

ROCKCLIFF RESOURCES INC.

Management's Discussion and Analysis

For the Period Ended May 31, 2009

(Prepared as at July 30, 2009)

The following discussion of financial condition, changes in financial condition and results of operations has been prepared by the Company's management. This document is intended to accompany the unaudited interim financial statements as at May 31, 2009 and should be read in conjunction with those financial statements.

FORWARD LOOKING INFORMATION

This MD&A contains forward-looking statements that involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company, or the industry in which it operates, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this document, the words "may", "should", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" the negative thereof, other variations thereon, or comparable terminology are intended to identify forward-looking statements. Such forward-looking statements reflect the current expectations of the management of the Company with respect to future events based on currently available information and are subject to such risks and uncertainties. Many factors could cause our actual results to differ materially from the statements made, including those factors summarized below under the heading "Risk Factors" and discussed in filings made by us with the Canadian securities regulatory authorities.

Should one or more of these risks and uncertainties, such as actual results of current exploration programs, the general risks associated with the mining industry, the price of gold and other metals, currency and interest rate fluctuations, increased competition and general economic and market factors, occur or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, or expected. The forward-looking statements contained in this MD&A speak only as of the date hereof. The Company does not undertake or assume any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law. Stakeholders are cautioned not to put undue reliance on such forward-looking statements.

OVERVIEW

The Company operates a single business segment which is engaged in the exploration for base and precious metals in Manitoba and Ontario. The Company held its annual general meeting on June 2, 2009 at which time the following individuals were elected to the Board. Following the annual general meeting the new Board held its inaugural meeting at which time the following individuals were appointed as Officers of the Company and to the sub-committees of the Board:

<u>Name</u>	<u>Position(s) Held</u>
Ken Lapierre, P. Geo	Director, CEO, President
Peter Wood, P.Eng., P. Geo.	Director, VP Exploration
William R. Johnstone, LL.B. ⁽¹⁾	Director, Corporate Secretary
Tim Campbell ⁽¹⁾⁽²⁾	Director
Denis Arsenault, C.A. ⁽¹⁾⁽²⁾	Director
Mike Kindy, C.A.	CFO

⁽¹⁾ Member of the Company's Audit Committee
⁽²⁾ Member of the Company's Compensation Committee

CORPORATE PERFORMANCE

During the third fiscal quarter of its 2009 fiscal year the Company completed its winter drill program, continued to evaluate accumulated exploration data, and finalized the refinement of resource properties that had begun during the second quarter.

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CORPORATE PERFORMANCE – (continued)

During this quarter the Company completed exploration activities valued at \$562,192 and satisfied the remaining 2009 exploration expenditure requirements in accordance with the option agreements on the HudBay properties. The focus this period was on the Jackfish, Reed Lake and Eel properties with drilling being conducted on each of them. Highly encouraging results were obtained from drilling conducted on both the Reed Lake and Jackfish properties. The drilling of some anomalies identified on the Eel property however did not provide significant results. All of the data collected as a result of third quarter exploration will be further evaluated and compared with all previously obtained data in order to prioritize activities and to establish the 2009 fall and winter exploration programs.

The Company previously held six mineral exploration licenses (MEL) in Manitoba, the terms of which granted it the exclusive right to explore these properties for a period of three years, subject to satisfying annual expenditure requirements. The VTEM surveys that the Company had conducted on these properties during prior periods identified numerous anomalies that could potentially represent targets for further exploration. The Company recently completed a critical evaluation of these VTEM results and other available data on a property by property basis. As a result of this assessment management determined that the anomalies on each of these MEL were not of sufficient interest to justify triggering the next annual expenditure requirement. The evaluations of three MEL were concluded during the second fiscal quarter and resulted in the surrender of those licenses without any claims having been staked. The analyses of the three remaining MEL were concluded during the third quarter and they too were surrendered but only after the Company had staked the properties that contain the most intriguing of these anomalies. The staked land was all contained within the boundaries of a single MEL. The Company charged \$148,968 to income in the third quarter representing 100% of the cumulative exploration expenditures incurred on the two licensed properties upon which no land was staked. The cumulative exploration expenditures associated with the MEL that contained the land that has now been staked continues to be deferred. The staked properties have nominal periodic expenditure requirements and the exploration of these lands will be conducted in accordance with management's continual prioritization of targets.

The Company is currently in the process of exploring its mineral properties and does not yet have any sources of operating revenue. It is certain that the Company will require additional financing to enable it to further expand its land holdings and to explore and develop its properties.

