

ROCKCLIFF RESOURCES INC.

Management's Discussion and Analysis

For the Year Ended August 31, 2011

(Prepared as at December 23, 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 financial statements as at August 31, 2011 and should be read in conjunction with those financial statements. Additional information about the Company can be found at www.sedar.com.

EXECUTIVE SUMMARY

Rockcliff Resources Inc. is a Canadian resource exploration company that is primarily focused on discovery and advancement of its high-quality mineral assets comprising its Snow Lake VMS Project. Rockcliff presently controls properties that comprise its Snow Lake VMS Project that total in excess of 500 km² and are located within and proximal to the Snow Lake Mining Camp. The project presently hosts five high grade copper deposits and several other properties with "blue sky" copper potential. The deposits include one (55,000,000 pounds of copper) with a completed NI 43-101 Indicated Resource of 822,000t at 3.04% copper (Rail Copper Deposit), two former VMS Mines (Spruce Point and Dickstone Copper Mines) and the historic Lon Copper Deposit which together comprise a non-compliant resource historically estimated at 100,000,000 pounds of copper, and the Tower Copper Deposit. The Company believes that there is excellent potential for expansion of each of these deposits.

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 Black Gold and Shihan Properties in Ontario which are held in a wholly-owned subsidiary, Goldpath Resources Corp. (Goldpath).

The disclosures in this document and in the annual financial statements are presented on a consolidated basis including all assets and liabilities of Goldpath and all revenues and expenses arising since its inception on May 11, 2011.

The Snow Lake VMS Project

The Company undertook an aggressive exploration program on its Snow Lake project during the 2011 fiscal year with expenditures amounting to \$3,376,062. Most of these expenditures arose prior to the final quarter as wet weather conditions impeded work that had been planned for the final three months and was deferred until the winter freeze up has concluded. The fourth quarter expenditures of \$328,447 included drilling and assessment work conducted on the Rail Property as well as assessment and/or ground work on each of the other properties with an emphasis on the Tower, Dickstone and Lon properties. During the first three quarters of 2011 the Company completed drilling to investigate targets on the Tower, Lon and Freebeth properties. In addition to this the Company also conducted VTEM airborne surveys at the Tower, Dickstone, Dickstone North and Rail North properties and DPEM surveys at the Lon and Tower properties. Each of these properties is believed to have excellent prospects for containing extensive copper-rich mineralization.

The drilling conducted at Rail during the final quarter provided results that extended the known Rail mineralization a further 100 metres to the south and provided encouraging results with respect to an area of potential plunge extension to the north of the Rail Deposit that was identified through previous DPEM survey results. Future drilling is considered warranted to continue to extend the Rail deposit southward and to further investigate the potential plunge extension to the north at depths greater than 500 metres. The winter 2012 drill program is expected to include a minimum of 1,000 metres of drilling on this property.

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The Snow Lake VMS Project - continued

Drilling conducted prior to the fourth quarter at the Tower Property consistently intersected high grade copper mineralization at the Tower Deposit. The program expanded the area being tested and the results continued to indicate pervasive high grade copper mineralization across a strike length of over 700m and to a vertical depth of 300m. The Tower Copper Deposit is a high grade VMS system that remains open in all directions. Mineralization intersected in 24 holes drilled to date include 8.2m grading 7.6% copper, 2.0g/t gold, 1.7% zinc, 35.4g/t silver (hole 8) and 4.9m grading 6.1% copper, 1.6g/t gold, 2.0% zinc and 35.9g/t silver (hole 21). The results also suggest that significant potential exists for further discoveries along strike and at depth and adjacent to the deposit. DPEM geophysical surveys discovered anomalies (T-1A, T-1B, and T-3) which have similar geophysical signatures as the Tower Copper Deposit. Future exploration and drilling of this property will attempt to expand the limits of the mineralization of the Tower Deposit as well as determine the conductivity of the nearby DPEM anomalies. Assessment work completed during the fourth quarter resulted in the expectation that a minimum of 8,000 metres of drilling will be completed in the winter 2012 drill program.

Assessment and ground work completed on the Dickstone Property focused on preparation for a DPEM survey and assessment of the data generated through the VTEM airborne survey completed earlier in the year. The Company remains very enthusiastic with respect to the potential for expanded mineralization on this property and the winter 2012 drill program is expected to include a minimum of 1,500 metres of drilling on this property with an emphasis on the area below the workings of the former mine.

Assessment of work conducted prior to the fourth quarter at the Lon Property, a property that is 100% controlled by the Company, confirmed that additional drilling is warranted. Previous drilling provided very favourable results and testing of the cores revealed that high grade copper and zinc are present. The DPEM survey completed earlier in the year identified untested extensions along strike and at depth of the deposit. Future drill programs will focus on attempting to define the area of mineralization associated with the deposit. The winter 2012 drill program is not expected to include this property as resources are devoted to other properties that have work commitments.

