



Northcliff Resources Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED APRIL 30, 2022

NORTHCLIFF RESOURCES LTD.
FOR THE SIX MONTHS ENDED APRIL 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE OF CONTENTS

1.1	Date	3
1.2	Overview.....	5
1.2.1	Sisson Tungsten-Molybdenum Project	6
1.2.2	Financing	8
1.2.3	Market Trends.....	9
1.3	Selected Annual Information	10
1.4	Summary of Quarterly Results.....	11
1.5	Results of Operations.....	11
1.6	Liquidity.....	12
1.7	Capital Resources.....	13
1.8	Off-Balance Sheet Arrangements.....	13
1.9	Transactions with Related Parties.....	13
1.10	Fourth Quarter	14
1.11	Proposed Transactions.....	14
1.12	Critical Accounting Estimates	14
1.13	Changes in Accounting Policies Including Initial Adoption	14
1.14	Financial Instruments and Other Instruments	14
1.14.1	Disclosure of Outstanding Share Data.....	15
1.14.2	Internal Controls over Financial Reporting and Disclosure Controls.....	15
1.15	Risk Factors	16

NORTHCLIFF RESOURCES LTD.
FOR THE SIX MONTHS ENDED APRIL 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

1.1 Date

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements (the "Financial Statements") of Northcliff Resources Ltd. ("Northcliff" or the "Company") for the six months ended April 30, 2022 and the audited consolidated financial statements for the year ended October 31, 2021 and related MD&A as publicly filed on SEDAR at www.sedar.com.

The Company reports in accordance with International Financial Reporting ("IFRS"). The following disclosure and associated financial statements are presented in accordance with IFRS. All monetary amounts herein are expressed in Canadian Dollars ("CAD") unless stated otherwise.

This MD&A is prepared as of June 14, 2022.

Cautionary Note Regarding Forward Looking Statements

This discussion includes certain statements that may be deemed "forward-looking statements" or "forward-looking information" within the meaning of Canadian and United States securities law.

All statements, other than statements of historical facts, that address the in-progress financing, permitting, exploration drilling, exploitation activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. The assumptions used by Northcliff to develop forward-looking statements include the following: the Sisson Project will obtain all interim and construction financing required to advance to construction, build and operate the mine, the Sisson Project will receive all required environmental and other permits for construction of the mine, the Sisson Project will achieve targeted production levels; study and development of the Sisson Project will continue to be positive; contracted parties will provide goods and/or services on the agreed timeframes; equipment necessary for construction and development is available and does not incur unforeseen breakdowns; no material labour slowdowns or strikes are incurred; plant and equipment functions as specified; geological or financial parameters do not necessitate future mine plan changes; our expectations of continued availability of capital and debt financing, and no geological or technical problems will occur. The factors include but are not limited to uncertainties and costs related to the Company's exploration and development activities, such as those associated with determining whether mineral resources or reserves exist on a property; uncertainties related to feasibility studies that provide estimates of expected or anticipated costs, expenditures and economic returns from a mining project; uncertainties related to expected production rates, timing of production and the cash and total costs of production and milling; uncertainties related to the ability to obtain necessary licenses, permits, electricity, surface rights and title for development projects; operating and technical difficulties in connection with mining development activities; uncertainties related to the accuracy of our mineral reserve and mineral resource estimates and our estimates of future production and future cash and total costs of production, and the geotechnical or hydrogeological nature of ore deposits, and diminishing quantities or grades of mineral reserves; uncertainties related to unexpected judicial or regulatory proceedings; changes in, and the effects of, the laws, regulations and government policies affecting our mining operations, particularly laws, regulations and policies relating to mine expansions, environmental protection and associated compliance costs arising from exploration, mine development, mine operations and mine closures; expected effective future tax rates in jurisdictions in which our operations are located; the protection of the health and safety of mine workers; mineral rights ownership in countries where our mineral deposits are located; changes in general economic conditions, the financial markets and in the demand and market price for tungsten, molybdenum and other minerals and commodities, such as diesel fuel, coal, petroleum coke, steel, concrete, electricity and other forms of energy, mining equipment, and fluctuations in exchange rates,

