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**ROCKCLIFF COPPER CORPORATION**  
**CONDENSED INTERIM CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**THREE AND NINE MONTHS ENDED**  
**DECEMBER 31, 2016**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**Notice To Reader**

The accompanying unaudited condensed interim consolidated financial statements of Rockcliff Copper Corporation have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

# Rockcliff Copper Corporation

## Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

	As at December 31, 2016	As at March 31, 2016
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 5)	\$ 1,848,285	\$ 1,764,613
Funds held in trust	101,847	-
Prepaid expenses and deposits	91,387	12,158
Amounts receivable and advances (note 6)	85,304	51,554
<b>Total current assets</b>	<b>2,126,823</b>	<b>1,828,325</b>
Equipment (note 7)	45,578	-
Exploration and evaluation properties	2,072,482	2,072,482
<b>Total assets</b>	<b>\$ 4,244,883</b>	<b>\$ 3,900,807</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities (notes 8 and 13)	\$ 278,245	\$ 88,399
<b>Total liabilities</b>	<b>278,245</b>	<b>88,399</b>
<b>Equity</b>		
Share capital (note 9)	26,263,010	24,994,250
Reserve (notes 11 and 12)	1,972,252	1,119,102
Deficit	(24,268,624)	(22,300,944)
<b>Total equity</b>	<b>3,966,638</b>	<b>3,812,408</b>
<b>Total liabilities and equity</b>	<b>\$ 4,244,883</b>	<b>\$ 3,900,807</b>

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

Nature of operations (note 1)  
Contingencies (note 15)  
Commitments (note 16)  
Subsequent events (note 17)

# Rockcliff Copper Corporation

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Expressed in Canadian dollars) (Unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2016	2015	2016	2015
<b>Operating expenses</b>				
Exploration costs (note 4)	\$ 1,280,596	\$ 586,467	\$ 1,706,881	\$ 1,071,402
Legal and professional	100,574	36,142	257,222	162,275
Share-based payments (notes 12 and 13)	20,154	11,026	104,557	52,852
General and administrative	35,865	72,586	112,632	191,464
Depreciation (note 7)	2,660	-	7,636	-
Salaries and benefits (note 13)	-	-	-	175,165
Investor relations	46,900	-	77,579	1,528
Loss before the following items	(1,486,749)	(706,221)	(2,266,507)	(1,654,686)
Interest income	2,445	3,280	8,302	13,817
Foreign exchange gain (loss)	382	22,325	391	48,603
Impairment of equipment	-	(18,140)	-	-
Gain on sale of equipment	-	-	1,130	-
Net loss before discontinued operations	(1,483,922)	(698,756)	(2,256,684)	(1,592,266)
Net income (loss) from discontinued operations (note 14)	-	29,577	-	(147,076)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (1,483,922)</b>	<b>\$ (669,179)</b>	<b>\$ (2,256,684)</b>	<b>\$ (1,739,342)</b>

### Continuing operations

Basic and diluted net loss per share (note 10)	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)
Weighted average number of common shares outstanding - basic and diluted	133,345,002	108,201,018	117,992,400	97,289,045

### Discontinued operation

Basic and diluted net loss per share (note 10)	\$ 0.00	\$ 0.00	\$ 0.00	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	133,345,002	108,201,018	117,992,400	97,289,045

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

**Rockcliff Copper Corporation**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

	Nine months ended December 31,	
	2016	2015
<b>Operating activities</b>		
Net loss for the period from continuing operations	\$ (2,256,684)	\$ (1,592,266)
Adjustments for:		
Depreciation	7,636	-
Share-based payments	104,557	52,852
Shares issued for exploration and evaluation property interest	78,500	-
Gain on sale of equipment	(1,130)	-
Non-cash working capital items:		
Amounts receivable and advances	(33,750)	(36,606)
Prepaid expenses and deposits	(79,229)	(9,503)
Amounts payable and other liabilities	189,846	(102,097)
<b>Net cash used in operating activities</b>	<b>(1,990,254)</b>	<b>(1,687,620)</b>
<b>Investing activities</b>		
Acquisition of equipment	(53,214)	-
Proceeds from sale of exploration and evaluation property	-	250,000
Advances to Rockcliff Resources Inc. (note 3)	-	(190,274)
Cash and cash equivalents acquired from Rockcliff Resources Inc. (note 3)	-	25,987
Cash paid in business combination (note 3)	-	(180,000)
Proceeds from sale of equipment	1,130	-
Increase in funds held in trust	(101,847)	-
<b>Net cash used in investing activities</b>	<b>(153,931)</b>	<b>(94,287)</b>
<b>Financing activities</b>		
Proceeds from private placement	2,000,000	-
Share issue costs	(73,451)	-
Proceeds from warrant exercise	301,308	-
<b>Net cash used in financing activities</b>	<b>2,227,857</b>	<b>-</b>
<b>Net change in cash and cash equivalents from continuing operations</b>	<b>83,672</b>	<b>(1,781,907)</b>
<b>Net change in cash and cash equivalents from discontinued operations</b> (note 14)	<b>-</b>	<b>(43,017)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1,764,613</b>	<b>3,638,804</b>
<b>Cash and cash equivalents, end of period</b> (note 5)	<b>\$ 1,848,285</b>	<b>\$ 1,813,880</b>