In addition to the work identified above, Management also anticipates that the winter 2012 drill program will include an initial drill program of not less than 1,000 metres to be conducted on the Spruce Point Property. The emphasis will be on the area below the workings of the former mine with the intent to begin investigating, defining and refining the characteristics of the non-compliant copper-rich resource comprising the former Spruce Point mine.

During the year the Company surrendered the option rights held on the Kofman and Reed properties and allowed a small block of previously staked claims to lapse. The assessments completed on these properties indicated that the potential for significant mineralization was not sufficient to warrant the additional future expenditures that would be required to secure the Company's rights in accordance with the option agreements or to maintain the claims in good standing.

Gold Properties

During the final three months of the 2011 fiscal year the Company conducted additional line cutting and assessment of the magnetometer and induced polarization (IP) survey completed previously on three areas of the Manitoba Gold Dust Property with significant gold potential. The surveys were successful in outlining several areas with geophysical anomalies associated with surface gold showings. Additional exploration at Gold Dust including geophysics and geological ground work and diamond drilling will determine the property's potential to host significant quantities of gold.

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Gold Properties - continued

In Ontario, the Company completed assessment work on both the Black Gold and Shihan properties. The assessment on Shihan focused on exploration completed in prior years with a focus to developing recommendations for future exploration programs and this assessment continues. The Black Gold assessment focused on results from the magnetometer and induced polarization (IP) survey completed earlier in the year on the high grade surface showing known as the White-Kerry occurrence which revealed a significant IP anomaly with strike and depth potential. Additional work included a stripping, washing and sampling program at the WK occurrence. A gold rich zone, 2-8 metres wide and 85 metres long, was uncovered along the west edge of the IP anomaly. The WK occurrence is associated with native visible gold, pervasive quartz veining, disseminated pyrite and gold values ranging from trace to almost 60g/t. Management's recommendations include completing a minimum of 2,000 metres of drilling on this property to advance what is believed to be an excellent open pit gold opportunity.

OUTLOOK

Future exploration programs will focus on properties with the greatest potential for significant advancement and on achieving the exploration commitments in accordance with option agreements. While the winter 2011/2012 exploration program is being conducted the evaluation of each of the properties, and all corresponding option commitment, will be evaluated to determine the next priorities. The company remains confident that with successful continued exploration advancement of its properties its ultimate goal of an advanced staged exploration Company becoming a mine finding Company will eventually be realized.

OVERVIEW

The Company operates a single business segment which is engaged in the exploration for base and precious metals in Manitoba and Ontario. On May 11, 2011 the Company incorporated a subsidiary, Goldpath Resources Corp. (Goldpath). Effective May 31, 2011 the Company sold five of its mineral resource properties to Goldpath in exchange for common shares of Goldpath. This transaction resulted in one legal entity, Rockcliff, with a focus exclusively on VMS properties and a second legal entity, Goldpath, with a focus exclusively on gold properties. This legal separation was not considered to have created a new business segment since the business of the Company, on a consolidated basis, remains unchanged from what it had been prior to the creation of Goldpath. As at the date of this document Rockcliff continues to hold 100% of the issued share capital of Goldpath.

The individuals noted below were elected or re-elected to the Board at the Company's most recent annual general meeting which was held on September 14, 2010. The Board promptly appointed the following individuals to fill the offices of the President, CEO, CFO, and VP Exploration and to form the Board sub-committees. There have been no changes in management since that time. The next annual general meeting is scheduled for February 2, 2012 and no changes are currently anticipated.

<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 Arsenaault, 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

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SELECTED FINANCIAL DATA

	For the fiscal years ended:		
	<u>Aug. 11</u>	<u>Aug. 10</u>	<u>Aug. 09</u>
Interest income	14,551	5,058	27,921
Net loss from operations	(2,835,034)	(3,115,418)	(866,654)
Per share	(0.04)	(0.07)	(0.03)
Net loss for the period	(1,882,627)	(2,492,399)	(776,854)
Per share	(0.03)	(0.06)	(0.03)
Mineral resource properties	10,464,207	8,380,889	8,429,401
Total assets	12,170,538	10,041,123	9,454,402
Total liabilities	2,007,834	1,923,785	1,798,445

	For the three month periods ended:			
	<u>Aug. 11</u>	<u>May 11</u>	<u>Feb. 11</u>	<u>Nov. 10</u>
Interest income	4,085	5,993	1,558	2,915
Net loss from operations	(132,253)	(215,254)	(2,102,727)	(384,800)
Per share	(0.00)	(0.00)	(0.03)	(0.01)
Net income (loss) for the period	51,375	(105,651)	(1,519,925)	(308,426)
Per share	0.00	(0.00)	(0.02)	(0.01)
Mineral resource properties	10,464,207	10,237,266	8,462,899	9,095,405
Total assets	12,170,538	12,308,925	12,179,217	10,039,275
Total liabilities	2,007,834	2,200,795	2,764,217	1,963,400

