

ROCKCLIFF RESOURCES INC.

Management's Discussion and Analysis

For the Period Ended February 28, 2011

(Prepared as at April 28, 2011)

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 February 28, 2011 and should be read in conjunction with those financial statements.

EXECUTIVE SUMMARY

Rockcliff Resources Inc. is a Canadian resource exploration company focused on discovery and advancement of its high-quality mineral assets at its Snow Lake Project. Rockcliff presently controls the Snow Lake Project totaling in excess of 500 km² located within and proximal to the Snow Lake Mining Camp. The project presently includes one NI 43-101 Indicated Resource (Rail), two former VMS Mines (Spruce Point and Dickstone), one historic VMS deposit (Lon) and the Tower Deposit.

In addition, the Company has a package of gold assets that includes one former gold mine (Century Mine) and one gold deposit (C-Zone) in Manitoba and the recently acquired Black Gold Property in Ontario.

The Snow Lake VMS Project

The Company just completed a very busy and successful quarter with an aggressive winter exploration program that included drill programs on four of its Snow Lake properties, airborne (VTEM), surface (DPEM) and bore hole geophysics as well as line cutting, ground work and analysis of a significant amount of data. While this work was being completed the Company also realized the culmination of many months of discussion and negotiation when it added the Spruce Point VMS Mine and the Dickstone Mine to its Snow Lake VMS Project. The addition of these two significant VMS assets is considered important as they constitute a great compliment to the Company's Snow Lake property portfolio.

Before the start of the quarter the Company had already released news that it was continuing to hit high grade copper-gold mineralization on its Tower Property. Drilling of this property continued throughout the period and the results continue to be both favourable and encouraging. Twenty four holes have now been drilled, covering over 7,500 metres, and more drilling is planned to occur once the spring thaw is complete. This new drill program will focus on extending the deposit and will be used to investigate favourable borehole geophysics which indicates extensive sulphide conductivity at depth.

Drilling was also completed on the Company's Lon Property. This was the first phase of drilling on this property and initial results from the first five holes indicate that it intersected high grade mineralization rich in copper, gold, zinc and silver. The Company completed 15 drill holes and also conducted borehole and DPEM geophysics. This program is focusing on the area that contains highly favourable geology and is also where historical drilling outlined a potential resource reported to be 250,000 tonnes grading 3.2% copper and 5.2% zinc with gold and silver credits.

Winter drilling was also completed on the Freebeth Property, which completely surrounds the former Spruce Point VMS Mine. Results from this drill program are not yet available, but the focus was the favourable greenstone belt hosting the Spruce Point Deposit, which continues along strike and hosts numerous untested targets as well as two known copper rich VMS zones. With the addition of the Spruce Point Mine to the Company's Snow Lake camp, and having satisfied the exploration requirements of the Freebeth Property option, it is likely that the Company will reprioritize its activities in this area before commencing with future drilling.

Drilling and a surface DPEM geophysical survey was also completed on the Reed Property. Two drill holes intersected sulphide mineralization that corresponded with two separate geophysical targets. No significant copper mineralization was detected in the core samples.

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EXECUTIVE SUMMARY - (continued)

The Snow Lake VMS Project – (continued)

Data analysis is a major aspect of every exploration Company's regular activities. This analysis is used to redefine and re-prioritize exploration targets and to evaluate the future prospects of each of the Company's properties. The analysis completed during the period revealed that two of the Snow Lake properties, held under option, were not of sufficient interest to warrant allocating additional resources that are considered to be better deployed on other targets. Based upon these results, the Company recognized a valuation allowance during the period that reduced the carrying value of the affected properties to \$Nil. These properties (Reed and Kof) were returned to their owners in March 2011, just before the next option payments became due.

Gold Properties

While the Snow Lake VMS properties were being drilled, the Company was also completing ground work and line cutting on its gold properties. Line cutting and surface geophysics was combined with an airborne geophysical survey of the Gold Dust Property in Manitoba with the intent being to devise a targeted exploration program for future periods. The line cutting and surface geophysical program conducted on the Black Gold Property in Ontario included a magnetometer and induced polarization (IP) survey. This program discovered a significant IP anomaly located immediately below a surface gold zone which hosts gold values ranging from 0.60g/t up to 51.0g/t. This surface gold zone and the IP anomaly are believed to have significant open pit potential.

OUTLOOK

With the favourable drill results that the Company continues to generate from its Snow Lake VMS properties, the addition of the Dickstone Mine and Spruce Point Mine, and the favourable indications being garnered from the Company's gold properties, the Company believes that its prospects for significant discovery are better now than they have been at any prior time. The Company remains highly optimistic that it will soon add to its success with more results like the indicated resource that it already has on its Rail Property.