NORTHCLIFF RESOURCES LTD.
FOR THE SIX MONTHS ENDED APRIL 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

particularly with respect to the value of the U.S. Dollar and Canadian Dollar; unusual or unexpected formation, cave-ins, flooding, pressures, and precious metals losses, or other similar events (and the risk of inadequate insurance or inability to obtain insurance to cover these risks); changes in accounting policies and methods we use to report our financial condition, including uncertainties associated with critical accounting assumptions and estimates; the exploration and development of properties located within First Nations treaty and Aboriginal groups asserted territories may affect or be perceived to affect treaty and asserted aboriginal rights and title, which may cause permitting delays or opposition by Aboriginal groups or communities, environmental issues and liabilities associated with mining including processing and stock piling ore; geopolitical uncertainty and political and economic instability in countries which we operate; and labour strikes, work stoppages, or other interruptions to, or difficulties in, the employment of labour in markets in which we operate mineral projects or mines, or environmental hazards, industrial accidents or other events or occurrences, including third party interference that interrupt the production of minerals in our mines, changes in government policies regarding mining and natural resource exploration and exploitation, continued availability of capital and financing, and general economic, market or business conditions, as well as risks relating to the uncertainties with respect to the effects of COVID-19. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

The Company reviews its forward-looking statements on an ongoing basis and updates this information when circumstances require it. For more information on the Company, investors should review the Company's annual information form that is available on SEDAR at www.sedar.com.

Cautionary Note to U.S. Investors Concerning Resource and Reserve Estimates

The mineral resource and reserves and other technical terms used in this management discussion and analysis are defined under the CIM Definition Standards on mineral resources and reserves (the "CIM Definition Standards") adopted by the Canadian Institute of Mining, Metallurgy and Petroleum in 2014, in accordance with Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), as required by Canadian securities regulatory authorities. Although the Company is not subject to the reporting requirements of section 13(a) of section 15(d) of the United States Securities Exchange Act of 1934, as amended, the Company's U.S. investors should be aware that the SEC has adopted amendments to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC (the "SEC Modernization Rules") with definitions which are "substantially similar" to the corresponding terms under the CIM Definition Standards under NI 43-101. The SEC now recognizes estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" and has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding CIM Definitions. Accordingly, there is no assurance any mineral reserves or mineral resources that we may report under 43-101 would be the same had we prepared the resource estimates under the standards adopted under the SEC Modernization Rules.

NORTHCLIFF RESOURCES LTD.
FOR THE SIX MONTHS ENDED APRIL 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

1.2 Overview

For the purposes of the discussion below, references to the quarters are in relation to the Company's fiscal reporting period, unless otherwise indicated.

Northcliff is a mineral exploration and development company focused on the Sisson Tungsten-Molybdenum Project (the "Sisson Project" or the "Project"), located in New Brunswick, Canada. Northcliff holds an 88.5% interest in the Sisson Limited Partnership (the "Sisson Partnership"), which owns the Sisson Project.

Northcliff acquired the Sisson Project in 2010 and advanced resource, engineering, environmental and economic studies, culminating in a feasibility study proposing development of the Project as a 30,000 tonne per day ("tpd") open pit mine and processing facility announced in 2013 (further details from the study are provided in Section 1.2.1). The proposed Sisson Tungsten-Molybdenum Mine would be a significant asset; in particular, for its production of the critical mineral tungsten¹ – an essential ingredient to modern industrial economies and emerging technologies, has few substitutes and that could face high supply risks in the West.

The Sisson Mine Project received Environmental Impact Assessment ("EIA") approval from the province of New Brunswick in 2015 and from the government of Canada in 2017. Further, the Project successfully completed the Metal and Diamond Mining Effluent Regulation Schedule 2 amendment ("MDMER") authorization process in July 2019. The review of Sisson Fisheries Act Authorization application and Off-setting/Fish Habitat Compensation Plan was completed and approved and a HADD Authorization, pursuant to paragraph 35(2)(b) of the Fisheries Act, was issued to the Sisson Project in October 2020 by the Minister of Fisheries and Oceans Canada. In December 2020, Northcliff received a two-year extension for the commencement of construction of the Sisson Mine Project to December 3, 2022, and the Company has engaged with the New Brunswick Minister of the Department of Environment and Climate Change regarding a further extension of the commencement of construction period.

Northcliff also continues to focus on securing interim and project financing. Once there is a clear path on this, activities such as securing various ancillary permits required for construction and binding offtake contracts can be advanced.