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

**Rockcliff Copper Corporation**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

**Equity attributable to shareholders**

	Share capital	Reserve			Total
		Contributed surplus	Warrants	Deficit	
<b>Balance, March 31, 2015</b>	<b>\$ 23,655,382</b>	<b>\$ 1,027,800</b>	<b>\$ -</b>	<b>\$(21,075,841)</b>	<b>\$ 3,607,341</b>
Shares issued as consideration in business combination (note 3)	1,406,868	-	-	-	1,406,868
Settlement of Rockcliff insider payables (note 3)	132,000	-	-	-	132,000
Warrants issued as consideration in business combination (note 3)	-	-	425,580	-	425,580
Option issued as consideration in business combination (note 3)	-	48,143	-	-	48,143
Expiry of stock options	-	(138,547)	-	138,547	-
Share-based payments	-	52,852	-	-	52,852
Loss for the period	-	-	-	(1,739,342)	(1,739,342)
<b>Balance, December 31, 2015</b>	<b>\$ 25,194,250</b>	<b>\$ 990,248</b>	<b>\$ 425,580</b>	<b>\$(22,676,636)</b>	<b>\$ 3,933,442</b>
<b>Balance, March 31, 2016</b>	<b>\$ 24,994,250</b>	<b>\$ 693,522</b>	<b>\$ 425,580</b>	<b>\$(22,300,944)</b>	<b>\$ 3,812,408</b>
Units issued in private placement	2,000,000	-	-	-	2,000,000
Warrant valuation	(1,077,143)	-	1,077,143	-	-
Share issue costs	(134,531)	-	61,080	-	(73,451)
Shares issued for mineral exploration property interest	78,500	-	-	-	78,500
Warrants exercised	301,308	-	-	-	301,308
Fair value of warrants exercised	100,626	-	(100,626)	-	-
Expiry of warrants	-	-	(45,116)	45,116	-
Expiry of stock options	-	(243,888)	-	243,888	-
Share-based payments	-	104,557	-	-	104,557
Loss for the period	-	-	-	(2,256,684)	(2,256,684)
<b>Balance, December 31, 2016</b>	<b>\$ 26,263,010</b>	<b>\$ 554,191</b>	<b>\$ 1,418,061</b>	<b>\$(24,268,624)</b>	<b>\$ 3,966,638</b>

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

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# Rockcliff Copper Corporation

## Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

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### 1. Nature of operations

Rockcliff Copper Corporation (the "Company") is engaged in the acquisition and exploration of mineral properties in Manitoba, Canada. The head office of the Company is located at 141 Adelaide Street West, Suite 1660, Toronto, Ontario, M5H 3L5.

On July 19, 2010, Solvista Gold Corporation was incorporated by articles of incorporation in the Province of Ontario. On October 21, 2015, the Company changed its name from Solvista Gold Corporation to Rockcliff Copper Corporation.

On June 17, 2015, the Company completed its amalgamation with Rockcliff Resources Inc. ("Rockcliff") (note 3).

As at December 31, 2016, the Company had not determined the existence of economically recoverable reserves. The Company's exploration property interests may be subject to increases in taxes and royalties, renegotiation of contracts, changes in environmental designations, currency exchange fluctuations and restrictions, and political uncertainty.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements.

### 2. Significant accounting policies

#### (a) *Statement of compliance*

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of February 28, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent audited consolidated financial statements as at and for the year ended March 31, 2016, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2017 could result in restatement of these unaudited condensed interim consolidated financial statements.

#### (b) *Basis of presentation*

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

#### *Change in accounting policies*

IFRS 11 - Joint Arrangements ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. At April 1, 2016, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

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# Rockcliff Copper Corporation

## Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

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### 2. Significant accounting policies (continued)

(b) *Basis of presentation (continued)*

*Change in accounting policies (continued)*

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. At April 1, 2016, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

*Recent accounting pronouncements*

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 12 – Income Taxes (“IAS 12”) was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted.