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

	For the three month periods ended:			
	<u>Aug. 10</u>	<u>May 10</u>	<u>Feb. 10</u>	<u>Nov. 09</u>
Interest income	2,271	2,439	5	343
Net loss from operations	(1,456,018)	(179,180)	(1,317,273)	(162,947)
Per share	(0.03)	(0.00)	(0.03)	(0.01)
Net loss for the period	(1,128,545)	(158,216)	(1,051,507)	(154,131)
Per share	(0.02)	(0.00)	(0.02)	(0.01)
Mineral resource properties	8,380,889	9,561,610	8,926,338	9,731,313
Total assets	10,041,123	11,458,212	11,797,571	10,152,784
Total liabilities	1,923,785	2,219,585	2,526,842	2,111,406

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

RESULTS OF OPERATIONS

The Company's operations continue to be focused exclusively on the acquisition, exploration and advancement of mineral resource properties. Although operations to date have resulted in the advancement of many of the Company's properties they do not provide a source of operating revenue. This absence of revenues ensures that operating losses will be incurred. For the year ended August 31, 2011 the Company incurred a loss from operations in the amount of \$2,835,034 including a loss of \$132,253 sustained in the final fiscal quarter. The loss from operations for the prior year was \$3,115,418 including \$1,456,018 which arose in the final quarter. The timing and extent of future operating losses will be entirely dependent upon successes that may be achieved relative to the development of the Company's mineral resource properties. The timing and extent of these successes, if any, cannot be reasonably predicted.

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RESULTS OF OPERATIONS - (continued)

The difference between the loss from operations for a given period and the net income (loss) for that same period arises because of expected future income tax implications. The Company records a future income tax liability each time that it completes a flow through financing and renounces exploration expenditures in favour of its investors. The renouncing of these expenditures means that the Company will not have them available to use to offset future taxable income, if any. The amount of the future tax liability initially recognized is equal to the amount of income taxes that would arise on the date of renouncement if the Company were fully taxable at that time. This liability is then adjusted in each future period by recognizing a future tax provision or recovery to reflect changes in current and future income tax rates and to recognize the future income tax effect of any valuation allowances recognized. For the year ended August 31, 2011 the Company reported a future income tax recovery in the amount of \$952,407 as compared to the recovery of \$623,019 recognized during the 2010 fiscal year. For the three month period ended August 31, 2011 the future income tax recovery was \$183,628 while during the final quarter of 2010 the Company recognized a future income tax provision of \$145,760. Including a financing transaction currently in process, the Company will continue to use flow through financing as a means of financing its exploration programs and will recognize appropriate future income tax liabilities as a result. Adjustments to the carrying value of future income tax liabilities, through the recognition of future income tax provisions and/or recoveries, will continue but their timing and amount cannot be reasonably predicted.

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.

Total expenses incurred for the year ended August 31, 2011 amounted to \$2,849,585 representing an 8.7% decline in comparison to the 2010 total of \$3,120,476. The totals for the final quarter of each year were \$136,258 and \$1,458,289. The largest single factor impacting upon these expense totals is the timing and extent of the valuation allowances recognized.

At the end of each fiscal period the Company completes a critical assessment of the viability and valuation of each of its mineral resource properties. This evaluation takes into consideration the results of exploration completed to date, any future expenditure commitments to satisfy staking or option requirements, and the timing and extent of any payments of cash and/or shares required under option agreements. During the 2011 fiscal year these assessments led to the recognition of valuation allowances amounting to \$2,142,576 including \$11,963 arising in the final quarter. Assessments completed during the 2010 fiscal year resulted in the recognition of \$2,572,588 in valuation allowances including \$1,354,312 in the final quarter. The entire valuation allowance recognized in the three months ended August 31, 2010 related to the Company's Shihan Property. This allowance was recognized in accordance with Canadian GAAP which requires that a valuation allowance be recorded when there has been three years of relative inactivity with respect to the advancement of a property unless specific evidence exists that the carrying value is recoverable. No such evidence exists with respect to the Shihan Property and accordingly the Company reduced the carrying value to \$Nil. The Company continues to retain all rights to the Shihan Property and completed exploration and assessment work valued at \$74,384 during the 2011 fiscal year including \$8,168 completed in the fourth quarter. These amounts are included in the valuation allowances reported for each period.

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RESULTS OF OPERATIONS - (continued)

The Company utilizes stock options as an enticement for management and other key consultants. The value attributed to these stock options is determined using the Black Scholes option pricing model and is accounted for as stock option compensation. The results of applying this pricing model are dependent upon the number of stock options granted in the period, the exercise price for those options, the market price of the Company's shares at the time of grant, the volatility of the market price of the Company's shares, and market rates of interest. During the 2011 fiscal year the Company granted 1,500,000 stock options which resulted in the recognition of \$227,163 in compensation expense. Compensation expense for the year ended August 31, 2010 amounted to \$94,177 reflecting the value attributed to 600,000 stock options. The 2010 figure includes \$5,506 in compensation expense which arose during the final quarter while no options were granted, or compensation expense recorded, during the fourth quarter of 2011. Employee and consultant stock options are granted by the Board of Directors, subject to legislated maximums. However, due to the number of market factors that impact upon the determination of compensation expense, it is not feasible to predict the amount of compensation expense that may arise in future periods.