¹Source: Critical Minerals in Canada:
https://www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/Critical%20Minerals_EN_2020_accessible.pdf

NORTHCLIFF RESOURCES LTD.
FOR THE SIX MONTHS ENDED APRIL 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

1.2.1 Sisson Tungsten-Molybdenum Project

The 15,740-hectare Sisson property is located approximately 100 kilometres by road northwest of Fredericton, New Brunswick. The property is comprised of five mineral leases, renewed annually with current expiry dates in 2022.

The City of Fredericton is a centre for business, education and government services in the Province of New Brunswick. New Brunswick is a progressive mining jurisdiction, with a skilled workforce and well-developed infrastructure.

Situated in an area of rolling topography, the Sisson Project area is readily accessible by highway from Fredericton and parts of the site are accessible by numerous secondary and forestry roads. High-tension power lines from the provincial electrical grid cross the property. A rail line and siding are located 15 kilometres east of the Sisson deposit. The rail line and roads connect the Project to deep seaports at Saint John to the south and Belledune to the north.

Northcliff acquired a controlling interest in the Sisson Project in October 2010 and initiated studies to support completion of a feasibility study. The Company acquired the remaining minority interest in June 2012 and became 100% owner of the Project. In October 2013, Northcliff transferred its mineral property interest in the Sisson Project into the Sisson Partnership and its economic interest in the Sisson Project became 88.5% pursuant to the Sisson Project Limited Partnership Agreement.

Geology

The Sisson Project hosts a structurally-controlled deposit that obliquely spans a north-trending, nearly vertical contact between two phases of the Howard Peak Granodiorite to the west and metavolcanic and metasedimentary rocks to the east. Tungsten and molybdenum mineralization occurs mainly as scheelite² and molybdenite, respectively, within narrow, sheeted, northwest-trending quartz-sulphide veins, which surround larger, north-trending shear veins.

Feasibility and Basic Engineering Studies

Samuel Engineering, Inc., and other specialist engineering firms completed a Feasibility Study³ (the "Study") for the Sisson Project in early 2013. In the Study, the Sisson Project is defined as a 30,000

² Scheelite (CaWO₄) is an ore mineral of tungsten; molybdenite (MoS₂) is an ore mineral of molybdenum.

³ The 2013 Feasibility Study and *Canadian National Instrument 43-101 Technical Report on the Sisson Project, New Brunswick, Canada, Effective Date January 22, 2013* (the "Technical Report"), filed at www.sedar.com:

- Assumptions used include average long-term metal prices of US\$350/mtu for APT and US\$15/lb for Mo and US\$:C\$ exchange rates of 1:1 for capital cost estimates, and 0.98-0.92:1 (years 1-4) and 0.90:1 (year 5+) for the financial analysis. Results presented are based on a 100% interest.
- At an US\$8.83/t NSR cut-off, Proven and Probable Mineral Reserves are 334,363,000 tonnes grading 0.066% WO₃ and 0.021% Mo.
- Independent Qualified Persons for the Technical Report are David W. Rennie, PEng, Roscoe Postle Associates, Inc., Jim Gray, PEng, Moose Mountain Technical Services, Daniel Freidman, PEng, Knight Piesold Consulting, Matt Bolu, PEng, Bolu Consulting Engineering, Inc., Gene Greskovich, PE, and Steven Pozder, PE, Samuel Engineering, Inc.

NORTHCLIFF RESOURCES LTD.
FOR THE SIX MONTHS ENDED APRIL 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

tpd open pit mine with conventional ore processing facilities, supplemented by value-added on-site processing of tungsten concentrates in an ammonium paratungstate ("APT") plant. The mine would produce an average of 557,000 metric tonne units ("mtu") WO₃ in APT and 4.1 Mlbs Mo in concentrate, annually, over a 27-year mine life. The Study anticipates an initial capital expenditure (including 15% contingency) of \$579 million and average cash costs of APT production of \$8.18/t milled or \$153/mtu (net of Mo credits), with a post-tax net present value (at an 8% discount rate) of \$418 million, an internal rate of return of 16.3% and a 4.5-year payback.

Following completion of the Feasibility Study, Northcliff and its consultants advanced basic engineering studies of the plant site and associated infrastructure, tailings storage facility and water management systems, open pit mine and water treatment facilities. In addition, in 2015 NB Power completed a study along the proposed route and refined the design for a 138 kV transmission line. Geochemical analyses relating for the waste disposal and water treatment facilities were completed in 2016.