OVERVIEW

The Company operates a single business segment which is engaged in the exploration for base and precious metals in Manitoba and Ontario. The management of the Company has not changed since the fiscal year end and is comprised of the following individuals:

| <u>Name</u> | <u>Position(s) Held</u> |
|---|-------------------------------|
| Ken Lapierre, P. Geo | Director, CEO, President |
| David Constable, B. Sc., MBA ⁽²⁾ | Director (Chairman) |
| William R. Johnstone, LL.B ⁽¹⁾ | Director, Corporate Secretary |
| Timothy Campbell ⁽²⁾ | Director |
| Denis Arsenault, C.A. ⁽¹⁾⁽²⁾ | Director |
| Glenn Bowman, F.C.A. ⁽¹⁾ | Director |
| Mark Smethurst, M. Sc., P. Geo | VP Exploration |
| Mike Kindy, C.A. | CFO |

⁽¹⁾ Member of the Company's Audit Committee

⁽²⁾ Member of the Company's Compensation Committee

CORPORATE PERFORMANCE

The second fiscal quarter of the 2011 fiscal year started with a financing that raised \$4,000,000 in gross proceeds, continued with an aggressive exploration program that continues to generate favourable results, and concluded with two new high-potential properties being added to the mix.

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CORPORATE PERFORMANCE – (continued)

The Company incurred exploration costs in excess of \$1,250,000 during this fiscal quarter with significant advancements on a number of its properties. Work will slow for a period of time while the winter breakup occurs but will recommence in many areas as soon as conditions permit.

In February 2011 the Company announced the acquisition, under option, of the Spruce Point Mine. This deposit was discovered in 1972, and was in production from 1982 to 1988 via a single 650m deep production shaft. During that time the operators removed significant quantities of copper, zinc, silver and gold. Additional historical resources within and below the historical workings have been documented by both the Manitoba Energy and Mines Geological Services and by Hudson Bay Exploration and Development Company Limited. These resources are not NI 43-101 compliant, however the reports suggest a high likelihood that significant resources exist and the Company intends to substantiate this belief.

In February 2011 the Company also announced the acquisition of the Dickstone Mine, located in close proximity to the Company's Rail and Lon copper-gold deposits. The Dickstone Deposit was discovered in 1936 and was in production from 1970 to 1975 before low commodity prices prompted its closure. Production was conducted from two VMS-rich zones via two 350m deep shafts and, like Spruce Point, provided significant quantities of copper, zinc, gold and silver. At the time of closure additional historical resources were present below the workings and both deposits remained open at depth. These resources are well documented historically but are not NI43-101 compliant. Work will be conducted over the four year option period to advance this property and substantiate and expand the resources.

With successful exploration the Company continues to advance its properties and this, in combination with strategic acquisitions, continue to improve the prospects of adding additional resources to the indicated resource that the Company holds on the Rail Property. The establishment of indicated resources, and current mineral resources, represent significant progress towards our stated objective of being mine-finders.

The Company is currently in the process of acquiring, evaluating and 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. 10</u> | <u>Aug. 09</u> | <u>Aug. 08</u> |
| Revenues | 5,058 | 27,921 | 27,756 |
| Net (loss) income from operations | (3,115,418) | (866,654) | (560,029) |
| Per share | (0.07) | (0.03) | (0.02) |
| Net (loss) income for the period | (2,492,399) | (776,854) | 322,637 |
| Per share | (0.06) | (0.03) | 0.01 |
| Mineral resource properties | 8,380,889 | 8,429,401 | 7,093,292 |
| Total assets | 10,041,123 | 9,454,402 | 10,383,078 |
| Total liabilities | 1,923,785 | 1,798,445 | 2,117,672 |

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SELECTED FINANCIAL DATA – (continued)

| | For the three month periods ended: | | | |
|-----------------------------------|------------------------------------|----------------|----------------|---------------|
| | <u>Feb. 11</u> | <u>Nov. 10</u> | <u>Aug. 10</u> | <u>May 10</u> |
| Revenues | 1,558 | 2,915 | 2,271 | 2,439 |
| Net (loss) income from operations | (2,102,727) | (384,800) | (1,456,018) | (179,180) |
| Per share | (0.03) | (0.01) | (0.03) | (0.00) |
| Net (loss) income for the period | (1,519,925) | (308,426) | (1,128,545) | (158,216) |
| Per share | (0.02) | (0.01) | (0.02) | (0.00) |
| Mineral resource properties | 8,462,899 | 9,095,405 | 8,380,889 | 9,561,610 |
| Total assets | 12,179,217 | 10,039,275 | 10,041,123 | 11,458,212 |
| Total liabilities | 2,764,217 | 1,963,400 | 1,923,785 | 2,219,585 |
| | <u>Feb. 10</u> | <u>Nov. 09</u> | <u>Aug. 09</u> | <u>May 09</u> |
| Revenues | 5 | 343 | 408 | 4,336 |
| Net (loss) income from operations | (1,317,273) | (162,947) | (262,589) | (207,359) |
| Per share | (0.03) | (0.01) | (0.01) | (0.01) |
| Net (loss) income for the period | (1,051,507) | (154,131) | (289,299) | (254,092) |
| Per share | (0.02) | (0.01) | (0.01) | (0.01) |
| Mineral resource properties | 8,926,338 | 9,731,313 | 8,429,401 | 8,366,704 |
| Total assets | 11,797,571 | 10,152,784 | 9,454,402 | 9,518,606 |
| Total liabilities | 2,526,842 | 2,111,406 | 1,798,445 | 1,734,755 |

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

RESULTS OF OPERATIONS

The Company's operations continue to focus exclusively on the acquisition, exploration and advancement of mineral resource properties and accordingly the Company does not have any source of revenue. Without revenue operating losses are certain to continue. During the recently concluded three month period the Company reported a loss before income taxes of \$2,102,727 for the three month period and \$2,487,527 for the six month period.

