Inter-Rock Minerals Inc.

Condensed Consolidated Interim Financial Statements

Unaudited

Expressed in United States dollars

Periods ended March 31, 2018 and 2017

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by, and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements.

INTER-ROCK MINERALS INC.
MAY 24, 2018

Inter-Rock Minerals Inc.

Condensed Consolidated Interim Balance Sheets
As at
(Expressed in thousands of United States Dollars)

UNAUDITED	Note	**March 31, 2018**	December 31, 2017
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**1,455**	2,106
Accounts receivable		**4,524**	3,893
Inventories	6	**1,356**	1,395
Prepaid expenses and other assets		**234**	258
Total Current Assets		**7,569**	7,652
Non-current assets			
Properties, plant and equipment	7	**4,966**	5,004
Intangible assets	8	**2,593**	2,675
Goodwill	8	**1,809**	1,809
Total Assets		**16,937**	17,140
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		**2,797**	3,150
Current portion of long term debt	9	**1,671**	1,021
Current portion equipment purchase financing	9	**318**	321
Promissory notes to related parties	9,15	**3,000**	-
Total Current Liabilities		**7,786**	4,492
Non-current liabilities			
Accrued interest payable	15	**70**	62
Long term debt	9	**437**	1,194
Equipment purchase financing	9	**915**	992
Promissory notes to related parties	9,15	**555**	3,555
Deferred income tax liability		**330**	330
Asset retirement obligation	10	**75**	75
Series A preferred shares	11	**3,417**	3,417
Total Liabilities		**13,585**	14,117
Equity			
Share capital	12	**5,864**	5,864
Contributed surplus		**315**	315
Deficit		**(2,827)**	(3,156)
Total Equity		**3,352**	3,023
Total Liabilities and Equity		**16,937**	17,140

Commitments (Note 17)

The accompanying notes are an integral part of these consolidated financial statements.

Inter-Rock Minerals Inc.

Condensed Consolidated Interim Statements of Income and Comprehensive Income

(Expressed in thousands of United States Dollars)

UNAUDITED	Note	Three months ended March 31, 2018	March 31, 2017
		$	$
REVENUE	5,16	**12,410**	13,375
COST OF SALES			
Operating costs	5	**10,305**	11,444
Amortization and depletion	7	**128**	159
		10,433	11,603
Gross Profit		**1,977**	1,772
OPERATING EXPENSES			
Selling, general and administrative	5	**1,468**	1,209
Amortization of intangible assets	8	**82**	82
Income Before Financing Costs		**427**	481
Interest on long term debt	9	**98**	127
Income taxes		**-**	-
Net Income and Comprehensive Income		**329**	354
Basic income per share	13	**0.01**	0.02
Diluted income per share	13	**0.01**	0.01
Weighted average number of shares outstanding			
Basic		**22,617,811**	22,617,811
Diluted		**39,754,791**	39,754,791

The accompanying notes are an integral part of these consolidated financial statements.

Inter-Rock Minerals Inc.

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in thousands of United States Dollars)

UNAUDITED	**Share Capital (Note 12)**	**Contributed Surplus**	**Deficit**	**Total**
	$	**$**	**$**	**$**
Balance December 31, 2016	5,864	315	(4,957)	1,222
Total income and comprehensive income for the period	-	-	354	354
Balance, March 31, 2017	5,864	315	(4,603)	1,576
Balance December 31, 2017	5,864	315	(3,156)	3,023
Total income and comprensive income for the period	-	-	329	-
Balance, March 31, 2018	**5,864**	**315**	**(2,827)**	**3,023**

The accompanying notes are an integral part of these consolidated financial statements.