More recently, a multi-year metallurgical optimization program, planned and supervised by Bomenco Minerals Engineering & Consulting Inc., was undertaken at the Lakefield, Ontario facility of SGS Mineral Services Canada. The program, designed to produce a market grade of tungsten concentrate while maintaining optimal tungsten recoveries from the proposed concentrator for the Sisson Project was substantially advanced. These studies will be finalized once the Company's has secured development financing and work toward permits is substantially advanced or complete.

Environmental Studies

Studies of air quality, acoustics, surface and groundwater resources, environmental geochemistry, terrestrial and aquatic habitats, fish and wildlife, wetlands, land and resource uses, heritage resources, socio-economics, and traditional Aboriginal land uses were undertaken, beginning in 2011. The purpose of these studies was to provide information for use in project planning and design and in preparing the EIA Report, and as a baseline for environmental monitoring during mine construction and operation.

Between mid 2013 and 2017, the Sisson Project progressed through the Federal and Provincial Environmental Assessment processes; Provincial and Federal approvals were received in December 2015 and June 2017, respectively. An Amendment to the MDMER to list the water bodies impacted as a result of the construction and operation of the Sisson Project Tailings Storage Facility ("TSF") in Schedule 2 was granted by the Government of Canada in July 2019. During the amendment review process, alternative locations regarding the placement of the tailings facility, the tailings technology to be used and the fish habitat compensation plan for the Sisson Project were thoroughly vetted.

In the fall of 2020, a review of Sisson's Fisheries Act Authorization application and Off-setting/Fish Habitat Compensation Plan was completed and approved. Pursuant to paragraph 35(2)(b) of the Fisheries Act the Minister of Fisheries and Oceans Canada has authorized the proposed work that may result in impacts to fish and fish habitat arising from the construction and operation of an open pit and tailing storage facility.

NORTHCLIFF RESOURCES LTD.
FOR THE SIX MONTHS ENDED APRIL 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

Community and Stakeholder Engagement

Northcliff has conducted an extensive and ongoing engagement program with representatives of government agencies, local communities, First Nations and other project stakeholders in New Brunswick since early in its involvement with the Project. Public outreach to date has included numerous public open houses, project and Company websites, regular newsletters, community focus groups and community giving as well as extensive consultation and discussion during the environmental assessment process.

The Company facilitates public, stakeholder and First Nations engagement through its project team in New Brunswick. Consistent with its commitment to responsible mineral development, the Sisson Partnership intends to continue outreach through all stages of development, operation and closure of a mine at Sisson.

Agreements related to the Sisson Project

Northcliff, the Sisson Partnership and Woodstock First Nation ("WFN") signed a Cooperation Agreement (the "Agreement"), also known as an Impact Benefits Agreement in March 2017. The Agreement addresses various matters, including:

- Cooperative engagement with government on regulatory matters;
- Environmental protection provisions;
- Scholarships and capacity building opportunities for WFN members;
- Employment, training and contracting opportunities for WFN members during the construction and operation phases of the Sisson Project; and
- Financial benefits.

In January 2017, the provincial government and New Brunswick's six Maliseet First Nations reached an accommodation agreement (the "Sisson Mine Accommodation Agreement") concerning the development of the Sisson Mine Project.

1.2.2 Financing

August 2021 Private Placement of Convertible Loan

In August 2021, the Company entered into a convertible loan agreement with Todd Sisson (NZ) Limited ("Todd"), a subsidiary of the Todd Corporation, which is the Company's largest shareholder and an insider of the Company to borrow \$1,000,000 (the "August-2021 Loan"), pursuant to which the Company received two cash advances of \$500,000 each on September 1, 2021, and January 10, 2022.

Each cash advance under the August-2021 Loan is secured, will bear interest at a rate of 10% per annum and has a term of 12 months with the interest payable at maturity. The August-2021 Loan and accrued interest is repayable at any time by the Company without penalty, or can be settled at maturity, either through issuances of shares in the Company ("Share Settlement") or transfer of part of the Company's interest in the Sisson Project Limited Partnership and its general partner, Sisson Mines Ltd. ("Partnership Settlement"), at the election of Todd. The conversion price ("Conversion

NORTHCLIFF RESOURCES LTD.
FOR THE SIX MONTHS ENDED APRIL 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

Price") used for the Share Settlement or Partnership Settlement will be the higher of the 5-day or 30-day volume weighted average share price ("VWAP") of the Company on the TSX at the maturity date.