The Company's net loss for each period is determined after recognition of a provision for, or recovery of future income taxes. While the Company has no income taxes payable it does recognize the future income tax implications associated with the renouncement of expenditures that arise each time the Company completes a financing transaction that includes the issuance of flow through shares. These amounts represent the income taxes the Company will pay in the future, should it generate revenues from its mining operations, as a result of not having these renounced amounts available to offset that income for taxation purposes. Once these future income taxes are recognized they are then adjusted whenever renounced expenditures are charged to income or when income tax rates change. The Company has recorded \$929,760 in future tax obligations in the current period due having renounced \$3,000,000 in expenditures. This exceeds the \$660,000 recorded in the second quarter of 2010 when the Company renounced \$2,000,000 in expenditures. The Company has also reported a future tax recovery of \$582,802 for the quarter and \$659,176 for the six month period as a result of the valuation allowances reported and the reduction in income tax rates. The future tax recoveries for the corresponding periods one year prior were \$265,766 and \$274,582 respectively. Future tax obligations, provisions and recoveries will continue to fluctuate from period to period in accordance with the amount, if any, of expenditures renounced, expenditures charged to income and changes in income tax rates.

The Company generates incidental interest income through the short-term investment of available cash in easily terminable interest bearing vehicles. Although the Company will continue to take advantage of these opportunities whenever it is able to do so, the resulting revenues are inconsequential and wholly reliant upon the amount of cash available to invest and the prevailing market rates of interest.

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RESULTS OF OPERATIONS – (continued)

In the current period the Company reported a valuation allowance on its mineral resource properties in the amount of \$1,956,270 thereby increasing the total allowances to \$2,021,322 on a year to date basis. The Company reported valuation allowances in the amount of \$1,187,234 for the three month period ended February 28, 2010, which was also the total for the six-month period. Valuation allowances are recorded any time the Company determines that the amounts spent to acquire and explore one or more properties exceeds the amount that is likely to be recovered from those same properties in the future. The entire allowances at February 2010 and virtually all of the current period allowances relate to optioned properties that were subsequently released back to their owners. A small amount of the current period allowances relate to a property that the Company retains but previously wrote-down due to a lack of sufficient exploration work over an extended period of time. Allowances are now recognized in every period equal to the full value of any work completed on that property.

The Company did not issue any options during the recently concluded fiscal quarter and therefore reported no stock option compensation. On a year to date basis however, this expense amounts to \$227,163 as a result of 1,500,000 options having been issued during the first quarter. At February 2010 there was a total of \$39,652 in compensation expense reported as a result of having issued 300,000 options in the first quarter of 2010. Compensation expense amounts are dependent upon the quantity and terms of stock options granted along with the current market price for the Company's shares, the estimated volatility of the Company's share price, and prevailing market rates of interest. All stock options granted have an exercise price that equals or exceeds the market price for the shares at the time of grant.

In the first quarter of 2010 the Company reported a loss from the disposal of property, plant and equipment in the amount of \$33,564. This loss arose as a result of the surrender of leasehold improvements and the disposal of assets that were considered to be redundant when the Company relocated its administrative office from Sudbury, Ontario to Toronto, Ontario. The Company does not anticipate selling or abandoning assets and accordingly losses of this nature are not expected to recur and, in fact, only a small gain of \$221 arose in the first quarter of 2011 from the sale of an incidental asset.

In addition to the valuation allowances, stock option compensation, and gains or losses from asset disposals, the Company has reported expenses in the amount of \$148,015 for the three month period and \$243,515 for the six-month period. These are greater than the amounts at February 2010 when the total for the quarter was \$130,044 and the year to date total was \$220,118. These represent the Company's costs of administration and the increases are reflective of increased business activity and the corresponding increase in complexity. Management strives to maximize the resources available to devote to exploration and recognizes that this is achieved by keeping administrative costs as low as possible.

Consulting fees are indicative of this increase in business activities as they have increased from \$19,625 for the quarter ended February 28, 2010 to \$30,512 for the similar period ended February 28, 2011. The year to date figure also reflects a similar increase having risen from \$41,408 to \$62,025. The Company utilizes consultants for all of its administrative functions so that the services are obtained only on an as needed basis. It is anticipated that demand for these services will remain comparable to current levels over the next few periods.

Professional fees also increased with costs for the quarter having risen from \$19,625 to \$42,592 while the six-month totals have climbed from \$46,019 to \$72,552. Professional fees include legal costs and the cost of the Company's financial statement audit. The need for, and cost of, each of these services increases as business complexities increase. As the Company increases the number of transactions, the number of properties, the number of security based transactions, and the number of annual and regulatory filings, it only follows that it also increases the demands for these professional services.

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RESULTS OF OPERATIONS – (continued)

As further indication that activity is increasing we also see that the cost of filing and regulatory fees has risen. These fees for the current three and six month periods amounted to \$32,133 and \$44,270 with each figure being approximately 40% greater than the totals of \$22,990 and \$31,018 incurred one year earlier. These costs are comprised of the fees charged by regulators, stock exchanges, news wires and the Company's transfer agent. In the past year the Company has gone from 48,410,932 shares outstanding and a fully diluted position of 69,896,433 shares to having 71,011,304 shares outstanding and a fully diluted position of 108,359,942 shares. While this does not fully explain the fee increase it certainly demonstrates how much has changed in the past twelve months. It is reasonable to anticipate that fees will continue to be higher for the remainder of 2011.

