborne VTEM survey over the Company's SLS properties and drilling related expenditures on the Copperman Property and Tower TGR prospect, as described earlier in this MD&A.
- Salaries and fees decreased to \$788,874 (\$1,018,731 in the comparable quarter). Current period cost decreased as a result of reduction in management team size, and reduction in director fees.
- Legal and professional expenses in the current period were \$165,309 (\$161,247 in the comparable period). Current period costs relate to on-going general corporate legal counsel, corporate advisory, accounting, and audit support services.
- Investor relations increased to \$131,862 in the current period (\$49,500 in the comparable period). Investor relations expenditures incurred in the current period relate to marketing support contracts as disclosed in the Company's press release on April 15, 2021.
- General and administrative expense decreased to \$192,994 (\$211,489 in the comparable period). General and administrative expenditures include ongoing administrative and corporate costs associated with running the business.
- Technical studies decreased to \$355,633 (\$994,032 in the comparable period). Current period expenditures relate to a desk-top study, as well as the resulting PEA that was commissioned to be completed on the Tower and Rail Properties, as discussed earlier in this MD&A. The comparable period includes the costs associated with the original PEA completed on Tower and Rail, which was press released and filed on SEDAR on January 25, 2021.
- Share based payments decreased in current period to \$65,201 (\$142,109 in the comparable period). The decrease is related to fewer options vesting as a result of the forfeited stock options during the period.
- Lease option payments decreased in the current period to \$240,000 (\$542,800 in the comparable period). The current period expenditures decrease is a result of the Company terminating its lease option on the Bucko Mill. No additional lease option payments have been, or are required to be made to the owner of the Bucko Mill.
- Interest income decreased to \$19,656 (\$45,815 in the comparable period) due to declining cash balance.
- Amortization of flow-through premium decreased to \$881,162 (\$1,585,072 in the comparable period) as a result of flow through related expenditures in the current period.

- Gain on sale of equipment of \$16,269 (nil in the comparable period) relates to the sale of unused office furniture. The office furniture was fully expensed in prior periods and had nil value as a book basis.
- Gain on sale of mineral properties was \$2,844,030 (nil in the comparable period) relates to the Company's wholly owned Goldpath subsidiary. See July 20, 2021 press release for additional information related to the sale.

## **LIQUIDITY AND FINANCIAL POSITION**

As at December 31, 2021, the Company had cash and cash equivalents of \$3,544,373 compared to \$4,529,363 as at March 31, 2021. This is a result of expenditures incurred on exploration, project studies and general corporate purposes, offset by the net cash proceeds of \$2,844,030 from the sale of Goldpath to Kinross and proceeds from the private placement of \$873,412, as previously discussed.

The Company had net working capital of \$3,459,789 at December 31, 2021 (March 31, 2021 - working capital of \$3,281,980).

Current liabilities totalled \$261,476 as at December 31, 2021 compared to \$1,309,682 as at March 31, 2021.

As at December 31, 2021, and to the date of this MD&A, the Canadian dollar resources of the Company are held with the Royal Bank of Canada in Toronto.

In August 2020, the Company received \$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 is repaid on or before December 31, 2022. On January 22, 2022 the Canadian government announced an extension to the CEBA loan repayment period by 12 months to December 31, 2023.

Other amounts payable and other liabilities are short-term and non-interest bearing.

The Company's liquidity risk with financial instruments is minimal as excess cash is invested in highly liquid, and from time to time invested in redeemable bank-backed guaranteed investment certificates.

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its exploration costs and the funding of operating and general and administrative expenses.

## **CAPITAL RISK MANAGEMENT**

The Company manages its capital with the following objectives:

- (a) to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and

(b) to maximize shareholder return through enhancing 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 flow requirements based on operating expenditures and other investing and financing activities. The forecast is updated based on activities related to the Company's various properties.

The Company's capital management objectives, policies and processes have remained unchanged during the three months ended December 31, 2021. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2 of the Canadian Securities Exchange (CSE). As of date of this MD&A, the Company is compliant with Policy 2 of the CSE.

## **MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

### **Major shareholders**

As of December 31, 2021, Greenstone Resources LP holds a total of 132,580,000 common shares of the Company, representing approximately 41.0%.

As of December 31, 2021, Olive Resources (previously "Norvista Capital Corporation") and associated companies hold a total of 82,925,238 common shares of the Company, representing approximately 25.6%.

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

### **Related party transactions**

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.

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		Nine months ended	
	December 31,		December 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Directors' fees, management salaries and benefits	157,621	237,500	751,562	712,500
Share-based payments	16,039	39,535	65,201	142,109

## COMMITMENTS

As at December 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, 2019 and December 16, 2020, the Department of Finance proposed to extend the flow-through funds spend period, filing and payment, 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, 2022 for flowthrough funds raised in 2019. Since the proposal by the Department of Finance received Royal assent on June 29, 2021, the dates to incur Part XII.6 taxes will be extended by one year, however, if the amounts are not expended by the end of 2021 for agreements entered in 2019 or by the end of 2022 for agreements entered into in 2020, the additional 10% tax under Part XII.6 will apply. 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 December 31, 2021, the Company has fulfilled the total commitment.