For the Share Settlement, the maximum discount (currently 25%) allowed under the TSX rules will be applied to the Conversion Price. Disinterested shareholder approval to issue any shares in excess of 10% of currently issued and outstanding common shares was obtained with respect to the August-2021 Loan at the annual general meeting held on May 6, 2022. Alternatively, the general and limited partnership interest to be transferred under the Partnership Settlement will be determined as the percentage that the August-2021 Loan plus accrued interest represents of the implied value of the Sisson Partnership based on the Conversion Price.

October 2020 Private Placement of Convertible Loans

On October 14, 2020, the Company entered into a convertible loan agreement (the "Convertible Loan Agreement") to borrow \$400,000 (the "October-2020 Loan") from Todd. The October-2020 Loan bore interest at 10% and had a 12-month term, which was subsequently extended by approximately five months to March 2022 as announced by the Company in December 2021.

On March 2, 2021, the Company and Todd entered into an amendment and restatement of the Convertible Loan Agreement, pursuant to which Todd agreed to provide an additional advance in the amount of \$400,000 (the "March-2021 Loan") with a 12-month term.

In March 2022, pursuant to the Convertible Loan Agreement, as amended, the Company settled the October-2020 Loan and the March-2021 Loan for an aggregate principal sum of \$800,000, plus accrued interest of \$95,891, by issuing 23,421,971 of its common shares to Todd. Todd holds 102,626,569 shares, representing approximately 47.83% of the outstanding common shares of the Company.

1.2.3 Market Trends

The information in the Market Trends section is based on calendar years. Tungsten is quoted as the intermediary product called APT and priced in US\$ per mtu (one mtu represents 10 kilograms of WO₃).

China provides a significant portion of global tungsten supply as well as holding the world's largest tungsten reserves. China is also the world's largest single consumer of tungsten and, as such, its use of tungsten has an important influence on tungsten markets.

APT demand is driven by global economic activity and any negative impact on the world economy from the COVID-19 virus and associated financial markets correction may negatively impact the APT price in the short to medium term.

APT is largely traded based on undisclosed long-term contracts and the published price is generally based on relatively few reported transactions. Following a long period of lower prices prior to 2016, a notable shortfall prevailed in the tungsten supply in 2016 and 2017. The APT price trended upward to mid-August 2018, then decreased through February 2019. APT prices were variable in 2019 and

NORTHCLIFF RESOURCES LTD.
FOR THE SIX MONTHS ENDED APRIL 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

through 2020 until September, then stabilized but averaged lower over in both 2019 and 2020. Prices increased in 2021, and in 2022 to April but have stabilized since that time.

After decreasing in 2015 and 2016 due to by-product supply from large new copper mines, molybdenum prices increased in 2017 and through most of 2018. Prices varied only slightly in 2019, before dropping from October through to mid-January 2020 when they rebounded somewhat. In 2020, molybdenum prices were variable, and averaged lower. Prices increased in 2021 to July, then dropped slightly, and were relatively stable to June 2022 when they decreased.

Average annual tungsten and molybdenum prices over the past five years and so far in 2022 are tabulated below.

Year	Average APT Price (US\$/mtu)⁽¹⁾	Average Mo Price (US\$/lb)^(1,2)
2017	300	8.20
2018	310	11.94
2019	242	11.00
2020	218	8.68
2021	288	15.94
2022 (to the date of this MDA)	343	18.92

Sources:

1. APT prices 2015-2022, Mo prices 2015-2017 - www.metals.argusmedia.com
2. Mo prices 2018-2022 - Platts Metals

1.3 Selected Annual Information

Not applicable.

NORTHCLIFF RESOURCES LTD.
FOR THE SIX MONTHS ENDED APRIL 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

1.4 Summary of Quarterly Results

Amounts are expressed in thousands of Canadian Dollars, except per share amounts. Minor differences are due to rounding.

(\$ 000's)	Fiscal quarter ended							
	Apr 30, 2022	Jan 31, 2022	Oct 31, 2021	Jul 31, 2021	Apr 30, 2021	Jan 31, 2021	Oct 31, 2020	Jul 31, 2020
Net loss attributable to shareholders of the Company:								
Total loss	\$ 458	\$ 439	\$ 407	\$ 241	\$ 253	\$ 367	\$ 185	\$ 181
Loss per share ⁽ⁱ⁾	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average number of common shares:								
('000')	200,869	191,132	191,132	191,132	191,132	191,132	191,132	191,132

(i) Loss per share represents basic as well as diluted and is rounded to the nearest cent.