The other expense of note is general and administrative expenses. The cost for the current quarter amounted to \$22,714 bringing the six month total to \$25,553. A similar result was seen last year when the expense for the quarter was \$40,043 and the year to date figure was \$44,721. A major component of the second quarter expense for each year is the fee that the Company has to pay to Canada Revenue Agency related to the filing for financings that closed in the preceding calendar year. Last year the Company filed on account of a financing completed in April 2008, while this year the filing was relative to the December 2009 financing. The amount of the fee is based upon the amount raised in the financing transaction, the period of time the Company takes to spend that amount on exploration, and prevailing interest rates. The fee in the second quarter of 2010 was much greater as a result of higher interest rates and having utilized a longer period of time to complete the expenditures.

The remaining expenses, both separately and in aggregate, are not significant and do not warrant detailed investigation however each of these costs is monitored and is within the expectations of management.

MINERAL RESOURCE PROPERTIES

On February 28, 2011 the carrying value of the Company's mineral resource properties consisted of the following:

| | Manitoba VMS Properties | Manitoba Gold Properties | Ontario Gold Property | Ontario Shihan Property | All Properties |
|----------------------|-------------------------------|--------------------------------|-----------------------------|-------------------------------|---------------------|
| Acquisition costs | \$ 745,419 | \$ 160,513 | \$ 86,122 | \$ 237,400 | \$ 1,229,454 |
| Exploration costs | 9,468,283 | 264,140 | 89,939 | 1,183,128 | 11,005,490 |
| Government grants | (396,412) | - | - | - | (396,412) |
| Valuation allowances | <u>(1,955,105)</u> | <u>-</u> | <u>-</u> | <u>(1,420,528)</u> | <u>(3,375,633)</u> |
| Carrying value | <u>\$ 7,862,185</u> | <u>\$ 424,653</u> | <u>\$ 176,061</u> | <u>\$ -</u> | <u>\$ 8,462,899</u> |

The Manitoba VMS Properties can be further subdivided as follows:

| | HudBay Properties | Jackfish Property | Tower Property | Dickstone Property | Dunlop Reed Property | Staked Properties | Manitoba VMS Properties |
|---------------------|----------------------|----------------------|---------------------|-----------------------|----------------------------|----------------------|-------------------------------|
| Acquisition costs | \$ 140,382 | \$ 93,333 | \$ 332,696 | \$ 50,000 | \$ 15,601 | \$ 113,407 | \$ 745,419 |
| Exploration costs | 6,238,537 | 691,205 | 850,504 | - | 32 | 1,688,005 | 9,468,283 |
| Valuation allowance | (1,955,105) | - | - | - | - | - | (1,955,105) |
| Government grants | <u>(275,579)</u> | <u>(21,968)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(98,865)</u> | <u>(396,412)</u> |
| Carrying value | <u>\$ 4,148,235</u> | <u>\$ 762,570</u> | <u>\$ 1,183,200</u> | <u>\$ 50,000</u> | <u>\$ 15,633</u> | <u>\$ 1,702,547</u> | <u>\$ 7,862,185</u> |

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MINERAL RESOURCE PROPERTIES – (continued)

The Company follows the recommendations of Canadian GAAP, whereby a valuation allowance is claimed relative to mineral resource properties for which no significant exploration has been completed for a period of three years. As a result of following this policy the carrying value of the Company's Shihan Property was reduced to \$Nil as at August 31, 2010. In the event that additional charges are incurred on this property a new valuation will be completed and may result in the recognition of an additional valuation allowance. During the current period exploration valued at \$66,216 was completed and a corresponding valuation allowance was recognized. The amounts listed above do not include any expenditures or valuation allowances related to properties that were abandoned prior to August 31, 2010.

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.

Subsequent to February 28, 2011, but prior to the date of this document, the HudBay properties for which the valuation allowance of \$1,955,105 was claimed were returned to HudBay thereby alleviating the Company of any further rights or obligations thereon. As at February 28, 2011, and as at the date of this document, each of the Company's mineral resource property options, claims and licenses are in good standing.

LIQUIDITY

The Company completed a financing transaction in December 2010 that generated gross proceeds of \$4,000,000. The offering consisted of 15,000,000 flow-through units at a price of \$0.20 each and 6,666,667 units at a price of \$0.15 each. Each flow-through unit was comprised of one common share and one-half share purchase warrant while each unit was comprised of one common share and one share purchase warrant. Each full warrant entitles the holder to acquire one common share of the Company at a price of \$0.30 unit June 2012. The Company incurred finders' fees in the amount of \$263,540 plus 298,667 compensation warrants and 1,093,700 FT compensation warrants. Each compensation warrant entitles the holder to acquire one common share of the Company at a price of \$0.15 until June 2010 and each FT compensation warrant entitles the holder to acquire one common share of the Company at a price of \$0.20 until June 2012. The financing closed in four parts from December 1 to December 20, 2010.

Since the Company currently has no source of revenues, or other means of generating cash from operations, it will remain reliant upon its ability to raise financing, 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 which will be required in order to satisfy its exploration and operating commitments.

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.