### 3. Amalgamation

On June 17, 2015, the amalgamation (the "Amalgamation") of Rockcliff and a wholly-owned subsidiary of the Company (formerly Solvista Gold Corporation) closed pursuant to the amalgamation agreement dated April 17, 2015. Pursuant to the Amalgamation, each of the issued and outstanding securities of Rockcliff were exchanged for 0.90 of an equivalent security of the Company. The newly amalgamated company, known as Rockcliff Resources Inc., which holds all of Rockcliff's assets, is a wholly-owned subsidiary of the Company.

Pursuant to the Amalgamation, the Company issued 35,171,700 common shares to the former Rockcliff shareholders. Each of the issued and outstanding convertible securities of Rockcliff were converted into securities of the Company after adjustment for the exchange ratio. This conversion resulted in issuance of 3,262,500 stock options, 14,589,688 warrants and 589,509 broker warrants.

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# Rockcliff Copper Corporation

## Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

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### 3. Amalgamation (continued)

In excess of \$446,500 was owed by Rockcliff to certain insiders of Rockcliff. Pursuant to the terms of the amalgamation agreement and as part of the Amalgamation, these accounts payable were capped at \$363,000 and settled on closing of the Amalgamation through the payment by the Company of \$180,000 in cash and the issuance of 3,300,000 common shares.

In connection with the Amalgamation, the Company provided Rockcliff with a short-term loan (the "Loan") of \$190,274 for the payment of liabilities due prior to the completion of the Amalgamation. The Loan was secured against Rockcliff's Rail property located in the Snow Lake District in Manitoba.

In accordance with IFRS 3 - Business Combinations, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs, and processes. Rockcliff met the definition of a business and therefore the Amalgamation was treated as a business combination. The fair value of the consideration was determined based on the fair value of the common shares, options and warrants issued by the Company. The excess of the purchase price over the fair value of net assets acquired has been treated as the fair value of the exploration and evaluation properties acquired.

#### **Purchase price - consideration paid**

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Fair value of 35,171,700 shares issued in exchange for 39,079,668 Rockcliff common shares outstanding <sup>(1)</sup>	\$ 1,406,868
Fair value of 3,262,500 stock options issued in exchange for 3,625,000 Rockcliff options <sup>(2)</sup>	48,143
Fair value of 15,179,197 warrants issued in exchange for 16,865,775 Rockcliff warrants <sup>(3)</sup>	425,580
Fair value of 3,300,000 common shares as settlement of payable <sup>(1)</sup>	132,000
Cash	180,000
Loan <sup>(4)</sup>	190,274
<b>Total consideration paid</b>	<b>\$ 2,382,865</b>

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#### **Net assets received**

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Cash and cash equivalents	\$ 25,987
Amounts receivable and advances	34,842
Prepaid expenses and deposits	5,337
Amounts payable and other liabilities	(5,783)
<b>Rockcliff net assets received</b>	<b>\$ 60,383</b>

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Fair value of exploration and evaluation properties obtained	\$ 2,322,482
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(1) Fair value equal to Company's share price of \$0.04 at closing date.

(2) Fair value determined using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate – 0.68%; expected volatility – 148% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2.1 years; share price - \$0.04.

(3) Fair value determined using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate – 0.72%; expected volatility – 200% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2.2 years; share price - \$0.04.

(4) Short-term loan of \$190,274 for the payment of liabilities due prior to the completion of the Amalgamation.



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# Rockcliff Copper Corporation

## Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

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### 4. Exploration and evaluation properties

(i) During the period ended December 31, 2016, the Company acquired an option to earn a 100% interest in the Laguna Gold Property, located in the Snow Lake District in Manitoba. The Company will earn its interest by paying an aggregate of \$200,000 cash and issuing 750,000 shares over a four year period as described below. Expenditures required over five years total \$1,000,000 with a minimum \$100,000 in expenditures in any year. The vendor will retain a 2.5% NSR on the property of which one 1.5% NSR can be purchased at any time for \$500,000 per 0.5% NSR. The vendor's remaining NSR will be subject to a first right of refusal in favour of the Company from 0.5% NSR up to 1.0% NSR on certain claims of the property. An advance royalty payment of \$35,000/year to the vendor begins after year five of the option and is capped at \$175,000. The advanced royalty payment will be repaid from production on the property. If the Company completes a Feasibility Study in respect of the Property, the Company shall pay the Vendor an additional cash payment of \$100,000

Cash payments and are payable/issuable as follows:

- \$40,000 and 250,000 common shares on closing (completed)
- \$40,000 and 125,000 common shares prior to September 8, 2017
- \$40,000 and 125,000 common shares prior to September 8, 2018
- \$40,000 and 125,000 common shares prior to September 8, 2019
- \$40,000 and 125,000 common shares prior to September 8, 2020

(ii) During the period ended December 31, 2016, the Company acquired an option to earn a 100% interest in the Bur property, located in the Snow Lake District in Manitoba, from Hudson Bay Mining and Smelting Co., Limited, a wholly-owned subsidiary of HudBay Minerals Inc. ("Hudbay"). The Company will earn its interest by spending \$3.0M in exploration over a four year period in increasing yearly expenditure requirements. The first and second year expenditure requirements are \$400K and \$600K, respectively.