In addition to the valuation allowances and stock option compensation the Company incurs other costs related to the operation and administration of its business. During the year ended August 31, 2011 these other costs amounted \$479,846 which exceed the 2010 total of \$453,711 by \$26,135. Virtually all of this difference arose in the final quarter when the 2011 expenses equated to \$124,375 or \$25,904 greater than the 2010 total of \$98,471. Management continuously monitors the operating and administrative costs with a focus on ensuring that it receives value for expenditures incurred. The overall comparability of the amounts reported in 2010 and 2011 is a reflection of the diligence with which this monitoring is completed.

Consulting fees includes the cost of services related to the administration of the business as provided by the Company's management team and by other parties. The cost of these services for the three and twelve month periods ended August 31, 2011 was \$41,156 and \$137,589 respectively. During the 2010 fiscal year these service costs amounted to \$116,476 including \$42,658 in the final quarter. The use of consultants allows the Company to acquire services on a timely basis whenever they may be required. This as-needed approach has proven to be an effective means of managing the costs of these services.

Professional fees, which comprise the cost of legal and auditor services, amounted to \$126,134 for the 2011 fiscal year including \$28,810 that arose in the final three months. The aggregate expense for fiscal 2010 was \$91,300 which included \$22,216 in fourth quarter costs. In addition to these amounts the Company also incurred legal costs of \$22,500 in 2011 and \$14,414 in 2010 that were accounted for as stock issuance costs. Auditor costs have risen to \$23,275 in 2011 from \$17,575 recorded in 2010. The annual expense amount is predicated upon an estimate of the cost of the annual financial statement audit. Fees rose in 2011 because the actual fees related to the 2010 audit exceeded the estimate made in 2010 and because the 2011 estimate was increased accordingly. Legal fees were also higher in 2011 as they amounted to \$100,567 in 2011 as compared to \$73,725 in 2010. The incremental costs in 2011 are attributable to the annual general meeting held September 2010, costs arising as a consequence of, but not directly related to, the December 2010 offering, and the costs associated with the vending of five properties from Rockcliff to Goldpath during the year. It is anticipated that audit fees may rise in 2012 as a consequence of the transition to IFRS while legal fees will be dependent upon the nature, frequency and magnitude of transactions that the Company undertakes for which it requires legal services.

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RESULTS OF OPERATIONS - (continued)

Public company expenses are comprised of filing and regulatory fees and the cost of investor relations services. The total expense rose from \$51,560 in 2010 to \$78,474 in 2011 representing an increase of \$26,914. The Company first retained the services of an investor relations firm in May 2011 and the cost of these services amounted to \$29,935 thereby accounting for all of the annual increase. The total public company expenses for the fourth quarter of 2011 amounted to \$24,587 including \$21,655 in investor relations services. There were no fees charged by an investor relations firm in the last three months of the 2010 fiscal year however the expense of \$8,004 does include initial printing and mailing costs for materials prepared and distributed in advance of the September 2010 annual general meeting. The remainder of the higher costs incurred in the final quarter of 2010 is a result of having issued a greater number of news release in that period than in the same period in 2011.

General and administrative costs declined in 2011 to \$36,743 from \$52,514. This difference is attributable to a charge the Company incurs at the time that it files the tax forms related to the completion of its expenditure obligations arising from flow through financings. This filing occurs in February of each year and the amount incurred February 2011 was \$16,840 as compared to \$32,325 February 2010. This charge, which is essentially an interest charge levied by Canada Revenue Agency, is based upon the timing and amount of eligible expenditures. The 2010 charge relates to the April 2008 financing which created an expenditure obligation of \$4,215,399 and was fully satisfied December 2009. The 2011 charge related to the December 2009 financing which created an expenditure obligation of \$2,000,000 that was fully satisfied December 2010. All other aspects of this cost category, including the amounts incurred in the fourth quarter of each year, are insignificant both individually and in aggregate and are comparable from period to period.

In January 2011 the Company increased the size of its administrative office and incurred a rent increase from \$1,000 per month to \$2,000 per month. This resulted in total occupancy costs of \$20,000 for the 2011 fiscal year and \$6,000 for the final quarter. Costs for the fourth quarter of 2010 amounted to \$3,000 while the annual expense amounted to \$14,626 including \$12,000 in costs related to the current administrative office and \$2,626 in lease and storage costs related to the former administrative office.

Travel costs declined in 2011 to \$15,360 from \$32,296. This decline however could better be characterized as a return to more typical levels as 2009 annual costs amounted to \$19,807. Fourth quarter costs in 2011 were \$1,176 while they amounted to \$8,959 during the three month period ended August 2010. Administrative travel costs in 2010 included the costs of a public relations trip to the Snow Lake project as well as a number of trips during the final quarter to and around the vicinity of the former administrative office. Similar trips did not occur during fiscal 2011.