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COMMITMENTS

In March 2007 the Company entered into four option agreements to acquire a 100% working interest, subject to a 2% Net Smelter Returns Royalty, in four HudBay properties, located near Snow Lake Manitoba. Two of these properties were returned to HudBay subsequent to February 28, 2011. In accordance with the terms of the two remaining agreements, the Company is required to make the following aggregate payments, on or before the following date, in order to secure its interest in the properties:

| | <u>Cash</u> <u>Payments</u> | <u>Exploration</u> <u>Expenditures</u> |
|----------------|--------------------------------|---|
| March 22, 2012 | \$ 310,000 | \$ - |

In March 2011 the Company made cash payment of \$90,000 and satisfied the remaining expenditure requirements and the agreements are currently in good standing.

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 date, in order to secure its interest in the property:

| | <u>Cash</u> <u>Payments</u> | <u>Common</u> <u>Shares</u> |
|--------------------|--------------------------------|--------------------------------|
| September 17, 2011 | \$ 45,000 | 20,000 |

Prior to February 28, 2011 the Company had satisfied all exploration expenditure requirements stipulated in the option agreement and the agreement is currently in good standing.

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. On March 1, 2010 the parties executed an amendment to the original option agreement which served to establish the following commitment dates. In accordance with the terms of the agreement, the Company is required to make the following payments, on or before the following dates, in order to secure its interest in the property:

| | <u>Cash</u> <u>Payments</u> | <u>Exploration</u> <u>Expenditures</u> |
|----------------|--------------------------------|---|
| March 26, 2012 | \$ 30,000 | \$ 2,000,000 |
| March 26, 2013 | 30,000 | - |
| March 26, 2014 | 30,000 | 2,000,000 |
| | <u>\$ 90,000</u> | <u>\$ 4,000,000</u> |

In March 2011 the Company made cash payment of \$30,000 and satisfied the requirement that it complete a minimum of 2,000 metres of drilling on the property and the agreement is currently in good standing.

In November 2009 the Company entered into three option agreements to acquire a 100% working interest, subject to a 2% Net Smelter Returns Royalty, in three properties, located near Snow Lake Manitoba, that are collectively referred to as the Gold Dust Property. The agreements are currently in good standing but in accordance therewith the Company is required to make the following aggregate payments, on or before the following dates, in order to secure its interest in the properties:

| | <u>Cash</u> <u>Payments</u> | <u>Common</u> <u>Shares</u> | <u>Exploration</u> <u>Expenditures</u> |
|---------------------------------|--------------------------------|--------------------------------|---|
| December 29, 2011 | \$ 35,000 | 90,000 | \$ 225,000 |
| December 29, 2012 | 45,000 | 90,000 | 300,000 |
| December 29, 2013 | 65,000 | 90,000 | 375,000 |
| To December 2019 ⁽¹⁾ | 120,000 | - | 300,000 |
| | <u>\$ 265,000</u> | <u>270,000</u> | <u>\$ 1,200,000</u> |

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COMMITMENTS – (continued)

⁽¹⁾ From December 2014 through December 2019 the Company is required to make annual cash payments of \$20,000 and the aggregate exploration expenditure requirement increases by \$50,000. The annual cash payments of \$20,000 will continue after December 2019 provided the Company retains its interest in the property. Each annual \$20,000 payment, commencing with the one paid December 2010, represent a non-refundable advance royalty payment which can be applied as a pre-payment against the net smelter returns royalty, if any.

In March 2010 the Company entered into an option agreement to acquire a 100% interest, subject to a 2% net smelter returns royalty, in the Dunlop-Reed Property, located in the Snow Lake District in Manitoba. In accordance with the terms of the agreement, the Company is required to make the following payments, on or before the following dates, in order to secure its interest in the property:

| | <u>Common Shares</u> |
|---------------|--------------------------|
| March 3, 2012 | 25,000 |
| March 3, 2013 | <u>25,000</u> |
| | <u><u>50,000</u></u> |

In March 2011 the Company made a payment of 25,000 common shares and the agreement is currently in good standing.

In October 2010 the Company entered into an option agreement to acquire a 100% interest, subject to a 3% net smelters return royalty, in the Black Gold Property, located near Timmins, Ontario. In accordance with the terms of the agreement, the Company is required to make the following payments, on or before the following dates in order to secure its interest in the property:

| | <u>Cash Payments</u> | <u>Common Shares</u> | <u>Exploration Expenditures</u> |
|--------------|--------------------------|--------------------------|-------------------------------------|
| October 2011 | \$ 50,000 | 200,000 | \$ 50,000 |
| October 2012 | 50,000 | 200,000 | 50,000 |
| October 2013 | 50,000 | 200,000 | 50,000 |
| October 2014 | <u>50,000</u> | <u>200,000</u> | <u>350,000</u> |
| | <u>\$ 200,000</u> | <u>800,000</u> | <u>\$ 500,000</u> |

Advance royalty payments of \$50,000 per year commence after a positive feasibility study has been completed. The agreement is currently in good standing

In January 2011 the Company entered into an option agreement to acquire a 100% interest, subject to a 2% net smelter returns royalty, in the Dickstone Property, located in the Snow Lake District in Manitoba. The Company made a payment of \$50,000 upon execution of the agreement and, in accordance with the terms thereof, is required to make the following payments, on or before the following dates, in order to secure its interest in the property:

| | <u>Exploration Expenditures</u> |
|------------------|-------------------------------------|
| January 31, 2012 | \$ 500,000 |
| January 31, 2013 | 1,000,000 |
| January 31, 2014 | 1,000,000 |
| January 31, 2014 | <u>1,000,000</u> |
| | <u>\$ 3,500,000</u> |

The agreement is currently in good standing.