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.

## TRENDS

The Company is a mineral exploration and development company, focused on the exploration and development of mineral properties. The Company has a significant portfolio of exploration and pre-development assets in Manitoba. The Company's financial success will be largely dependent upon the extent to which it successfully explores and develops its Manitoba properties.

The Company continues to be cautiously optimistic with regard to the improvement in commodity prices as well as an improvement in the sentiment in the junior resource market.

## ENVIRONMENTAL LIABILITIES

The Company's exploration and development activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of the date of this MD&A, the Company does not believe that there are any environmental obligations requiring material capital outlays.

## TECHNICAL DISCLOSURE

Technical disclosure with respect to the portfolio of properties focussed in Snow Lake, Manitoba in this MD&A was reviewed and approved by Ken Lapierre, P. Geo a "Qualified Person" within the meaning of NI 43-101.

## OUTSTANDING SHARE DATA

The following share capital information is presented as at the date of this MD&A:

		Average exercise price	Expiry date range
<b>Shares outstanding, February 23, 2022</b>	323,486,019		
<b>Stock options outstanding</b>	8,904,964	\$0.15	October 9, 2023 – January 1, 2027
<b>Warrants outstanding</b>	7,796,166	\$0.15	December 31, 2023
<b>Broker warrants outstanding</b>	1,035,464	\$0.06	December 31, 2023
<b>Fully diluted share capital</b>	<b>341,222,613</b>		

## ACCOUNTING POLICIES

### New standards not yet adopted

#### Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability

- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted.

The extent of the impact of adoption of this amendment has not yet been determined.

## **RISK FACTORS**

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

The following list is a summary of existing and future material risks to the business of the Company. Each of the Company's major risk factors are discussed in more detail in the Company's MD&A dated July 27, 2021 for the year ended March 31, 2021 posted on the Company's website and filed with the Canadian securities regulatory authorities on SEDAR at <http://www.sedar.com>.

The risks below are not listed in any particular order and are not exhaustive. Additional risks and uncertainties not currently known to the Company, or those that it currently deems to be immaterial, may become material and adversely affect the Company's business. The realization of any of these risks may materially and adversely affect the Company's business, financial condition, results of operations and/or the market price of the Company's shares.

- Exploration, Development and Operating Risks
- Risks Associated with the Company's Properties
- Current Economic Conditions
- Operating History
- Drilling and Production Risks Could Adversely Affect the Mining Process
- Reliability of Resource Estimates
- Insurance and Uninsured Risks
- Environmental Risks and Hazards
- Infrastructure
- Land Title
- Competition
- Additional Capital
- Commodity Prices
- Government Regulation
- Market Price of Common Shares
- Dividend Policy
- Future Sales of Common Shares by Existing Shareholders

- Key Executives
- Conflicts of Interest

## FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward looking statement	Assumptions	Risk factors
<p>The Company’s properties may contain economic deposits of copper, gold, zinc and silver. The Company may take some of its projects into production.</p>	<p>The Company will fund the costs of its exploration activities on its Manitoba properties from its own cash reserves; the actual results of the Company’s exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company’s expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions</p>	<p>Copper, gold, zinc and silver price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company’s expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; exchange rate fluctuations; changes in economic and political conditions; the Company’s ability to retain and attract skilled staff. Inadequate</p>

Forward looking statement	Assumptions	Risk factors
	<p>are favourable to the Company; the price of copper, gold, zinc and silver and exchange rates will be favourable to the Company; no title disputes exist or will exist with respect to the Company's properties. The Company will complete satisfactory studies on select projects that will provide economic support to justify development decisions. Please refer to "Risk Factors".</p>	<p>positive economic data from the pre-feasibility studies to support a construction decision.</p>
<p>The Company will be able to carry out anticipated business plans, including costs and timing for future exploration and development on its property interests.</p>	<p>The exploration and predevelopment activities of the Company for the period, and the costs associated therewith, will be consistent with the Company's current expectations; financing will be available for the Company's exploration and development activities and the results thereof will be favourable; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; the price of copper, gold, zinc and silver will be favourable to the Company; no title disputes exist with respect to the Company's properties.</p>	<p>Copper, gold, zinc and silver price volatility, changes in equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration and predevelopment results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; exchange rate fluctuations; changes in economic and political conditions; the Company may be unable to retain and attract skilled staff; receipt of applicable permits.</p>

Forward looking statement	Assumptions	Risk factors
Management's outlook regarding future trends.	Financing will be available for the Company's exploration and development activities; the price of copper, gold, zinc and silver will be favourable to the Company.	Copper, gold, zinc and silver price volatility; changes in debt and equity markets; exchange rate fluctuations; changes in economic and political conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section above. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

**ADDITIONAL INFORMATION**

Further information about the Company and its operations is available on the Company's website at [www.rockcliffmetals.com](http://www.rockcliffmetals.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).