Once the 100% earn-in is complete, Rockcliff may exercise its option to own a 100% interest in the property. On exercise of the option, Hudbay will receive a 2% Net Smelter Return (NSR) royalty on the property. Hudbay will then have one year (the buy-back waiting period) to decide whether to buy back 70% of the property by paying Rockcliff a total of \$3.0M cash over a three year period. Hudbay will also pay Rockcliff double the exploration expenditures incurred by Rockcliff during the buy-back waiting period, capped at \$1.5M, if it elects to exercise its buy-back right. Upon Hudbay exercising its buy-back right, Hudbay's right to receive the 2% NSR royalty shall terminate. Hudbay and Rockcliff will then form a joint venture on a 70/30 (Hudbay/Rockcliff) basis and will be responsible for their respective pro rata share on further exploration of the property. Once a decision is made to construct a mine, Hudbay shall contribute on behalf of Rockcliff Rockcliff's proportionate share of the expenses in the form of a non-interest bearing loan, repayable in accordance with the terms of the joint venture agreement.

(iii) During the period ended December 31, 2016, the Company acquired a 100% interest in the MacBride property located in the Leafs Rapids District in Manitoba, for cash of \$58,275. \$8,275 (the "Cash in Lieu") was paid by the vendor in lieu of work to keep the property in good standing and following closing, the Cash in Lieu shall to paid to the Company upon completion of sufficient work on the property and filing of same to allow for the release of the Cash in Lieu.

The vendor will retain a 2.0% NSR on the property of which one 1.0% NSR can be purchased at any time for \$500,000 per 0.5% NSR. The vendor's remaining NSR will be subject to a first right of refusal in favour of the Company.

# Rockcliff Copper Corporation

## Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

### 4. Exploration and evaluation properties (continued)

(iv) During the period ended December 31, 2016, the Company acquired an option to earn a 100% interest in the Snow Lake Gold Property, located in the Snow Lake District in Manitoba. The Company will earn its interest by paying an aggregate of \$200,000 cash and issuing 750,000 shares over a four year period as described below. Expenditures required over five years total \$1,000,000 with a minimum \$100,000 in expenditures in any year. The vendor will retain a 2.5% NSR on the property of which one 1.5% NSR can be purchased at any time for \$500,000 per 0.5% NSR. The vendor's remaining NSR will be subject to a first right of refusal in favour of the Company. An advance royalty payment of \$35,000/year to the vendor begins after year five of the option and is capped at \$175,000. The advanced royalty payment will be repaid from production on the property. If the Company completes a Feasibility Study in respect of the Property, the Company shall pay the Vendor an additional cash payment of \$100,000

Cash payments and are payable/issuable as follows:

- \$40,000 and 250,000 common shares on closing (completed)
- \$40,000 and 125,000 common shares prior to October 4, 2017
- \$40,000 and 125,000 common shares prior to October 4, 2018
- \$40,000 and 125,000 common shares prior to October 4, 2019
- \$40,000 and 125,000 common shares prior to October 4, 2020

(v) During the period ended December 31, 2016, the Company acquired an option to earn a 100% interest in the Morgan property (Morgan Lake, Woosey Lake and Cook Lake properties), located in the Snow Lake District in Manitoba. The Company will earn its interest by paying by paying Copper Reef Mining Corporation ("Copper Reef") \$100,000 cash and 200,000 common shares on closing (paid and issued), a further \$50,000 cash and 400,000 common shares within 6 months and a final 1,000,000 common shares within 12 months. Copper Reef will retain a 2% NSR on the Morgan Lake property, which is subject to a 10% net profits interest royalty in favour of the original owner, a 2% NSR on the Woosey Lake property and a 1% NSR on the Cook Lake property, which is also subject to a 2% NSR in favour of a former joint venture party. A third party holds certain rights in respect of the Morgan Lake property and Cook Lake property including a back-in right to acquire a 60% interest in these properties if a mineral resource is identified with 225,000 tonnes of contained copper equivalent or a 20% back-in right if the Company transfers these properties to a major company. If the Company commences commercial production on the Morgan property, it will pay an advance royalty payment to Copper Reef of \$1,000,000. The Company at any time will have the right to purchase one-half of the Copper Reef NSRs for \$1,000,000 and will retain a Right of First Refusal on Copper Reef's remaining NSRs.