SELECTED FINANCIAL DATA

	For the fiscal years ended:			
	<u>Aug. 08</u>	<u>Aug. 07</u>	<u>Aug. 06</u>	
Revenues	27,756	42,907	3,237	
Net income (loss) from operations	(560,029)	(817,877)	(49,110)	
Per share	(0.02)	(0.06)	(0.01)	
Net income (loss) for the period	322,637	(817,877)	(49,110)	
Per share	0.01	(0.06)	(0.01)	
Mineral resource properties	7,093,292	1,374,661	258,685	
Total assets	10,383,078	2,926,908	674,591	
Total liabilities	2,117,672	574,625	14,201	

	For the three month periods ended:			
	<u>May 09</u>	<u>Feb. 09</u>	<u>Nov. 08</u>	<u>Aug. 08</u>
Revenues	4,336	10,653	12,524	19,900
Net income (loss) from operations	(207,359)	(337,957)	(58,749)	(56,484)
Per share	(0.01)	(0.01)	(0.00)	(0.00)
Net income (loss) for the period	(254,092)	(223,606)	(9,857)	826,182
Per share	(0.01)	(0.01)	0.03	0.03
Mineral resource properties	8,366,704	7,953,480	7,712,891	7,093,292
Total assets	9,518,606	9,843,645	10,122,662	10,383,078
Total liabilities	1,734,755	1,805,702	1,861,113	2,117,672

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SELECTED FINANCIAL DATA – (continued)

	<u>May 08</u>	<u>Feb. 08</u>	<u>Nov. 07</u>	<u>Aug. 07</u>
Revenues	8,347	5,144	(5,635)	18,681
Net income (loss) from operations	(114,469)	(231,479)	(157,597)	(163,357)
Per share	(0.00)	(0.01)	(0.01)	(0.01)
Net income (loss) for the period	(114,469)	(231,479)	(157,597)	(163,357)
Per share	(0.00)	(0.01)	(0.01)	(0.01)
Mineral resource properties	6,164,229	4,748,259	2,094,454	1,374,661
Total assets	10,368,376	7,857,926	3,746,565	2,926,908
Total liabilities	3,009,915	3,023,431	1,147,655	574,625

The Company reported no long-term financial liabilities or dividends during the periods noted above.

RESULTS OF OPERATIONS

The Company has reported a net loss for the third fiscal quarter in the amount of \$254,092 which is comprised of a loss from operations in the amount of \$207,359 and a provision for future income taxes of \$46,733. For the nine-month period ended May 31, 2009 the Company has reported a net loss from operations of \$604,065 but the net loss for the period is only \$487,555 as a result of a future tax recovery of \$116,510. For the fiscal periods ended May 31, 2008 there were no future income tax provisions or recoveries and therefore the loss from operations of \$114,469 for the quarter and \$503,545 year to date were the same as the net losses for the periods.

Future income taxes arise as a result of the income tax treatment applicable to the Company's exploration expenditures. The future income tax liability reported is associated primarily with the expenditures that have been renounced in accordance with the terms of the financings completed in December 2006, December 2007 and April 2008. The future income tax amounts reported during the 2009 fiscal year arise because legislated income tax rates for current and future periods declined and due to the recognition of exploration expenses as a result of having surrendered the MEL. Additional future income tax provisions and recoveries will occur, whether further renounced expenditures are charged to income or not, since income tax rates are scheduled to decline each period until 2012.

The Company's revenues continue to be limited to interest earned on short-term cash-based investments. The practice of placing cash that is not required immediately to fund current activities into interest bearing deposits has generated \$4,336 in interest over the three month period and \$27,513 on a year to date basis. As at May 31, 2008 the amounts reported were \$8,347 for the quarter and \$7,856 year-to-date. The 2008 year to date amounts were skewed by the fact that actual amounts earned at that time were less than what had been previously estimated and accrued. Interest income will fluctuate from period to period based upon the value of the amounts invested, the prevailing interest rates for these investments, and the term for which they are held.

Just as occurred in the preceding fiscal quarter, the largest individual expense of the third quarter is the amount charged to income as a consequence of having surrendered mineral exploration licenses during the period. The third quarter charge of \$148,968 raises the total value of exploration expenditures charged to income thus far in the year to \$406,060. In contrast only \$2,500 had been charged to income as at May 31, 2008 with none of that amount having arisen in the quarter then ended. That \$2,500 charge arose after the Company allowed the lapse of certain land claims that it held on properties that it had not explored and had no plans to explore. The charging of amounts to income as a result of the abandonment of mineral resource properties is a typical but inconsistent aspect of the operations of a mining exploration company. Accordingly, the amounts charged to income in any given period are in no way indicative of the amounts, if any, which may be similarly recognized in future periods.