Net loss generally follows the trend and activity for mineral development and project advancement of the Sisson Project.

1.5 Results of Operations

The following financial data is expressed in the nearest thousand Canadian Dollars unless otherwise stated.

The Company's operations and business are not driven by seasonal trends, but rather the achievement of project milestones such as the achievement of various technical, environmental, socio-economic and legal objectives, including obtaining the necessary permits and regulatory approvals, completion of feasibility and engineering studies, preparation of engineering designs, commencement of mine construction and production and receipt of financing to fund these objectives.

The analysis herein is based on total expenditures, including amounts attributable to non-controlling interests.

Results of Operations

During the three and six months ended April 30, 2022, the Company recorded net loss of \$473,000 and \$922,000 respectively, compared to net loss of \$257,000 and \$636,000, respectively, during the three and six months ended April 30, 2021. Of the current quarter's net loss, \$458,000 was attributable to shareholders of the Company, compared to \$253,000 during the same period of the prior year.

The Company recorded general and administration expenses of \$343,000 and project management and financing expenses of \$58,000 for the three months ended April 30, 2022, compared to \$178,000 and \$40,000, respectively, recorded for the three months ended April 30, 2021.

NORTHCLIFF RESOURCES LTD.
FOR THE SIX MONTHS ENDED APRIL 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

To conserve its cash, the Company granted Deferred Share Units ("DSU") and Restricted Share Units ("RSU") to its directors, in lieu of director fees in the first quarter of the prior year. However, no DSUs and RSUs were granted in the current quarter as the maximum limits under the Company's DSU and RSU plans were reached.

The increase in net loss during the three and six months ended April 30, 2022, compared to the same period of the prior year, was due to increase in the following expenses:

- general and administration expenses, due to accrual of directors' fees to the extent that the Company did not grant DSUs and RSUs due to limitation under the respective compensation plans;
- project management and financing expenses, due to the Company's initiatives and outreach for potential financing and offtake opportunities; and
- finance expenses representing accrued interest and amortization of financing costs relating to the convertible loans described herein (see [1.2.2 Financing](#)).

Financial position

The Company's total assets as of April 30, 2022 increased to \$28,500,000 compared to \$28,343,000 as at October 31, 2021 mainly due to increase in mineral property interest.

Deferred mineral development costs incurred during the period were as follows:

	Three months ended April 30,		Six months ended April 30,	
	2022	2021	2022	2021
Engineering and design	\$ -	\$ 20,813	\$ -	\$ 26,807
Environmental and permitting	7,354	-	47,319	-
Community and sustainability	49,050	46,896	99,170	99,107
Total	\$ 56,404	\$ 67,709	\$ 146,489	\$ 125,914

1.6 Liquidity

At April 30, 2022, the Company had a cash balance of \$1,434,000 (October 31, 2021 – \$1,440,000), of which \$874,000 (October 31, 2021 – \$874,000) was held as cash collateral against a standby letter of credit issued in relation to the permitting process of the Sisson Project. At April 30, 2022, the Company had a working capital deficit of \$1,960,000 (October 31, 2021 – \$1,929,000), which amount was determined after deducting the amount of cash collateral of \$874,000 (October 31, 2021 – \$874,000) from the Company's cash balance.

As described herein (see [1.2.2 Financing](#)), the convertible loans payable and any interest accrued thereon can be settled at maturity, either through a Share Settlement or a Partnership Settlement.

Further advancement and development of the Sisson Project will require additional funding from a combination of the Company's shareholders, the Sisson Partnership's existing or potential new partners, alternative capital providers, and debt financing. As the Sisson Project is currently in the development stage, the Sisson Partnership does not have any revenues from operations. Therefore,

NORTHCLIFF RESOURCES LTD.
FOR THE SIX MONTHS ENDED APRIL 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

the Sisson Partnership relies on funding from its partners to fund expenditures, maintain liquidity and meet its obligations.

The Company does not have any material capital lease obligations, purchase obligations or any other long-term obligations.

1.7 Capital Resources

The Company's current capital resources consist of its cash reserves. To date, the Company's main source of funding has been through the issuance of equity securities for cash, primarily through private placements to investors and institutions, loans from a director, and through the cash contributions made to the Sisson Partnership by the Todd Group. The Company's access to interim, development and project financing is always uncertain. There can be no assurance of continued access to significant equity, debt or alternative sources of funding to finance the Company's ongoing operations.