The following is a breakdown by property of exploration costs from continuing operations:

#### Nine months ended December 31, 2016

	Talbot Property	Rail Property	Laguna Property	Other Properties	Total
Acquisition costs	\$ -	\$ -	\$ 66,250	\$ 250,525	\$ 316,775
Exploration expenditures	1,124,153	89,740	44,252	131,961	1,390,106
	\$ 1,124,153	\$ 89,740	\$ 110,502	\$ 382,486	\$ 1,706,881

#### Nine months ended December 31, 2015

	Talbot Property	Rail Property	Laguna Property	Other Properties	Total
Exploration expenditures	\$ 1,048,981	\$ 11,050	\$ -	\$ 11,371	\$ 1,071,402

# Rockcliff Copper Corporation

## Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

### 5. Cash and cash equivalents

	As at December 31, 2016	As at March 31, 2016
Cash	\$ 526,100	\$ 40,186
Cash equivalents	1,322,185	1,724,427
Total	\$ 1,848,285	\$ 1,764,613

### 6. Amounts receivable and advances

	As at December 31, 2016	As at March 31, 2016
Harmonized sales tax recoverable - (Canada)	\$ 85,304	\$ 51,554
Total	\$ 85,304	\$ 51,554

### 7. Equipment

Equipment is represented by the following:

Cost	Machinery and equipment	Office equipment	Total
Balance, March 31, 2015	\$ -	\$ 81,033	\$ 81,033
Impairment	-	(81,033)	(81,033)
Balance, March 31, 2016	-	-	-
Additions	53,214	-	53,214
Balance, December 31, 2016	\$ 53,214	\$ -	\$ 53,214

Depreciation	Machinery and equipment	Office equipment	Total
Balance, March 31, 2015	\$ -	\$ 55,796	\$ 55,796
Depreciation	-	7,097	7,097
Impairment	-	(62,893)	(62,893)
Balance, March 31, 2016	-	-	-
Depreciation	7,636	-	7,636
Balance, December 31, 2016	\$ 7,636	\$ -	\$ 7,636

Net book value	Machinery and equipment	Office equipment	Total
Balance, March 31, 2016	\$ -	\$ -	\$ -
Balance, December 31, 2016	\$ 45,578	\$ -	\$ 45,578

# Rockcliff Copper Corporation

## Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

### 8. Amounts payable and other liabilities

	As at December 31, 2016	As at March 31, 2016
Falling due within the year		
Trade payables	\$ 237,930	\$ 32,010
Accrued liabilities	40,315	56,389
<b>Total</b>	<b>\$ 278,245</b>	<b>\$ 88,399</b>

### 9. Share capital

#### a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

#### b) Common shares issued

At December 31, 2016, the issued share capital amounted to \$26,263,010. The change in issued share capital for the periods ended December 31, 2016 and 2015 were as follows:

	Number of common shares	Amount
<b>Balance, March 31, 2015</b>	<b>69,729,318</b>	<b>\$ 23,655,382</b>
Shares issued as consideration in business combination (note 3)	35,171,700	1,406,868
Settlement of Rockcliff insider payables (note 3)	3,300,000	132,000
<b>Balance, December 31, 2015</b>	<b>108,201,018</b>	<b>\$ 25,194,250</b>
<b>Balance, March 31, 2016</b>	<b>103,201,018</b>	<b>\$ 24,994,250</b>
Units issued in private placement (i)	28,571,428	2,000,000
Warrant valuation (i)	-	(1,077,143)
Share issue costs (i)	-	(134,531)
Shares issued for mineral exploration property interest (note 4)	700,000	78,500
Warrants exercised (note 11)	3,745,338	301,308
Fair value of warrants exercised (note 11)	-	100,626
<b>Balance, December 31, 2016</b>	<b>136,217,784</b>	<b>\$ 26,263,010</b>

(i) On August 16, 2016, the Company closed a non-brokered private placement of 28,571,428 units at a price of \$0.07 per unit for gross proceeds of \$2,000,000. Each unit consisted of one common share and one-half of a common share purchase warrant. Each full warrant entitles the holder to purchase one common share at a price of \$0.10 for two years from closing. The grant date fair value of \$1,077,143 was assigned to the 14,285,714 warrants issued as estimated by using a fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: a risk-free interest rate of 0.56%; an expected volatility factor of 201%; an expected dividend yield of 0%; and an expected life of 2 years.