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RESULTS OF OPERATIONS – (continued)

In addition to the charges related to the abandonment of mineral resource properties there may be other expenses that do not arise consistently or predictably. The Company reported two such amounts during the nine month period ended May 31, 2008 when it incurred interest accretion of \$9,018 and stock option compensation of \$4,826. Interest accretion occurs when a financial obligation is carried at a discounted value as a result of its terms being less than prevailing market rates. During the 2008 period the Company first received and then repaid an interest free loan that had been provided by a related party. Compensation expense occurs whenever stock options are granted and the Company granted options during the second quarter of 2008 giving rise to the compensation expense noted above. There have been no accretion or compensation charges incurred during the first three quarters of the 2009 fiscal year however stock options were granted before the date of this document and will result in the recognition of compensation expense during the fourth quarter.

The remaining expenses that the Company reports will vary in magnitude from period to period but typically arise, to some degree, in each fiscal period. The total of these regularly occurring expenses was \$62,727 during the third quarter of 2009 which represents a decline of almost 49% when compared to the \$122,816 that was incurred during the third quarter of 2008. The figures for the nine-month periods also reflect a significant decline, more than 54%, as they amounted to \$495,057 in 2008 but only \$225,518 in 2009. These aggregate amounts are a reflection of the amount of administrative activities the Company is involved in throughout the periods. During the 2008 periods the Company was very active administratively as it was preparing for and completing a financing transaction, finalizing option agreements on two new properties, and staking two more new properties. In contrast, there has been no financing transaction undertaken thus far in 2009, no new properties acquired, and the staking completed during the third quarter was not of new properties but within the boundaries of existing properties as a result of the analysis of data derived from the Company's previous exploration activities. The overall administrative activity level will continue to fluctuate from period to period dependant upon the timing and magnitude of future financing transactions, land acquisitions or disposals, and other significant endeavors.

Consulting fees include the fees charged for administrative services provided by the Company's CEO and CFO. During the third quarter of 2009 the consulting fees amounted to only \$4,651 as the CEO devoted virtually all of his time to exploration activities and analysis. This has been the trend thus far in 2009 as consulting fees for the nine month period ended May 31 amounted to only \$33,608. In contrast the CEO was very involved in the 2008 administrative undertakings discussed above and as a result the consulting fees amounted to \$39,611 for the third quarter and \$140,398 on a year to date basis. The Company's CEO will continue to focus his efforts on exploration activities unless administrative requirements dictate otherwise and consulting fee expense will continue to fluctuate accordingly.

Professional fees are comprised of fees incurred for legal services, fees charged by the Company's auditor and an apportionment of the estimated fees for the upcoming annual financial statement audit. Despite the Company having engaged its auditors to conduct some non-audit services during the current year, something that did not happen in 2008, the professional fees are still almost 45% lower during Q3-2009 than they were for Q3-2008 and more than 48% lower for the nine months ended May 31, 2009 than they were for the corresponding 2008 period. These declines are attributed to the reduction in legal services resulting from the absence of financing and land acquisition transactions. It should, however, be noted that at May 31, 2009 a total of \$34,879 in legal fees have been classified as prepaid expenses. These expenditures are directly attributable to the preparation of documents completed specifically to enable the Company to complete a financing in the relatively near future, should it choose to do so. In the event that no financing occurs before the value of these services and documents can be realized then this amount will be charged to expense otherwise it will be charged against share capital as a cost of completing the financing.

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RESULTS OF OPERATIONS – (continued)

Filing and regulatory fees amounted to \$8,369 during the third quarter of 2009 which is significantly higher than the expense of \$421 that was reported during the third quarter of 2008. These fees include not only the charges levied by regulatory agencies but also include the fees paid to the Company's transfer agent and the costs associated with issuing news releases. The majority of the fees incurred in the recently concluded quarter relate to services provided by the Company's transfer agent in preparation for the annual general meeting that was held June 2, 2009. The previous annual general meeting was held on March 6, 2008 and the corresponding costs were incurred during the second fiscal quarter. While the third quarter costs were higher in 2009 than in 2008 the reverse was true when comparing the costs for the nine month periods ended May 31. The 2008 nine-month total of \$61,121 included all regulatory and transfer agent fees arising from the completion of two separate financing transactions during that period. With no financing transactions having been completed during the first nine months of the 2009 year these costs were much lower at \$18,406. It is virtually certain that the Company will need to complete at least one financing transaction before December 31, 2009 and it is also certain that these costs will be higher whenever that financing is completed.

