

**INTER-ROCK MINERALS INC.**

**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**For the Three and Six Months Ended June 30, 2017**

**August 23, 2017**

**INTER-ROCK MINERALS INC.**  
**MANAGEMENT'S INTERIM DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017**

**NOTES TO READER**

References to "Inter-Rock" and the "Company" in this discussion refer to Inter-Rock Minerals Inc. and its subsidiaries taken as a whole.

The following management discussion and analysis ("MD&A") provides an analysis of the financial condition of Inter-Rock at June 30, 2017 and compares it to the financial condition of the Company on December 31, 2016. The MD&A also analyzes the Company's results of operations for the three and six months ending June 30, 2017 and compares those results to the results for the comparable periods in 2016. This discussion also provides an update of our plan of operation for the short term.

This MD&A has been prepared in compliance with the requirements of National Instrument ("NI") 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the unaudited consolidated interim financial statements for the three and six months ended June 30, 2017 and with the audited consolidated financial statements and the related notes for the year ended December 31, 2016. The Company's financial statements and MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

All monetary amounts are expressed in United States dollars unless otherwise indicated.

This MD&A is prepared as of August 23, 2017.

**DESCRIPTION OF THE BUSINESS**

Inter-Rock is a public company continued in Barbados in 2000. Inter-Rock's shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "IRO".

Inter-Rock owns three operating businesses: MIN-AD, Inc. ("MIN-AD"), Mill Creek Dolomite LLC ("Mill Creek") and Papillon Agricultural LLC ("Papillon"). MIN-AD and Mill Creek are both engaged in the production and marketing of high purity dolomite, primarily to the animal feed, glass, roofing and aglime industries in the United States. Papillon is a US based marketer and distributor of toll manufactured premium dairy feed ingredients, including MIN-AD's products.

**SECOND QUARTER 2017 HIGHLIGHTS**

- Revenue of \$13.6 million, compared with \$8.6 million in Q2 2016. This was the second consecutive quarter of revenue exceeding \$13.0 million.
- Operating cash flow reached \$1.3 million in the quarter and over \$2.0 million year-to-date.

- Continued to reduce debt with principal repayments of approximately \$335,000 during the quarter and \$1.3 million in the first half of the year.
- Papillon's tons sold in the first half of 2017 were over 50% higher than the same period in 2016 corresponding to higher milk prices received by dairy farmers.

The Company expects continued improvement in its dolomite sales in the second half of 2017 and sales of Papillon's products to be stable, although perhaps slightly lower than the first half of the year.

## **OPERATIONS REVIEW**

### **Papillon Agricultural**

Papillon develops, markets and sells specialty nutritional supplements to the dairy cow feed industry. Papillon has its own line of high quality proteins and rumen probiotic products that are produced under toll manufacturing agreements. In addition, Papillon sells MIN-AD products in the Northeast and Midwest United States and also distributes yeast and zeolite products. Most of Papillon's sales are in the northeastern and north central regions of the United States.

Inter-Rock commenced consolidating Papillon's financial results in the second quarter of 2016. This MD&A presents results for Papillon for the second quarter of 2017 and comparable period in 2016, as well as results for the six months of 2017, but does not report comparable financial results for Papillon for the six month period in 2016.

Papillon recorded revenue of \$11.4 million in the second quarter of 2017. This matched revenue in the first quarter of 2017 and was 77% higher than \$6.4 million of revenue recorded in the second quarter of 2016. Revenue began increasing in the fourth quarter of 2016 as sales volumes increased along with firmer milk prices. Tons sold in the in the first half of 2017 were 54% higher than the prior year period, generating revenue of \$22.7 million for the six month period. In addition to higher milk prices, sales of protein feed additives in the first half of 2017 were supported by lower feed and energy costs for dairy farmers. An expansion into a new geographic territory, increased marketing of MIN-AD and initial sales of a new clostridia control product also contributed to higher sales and revenue in the first half of 2017.

Cash flow from operating activities (before non-cash working capital changes and management fees paid to Inter-Rock) was \$856,000 in the second quarter of 2017, as compared with \$236,000 for the comparable period in 2016. For the first half of 2017, operating cash flow was \$1.6 million.

Papillon began distribution of a new clostridia control product in the first quarter. Year-to-date sales are encouraging and customers have provided positive feedback. Additional marketing and field trials are planned for this product.

### **Mill Creek**

Mill Creek Dolomite, LLC owns and operates a dolomite quarry and plant in Mill Creek, Oklahoma. Mill Creek sells into specialty markets for dolomite, principally the glass, roofing materials and aglime markets. About 80% of revenues are from sales to the glass industry. Mill Creek, located approximately half way between Dallas, TX and Oklahoma City, OK, is ideally located to serve the large concentration of glass and asphalt shingle manufacturers in Texas, Oklahoma, and

eastern Kansas. Most of Mill Creek's customers are located in Oklahoma, Texas, Kansas, and Missouri.