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COMMITMENTS – (continued)

In February 2011 the Company entered into an option agreement to acquire a 100% working interest, subject to a 2% Net Smelter Returns Royalty, in the Spruce Point Property, located in the Snow Lake District in Manitoba. In accordance with the terms of the agreement, the Company is required to make the following payments, on or before the following dates, in order to secure its interest in the property:

| | Cash <u>Payments</u> | Exploration <u>Expenditures</u> |
|-------------------|-------------------------|------------------------------------|
| February 10, 2012 | \$ 10,000 | \$ 200,000 |
| February 10, 2013 | 20,000 | 400,000 |
| February 10, 2014 | 120,000 | 800,000 |
| February 10, 2015 | <u>350,000</u> | <u>1,000,000</u> |
| | <u>\$ 500,000</u> | <u>\$ 2,400,000</u> |

The agreement is currently in good standing.

In accordance with the terms of the December 2010 financing the Company is required to incur and pay for exploration expenditures on its mineral resource properties in the aggregate amount of \$3,000,000 no later than December 31, 2011. As at February 28, 2011 the Company had paid \$528,179 leaving a balance of \$2,471,821 to be satisfied prior to the deadline. A similar commitment in the amount of \$2,000,000 arose from the financing completed December 2009 and this commitment was satisfied during December 2010.

The Company has signed a lease for its administrative office in Toronto, Ontario which expires December 31, 2011 and requires monthly comprehensive lease payments of \$2,000 per month, each of which has been prepaid. It also has leased a facility for use as both a field office and accommodations in Snow Lake Manitoba which requires monthly payments of \$800, plus applicable utilities, until July 31, 2011 and renewable thereafter. The base rent has been prepaid until December 2011. A second facility in Snow Lake Manitoba, which is used for the storing and cataloguing of drill core removed from its mineral resource properties, is rented at a monthly cost of \$1,500 plus applicable realty taxes and utilities.

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 an individual who was a Director and Officer of the Company until September 14, 2010.

Gardiner Roberts LLP ("Gardiner") is a legal firm in which a Director of the Company is a partner.
Public Company Services Inc. ("Public") is a company owned and operated by a Director.

Cryo-Line MDI Inc. ("MDI") is a company owned and operated by a senior Officer

All transactions with related parties are in the normal course of operations, have been carried out on the same terms as those accorded to unrelated parties and have been recorded at exchange amounts established and agreed to by the related parties. As at February 28, 2011 there was \$Nil (August 2010 – Nil) included in accounts receivable and \$39,936 (August 31, 2010 - \$70,039) included in accounts payable and accrued liabilities as a result of these transactions:

| | | Feb. 28 <u>2011</u> | Feb. 28 <u>2010</u> |
|------------|---|------------------------|------------------------|
| Lapierre | Exploration expenditures | \$ 102,000 | \$ 92,902 |
| Lapierre | Consulting fees and expenses | - | 9,907 |
| Lapierre | Disposal of property, plant and equipment | (221) | - |
| Geodigital | Exploration expenditures | 6,600 | 102,656 |
| Geodigital | Disposal of assets ⁽¹⁾ | - | 7,687 |
| Gardiner | Professional fees | 60,177 | 37,444 |

ROCKCLIFF RESOURCES INC.

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(Prepared as at April 28, 2011)

| | | | |
|--|---------------------|-------------|-------------|
| Gardiner | Stock issuance fees | 22,500 | 14,414 |
| TRANSACTIONS WITH RELATED PARTIES - (continued) | | | |
| | | Feb. 28 | Feb. 28 |
| | | <u>2011</u> | <u>2010</u> |
| Public | Consulting fees | 15,000 | 5,000 |
| MDI | Consulting fees | 34,013 | 24,119 |