Travel and accommodation expense is the final operating cost to reflect a significant change when comparing the results for the 2009 periods to the corresponding 2008 periods. At May 31, 2009 the Company reported costs of \$9,149 for the three month period then ended and \$19,213 for nine months. In comparison the costs to May 31, 2008 were \$31,166 for the quarter and \$58,726 year to date. The primary reason for these significant declines can again be traced to the absence of major administrative transactions during the 2009 year. The negotiation and completion of the 2008 land acquisition transactions and the completion of the 2008 financings each necessitated a fair amount of travel away from the Company's Sudbury office and this is reflected in these figures. With the absence of similar events thus far in 2009 the need to travel away from the Sudbury area has been greatly reduced.

The expenses incurred during the third quarter of 2009 for both general and administrative expenses and advertising and promotion are virtually unchanged from the amounts incurred during the third quarter of 2008 although the nine month totals are significantly lower in 2009. This year to date decrease is attributed to the lower administrative activity and the Company's efforts to limit discretionary spending.

Other periodic expenses including insurance costs, occupancy costs and amortization have changed only nominally when comparing the amounts for the 2008 and 2009 periods ended May 31 and the reported amounts are within expectations so no analysis has been completed.

While management is always attempting to control costs and limit the periodic losses incurred it is possible that the level of administrative activity experienced in the recently concluded fiscal quarter may not be representative of future periods. Since the reduction in many expenses was attributed to this reduced activity level it should be expected that those same costs will rise again should these activity levels increase.

PROPERTIES

To May 31, 2009 the Company has acquired, and made expenditures on, mineral properties as follows:

	Horwood Property	Shihan VMS Property	Manitoba Properties	Total
Acquisition costs	\$ 2,500	\$ 211,900	\$ 453,176	\$ 667,576
Exploration costs	-	1,106,430	7,077,061	8,183,491
Government grants	-	-	(75,803)	(75,803)
Properties abandoned	<u>(2,500)</u>	<u>-</u>	<u>(406,060)</u>	<u>(408,560)</u>
Total costs to date	<u>\$ -</u>	<u>\$ 1,318,330</u>	<u>\$ 7,048,374</u>	<u>\$ 8,366,704</u>

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PROPERTIES – (continued)

The Manitoba properties can be further subdivided as follows:

	HudBay Properties	Jackfish Property	Tower Property	Other Properties	Manitoba Properties
Acquisition costs	\$ 93,194	\$ 54,300	\$ 207,382	\$ 98,300	\$ 453,176
Exploration costs	5,025,236	613,119	-	1,438,706	7,077,061
Government grants	-	(8,098)	-	(67,705)	(75,803)
Properties abandoned	-	-	-	(406,060)	(406,060)
Total costs to date	<u>\$ 5,118,430</u>	<u>\$ 659,321</u>	<u>\$ 207,382</u>	<u>\$ 1,063,241</u>	<u>\$ 7,048,374</u>

These amounts, and any future costs, will be deferred and reported as an asset of the Company until such time that the properties are brought to commercial production, sold, disproved or abandoned at which time an appropriate amount will be charged against income.

The HudBay Properties are comprised of seven individual properties, each of which is governed by its own option agreement. Each option agreement requires that four annual option payments, due on the anniversaries of the signing of the agreements, be made in order for the Company to secure its interest in the property. The Company has reached an agreement in principle with respect to each of these properties whereby the annual option payments that were due March 2009 through March 2011 have each been deferred by one year. The final option payment may increase from the scheduled amount as compensation to the optionor for granting this deferral. Accordingly, the Company has not made the option payments that were initially due March 2009 even though all the terms and conditions of this agreement, if any, have not yet been finalized. The acquisition costs noted above include the initial option payments of \$10,000 per property, or \$70,000 in total, plus the cost of staking claims within the areas of influence of these optioned properties. The exploration commitment contained in each of these option agreements remains unchanged and the Company has satisfied all of the exploration expenditure requirements to date.

The Other Properties noted above include all amounts related to properties which the Company holds as a result of having staked claims. The exploration expenditures as listed also include \$406,600 related to exploration conducted on the five mineral exploration licenses (MEL) that were surrendered without the Company having staked any land claims.

As at May 31, 2009, and as at the date of this document, each of the Company's resource property options and staked claims are each in good standing and all future obligations related to these options are expected to be satisfied. The Company is currently evaluating its opportunities relative to the Shihan VMS property and is investigating and/or conducting work programs on each of the Manitoba properties.