A general review of all of the other expense categories finds them to be reasonably comparable from one period to the next with variances not being of sufficient magnitude to warrant in-depth analysis. All expenses are reviewed regularly and are within the expectations of management.

MINERAL RESOURCE PROPERTIES

To August 31, 2011 the Company has acquired, and made expenditures on, mineral properties as follows:

	Rockcliff Snow Lake Properties	Goldpath Gold Properties	All Properties
Acquisition costs	\$ 877,537	\$ 475,991	\$ 1,353,528
Exploration costs	11,239,320	1,732,222	12,971,542
Government grants	(363,974)	-	(363,974)
Valuation allowance	<u>(2,068,193)</u>	<u>(1,428,696)</u>	<u>(3,496,889)</u>
Carrying value	<u>\$ 9,684,690</u>	<u>\$ 779,517</u>	<u>\$ 10,464,207</u>

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MINERAL RESOURCE PROPERTIES – (continued)

Additional details with respect to these figures can be found in Appendix A to this document.

The amounts listed above do not include any expenditures or valuation allowances related to properties that were abandoned in prior fiscal years. 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, abandoned, or determined to have become impaired at which time an appropriate amount will be charged against income.

During 2011 the Company recorded a valuation allowance equal to the carrying value of three Snow Lake properties. Two of these properties were held under option from HudBay Minerals Inc. while the third consisted of a small block of claims that had been staked by the Company. Following the determination that the optioned properties had become impaired the Company surrendered their option rights and returned these properties to HudBay Minerals Inc. thereby eliminating any further rights or obligations with respect to these properties.

The Company follows the current requirements 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. Furthermore, all subsequent expenditures are subject to valuation in the period in which they occurred. During the current year the Company completed exploration valued at \$74,384 and a corresponding valuation allowance was recognized.

As at August 31, 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 did not complete any financing transactions during the final quarter of its 2011 fiscal year, but it did complete a financing transaction in December 2010 and it did receive funds during the year as a result of the exercise of certain warrants and stock options.

In December 2010 the Company issued a combination of units and flow-through units for gross proceeds of \$4,000,000. The offering was comprised 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 for eighteen months following the closing date. The Company incurred finders' fees in the amount of \$263,540 plus 298,667 unit comp warrants and 1,093,700 FT unit comp warrants. Each unit comp warrant entitles the holder to acquire one common share of the Company at a price of \$0.15 for eighteen months following the closing date and each FT unit comp warrant entitles the holder to acquire one common share of the Company at a price of \$0.20 for eighteen months following the closing date. The financing closed in four parts ranging from December 1, 2010 to December 20, 2010.

During the third fiscal quarter the Company received proceeds of \$791,031 from the exercise of 4,261,000 share purchase warrants, 346,295 agents' units, 394,670 underlying warrants, and 300,000 stock options. Each of the rights exercised were scheduled to expire during the year. The Company has no influence over the timing or extent to which any party chooses to exercise options, warrants, or units and does not rely upon this as a form of financing.

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LIQUIDITY – (continued)

In November 2011 the Company initiated a private placement financing, and then increased it in December, whereby it has offered 22,727,272 flow-through units at a price of \$0.11 each and 5,000,000 units at a price of \$0.10 each for gross proceeds of \$3,000,000. Each flow-through unit is comprised of one common share and one-half share purchase warrant while each unit is comprised of one common share and one share purchase warrant. Each full share purchase warrant will entitle the holder to acquire one common share of the Company at a price of \$0.18 for eighteen months following the closing date. All securities issued will be subject to a statutory four month hold period. The Company will pay cash finders' fees of up to 8% plus compensation warrants up to 8% of the number of units issued. Each compensation warrant will entitle the holder to acquire one common share of the Company at a price of \$0.18 for eighteen months following the closing date. As at the date of this document the Company has had two closings in connection with this financing transaction resulting in gross proceeds of \$2,152,667 from the issuance of 19,315,155 flow-through units and 280,000 units. The Company has paid cash fees in the amount of \$160,642 and issued 1,460,380 compensation warrants in connection with these two closings. The remainder of the offering remains open and the Company may place up to 3,412,117 additional flow-through units and 4,720,000 additional units.

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.

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 in March 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:

	Cash
	<u>Payments</u>
March 22, 2012	<u>\$ 310,000</u>

In March 2011 the Company made cash payment of \$90,000 and satisfied the remaining expenditure requirements. 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. Prior to August 31, 2011 the Company had satisfied all exploration expenditure requirements stipulated in the option agreement. In September 2011 the Company made the final cash payment of \$45,000 and issued 20,000 shares accordance with the terms of the agreement thereby earning its interests in the property.