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, 2009 | 29,408,893 | 7,759,670 |
| Shares issued under private placement ⁽¹⁾ | 5,000,000 | 500,000 |
| Less: cash expenses associated with offering | | (42,500) |
| Less: value attributed to agents' units | | (32,975) |
| Less: value attributed to associated warrants | | (151,869) |
| Shares issued under private placement ⁽²⁾ | 13,000,000 | 3,000,000 |
| Less: cash expenses associated with offering | | (202,208) |
| Less: value attributed to compensation warrants | | (152,558) |
| Less: value attributed to associated warrants | | (602,069) |
| Less: tax value attributed to the renounced expenditures | | (660,000) |
| Shares issued upon exercise of warrants | 500,000 | 75,000 |
| Plus: value previously attributed to the warrants | | 15,187 |
| Shares issued upon exercise of agents' units | 63,705 | 6,371 |
| Plus: value previously attributed to the agents' units | | 4,668 |
| Less: value attributed to underlying warrants | | (3,024) |
| Shares issued upon exercise of underlying warrants | 53,705 | 8,055 |
| Plus: value previously attributed to the underlying warrants | | 2,216 |
| Shares issued to settle obligations | 333,334 | 25,000 |
| Shares issued under property options | <u>135,000</u> | <u>24,150</u> |
| Common shares at August 31, 2010 | 48,494,637 | 9,573,114 |
| Shares issued for private placements ⁽³⁾ | 21,666,667 | 4,000,000 |
| Less: cash expenses associated with offering | | (307,290) |
| Less: value attributed to associated warrants | | (903,262) |
| Less: tax value attributed to the renounced expenditures | | (929,760) |
| Shares issued upon exercise of agents' units | 40,000 | 4,000 |
| Plus: value previously attributed to the agents' units | | 2,931 |
| Less: value attributed to underlying warrants | | (920) |
| Shares issued upon exercise of warrants | 500,000 | 75,000 |
| Plus: value previously attributed to the warrants | | 15,187 |
| Shares issued for mining property rights | <u>310,000</u> | <u>56,900</u> |
| Common shares at February 28, 2011 | 71,011,304 | 11,585,900 |
| Stock options exercised | 300,000 | 45,000 |
| Shares issued under property option | 25,000 | 7,750 |
| Shares issued upon exercise of agents' units | 346,295 | 34,630 |
| Plus: value previously attributed to the agents' units | | 25,376 |
| Less: value attributed to underlying warrants | | (10,319) |
| Shares issued upon exercise of underlying warrants | 394,670 | 59,200 |
| Plus: value previously attributed to the underlying warrants | | <u>12,000</u> |
| Balance forward | <u>72,077,269</u> | <u>11,759,537</u> |

ROCKCLIFF RESOURCES INC.

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CONVERTIBLE INSTRUMENTS AND OTHER SECURITIES - (continued)

| | | |
|---|-------------------|---------------------|
| Balance forward | 72,077,269 | 11,759,537 |
| Shares issued upon exercise of \$0.15 warrants | 4,000,000 | 600,000 |
| Plus: value previously attributed to the warrants | | 121,495 |
| Shares issued upon exercise of \$0.20 warrants | 217,000 | 43,400 |
| Plus: value previously attributed to the warrants | | 32,094 |
| Common shares as at the date of this document | <u>76,294,269</u> | <u>\$12,556,526</u> |

(1) This also resulted in the issuance of 5,000,000 warrants and 450,000 compensation units.

(2) This also resulted in the issuance of 9,000,000 warrants and 1,031,500 compensation warrants.

(3) This also resulted in the issuance of 14,166,667 warrants, 298,668 compensation warrants and 1,093,700 FT compensation warrants.

In addition to the shares noted above the Company has issued units, 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:

| | <u>Number Of Common Shares</u> |
|--|------------------------------------|
| Property option payment due no later than Mar. 3, 2011 | 25,000 |
| Warrants exercisable at \$0.15 per share until April 9, 2011 | 4,050,000 |
| Agents' units exercisable at \$0.10 per share until April 9, 2011 | 346,295 |
| Underlying warrants exercisable at \$0.15 per share until April 9, 2011 ⁽¹⁾ | 346,295 |
| Stock options exercisable at \$0.15 until Mar. 14, 2011 | 300,000 |
| Stock options exercisable at \$0.47 until Mar. 14, 2011 | 300,000 |
| Stock options exercisable at \$0.15 until Aug. 12, 2011 | 100,000 |
| Warrants exercisable at \$0.40 per share until June 18, 2011 | 9,000,000 |
| Compensation warrants exercisable at \$0.20 per share until June 18, 2011 | 1,031,500 |
| Property option payment due no later than Sept. 17, 2011 | 20,000 |
| Property option payment due no later than Oct. 29, 2011 | 200,000 |
| Property option payment due no later than Dec. 29, 2011 | 90,000 |
| Property option payment due no later than Mar. 3, 2012 | 25,000 |
| Warrants exercisable at \$1.50 per share until Mar. 26, 2012 | 1,250,000 |
| Stock options exercisable at \$0.47 until Mar. 27, 2012 ⁽²⁾ | 800,000 |
| Warrants exercisable at \$0.30 per share until June 1, 2012 | 3,750,000 |
| Warrants exercisable at \$0.20 per share until June 1, 2012 | 580,500 |
| Warrants exercisable at \$0.30 per share until June 14, 2012 | 1,305,000 |
| Warrants exercisable at \$0.30 per share until June 15, 2012 | 6,105,418 |
| Warrants exercisable at \$0.20 per share until June 15, 2012 | 295,200 |
| Warrants exercisable at \$0.15 per share until June 15, 2012 | 66,667 |
| Warrants exercisable at \$0.30 per share until June 20, 2012 | 3,006,249 |
| Warrants exercisable at \$0.20 per share until June 20, 2012 | 218,000 |
| Warrants exercisable at \$0.15 per share until June 20, 2012 | 232,001 |
| Property option payment due no later than Oct. 29, 2012 | 200,000 |
| Property option payment due no later than Dec. 29, 2012 | 90,000 |
| Property option payment due no later than Mar. 3, 2013 | 25,000 |
| Property option payment due no later than Oct. 29, 2013 | 200,000 |
| Property option payment due no later than Dec. 29, 2013 | 90,000 |
| Stock options exercisable at \$0.15 until June 17, 2014 ⁽²⁾ | 1,100,000 |
| Stock options exercisable at \$0.20 until Sept. 16, 2014 | 50,000 |
| Stock options exercisable at \$0.20 until Oct. 14, 2014 ⁽²⁾ | <u>250,000</u> |
| Balance forward | 35,448,125 |