Eligible finders were paid cash fees of \$54,956 and 785,086 broker warrants. Each broker warrant entitles the holder to acquire one common share of the Company at \$0.07 for a period of two years from closing. The grant date fair value of \$61,080 was assigned to the broker warrants issued as estimated by using a fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: a risk-free interest rate of 0.56%; an expected volatility factor of 201%; an expected dividend yield of 0%; and an expected life of 2 years.

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# Rockcliff Copper Corporation

## Notes to the Condensed Interim Consolidated Financial Statements

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### 9. Share capital (continued)

(i) (continued) Insiders of the Company subscribed for 910,000 units. Norvista Capital Corporation ("Norvista Capital") subscribed for 7,142,857 units for proceeds of \$500,000 and Norvista Capital 1 Limited Partnership ("Norvista LP") subscribed for 7,142,857 units for proceeds of \$500,000. Four of the six directors of the Company are also directors and/or officers of Norvista Capital or Norvista LP. Norvista Capital and Norvista LP previously did not hold any common shares of the Company. The private placements by Norvista Capital and Norvista LP were approved by the disinterested directors of the Company.

### 10. Net loss per common share

The calculation of basic and diluted loss per share from continuing operations for the three and nine months ended December 31, 2016 was based on the loss attributable to common shareholders of \$1,483,922 and \$2,256,684 (three and nine months ended December 31, 2015 - \$698,756 and \$1,592,266) and the weighted average number of common shares outstanding of 133,345,002 and 117,992,400 (three and nine months ended December 31, 2015 - 108,201,018 and 97,289,045).

The calculation of basic and diluted loss per share from discontinued operations for the three and nine months ended December 31, 2016 was based on the loss (income) attributable to common shareholders of \$nil (three and nine months ended December 31, 2015 - \$(29,577) and \$147,076) and the weighted average number of common shares outstanding of 133,345,002 and 117,992,400 (three and nine months ended December 31, 2015 - 108,201,018 and 97,289,045).

Diluted loss per share for the three and nine months ended December 31, 2016 did not include the effect of 24,801,150 warrants (December 31, 2015 - 15,179,197 warrants) and 8,741,000 stock options (December 31, 2015 - 6,876,555 stock options) as they are anti-dilutive.

### 11. Warrants

The following table reflects the continuity of warrants for the nine months ended December 31, 2016 and 2015:

	Number of warrants	Grant date fair value (\$)	Weighted average exercise price (\$)
<b>Balance, March 31, 2015</b>	-	-	-
Warrants issued as consideration in business combination (note 3)	15,179,197	425,580	0.09
<b>Balance, December 31, 2015</b>	<b>15,179,197</b>	<b>425,580</b>	<b>0.09</b>
<b>Balance, March 31, 2016</b>	<b>15,179,197</b>	<b>425,580</b>	<b>0.09</b>
Issued (note 3)	15,070,800	1,138,223	0.10
Exercised	(3,745,338)	(100,626)	0.08
Expired	(1,703,509)	(45,117)	0.08
<b>Balance, December 31, 2016</b>	<b>24,801,150</b>	<b>1,418,060</b>	<b>0.09</b>

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### 11. Warrants (continued)

The following table reflects the warrants issued and outstanding as of December 31, 2016:

Number of warrants outstanding	Grant date fair value (\$)	Exercise price (\$)	Expiry date
1,170,000	31,085	0.083	January 9, 2017
153,750	4,476	0.055	July 18, 2017
1,719,000	46,265	0.083	July 18, 2017
285,000	7,212	0.11	July 18, 2017
3,315,600	98,724	0.083	December 8, 2017
825,000	23,490	0.11	December 8, 2017
94,500	2,988	0.055	December 31, 2017
450,000	13,619	0.083	December 31, 2017
1,522,500	46,076	0.11	December 31, 2017
195,000	5,902	0.083	January 23, 2018
14,285,714	1,077,143	0.10	August 16, 2018
785,086	61,080	0.07	August 16, 2018
24,801,150	1,418,060	0.09	

### 12. Stock options

The following table reflects the continuity of stock options for the nine months ended December 31, 2016 and 2015:

	Number of stock options	Weighted average exercise price (\$)
<b>Balance, March 31, 2015</b>	<b>4,621,555</b>	<b>0.65</b>
Options issued as consideration in business combination (note 3)	3,262,500	0.37
Options granted (i)	2,400,000	0.05
Options expired	(3,407,500)	0.58
<b>Balance, December 31, 2015</b>	<b>6,876,555</b>	<b>0.34</b>
<b>Balance, March 31, 2016</b>	<b>5,624,465</b>	<b>0.31</b>
Options granted (ii), (iii), (iv)	3,700,000	0.05
Options expired	(583,465)	0.85
<b>Balance, December 31, 2016</b>	<b>8,741,000</b>	<b>0.17</b>

(i) On June 23, 2015, the Company granted a total of 2,400,000 stock options to directors of the Company with each option exercisable at a price of \$0.05 per common share and expiring on June 22, 2020. The stock options granted were valued at the grant date at \$85,439, using the Black-Scholes option pricing model, with a risk-free rate of 1.00%, an expected life of 5 years, an expected volatility of 147% and an expected dividend yield of 0%. These options vest as to one-third on June 23, 2015, one-third on June 23, 2016 and one-third on June 23, 2017.