LIQUIDITY

The Company did not issue any shares or complete any financing transactions during the fiscal quarter ended May 31, 2009. Future financings are currently being contemplated as the Company is aware of the need to raise additional funds to satisfy its exploration, operating and flow through commitments.

Since the Company currently has no source of revenues or other means of generating cash from operations it will almost certainly remain reliant on its ability to raise financing, either through private or public sources, in order to satisfy its obligations as they become due. Although the Company has been successful to date in obtaining the financing that it has required there is no assurance that it will be successful in completing future financing transactions should they be required.

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CAPITAL RESOURCES

The Company has not entered into any commitments to acquire equipment however it does have exploration expenditure and option payment commitments, as described in the following section, which must be satisfied in order to maintain and secure its interests in the mineral resource properties that are subject to property option agreements. It is certain that the Company will require additional financing in order to meet these commitments.

OFF-BALANCE SHEET ARRANGEMENTS

In July 2006 the Company entered into an option agreement to acquire a 100% working interest, subject to a 2% Net Smelter Returns Royalty, in the Shihan VMS Property in northern Ontario. The final cash payment of \$25,000 was due July 14, 2009 and the Company has agreed, subject to regulatory approval, to issue 333,333 common shares in settlement of this obligation. Prior to the start of the period the Company had satisfied all of the exploration expenditure requirements and made all previously required payments of cash and shares.

In March 2007 the Company entered into seven option agreements whereby it will acquire a 100% working interest, subject to a 2% Net Smelter Returns Royalty, in seven Snow Lake properties in Manitoba. In accordance with the terms of these option agreements, subject to the agreement in principle previously described, the Company is required to make the following aggregate payments on or before the following dates:

	Cash <u>Payments</u>	Exploration <u>Expenditures</u>
March 22, 2010	\$ 275,000	2,150,000
March 22, 2011	390,000	4,100,000
March 22, 2012	<u>1,475,000</u>	<u>-</u>
	<u>\$ 1,990,000</u>	<u>\$ 6,250,000</u>

As at the date of this document, subject to the agreement in principle previously described, the Company has satisfied all terms of the agreements to date. In addition to the amounts noted above the Company has already satisfied \$1,250,000 in future exploration expenditure commitments related to these properties.

In September 2007 the Company entered into an option agreement to acquire a 100% working interest, subject to a 3% Net Smelter Returns Royalty, in the Jackfish Nickel Property in the Snow Lake District of Manitoba. In accordance with the terms of the agreement, the Company is required to make the following payments on or before the following dates

	Cash <u>Payments</u>	Common <u>Shares</u>
September 17, 2009	\$ 15,000	20,000
September 17, 2010	17,500	20,000
September 17, 2011	<u>45,000</u>	<u>20,000</u>
	<u>\$ 77,500</u>	<u>60,000</u>

Prior to May 31, 2009 the Company made each payment of cash and shares required to date and also spent \$613,119 on exploration which is sufficient to satisfy 100% of the exploration expenditure requirements stipulated in the agreement.

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OFF-BALANCE SHEET ARRANGEMENTS - (continued)

In February 2008 the Company entered into an option agreement to acquire a 70% working interest, subject to a 2% Net Smelter Returns Royalty, in the Tower VMS Property in the Thompson Nickel Belt in Manitoba. In accordance with the terms of the agreement, the Company is required to make the payments noted below. A dispute between the Manitoba government and a First Nations tribe has led to a cessation of the timeline for the following payments and expenditure commitments. This timeline will commence when the dispute is resolved.

	Cash	Exploration
	<u>Payments</u>	<u>Expenditures</u>
2009	\$ 30,000	\$ ⁽¹⁾
2010	30,000	2,000,000
2011	30,000	-
2012	<u>30,000</u>	<u>2,000,000</u>
	<u>\$ 120,000</u>	<u>\$ 4,000,000</u>

⁽¹⁾ The Company must have completed a minimum of 2,000 metres of diamond drilling, penetrating beyond the Precambrian-Paleozoic boundary.

The Company has no formal lease agreement relative to its office facility. After expiry of the lease on February 28, 2009, the Company has continued to lease this facility by making quarterly lease payments at the same lease rate.

In accordance with the terms of the financing transaction completed in April 2008 the Company is required to incur and pay for aggregate exploration expenditures on its mineral resource properties in the amount of \$4,215,399. As at May 31, 2009 the total expenditures incurred in accordance with this commitment were \$2,870,288 of which \$2,837,042 had been paid and \$33,246 were included in accounts payable.

With the exception of the agreements described above, the Company has not entered into any other commitments or purchase contracts as at the date of this document.