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COMMITMENTS – (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. 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:

	Cash <u>Payments</u>	Exploration <u>Expenditures</u>
March 26, 2012	\$ 30,000	\$ 2,000,000
March 26, 2013	30,000	-
March 26, 2014	<u>30,000</u>	<u>2,000,000</u>
	<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. The Company has incurred exploration expenditures of \$1,672,644 as at August 31, 2011 and expects to satisfy the March 2012 expenditure requirement. 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. In accordance with the terms of the agreement, the Company is required to make the following payments, on or before the following dates, on or before the following dates, in order to secure its interest in the properties:

	Cash <u>Payments</u>	Common <u>Shares</u>	Exploration <u>Expenditures</u>
December 29, 2011	\$ 35,000	90,000	\$ 150,000
December 29, 2012	45,000	90,000	300,000
December 29, 2013	65,000	90,000	375,000
To December 2019 ⁽¹⁾	<u>120,000</u>	<u>-</u>	<u>300,000</u>
	<u>\$ 265,000</u>	<u>270,000</u>	<u>\$ 1,125,000</u>

⁽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.

As at August 31, 2011 the Company had incurred exploration expenditures in the amount of \$398,786 on these properties. This includes \$175,000 in expenditures that were required by December 2010, \$75,000 in expenditures that were required by December 2011, and \$123,231 relative to the remaining December 2011 commitment. The balance of the December 2011 exploration expenditure commitment has been satisfied as of the date of this document and the required payments of cash and common shares will be made to ensure the agreements remain in good standing.

ROCKCLIFF RESOURCES INC.

Management's Discussion and Analysis

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COMMITMENTS – (continued)

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>50,000</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 October 2011 the Company made cash payments of \$50,000 and issued 200,000 common shares in accordance with the terms of the agreements. In addition, 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 2012	\$ 50,000	200,000	\$ -
October 2013	50,000	200,000	50,000
October 2014	<u>50,000</u>	<u>200,000</u>	<u>350,000</u>
	<u>\$ 150,000</u>	<u>600,000</u>	<u>\$ 400,000</u>

Advance royalty payments of \$50,000 per year commence after a positive feasibility study has been completed. As at August 31, 2011 the Company had incurred exploration expenditures in the amount of \$142,140 thereby satisfying the exploration commitments through October 2012 and contributing \$42,140 towards the commitments noted above. 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, 2015	<u>1,000,000</u>
	<u>\$ 3,500,000</u>

As at August 31, 2011 the Company had incurred exploration expenditures in the amount of \$142,795 towards the commitments noted above and expects to satisfy the January 2012 expenditure requirement. The agreement is currently in good standing.

ROCKCLIFF RESOURCES INC.

Management's Discussion and Analysis

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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>

As at August 31, 2011 the Company had incurred exploration expenditures in the amount of \$1,512 towards the commitments noted above and expects to satisfy the February 2012 expenditure requirement. The agreement is currently in good standing.

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. The lease has not been formally renewed however the Company has a commitment from the landlord whereby it will continue to occupy all, or at least an adequate portion, of the office space throughout 2012. It also rents a facility for use as both a field office and accommodations in Snow Lake Manitoba which requires monthly payments of \$800, plus applicable utilities. 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 year or have outstanding balances at the end of the year:

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 ("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 August 31, 2011 there was \$64,487 (2010 - \$70,039) included in accounts payable and accrued liabilities as a result of these transactions:

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TRANSACTIONS WITH RELATED PARTIES – (continued)

		<u>2011</u>	<u>2010</u>
Lapierre	Exploration expenditures	\$ 188,750	\$ 180,097
Lapierre	Consulting fees and expenses	16,250	28,036
Lapierre	Disposal of assets ⁽¹⁾	221	-
Geodigital	Exploration expenditures	6,600	182,563
Geodigital	Consulting fees and expenses	-	5,919
Geodigital	Disposal of assets ⁽¹⁾	-	7,687
Gardiner	Professional fees	102,599	73,508
Gardiner	Stock issuance fees	22,500	14,414
Public	Consulting fees and expenses	17,500	20,000
MDI	Consulting fees and expenses	58,012	56,638

⁽¹⁾ This is the loss resulting from the sale of equipment to the related party. This sale was concluded at fair market value and only included equipment that the Company was no longer utilizing.

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 ⁽³⁾	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 in accordance with 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 ⁽⁴⁾	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 ⁽⁵⁾	386,295	38,630
Plus: value previously attributed to the agents' units		28,307
Less: value attributed to underlying warrants		(11,239)
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>70,942,269</u>	<u>11,559,700</u>

ROCKCLIFF RESOURCES INC.

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CONVERTIBLE INSTRUMENTS AND OTHER SECURITIES – (continued)

	<u>Quantity</u>	<u>Amount</u>
Balance forward	70,942,269	11,559,700
Shares issued upon exercise of warrants	4,777,000	730,400
Plus: value previously attributed to the warrants		177,650
Stock options exercised	300,000	45,000
Shares issued in accordance with property options	<u>335,000</u>	<u>64,650</u>
Common shares at August 31, 2011	76,354,269	12,577,400
Shares issued under private placement ⁽⁶⁾	19,595,155	2,152,667
Less: cash expenses associated with offering		(160,642)
Shares issued in accordance with property options	<u>220,000</u>	<u>25,200</u>
Common shares as at the date of this document	<u>96,169,424</u>	<u>\$14,594,625</u>

⁽¹⁾ This also resulted in the issuance of 5,000,000 warrants and 450,000 agents' 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 63,705 underlying warrants.