(ii) On April 1, 2016, the Company granted a total of 100,000 stock options to a consultant of the Company with each option exercisable at a price of \$0.10 per common share and expiring on April 1, 2021. The stock options granted were valued at the grant date at \$3,625, using the Black-Scholes option pricing model, with a risk-free rate of 0.69%, an expected life of 5 years, an expected volatility of 167% and an expected dividend yield of 0%. These options vest as to one-quarter every 3 months.

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### 12. Stock options (continued)

(iii) On April 5, 2016, the Company granted a total of 3,450,000 stock options to certain officers, directors and employees of the Company with each option exercisable at a price of \$0.05 per common share and expiring on April 4, 2021. The stock options granted were valued at the grant date at \$145,322, using the Black-Scholes option pricing model, with a risk-free rate of 0.65%, an expected life of 5 years, an expected volatility of 167% and an expected dividend yield of 0%. These options vest 25% immediately and 25% on each anniversary of grant.

(iv) On June 22, 2016, the Company granted a total of 150,000 stock options to a consultant of the Company with each option exercisable at a price of \$0.10 per common share and expiring on June 22, 2017. The stock options granted were valued at the grant date at \$4,998, using the Black-Scholes option pricing model, with a risk-free rate of 0.54%, an expected life of 1 year, an expected volatility of 234% and an expected dividend yield of 0%. These options vested immediately.

Details of the stock options outstanding at December 31, 2016 are as follows:

Grant date fair value(\$)	Contractual life (years)	Number of options	Exercisable options	Exercise price (\$)	Expiry date
4,006	0.05	261,000	261,000	0.555	January 18, 2017
16,391	0.28	100,000	100,000	0.75	April 12, 2017
4,998	0.47	150,000	150,000	0.10	June 22, 2017
4,920	0.56	30,000	30,000	0.75	July 25, 2017
311,375	1.20	1,175,000	1,175,000	0.60	March 14, 2018
21,375	1.83	225,000	225,000	0.30	October 29, 2018
20,728	2.06	675,000	675,000	0.11	January 22, 2019
22,223	3.13	675,000	675,000	0.11	February 17, 2020
67,639	3.48	1,900,000	1,266,666	0.05	June 22, 2020
3,625	4.25	100,000	50,000	0.10	April 1, 2021
145,322	4.26	3,450,000	862,500	0.05	April 4, 2021
622,602	3.11	8,741,000	5,470,166	0.17	

### 13. Major shareholders and related party transactions

#### Major shareholders

To the knowledge of the directors and senior officers of the Company, as of December 31, 2016, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

	Number of common shares	Percentage of outstanding common shares
Norvista Capital <sup>(1)</sup>	14,285,714	10.49 %

<sup>(1)</sup> 7,142,857 shares held directly Norvista Capital and 7,142,857 held by Norvista LP.

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

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned by another corporation, by any government or by any natural or legal person severally or jointly.

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# Rockcliff Copper Corporation

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### 13. Major shareholders and related party transactions (continued)

#### Related party transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties) and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations. All amounts payable are non-interest bearing, unsecured and due on demand.

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

(i) During the three and nine months ended December 31, 2016, the Company expensed \$15,000 and \$45,000 (three and nine months ended December 31, 2015 - \$15,000 and \$45,000) paid or accrued to Durham Exploration, a company controlled by a director of the Company, for advisory and geological services. The amounts charged by Durham Exploration are recorded at their exchange value. Included in the December 31, 2016, amounts payable and other liabilities is \$15,000 (March 31, 2016 - \$10,000).

(ii) During the three and nine months ended December 31, 2016, the Company expensed \$105,000 and \$195,000 (three and nine months ended December 31, 2015 - \$45,000 and \$97,500) paid or accrued to Lapierre Exploration Services Inc., a company controlled by the President and Chief Executive Officer, for advisory and geological services. The amounts charged by Lapierre Exploration Services Inc. are recorded at their exchange value. Included in the December 31, 2016, amounts payable and other liabilities is \$8,475 (March 31, 2016 - \$nil).