Mill Creek's performance improved in the second quarter, with sales volumes 20% higher than the first quarter of 2017 and 5% higher than in second quarter of 2016. Year-to-date, tons sold are 5% lower than the comparable period last year; however, sales to glass customers have improved on a quarter over quarter basis in 2017, with tons sold to glass customers in the second quarter of 2017 43% higher than tons sold in the first quarter of 2017 (and about the same level as glass customer sales in the second quarter of 2016).

Net product revenue (revenue less freight and fuel charges recovered from customers) was \$1.0 million in the second quarter of 2017, up 6% from \$971,000 in the corresponding period in 2016 and higher than \$775,000 of revenue recorded in the first quarter of 2017. The improvement in revenue was due to an increase in sales to glass customers. For the first half of 2017, net product revenue was \$1.8 million as compared with \$1.9 million in the first half of 2016.

Cash flow from operations (before non-cash working capital changes and management fees paid to Inter-Rock) was \$169,000 and \$198,000 for the second quarter and first six months of 2017 respectively. This compares favourably with cash flow of \$51,000 and \$151,000 for the comparable periods in 2016. The improvement in cash flow for the first half of 2017 is due to lower operating and stripping costs.

Mill Creek incurred capital expenditures of \$1.4 million in the first half of 2017, of which \$1.3 million were payments made in the first quarter for new mobile crushing equipment. Excluding the crusher, capital expenditures in the first six months of 2017 were \$48,000, as compared with \$206,000 in the year earlier period.

#### **MIN-AD**

MIN-AD quarries, processes, and markets a specialty dolomite for the dairy and beef cattle feed industry. The dolomite is used as a source of magnesium and calcium and as a rumen acid buffer. Approximately 95% of sales are to the United States, while the other 5% are to Alberta and British Columbia. MIN-AD's quarry and grinding plant are located in northern Nevada near the town of Winnemucca.

MIN-AD continued to perform well in the second quarter, with sales volumes 8% higher than the corresponding prior year period, mainly due to increased marketing. Net product revenue (revenue excluding freight and fuel charges recovered from customers) of \$1.1 million in the second quarter of 2017 was marginally higher than \$1.05 million in the comparable period in 2016 and was equal to first quarter 2017 net product revenue of \$1.1 million.

Cash flow from operations (before non-cash working capital changes and management fees paid to Inter-Rock) was \$381,000 in the second quarter of 2017, as compared with \$313,000 in the second quarter of 2016. The increase in operating cash flow was attributable to higher revenues and gains from freight and fuel charges.

A 9% increase in sales volume in the first half of 2017, as compared with the same period in 2016 generated a 6% increase in net product revenue which totalled \$2.2 million in the first six months of 2017. Cash flow from operations was \$750,000 for the first half of 2017, as compared with \$498,000 for the comparable period in 2016, with the increase in cash flow due largely to reduced costs of leased rail cars, offset, in part by higher general and administrative expenses.

To increase MIN-AD's sales to the dairy industry, MIN-AD assigned Papillon the exclusive right to sell MIN-AD's products in a number of eastern states and, since the acquisition of Papillon by Inter-Rock, MIN-AD and Papillon have developed joint marketing programs for MIN-AD's products. Papillon's marketing and sales expertise and geographic reach, particularly in the eastern United States, are responsible for wider sales of MIN-AD's products over the past twelve months. In the first six months of 2017, Papillon's sales of MIN-AD's products represented about 28% of MIN-AD's quarterly sales volume.

## CONSOLIDATED FINANCIAL REVIEW

Financial Performance (US\$,000)	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Revenue	\$13,646	\$8,600	\$27,021	\$11,323
Operating Costs	\$11,140	\$6,942	\$22,584	\$8,933
SG&A	\$1,215	\$1,375	\$2,424	\$1,831
Net Profit (Loss)	\$944	\$15	\$1,298	\$116
Operating Cash Flow <sup>1</sup>	\$1,291	\$283	\$2,013	\$559
Capital Expenditures	\$23	\$228	\$1,409	\$343

(1) Revenue less operating costs and selling, general and administrative expenses.

### Second Quarter and Year-to-Date 2017 Financial Results

Revenue for the quarter ended June 30, 2017 was \$13.7 million, an increase of \$5.0 million as compared with the second quarter of 2016 (\$8.6 million). The increase in consolidated revenue is almost entirely attributable to Papillon increasing sales tons by over 50% in the second quarter of 2017 as compared with the comparable quarter in 2016.