The Company has no lines of credit or other sources of financing which have been arranged but are as yet unused. There were no externally imposed capital requirements to which the Company is subject to and with which the Company has not complied.

1.8 Off-Balance Sheet Arrangements

None.

1.9 Transactions with Related Parties

Hunter Dickinson Inc. ("HDI") and its wholly-owned subsidiary, Hunter Dickinson Services Inc. ("HDSI"), are private companies established by a group of mining professionals engaged in advancing mineral properties for a number of publicly-listed exploration companies, one of which is the Company.

The following directors or officers of the Company also have a role within HDSI:

Individual	Role within the Company	Role within HDSI
Marchand Snyman	Director, Chairman	Director
Robert Dickinson	Director	Director
Andrew Ing	Chief Executive Officer	Employee
Luqman Khan	Chief Financial Officer	Employee
Trevor Thomas	Corporate Secretary	General Counsel

Pursuant to a services agreement dated July 2, 2010 which was reviewed and approved by the Company's independent directors, HDSI provides technical, geological, corporate communications, regulatory compliance, and administrative and management services to the Company, on a non-exclusive basis as required and as requested by the Company. As a result of this relationship, the Company benefits from access to a range of diverse and specialized expertise on a regular basis,

NORTHCLIFF RESOURCES LTD.
FOR THE SIX MONTHS ENDED APRIL 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

without having to engage or hire full-time employees or experts, and from the economies of scale created by HDSI which itself serves several clients.

The Company is not obligated to acquire any services from HDSI. The monetary amount of the services received from HDSI in a given period of time is a function of annually set and agreed charge-out rates for and the time spent by the HDSI employees engaged by the Company.

HDSI also incurs third-party costs on behalf of the Company. Such third-party costs include, for example, directors and officers insurance, travel, conferences, technology and communication services. Third-party costs are billed at cost, without markup.

There are no ongoing contractual or other commitments resulting from the Company's transactions with HDSI, other than the payment for services already rendered and billed. The agreement may be terminated upon 60 days' notice by either of the Company or HDSI.

The details of transactions with HDSI and the balance due to HDSI as a result of such transactions are provided in the Annual Financial Statements, along with the required disclosure of remuneration of key management personnel of the Company.

1.10 Fourth Quarter

Not required.

1.11 Proposed Transactions

There are no proposed assets or business acquisitions or dispositions, other than those in the ordinary course of business.

1.12 Critical Accounting Estimates

The required disclosure is provided in the Financial Statements, which are publicly filed on SEDAR at www.sedar.com.

1.13 Changes in Accounting Policies Including Initial Adoption

The required disclosure is provided in the Financial Statements, which are publicly filed on SEDAR at www.sedar.com.

1.14 Financial Instruments and Other Instruments

The required disclosure is provided in the Financial Statements, which are publically filed on SEDAR at www.sedar.com. The Company's liquidity position have been analyzed in section [1.6 Liquidity](#) above.

NORTHCLIFF RESOURCES LTD.
FOR THE SIX MONTHS ENDED APRIL 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

1.14.1 Disclosure of Outstanding Share Data

The following details the share capital structure as at the date of this MD&A:

	Number
Common shares	214,553,800
Share purchase options	7,181,500
Restricted Share Units	2,433,771
Deferred Share Units	4,005,296

Additionally, as described herein (see [1.2.2 Financing](#)), the Convertible Loan Agreements are subject to Share Settlement and Partnership Settlement.

1.14.2 Internal Controls over Financial Reporting and Disclosure Controls

Disclosure Controls and Procedures

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the appropriate time periods and that the required information is accumulated and communicated to the Company's management, including the Interim Chief Executive Officer and Interim Chief Financial Officer, as appropriate, so that decisions can be made about the timely disclosure of that information.

Internal Controls over Financial Reporting Procedures

The Company's management, including the Interim Chief Executive Officer and the Interim Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Interim Chief Executive Officer and Interim Chief Financial Officer, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

NORTHCLIFF RESOURCES LTD.
FOR THE SIX MONTHS ENDED APRIL 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS

- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

There has been no change in the design of the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting during the period covered by this Management's Discussion and Analysis.

Limitations of Controls and Procedures

The Company's management, including its Interim Chief Executive Officer and Interim Chief Financial Officer, believe that any system of disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty and breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

1.15 Risk Factors

The required disclosure is provided in the "Risk Factors" section of the Company's Annual Information Form ("AIF") for the year ended October 31, 2021.