⁽⁴⁾ This also resulted in the issuance of 14,166,667 warrants, 298,668 compensation warrants and 1,093,700 FT compensation warrants.

⁽⁵⁾ This also resulted in the issuance of 386,295 underlying warrants.

⁽⁶⁾ This also resulted in the issuance of 9,937,578 share purchase warrants and 1,460,380 compensation warrants for which values have not yet been determined.

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>
Stock options exercisable at \$0.20 until Sept. 29, 2011	50,000
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 ⁽¹⁾	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 ⁽¹⁾	<u>1,100,000</u>
Balance forward	<u>19,699,035</u>

ROCKCLIFF RESOURCES INC.

Management's Discussion and Analysis

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CONVERTIBLE INSTRUMENTS AND OTHER SECURITIES – (continued)

	Number Of <u>Common Shares</u>
Balance forward	19,699,035
Stock options exercisable at \$0.20 until Oct. 14, 2014 ⁽¹⁾	250,000
Property option payment due no later than Oct. 29, 2014	200,000
Stock options exercisable at \$0.28 until Mar. 10, 2015 ⁽¹⁾	200,000
Stock options exercisable at \$0.20 until Sept. 29, 2015 ⁽¹⁾	<u>1,500,000</u>
Common shares reserved as at August 31, 2011	21,849,035
Options expired after August 31, 2011	(50,000)
Property option payments made after August 31, 2011	(220,000)
Securities reserved to date relative to private placement:	
Warrants included in flow-through units issued	<u>9,657,578</u>
Warrants included in units issued	280,000
Compensation warrants issued	<u>1,460,380</u>
Common shares reserved as of the date of this document	32,976,993
Potential additional common shares reserved relative to private placement:	
Common shares related to flow-through units not yet subscribed	3,412,117
Warrants related to flow-through units not yet subscribed	1,706,058
Common shares related to units not yet subscribed	4,720,000
Warrants related to units not yet subscribed	4,720,000
Compensation warrants not yet earned	<u>650,569</u>
Common shares reserved in the event that financing is fully subscribed	<u>48,185,737</u>

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

Common shares issued at August 31, 2011	76,354,269
Common shares reserved at August 31, 2011	<u>21,849,035</u>
Fully diluted number of common shares as at Aug. 31, 2011	98,203,304
Options expired after August 31, 2011	(50,000)
Common shares included in flow-through units	19,315,155
Warrants included in flow-through units	9,657,578
Common shares included in units	<u>280,000</u>
Warrants included in units	280,000
Compensation warrants issued	<u>1,460,380</u>
Fully diluted number of common shares as at the date of this document	129,146,417
Additional shares reserved after August 31, 2011 ⁽¹⁾	<u>15,208,744</u>
Common shares issued or reserved in the event that financing is fully subscribed	<u>144,355,161</u>

⁽¹⁾ This represents the remainder of common shares, warrants and compensation warrants which may be issued in accordance with the financing transaction in process but for which the Company currently has no subscriptions. To the extent that these securities are not issued prior to the closing of the financing the reservation will be cancelled.

ROCKCLIFF RESOURCES INC.

Management's Discussion and Analysis

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CONVERTIBLE INSTRUMENTS AND OTHER SECURITIES – (continued)

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. 10, 2013
Options altered ⁽²⁾	(600,000)	\$0.31	May 7, 2013
Options altered ⁽²⁾	600,000	\$0.31	Mar. 14, 2011
Options granted during year	1,500,000	\$0.20	Sept. 29, 2015
Options exercised	(300,000)	\$0.15	Mar. 14, 2011
Options expired	<u>(400,000)</u>	\$0.39	Apr. 20, 2011
Outstanding August 31, 2011	3,900,000 ⁽¹⁾	\$0.25	July 9, 2014
Expired after August 31, 2011	<u>(50,000)</u>	\$0.20	Sept. 29, 2011
Outstanding as at the date of this document	<u>3,850,000</u>	\$0.25	July 22, 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.

<u>Description</u>	<u>Number of Warrants</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Expiry Date</u>
Outstanding Aug. 31, 2010	15,791,500	\$0.40	June 20, 2011
Issued during the year	15,945,330	\$0.29	June 1, 2012
Exercised during the year	(5,171,670)	\$0.15	April 12, 2011
Expired during the year	<u>(9,756,125)</u>	\$0.38	June 17, 2011
Outstanding August 31, 2011	16,809,035	\$0.35	June 6, 2012
Issued after August 31, 2011	<u>11,397,957</u>	\$0.18	June 10, 2013
Outstanding as at the date of this document	<u>28,206,992</u>	\$0.28	Nov. 2, 2012

BASIS OF PRESENTATION

On May 11, 2011 Goldpath Resources Corp., a wholly-owned subsidiary, was incorporated. Accordingly, the consolidated financial statements as at August 31, 2011 were prepared using the consolidation method and include the assets and liabilities of Goldpath along with all revenues and expenses arising subsequent to its date of incorporation. Unless otherwise specified, all disclosures in this document are provided on this same consolidated basis.