TRANSACTIONS WITH RELATED PARTIES

The following related parties had transactions with the Company during the period or have outstanding balances at the end of the period:

Lapierre Exploration Services ("Lapierre") is a company that is owned and operated by a Director
Geodigital Mapping Systems Inc. ("Geodigital") is a company owned and operated by a Director
Gardiner Roberts LLP ("Gardiner") is a legal firm in which a Director of the Company is a partner.
Robin Lowe ("Lowe") was a Director of the Company who did not stand for reelection at the annual general meeting held June 2, 2009.
Cryo-Line MDI Inc. ("MDI") is a company owned and operated by a Senior Officer

The following transactions have been recorded at exchange amounts established and agreed to by the related parties. All transactions with related parties are in the normal course of operations and have been carried out on the same terms as those accorded to unrelated parties. As at May 31, 2009 a total of \$18,134 (May 2008 - \$90,979) is included in accounts payable and accrued liabilities as a result of these transactions:

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TRANSACTIONS WITH RELATED PARTIES - (continued)

		May 31 <u>2009</u>	May 31 <u>2008</u>
Lapierre	Exploration expenditures	\$ 132,480	\$ 13,717
Lapierre	Consulting fees and expenses	8,702	118,139
Geodigital	Exploration expenditures	140,341	257,469
Geodigital	Consulting fees and expenses	-	15,006
Gardiner	Prepaid expenses	34,879	-
Gardiner	Cost of share issuance	-	62,575
Gardiner	Professional fees	26,556	75,370
Lowe	Interest accretion	-	9,018
MDI	Consulting fees	26,151	30,264

Amounts are comprised of fees charged and expenses for which they were reimbursed.

CONVERTIBLE INSTRUMENTS AND OTHER SECURITIES

The Company has the following securities issued. The amounts shown represent the actual cash proceeds or other compensation received as a result of their issuance:

	<u>Quantity</u>	<u>Amount</u>
Common shares at August 31, 2007	17,316,296	\$ 2,799,891
Flow through shares issued through private placement offering	1,672,000	2,090,000
Less: estimated income tax value of expenditures renounced		(754,908)
Less: value attributed to associated warrants		(165,068)
Common shares issued through private placement offering	640,500	640,500
Less: expenses associated with offering		(30,650)
Less: value attributed to associated warrants		(190,248)
Flow through shares issued through private placement offering	7,025,665	4,215,399
Less: estimated income tax value of expenditures renounced		(1,486,089)
Common shares issued through private placement offering	933,334	560,000
Less: expenses associated with offering		(463,732)
Less: value attributed to associated warrants		(8,672)
Shares issued under property option	95,000	58,050
Shares issued for mining rights	50,000	40,000
Shares issued upon exercise of FT warrants	44,750	15,663
Shares issued upon exercise of WC warrants	1,128,768	338,630
Shares issued upon exercise of agent's units ⁽¹⁾	391,540	97,885
Less: value attributed to associated warrants		(38,911)
Shares issued upon exercise of underlying WC warrants	91,040	27,312
Plus: value attributed to warrants		<u>8,618</u>
Common shares at August 31, 2008	29,388,893	\$ 7,753,670
Shares issued under property options	<u>20,000</u>	<u>6,000</u>
Common shares at May 31, 2009	29,408,893	7,759,670
Shares issued in settlement of debt	<u>333,334</u>	<u>25,000</u>
Common shares as at the date of this document	<u>29,742,227</u>	<u>\$ 7,784,670</u>

⁽¹⁾ This also resulted in the issuance of 391,540 underlying WC warrants.

In addition to the shares noted above the Company has issued share purchase warrants, employee and consultant stock options, and made commitments to issue shares under certain options on mineral resource properties. The following represents the number of common shares that have been reserved to satisfy the potential future exercise and issuance of these securities:

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CONVERTIBLE INSTRUMENTS AND OTHER SECURITIES – (continued)

	<u>Number Of Common Shares</u>
Stock options exercisable at \$0.47 until August 31, 2009 ⁽²⁾	150,000
Property option payment due no later than Sept. 17, 2009	20,000
Warrants exercisable at \$1.50 per share until Dec. 31, 2009	1,376,500
Warrants exercisable at \$1.50 per share until Jan. 2, 2010	100,000
Warrants exercisable at \$1.50 per share until Feb. 21, 2010	1,250,000
Warrants exercisable at \$0.95 per share until Apr. 30, 2010	466,666
Warrants exercisable at \$0.95 per share until Apr. 30, 2010	477,540
Property option payment due no later than Sept. 17, 2010	20,000
Property option payment due no later than Sept. 17, 2011	20,000
Stock options exercisable at \$0.47 until Mar. 27, 2012 ⁽¹⁾	1,100,000
Stock options exercisable at \$0.70 until July 6, 2012	<u>100,000</u>
Total common shares reserved as at May 31, 2009	5,080,706
Stock options exercisable at \$0.15 until June 17, 2015 ⁽¹⁾	<u>1,400,000</u>
Total common shares reserved as at the date of this document	<u>6,480,706</u>
Fully diluted number of common shares as at May 31, 2009	34,489,599
Shares issued in settlement of debt after May 31, 2009	333,334
Stock options granted after May 31, 2009 ⁽¹⁾	<u>1,400,000</u>
Fully diluted number of common shares as at the date of this document	<u>36,222,933</u>