(iii) The Chief Financial Officer is a senior employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services. During the three and nine months ended December 31, 2016, the Company expensed \$12,501 and \$37,503 (three and nine months ended December 31, 2015 - \$12,495 and \$18,842) paid or accrued to MSSI. The amounts charged by MSSI are recorded at their exchange value. Included in the December 31, 2016, amounts payable and other liabilities is \$2,500 (March 31, 2016 - \$9,539).

(iv) During the three and nine months ended December 31, 2016, the Company expensed \$2,250 and \$6,750 (three and nine months ended December 31, 2015 - \$2,250 and \$3,750) paid or accrued to Gardiner Roberts LLP, a company where a director is a partner, for corporate secretarial services and \$10,531 and \$36,597 (three and nine months ended December 31, 2015 - \$nil) for legal services. The amounts charged by Gardiner Roberts LLP are recorded at their exchange value. Included in the December 31, 2016, amounts payable and other liabilities is \$8,390 (March 31, 2016 - \$2,444).

(v) During the three and nine months ended December 31, 2016, the Company expensed \$6,868 and \$20,602 (three and nine months ended December 31, 2015 - \$nil) paid or accrued to Norvista Capital Corporation, a shareholder and a company with common directors and management, for rent. The amounts charged by Norvista Capital Corporation are recorded at their exchange value. Included in the December 31, 2016, amounts payable and other liabilities is \$3,035 (March 31, 2016 - \$4,278).



# Rockcliff Copper Corporation

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### 13. Major shareholders and related party transactions (continued)

#### Related party transactions (continued)

(b) In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of directors and key management personnel of the Company was as follows:

	Three months ended December 31,		Nine months ended December 31,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Salaries and benefits <sup>(1)</sup>	-	-	-	22,500
Severance payments	-	-	-	120,000
Share-based payments	18,896	8,878	92,439	48,919

<sup>(1)</sup> The Board of Directors do not have employment or service contracts with the Company.

### 14. Discontinued operations and segmented information

As a result of the disposition of all Colombian operations on March 4, 2016, the Company has classified the following expenses and cash flows from Colombia as discontinued operations.

	Three months ended December 31,		Nine months ended December 31,	
	2016	2015	2016	2015
<b>Operating expenses</b>				
Exploration costs	\$ -	\$ (38,840)	\$ -	\$ 86,004
General and administrative	-	10,877	-	75,738
Depreciation	-	-	-	7,097
Loss before the following items	-	27,963	-	(168,839)
Foreign exchange gain	-	1,614	-	39,903
Impairment of equipment	-	-	-	(18,140)
Loss from discontinued operations	\$ -	\$ 29,577	\$ -	\$ (147,076)

Details of cash flows relating to discontinued operations are as follows:

	Nine months ended December 31,	
	2016	2015
Net cash used in operating activities	\$ -	\$ (43,017)
Net change in cash from discontinued operations	\$ -	\$ (43,017)

The Company's continuing operations comprise a single reporting segment, being mineral exploration and evaluation in Canada. Previously the Company's operations comprised two reporting operating segments engaged in mineral exploration and evaluation in Canada and Colombia.

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# Rockcliff Copper Corporation

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### 15. Contingencies

The Company's exploration activities are subject to foreign government laws and regulations, including foreign tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations comply in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

### 16. Commitments

(i) On June 18, 2015, the Company entered into a consulting agreement, providing for payment of \$15,000 per month for the services of the President and Chief Executive Officer, for advisory and geological services. That agreement had an initial term of one year but automatically extends thereafter for successive terms of one year, unless terminated by the Company thirty days prior to any yearly extension. In the event of termination, the agreement provides for the payment of twelve months of monthly fees.

Upon a Change of Control occurring, the agreement shall automatically be extended to two years from the date upon which a Change of Control occurs. If the agreement is terminated within twelve months after the date upon which a Change of Control occurs, other than for Cause, or if the agreement is terminated for good reason by the CEO, as defined in the agreement, a lump sum payment equivalent to twenty four months of base salary will be payable.

(ii) The Company entered into two agreements for investor relations services. Under the agreements the Company has the remaining commitments:

2017	\$ 21,900
2018	<u>22,500</u>
2017	<u>\$ 44,400</u>

### 17. Subsequent events

(i) Subsequent to December 31, 2016, 261,000 options with an exercise price of \$0.555 and expiry date of January 18, 2017, expired unexercised.

(ii) Subsequent to December 31, 2016, 1,170,000 warrants with an exercise price of \$0.083 and expiry date of January 9, 2017, expired unexercised.