On a year-to-date basis, revenue was \$27.0 million, an increase of \$15.7 million over the same period in 2016 (\$11.3 million). The six month figure for 2016 only includes Papillon's results for the second quarter of the year.

Operating costs were \$11.1 million in the second quarter of 2017, up from \$6.9 million in the comparable period in 2016. The increase is largely a result of higher sales of Papillon's products. Papillon's production costs primarily comprise raw material costs and a toll manufacturing fee.

Interest expense in the second quarter of 2017 was \$113,000, approximately the same as the same period last year. Year-to-date interest expense was \$240,000, as compared with \$143,000 in the year earlier period. The increase in interest expense is attributable to the \$5.95 million of debt raised to fund the acquisition of Papillon and \$1.3 million of debt related to equipment financing at Mill Creek.

Inter-Rock reported net income of \$944,000 or \$0.042 per share in the second quarter of 2017 as compared with a net income of \$15,000, or \$0.00 per share in the same period in 2016. Net income in the first half of 2017 was \$1.3 million or \$0.057 per share as compared to a net income of \$116,000 or \$0.001 per share in the first half of 2016.

## Summary of Quarterly Results

US\$,000	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15
Revenue	\$13,646	\$13,375	\$10,417	\$8,347	\$8,600	\$2,723	\$3,350	\$2,845
Net Income (Loss)	\$944	\$354	\$248	\$386	\$15	\$101	(\$287)	\$33
EPS – Basic	\$0.04	\$0.02	\$0.01	\$0.02	\$0.00	\$0.00	(\$0.01)	\$0.00

## LIQUIDITY AND CAPITAL RESOURCES

### Financial Condition

Financial Condition (US\$,000)	June 30, 2017	December 31, 2016
Cash	\$1,375	\$1,123
Working Capital	\$2,215	\$1,331
Total Assets	\$17,126	\$17,074
Total Debt	\$8,068	\$9,370

The Company's financial position continues to strengthen, with working capital of \$2.2 million at June 30, 2017, up from \$1.3 million at the end of 2016. Cash was \$1.4 million at the end of the second quarter of 2017 as compared with \$1.1 million at December 31, 2016, despite having made \$1.5 million in principal and interest payments during the first six months of the year. The Company had \$307,000 available under its revolving credit facility at the end of the second quarter.

The Company's debt decreased to \$8.1 million at June 30, 2017, from \$8.4 million at March 31, 2017 and \$9.4 million at the beginning of the year. During the first half of 2017, debt was reduced by \$1.3 million, largely by prepaying the \$400,000 7% seller Notes, repaying a \$250,000 related party note and repaying an equipment financing for two haul trucks in the amount of \$326,000.

The Company has scheduled principal and interest payments for the remainder of 2017 of approximately \$1.3 million. This includes \$693,000 owing under its revolving credit facility that matures in December 2017; however, the Company expects to annually extend the maturity date of this facility by a year.

The change in the cash balances during the first half of 2017 is reconciled as follows (\$000):

	<b>Three months ended June 30, 2017</b>	<b>Six months ended June 30, 2017</b>
Cash at Beginning of Period	\$1,639	\$1,123
Cash Provided by Operations	\$1,291	\$2,013
Cash Provided (Used) by Changes in Working Capital	\$(1,092)	\$(493)
Proceeds from Short Term Debt	\$0	\$18
Proceeds from Equipment Financing (Crusher)	\$0	\$1,264
Proceeds from Asset Sales	\$0	\$398
Gain from Sale of Equipment	\$0	(\$55)
Repayments of Debt and Interest	(\$440)	(\$1,484)
Capital Expenditures	(\$23)	(\$1,409)
<b>Cash at June 30, 2017</b>	<b>\$1,375</b>	<b>\$1,375</b>

### Operating Cash Flows

Consolidated operating cash flow in the second quarter of 2017 was \$1.3 million, an increase of just over \$1.0 million as compared with the second quarter of 2016 (\$283,000). For the first half of 2017, operating cash flow was \$2.0 million as compared with \$559,000 for the same period in 2016 (the 2016 period only includes results from Papillon for the second quarter).

### Financing Activities

During the second quarter of 2017, cash used in financing activities was \$440,000, including principal repayments of bank debt of \$103,000, related party note repayments of \$200,000, equipment financing repayments of \$34,000 and \$103,000 in interest payments.

On May 12, 2017, the Company made a second \$200,000 prepayment of the 7% Papillon Seller Notes (the first \$200,000 prepayment was made March 1, 2017). The 7% notes have now been fully repaid.