⁽¹⁾ Each of these options is held by a Director or Officer of the Company.⁽²⁾ Each of these options is held by a former Director of the Company.

The following provides additional information relative to the stock options and share purchase warrants:

<u>Description</u>	<u>Common Shares Under Option</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Expiry Date</u>
Outstanding August 31, 2008	1,410,000	\$0.50	Apr. 8, 2012
Expired during period	<u>(60,000)</u> ⁽²⁾	\$0.70	Jan. 30, 2009
Outstanding May 31, 2009	1,350,000	\$0.49	Apr. 3, 2012
Options altered after May 31, 2009	(150,000) ⁽³⁾	\$0.47	Mar. 27, 2012
Options altered after May 31, 2009	150,000 ⁽³⁾	\$0.47	Aug. 31, 2009
Options granted after May 31, 2009	<u>1,400,000</u>	\$0.15	June 17, 2014
Outstanding as at the date of this document	<u>2,750,000</u> ⁽¹⁾	\$0.32	Mar. 27, 2013

⁽¹⁾ Each of these options has vested and is currently available to be exercised at the holders' discretion.⁽²⁾ These options were issued to consultants whom are no longer retained by the Company. In accordance with the option agreement the consultants had thirty days following termination of their contracts to exercise the options otherwise they expired. None of these options were exercised and accordingly they expired on January 30, 2009.⁽³⁾ These options are held by an individual that did not stand for re-election to the Board at the Company's annual general meeting held June 2, 2009. In accordance with the option agreement, unless exercised, they will expire 90 days after the date that the individual ceased to be a Director.

<u>Description</u>	<u>Number of Warrants</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Expiry Date</u>
Outstanding August 31, 2008	8,491,539	\$0.77	June 14, 2009
Expired during period	<u>(4,820,833)</u>	\$ 0.32	December 8, 2008
Outstanding May 31, 2009 and as at the date of this document	<u>3,670,706</u>	\$1.36	February 17, 2010

ROCKCLIFF RESOURCES INC.

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(Prepared as at July 30, 2009)

CHANGES IN ACCOUNTING POLICY

The accounting policies followed by the Company are established in accordance with Canadian GAAP and once policies are established they will not, as a matter of policy, be revised unless Canadian GAAP changes.

Effective September 1, 2008 the Company adopted the following new accounting standards:

Financial instruments – Disclosure and presentation:

CICA Handbook Sections 3862, "Financial Instruments – Disclosures" and 3863, "Financial Instruments – Presentation" replace Handbook Section 3861, "Financial Instruments - Disclosure and Presentation", revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The adoption of these sections had no significant impact on the Company's financial statements.

Capital disclosures:

CICA Handbook Section 1535, "Capital Disclosures", requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. The adoption of this section had no significant impact on the Company's consolidated financial statements.

Future accounting pronouncements:

The Company will adopt new accounting policies, or alter existing policies, in accordance with pronounced changes in Canadian GAAP. The following represent the pronounced changes that will affect future periods.

International reporting standards:

In February 2008, the Accounting Standards Board ("AcSB") confirmed that the transition to International Financial Reporting Standards from Canadian GAAP will occur on January 1, 2011 for public entities. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, restricted cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. Due to the short term maturities associated with these items their fair value approximates their carrying values and the Company is not exposed to any significant interest or credit risks.

RISK FACTORS

The Company is exposed to credit risk and liquidity risk. The Company's primary risk management objective is to protect assets, earnings and cash flow and, ultimately, shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure that the Company's risks and the related exposure are consistent with its business objectives and risk tolerance. There have been no changes to the risks to which the Company is exposed or to the corresponding risk management strategies during the current period.

Credit risk:

The Company's accounts receivable include amounts that are recoverable on account of goods and services taxes. These amounts are subject to verification through audits that may be conducted by Canada Revenue Agency. The accounts receivable do not contain any past due amounts and the Company has no history of bad debts.