Inter-Rock Minerals Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in thousands of United States Dollars)

UNAUDITED	Three months ended March 31, 2018	March 31, 2017
	$	$
CASH PROVIDED BY (USED IN)		
OPERATIONS		
Net income	**329**	354
Items not effecting cash		
Amortization and depletion, mining	**128**	159
Amortization of intangible assets	**82**	82
Interest expense	**98**	127
Gain on disposal of properties, plant and equipment	**-**	(55)
	637	667
Net changes in non-cash working capital		
Accounts receivable	**(631)**	(394)
Inventories	**39**	(167)
Prepaid expenses	**24**	27
Accounts payable and accrued liabilities	**(362)**	1,140
Accrued interest payable	**8**	(7)
Cash generated by (used in) operating activities	**(285)**	1,266
INVESTING		
Purchase of properties, plant and equipment	**(89)**	(1,386)
Proceeds on disposal of properties, plant and equipment	**-**	398
Cash used in investing activities	**(89)**	(988)
FINANCING		
Interest paid	**(90)**	(120)
Proceeds from long term debt	**-**	18
Repayment of long term debt	**(107)**	(102)
Proceeds from equipment purchase financings	**-**	1,264
Repayment of equipment purchase financings	**(80)**	(372)
Repayment of related party loans	**-**	(450)
Cash provided by (used in) financing activities	**(277)**	238
Net change in cash and cash equivalents	**(651)**	516
Cash and cash equivalents, beginning of period	**2,106**	1,123
Cash and cash equivalents, end of period	**1,455**	1,639

The accompanying notes are an integral part of these consolidated financial statements.

(Expressed in thousands of United States Dollars)

1. CORPORATE INFORMATION

Inter-Rock Minerals Inc. ("Inter-Rock" or the "Company") is domiciled in Canada and is continued under the Business Corporations Act (Ontario). The Company's office is located at 2 Toronto Street, Suite 500 Toronto, Ontario, M5C 2B6, Canada. The Company's shares are traded on the TSX Venture Exchange under the symbol "IRO".

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

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards, ("IFRS") as applicable to the preparation of interim financial statements, including International Accounting Standard, ("IAS") 34, *Interim Financial Reporting* and do not include all of the information required for full annual financial statements by IFRS. These condensed consolidated interim financial statements should be read in conjunction the Company's audited annual consolidated financial statements for the year ended December 31, 2017 prepared in accordance with IAS as issued by the International Accounting Standards Board ("IASB").

2.2 Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.10 of the Company's audited financial statements for the year ended December 31, 2017.

2.3 Basis of Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and the following wholly-owned subsidiaries:

Entity	Place of Incorporation	Ownership
Secret Pass Gold Inc.	United States	100%
MIN-AD Inc.	United States	100%
Mill Creek Dolomite LLC	United States	100%
Papillon Agricultural LLC	United States	100%
Papillon Agricultural Company Inc.	United States	100%

2. BASIS OF PRESENTATION (CONT'D)

2.4 Functional Currency and Currency of Presentation

These condensed consolidated interim financial statements are presented in United States dollars, which is the functional currency of the Company and all its subsidiaries. Transactions denominated in currencies other than the functional currency are recorded in the functional currency using the spot rate on the transaction date, and revalued using the exchange rate in effect at the end of each reporting date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the reporting date. Non-monetary assets and liabilities are translated at the historical rate. Exchange gains and losses are included in the condensed consolidated interim statements of income and comprehensive income for the period.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements reflect the accounting policies applied by the Company in its audited consolidated financial statements for the year ended December 31, 2017. The Company's significant accounting policies are presented as Note 3 in the audited consolidated financial statements for the year ended December 31, 2017.

The IASB continues to amend and to add to current IFRS standards and interpretations. The Company's accounting policies adopted for preparation of its IFRS annual consolidated financial statements will be determined as of December 31, 2018. In the event that accounting policies adopted at December 31, 2018 differ materially from the accounting policies used in the preparation of these condensed consolidated interim financial statements, these condensed consolidated interim financial statements will be restated to retrospectively account for the application of those policies adopted at December 31, 2018.

4. JUDGMENTS AND ESTIMATES

The preparation of these condensed consolidated interim 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.

These condensed consolidated interim financial statements reflect the judgements and estimates outlined by the Company in Note 4 of its audited consolidated financial statements for the year ended December 31, 2017.

(Expressed in thousands of United States Dollars)

5. SUBSIDIARIES AND BUSINESS SEGMENTS

Inter-Rock's business is organized into three individual operating businesses. Each operation is an operating segment for financial reporting purposes. Certain costs are managed on a consolidated basis and are therefore not reflected in segment income.

Operating segments of the Company are as follows:

Name of subsidiary	Country of incorporation	Equity ownership
MIN-AD Inc.	United States	100%
Mill Creek Inc.	United States	100%
Papillon Agricultural Company	United States	100%

The Company's management evaluates the performance of these segments and allocates resources to them based on certain performance measures, mainly cash flow from operations.