The Company did not declare any preferred share dividends in the second quarter of 2017.

In December 2016, the Company refinanced its revolving credit and term loan facilities for its MIN-AD and Mill Creek dolomite operations. Additionally, the Company arranged an equipment purchase term loan to finance the acquisition of crushing and screening equipment at Mill Creek.

The new facilities are summarized below:

- (i) \$1.0 million Revolving Credit Facility – a one-year, secured revolving credit facility (“RC”) in the amount of the lesser of \$1.0 million or 75% of accounts receivable at MIN-AD and Mill Creek, bearing interest at the U.S. bank prime rate plus 1.00% per annum. Any amounts drawn under the RC facility can be repaid any time and are due in full at maturity on December 25, 2017. At June 30, 2017, \$693,000 was outstanding under the RC facility.

- (ii) \$750,000 Term Loan – a five year, secured term loan bearing interest of 5.50% per annum. The loan amortizes in sixty equal monthly payments and matures on December 25, 2021. At June 30, 2017, the outstanding balance of the term loan was \$684,000.
- (iii) \$1,264,000 Equipment Term Loan – a five and a half year, secured term loan arranged to partially finance the purchase of crushing and screening equipment for Mill Creek. For six months post drawdown, the loan bears interest at the U.S. bank prime rate plus 0.50% and the Company is only required to make monthly interest payments during this six month period. Thereafter, the loan bears interest at a fixed rate of 5.50% and amortizes over sixty months in equal instalments. The loan matures on June 25, 2022. At June 30, 2017, \$1,264,000 was outstanding under the equipment term loan.

The three bank facilities are secured by the accounts receivables, inventory, equipment and other assets of MIN-AD Inc. and Mill Creek Dolomite LLC. The facilities are guaranteed by both the Company and its subsidiary, Secret Pass Gold Inc. The Meadows facilities contain certain covenants that limit, among other things, the ability of the Company's subsidiaries (MIN-AD and Mill Creek Dolomite) to incur new indebtedness, sell material assets and make acquisitions and investments. There is also a requirement to maintain a minimum debt to cash flow ratio.

#### *Papillon Acquisition Financing*

During the first quarter of 2016, the Company completed debt financings of \$5.95 million to fund the acquisition of Papillon Agricultural Company Inc. The acquisition debt comprises the following:

- (i) Seller Notes: the Company issued \$3.9 million of promissory notes to shareholders of Papillon Agricultural Inc., (the "Seller Notes"). There were two tranches of Seller Notes, a \$3.5 million tranche bearing interest at 5.75% per annum and a \$400,000 tranche bearing interest at 7% per annum. Interest is paid quarterly and the principal is due at maturity on March 23, 2019. As noted, the 7% Notes have been repaid. The Seller Notes are guaranteed by Inter-Rock and Papillon Agricultural Company Inc. and are secured by a pledge of the shares of Papillon Agricultural Company Inc. The Seller Notes are fully subordinated to the Shore United term loan described below.
- (ii) \$1.5 million Shore United Bank Term Loan: a three year, secured term loan bearing interest at 4.75% per annum with monthly amortization payments of \$28,000 and a final principal repayment of \$669,000 at maturity on March 22, 2019. The Shore loan is guaranteed by the Company, certain of the Company's subsidiaries and an officer of the Company and is secured by Papillon's accounts receivables. Under the terms of the Shore United loan, Papillon Agricultural LLC, (the "Borrower") is governed by certain covenants including, requiring Shore Bank approval for distributing cash to Inter-Rock, restrictions on new indebtedness, asset dispositions and acquisitions, a requirement to maintain a minimum debt service cover ratio and a certain level of cash and accounts receivables, among other covenants. At June 30, 2017, \$1.2 million of the loan was outstanding.



- (iii) Buyer Notes: The Company issued a \$500,000 promissory note to the Chairman and a \$55,000 promissory note to the CEO of the Company, (the "Buyer Notes"). The Notes are unsecured and bear interest at 6% per annum. Interest is accrued and payable at maturity on December 31, 2019. Accrued interest payable at June 30, 2017 was \$45,000.

### Investing Activities

The Company incurred capital expenditures of \$23,000 during the second quarter of 2017 and \$1.4 million in the first half of 2017. Payments related to the new crushing and screening equipment at Mill Creek account for \$1.3 million of the total capital expenditures. With the completion of the mill modernization program at Mill Creek, including the purchase of the crushing and screening equipment, the Company does not expect to incur significant capital expenditures during the remainder of 2017.