ROCKCLIFF RESOURCES INC.

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RISK FACTORS – (continued)

Liquidity risk:

The Company currently has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it to enable it to meet its obligations as they become due. Although the Company has been successful in the past in financing its activities, there can be no assurance that it will be able to do so in the future.

In addition to the financial risks noted above there are many additional risks that could affect the Company's business prospects. They include, but are not limited to, general economic risk, exploration risk, financing risk, fluctuating prices, competition in the marketplace, environmental regulations, government regulations, and title matters.

General economic risk:

Recent events have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Thus, events seemingly unrelated to us, or to our industry, may adversely affect us, over time, in ways that are hard to predict or defend against. Reduction in credit, combined with reduced economic activity and the fluctuations in domestic and international currency rates, may adversely affect businesses and industries that purchase commodities, thereby affecting mineral prices in more significant and unpredictable ways than the normal risks associated with mineral prices. Also, these same economic conditions may adversely affect the businesses and industries that we engage in connection with our exploration activities. As a result, the availability of these services may be reduced, the cost of obtaining them may rise, and the terms on which they are provided may be altered. Furthermore, the adverse effects on the capital markets may generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on our business, operating results, and financial condition.

Competition in the marketplace:

The mining industry is intensely competitive in all phases of exploration, development and production and the Company competes with many entities possessing greater financial and technical resources. Competition in the mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine base metals, but conduct refining and marketing operations on a global basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. There is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of commercial markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or issuing its investment capital. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration and success in the future.

Fluctuating prices:

The price of gold and other metals fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, global and regional consumption patterns, the world supply of and demand for mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The effect of these factors cannot be accurately predicted. Future price declines could impact on the viability of the Company's exploration projects.

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RISK FACTORS – (continued)

Exploration risk:

Mineral exploration and development involve a high degree of risk that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The properties, in which the Company has an interest or the right to acquire an interest, are in the early exploration stage and are without either resources or reserves. The Company's exploration programs are an exploratory search for mineral deposits and development will only follow upon obtaining satisfactory results. A very low percentage of exploration projects ultimately evolve into producing mines. There is no assurance that the Company's future exploration and development activities will result in the discovery of any commercially viable mineral deposits or that the Company will possess sufficient resources to develop these deposits if they are discovered. The commercial viability of a mineral deposit depends on a number of factors which include, but are not limited to, location, size, grade, and geometry of the deposit, availability of experienced labourers, proximity to existing infrastructure, mineral prices and government regulations, including environmental restrictions. Most of these factors are beyond the control of the Company.

Financing risk:

The exploration and development of the Company's properties, and the growth of the Company, will require substantial additional financing. The Company's properties are each in an early stage of exploration and as a result are without resources or reserves and the Company has no source of operating cash flow. Failure to obtain sufficient financing could result in a delay or indefinite postponement of further exploration on any or all of the Company's properties, the loss of a property interest, or the Company's ability to continue as a going concern. Although the Company has been successful in the past in financing its activities through the sale of equity securities, it has no assurance that additional funding will be available to it when needed or that the terms of such financing will be favourable. The Company will require new capital to continue to operate its business and to continue exploration on its various properties, and there is no assurance that capital will be available when needed, if at all.

Environmental regulations:

All phases of the Company's operations are subject to environmental regulations in the various jurisdictions in which it operates. Globally, environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Company's business, financial condition and results of operations.

Government regulations:

The current and future operations of the Company, from exploration through development activities and commercial production, if any, are and will be governed by laws and regulations governing mineral concession acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities may experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Permits are subject to the discretion of government authorities and there can be no assurance that the Company will be successful in obtaining all required permits. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations. Further, there can be no assurance that all permits which the Company may require for future exploration, construction of mining facilities and conduct of mining operations, if any, will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project which the Company may undertake.

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RISK FACTORS – (continued)

Title matters:

The mining claims in which the Company has an interest have not been surveyed and, accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land comprising the claims may be in doubt. Such claims have not been converted to lease and tenure, and as a result, are subject to annual compliance with assessment work requirements. Other parties may dispute the Company's title to its mining properties. While the Company has diligently investigated title to all mineral claims and, to the best of its knowledge, title to all properties is in good standing this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers or land claims and title may be affected by undetected defects.

ADDITIONAL INFORMATION

Additional information about the Company can be found at www.sedar.com. Additional information is also provided in the Company's financial statements and Annual Information Form for the most recently completed financial years.

Further additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the information circular for the Company's most recent annual meeting of security holders that involved the election of directors.