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. There have been no changes to the accounting policies followed by the Company in the preparation of its annual financial statements for the year ended August 31, 2011 however Canadian GAAP is currently changing. Commencing with the fiscal period ended November 30, 2011 the Company will commence reporting in accordance with International Financial Reporting Standards (IFRS).

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INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Company is in process of the adoption of IFRS as implement of the new standards occurred on September 1, 2011. The Company will begin reporting under the new standards for its fiscal year ended August 31, 2012 and the first report to be issued under IFRS will be the interim consolidated financial statements for the period ended November 30, 2011. The conversion has impacted upon a limited number of accounting policies and certain financial statement disclosures but there have been no changes with respect to personnel, information systems, disclosure controls and procedures, internal controls, or internal controls over financial reporting and no other business activities have been impacted by the transition.

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.

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.

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.

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.

ROCKCLIFF RESOURCES INC.

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RISK FACTORS - continued

Credit risk:

The Company reports amounts that are recoverable on account of goods and services taxes and harmonized sales taxes. These amounts are subject to verification through audits that may be conducted by Canada Revenue Agency.

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:

Events have demonstrated, and continue to demonstrate, 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.

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.

ROCKCLIFF RESOURCES INC.

Management's Discussion and Analysis

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RISK FACTORS – (continued)

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.

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.

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.

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.

ROCKCLIFF RESOURCES INC.

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RISK FACTORS – (continued)

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.

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

Ken Lapierre P.Geo., President and CEO of Rockcliff Resources Inc., is a Qualified Person in accordance with Canadian regulatory requirements as set out in NI 43-101, and is responsible for the information in this Management Discussion and Analysis.

ROCKCLIFF RESOURCES INC.

Appendix A

Management's Discussion and Analysis

For the Year Ended August 31, 2011

(Prepared as at December 23, 2011)

To August 31, 2011 the Company has acquired, and made expenditures on, mineral properties as follows:

	Rockcliff Snow Lake <u>Properties</u>	Goldpath Gold <u>Properties</u>	All <u>Properties</u>
Acquisition costs	\$ 877,537	\$ 475,991	\$ 1,353,528
Exploration costs	11,239,320	1,732,222	12,971,542
Government grants	(363,974)	-	(363,974)
Valuation allowance	<u>(2,068,193)</u>	<u>(1,428,696)</u>	<u>(3,496,889)</u>
Carrying value	<u>\$ 9,684,690</u>	<u>\$ 779,517</u>	<u>\$10,464,207</u>

	Active Snow Lake <u>Properties</u>	Surrendered Snow Lake <u>Properties</u>	Rockcliff Snow Lake <u>Properties</u>
Acquisition costs	\$ 804,160	\$ 73,377	\$ 877,537
Exploration costs	9,129,559	2,109,761	11,239,320
Government grants	(249,029)	(114,945)	(363,974)
Valuation allowance	<u>-</u>	<u>(2,068,193)</u>	<u>(2,068,193)</u>
Carrying value	<u>\$ 9,684,940</u>	<u>\$ -</u>	<u>\$ 9,684,940</u>

	HudBay <u>Properties</u>	Jackfish <u>Property</u>	Tower <u>Property</u>	Dickstone <u>Property</u>	Spruce point <u>Property</u>	Dunlop Reed <u>Property</u>	Staked <u>Properties</u>	Active Snow Lake <u>Properties</u>
Acquisition costs	\$ 160,645	\$ 93,531	\$ 362,696	\$ 50,000	\$ -	\$ 23,351	\$ 113,937	\$ 804,160
Exploration costs	4,389,505	692,977	1,672,644	142,795	1,512	19,631	2,210,495	9,129,559
Government grants	<u>(68,295)</u>	<u>(21,968)</u>	<u>(59,901)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(98,865)</u>	<u>(249,029)</u>
Carrying value	<u>\$ 4,481,855</u>	<u>\$ 764,541</u>	<u>\$ 1,975,439</u>	<u>\$ 192,795</u>	<u>\$ 1,512</u>	<u>\$ 42,982</u>	<u>\$ 2,225,566</u>	<u>\$ 9,684,940</u>

	Manitoba Gold <u>Properties</u>	Ontario Black Gold <u>Property</u>	Ontario Shihan <u>Property</u>	Goldpath Gold <u>Properties</u>
Acquisition costs	\$ 151,669	\$ 86,922	\$ 237,400	\$ 475,991
Exploration costs	398,786	142,140	1,191,296	1,732,222
Valuation allowance	<u>-</u>	<u>-</u>	<u>(1,428,696)</u>	<u>(1,428,696)</u>
Carrying value	<u>\$ 550,455</u>	<u>\$ 229,062</u>	<u>\$ -</u>	<u>\$ 779,517</u>