### CONTRACTUAL OBLIGATIONS

We incur contractual obligations and financial commitments in the normal course of our operations and financing activities. Contractual obligations include future cash payments required under existing contracts, such as debt and lease agreements. At June 30, 2017, the Company had the following financial commitments (\$000):

	Total	2017	2018	2019	2020	Thereafter
Bank Principal Payments	\$2,535	\$903	\$438	\$870	\$158	\$166
Equipment Financings	\$1,479	\$166	\$318	\$282	\$275	\$438
Operating Lease	\$668	\$89	\$178	\$178	\$178	\$45
Related Party Notes	\$4,054	-	-	\$4,054	-	-
<b>Total</b>	<b>\$8,736</b>	<b>\$1,158</b>	<b>\$934</b>	<b>\$5,384</b>	<b>\$611</b>	<b>\$649</b>

Subsequent to quarter end, the Company entered into two operating leases for equipment at its Mill Creek operation. The leases have a term of 48 months and the aggregate monthly payments are \$9,590.

### OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

### OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 22,617,811 common shares and 17,136,980 preferred shares issued and outstanding.

The Company does not currently have a stock option plan. As at the date of this MD&A there were no stock options outstanding.

### RELATED PARTY TRANSACTIONS

During the first six months of 2017, the Company had the following related party transactions:

- (i) The Company's term loan with Shore United Bank requires loan guarantees from the Company, its subsidiaries Secret Pass Gold and Papillon Agricultural Company Inc. and a personal guarantee from the CEO of the Company. To compensate the CEO for assuming this obligation, the Board of Directors approved a retroactive guarantee fee payable to the CEO in an amount equal to an annual rate of 2% interest on the outstanding balance of the loan for so long as the guarantee is in place. At June 30, 2017 the accrued guarantee fee owing to the CEO was \$33,500.
- (ii) The Company prepaid the \$400,000, 7% Papillon Seller Notes, with one payment of \$200,000 on March 1, 2017 and a second \$200,000 payment on May 12, 2017. The Papillon noteholders are related parties as they either continue to work for Papillon or are directors of Papillon.
- (iii) On January 26, 2017, the Company repaid a \$250,000 note that was provided by the Chairman of the Company on December 18, 2015. The note and accrued interest paid was \$266,000.

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's activities expose it to a number of financial risks including credit risk, market risk (including interest rate risk and foreign exchange risk) and liquidity risk. The objective of the Company's risk management policy is to properly identify financial risks and minimize adverse effects by ensuring that the Company maintains adequate capital in relation to the risks. The Company does not use derivative financial instruments as part of its strategy to manage market risks. There has been no change in the risks, objectives, policies and procedures from the previous reporting period. The Company's strategy for managing financial risks is presented as note 19 in the audited consolidated financial statements for the year ended December 31, 2016.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the financial statements requires management to make judgements, estimates and assumptions in applying accounting policies that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and revenues and expenses during the reporting period.

The condensed consolidated interim financial statements reflect the judgements and estimates outlined by the Company in note 3 in its audited consolidated financial statements for the year ended December 31, 2016, which are available on SEDAR at [www.sedar.com](http://www.sedar.com). There have been no changes to the critical accounting estimates since the previous reporting period.

## **DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING**

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present all material respects the financial condition, results of the operations and cash flows of

the Company, as of the date of and for the periods presented by the consolidated financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"), the Company utilizes the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a Venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Inter-Rock has identified a potential control weakness regarding a lack of segregation of duties because of limited staff resources. Inter-Rock believes that this control weakness has not caused any material information to be withheld in its financial disclosure and has not impacted reported financial results.

## **RISK FACTORS**

The Company is subject to a number of risks and uncertainties. For more details, refer to the Company's annual MD&A for the year ended December 31, 2016, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). There have been no changes to the risk factors since the previous reporting period.

## **CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements which may include, but are not limited to, statements with respect to the future financial or operating performance of Inter-Rock and its subsidiaries. All statements other than statements of historical fact are forward-looking statements. Generally, forward-looking statements can be identified by the use of words such as "plans", "expects", "anticipates", "believes", "estimates", "expects" and similar expressions, or the negatives of such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might", or "will" be taken, occur or be achieved. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light

of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to price volatility for the Company's dolomite products and dairy feed ingredients, market competition, changes in economic conditions in the markets for the Company's products, particularly the dairy market in the United States, the ability to attract and retain skilled staff, timing and availability of external financing on acceptable terms, increases in costs, environmental compliance, and changes in environmental and other local legislation and regulation, interest rate fluctuations, as well as those risk factors listed in the "Risk Factors" section above. There may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements.

The Board of Directors of Inter-Rock Minerals Inc. has approved the disclosure contained in this MD&A.