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CONVERTIBLE INSTRUMENTS AND OTHER SECURITIES - (continued)

| | |
|---|-------------------|
| Balance forward | 35,448,125 |
| Property option payment due no later than Oct. 29, 2014 | 200,000 |
| Stock options exercisable at \$0.28 until Mar. 10, 2015 ⁽²⁾ | 200,000 |
| Stock options exercisable at \$0.20 until Sept. 29, 2015 ⁽²⁾ | <u>1,500,000</u> |
| Total common shares reserved as at Feb 28, 2011 | 37,348,125 |
| Property option payment made | (25,000) |
| Agents' units exercised at \$0.10 per share | (346,295) |
| Warrants and underlying warrants exercised at \$0.15 per share | (4,394,670) |
| Warrants expired at \$0.15 per share | (1,625) |
| Stock options exercised at \$0.15 per share | (300,000) |
| Stock options expired at \$0.47 per share | (300,000) |
| Compensation warrants exercised at \$0.20 per share | <u>(217,000)</u> |
| Total common shares reserved as at the date of this document | <u>31,763,535</u> |

⁽¹⁾ These underlying warrants were only to be issued upon the exercise of the agent's units. 346,295 underlying warrants were issued subsequent to February 28, 2011 upon the exercise of agents' units.

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

| | <u>Number Of Common Shares</u> |
|---|------------------------------------|
| Common shares issued as at February 28, 2011 | 71,011,304 |
| Common shares reserved as at February 28, 2011 | <u>37,348,125</u> |
| Fully diluted number of common shares as at February 28, 2011 | 108,359,942 |
| Common shares issued subsequent to February 28, 2011 | 5,282,965 |
| Shares issued after February 28, 2011 that were previously reserved | (5,282,965) |
| Share reserves that expired after February 28, 2011 | <u>(301,625)</u> |
| Fully diluted number of common shares as at the date of this document | <u>108,058,317</u> |

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, 2010 | 3,100,000 | \$0.28 | Aug. 28, 2013 |
| Options altered ⁽²⁾ | (600,000) | \$0.31 | May 7, 2013 |
| Options altered ⁽²⁾ | 600,000 | \$0.31 | Mar. 14, 2011 |
| Granted during period | <u>1,500,000</u> | \$0.20 | Sept. 29, 2015 |
| Outstanding February 28, 2011 | 4,600,000 | \$0.25 | Jan 21, 2014 |
| Exercised after end of period | (300,000) | \$0.15 | Mar 14, 2011 |
| Expired after end of period | <u>(300,000)</u> | \$0.47 | March 14, 2011 |
| Outstanding as at the date of this document | <u>4,000,000</u> ⁽¹⁾ | \$0.24 | June 26, 2014 |

⁽¹⁾ Each of these options has vested and is currently available to be exercised at the holders' discretion.

⁽²⁾ The expiry date of these options was reduced as a consequence of the holder having not been re-elected to the Company's Board of Directors at the September 14, 2010 shareholders' meeting

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Management's Discussion and Analysis

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(Prepared as at April 28, 2011)

CONVERTIBLE INSTRUMENTS AND OTHER SECURITIES – (continued)

| <u>Description</u> | <u>Number of Warrants</u> | <u>Weighted Average Exercise Price</u> | <u>Weighted Average Expiry Date</u> |
|---|---------------------------|--|-------------------------------------|
| Outstanding August 31, 2010 | 15,791,500 | \$0.32 | May 29, 2011 |
| Exercised during the period | (500,000) | \$0.15 | April 9, 2011 |
| Issued during period | <u>15,599,035</u> | \$0.29 | June 11, 2012 |
| Outstanding February 28, 2011 | 30,890,535 | \$0.35 | Dec. 18, 2011 |
| Issued after the end of the period | 346,295 | \$0.15 | April 9, 2011 |
| Exercised after the end of the period | (4,611,670) | \$0.15 | April 12, 2011 |
| Expired after the end of the period | <u>(1,625)</u> | \$0.15 | April 9, 2011 |
| Outstanding as at the date of this document | <u>26,623,535</u> | \$0.38 | Jan. 27, 2012 |

CHANGES IN ACCOUNTING POLICY

Since the end of the previous fiscal year, there have been no changes to the accounting policies followed by the Company or the future accounting pronouncements by which it is affected. For additional details please see the Management Discussion and Analysis dated December 21, 2010 which accompanied the audited financial statements for the fiscal year ended August 31, 2010.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, restricted cash and cash equivalents, GST and HST receivable and accounts payable and accrued liabilities. Due to the short term maturities associated with each of these instruments their fair value approximates their carrying values. These financial instruments do not expose the Company to any interest rate risk or currency risk.

RISK FACTORS

Since the end of the previous fiscal year, there have been no changes to the risk factors to which the Company is exposed or the means by which they are managed. For additional details please see the Management Discussion and Analysis dated December 21, 2010 which accompanied the audited financial statements for the fiscal year ended August 31, 2010.

FORWARD LOOKING INFORMATION

This Management's Discussion & Analysis (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.

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FORWARD LOOKING INFORMATION - (continued)

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.

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 Company's information circular for the Company's most recent annual meeting of security holders that involved the election of directors.