Segment earnings correspond to each business' earnings from operations. The Company's management reporting system evaluates performance based on a number of factors; however the primary profitability measure is the earnings from operations before depreciation, amortization, net financing income or expense and income taxes ("EBITDA").

Segment operating results are as follows:

Period ended March 31, 2018	MIN-AD.	Mill Creek	Papillon	Other	Elimi-nations	Total
REVENUE						
Internal sales	873	-	19	141	(1,033)	**-**
External sales	1,182	1,297	9,931	-	-	**12,410**
COST OF SALES						
Operating costs	1,527	949	8,653	-	(824)	**10,305**
Amortization & depletion	49	76	-	3	-	**128**
Gross Profit	479	272	1,297	138	(209)	**1,977**
OPERATING EXPENSES						
Selling, general & administration	238	310	1,011	167	(258)	**1,468**
Amortization of intangible assets	-	-	82	-	-	**82**
Income (loss) Before Financing Costs	241	(38)	204	(29)	49	**427**
FINANCING COST						
Interest on long-term debt	9	26	55	8	-	**98**
Net and Comprehensive Income (loss)	232	(64)	149	(37)	49	**329**

(Expressed in thousands of United States Dollars)

5. SUBSIDIARIES AND BUSINESS SEGMENTS (CONT'D)

As at March 31, 2018	MIN-AD.	Mill Creek	Papillon	Other	Elimi-nations	Total
ASSETS						
Current assets	1,531	1,476	4,841	46	(325)	**7,569**
Non-current assets	1,513	3,453	4,400	-	-	**9,368**
	3,044	4,929	9,241	46	(325)	**16,937**
LIABILITIES						
Current liabilities	1,351	779	5,798	134	(276)	**7,786**
Non-current liabilities	40	1,327	60	4,372	-	**5,799**
	1,391	2,106	5,858	4,506	(276)	**13,585**

Adjustments and eliminations include inter-segment revenues and expenses that are eliminated on consolidation.

Segment operating results for the prior period are as follows:

Period ended March 31, 2017	MIN-AD	Mill Creek	Papillon	Other	Elimi-nations	Total
REVENUE						
Internal sales	788	-	20	117	(925)	**-**
External sales	1,247	993	11,353	-	(218)	**13,375**
COST OF SALES						
Operating costs	1,426	731	9,897	-	(610)	**11,444**
Amortization & depletion	72	84	-		3	**159**
Gross Profit	537	178	1,476	117	(536)	**1,772**
OPERATING EXPENSES						
Selling, general & administration	223	248	835	163	(260)	**1,209**
Amortization intangibles	-	-	82	-	-	**82**
Income (loss) before Financing Costs	314	(70)	559	(46)	(276)	**481**
FINANCING COSTS						
Interest on long-term debt	15	33	71	8	-	**127**
Net and Comprehensive Income (loss)	299	(103)	488	(54)	(276)	**354**

(Expressed in thousands of United States Dollars)

5. SUBSIDIARIES AND BUSINESS SEGMENTS (CONT'D)

As at March 31, 2017	MIN-AD	Mill Creek	Papillon	Other	Elimi-nations	Total
ASSETS						
Current assets	1,402	1,171	4,711	17	(459)	**6,842**
Non-current assets	1,525	3,538	4,931	637	-	**10,631**
	2,927	4,709	9,642	654	(459)	**17,473**
LIABILITIES						
Current liabilities	1,494	705	3,102	46	(52)	**5,295**
Non-current liabilities	52	1,833	5,260	3,457	-	**10,602**
	1,546	2,538	8,362	3,503	(52)	**15,897**

6. INVENTORIES

Inventories comprise the following:

	March 31, 2018	December 31, 2017
	$	$
Raw materials and consumables, at cost	**940**	**760**
Finished goods, at cost	**416**	**635**
Total inventories, at lower of cost and net realizable value	**1,356**	**1,395**

7. PROPERTIES, PLANT AND EQUIPMENT

Costs of properties, plant and equipment comprise the following:

	Balance, December 31, 2017	Additions during the period	Disposals during the period	**Balance, March 31, 2018**
	$	$	$	**$**
Cost				
Land	535	-	-	**535**
Dolomite Properties	2,051	-	-	**2,051**
Mill Equipment	5,566	-	-	**5,566**
Mill (i.e. Capital projects)	6,954	89	-	**7,043**
Vehicles	445	-	-	**445**
Spare Parts	321	-	-	**321**
	15,871	89	-	**15,961**

(Expressed in thousands of United States Dollars)

7. PROPERTIES, PLANT AND EQUIPMENT (CONT'D)

Accumulated amortization and depletion of properties, plant and equipment comprise the following:

	Balance, December 31, 2017	Additions during the period	Disposals during the period	**Balance, March 31, 2018**
	$	$	$	**$**
Accumulated amortization and depletion				
Land	-	**-**	**-**	**-**
Dolomite Properties	(1,219)	**(4)**	**-**	**(1,223)**
Mill Equipment	(4,079)	**(81)**	**-**	**(4,160)**
Mill (i.e. Capital projects)	(5,197)	**(37)**	**-**	**(5,234)**
Vehicles	(372)	**(6)**	**-**	**(378)**
Spare Parts	-	**-**	**-**	**-**
	(10,867)	(128)	-	**(10,995)**

Net book value of properties, plant and equipment comprise the following:

	Balance, March 31, 2018	Balance, December 31, 2017
	$	$
Net book value		
Land	**535**	535
Dolomite Properties	**828**	832
Mill Equipment	**1,406**	1,486
Mill	**1,809**	1,757
Vehicles	**67**	73
Spare Parts	**321**	321
	4,966	5,004

(Expressed in thousands of United States Dollars)

8. INTANGIBLE ASSETS AND GOODWILL

Intangible assets and goodwill comprise the following:

	Customer relationships (a)	Distribution rights (b)	Non-compete (c)	Brand (d)	**Total Intangibles**	**Goodwill**
	$	$	$	$	**$**	**$**
Mill Creek	-	-	-	-	**-**	**1**
Papillon acquisition (Note 5)	1,850	1,270	30	100	**3,250**	**1,808**
Less: amortization	(139)	(95)	(5)	(8)	**(575)**	**-**
Balance December 31, 2017	1,526	1,048	19	82	**2,675**	**1,809**
Less: amortization	(46)	(31)	(2)	(3)	**(82)**	**-**
Balance, March 31, 2018	1,480	1,017	17	79	**2,593**	**1,809**

Amortization of intangible assets is presented on the condensed consolidated interim statements of income and comprehensive income. As at period-end, no indicators of impairment existed for the intangible assets and there were no impairment losses recognized in income.

a) Customer relationships, which are long-standing relationships with many specialty feed ingredient suppliers, toll manufacturers and customers in the dairy industry.
b) Distribution rights, which are exclusive rights of the Company to produce and distribute specialty feed ingredients to the dairy industry.
c) Non-compete arrangements, which serve to protect the Company's sensitive and confidential information. These agreements may apply to employees as well as any person or company that interacts with the business and encounters confidential information. The agreements have to be reasonable in scope and duration in order to be upheld in court.
d) Brand, where the value of a brand is determined by the consumers' perception of the brand. Positive brand equity is achieved when consumers are willing to pay more for a product with a recognizable brand name than they would pay for a generic version of the product.

Goodwill is measured as the fair value of consideration paid less the fair value of the net assets acquired and liabilities assumed on the acquisition date. Goodwill is tested at least annually for impairment or more frequently when impairment indicators are identified. In accordance with IAS 36, if some or all of the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period.

The goodwill impairment analysis performed by the Company concluded there was no impairment to goodwill as at March 31, 2018 as the fair value of its CGUs exceeded its carrying value.

The CGU recoverable amount was determined based on its value using a 5-year discounted cash flow model. Key assumptions used in the discounted cash flows are: (a) projected gross profit used in the forecast was estimated considering current and historical results with a growth rate of 4% and a terminal 2% growth to reflect the inflationary growth, (b) projected earnings before interest, taxes, depreciation and amortization used in the forecast were estimated using current and historical results as a percentage of revenue with consideration to variable costs. Fixed costs were estimated to remain fairly constant (c) working capital and capital expenditures were estimated considering historical requirements. The discount rate applied in the discounted cash flow models range from 25% and 30%.

(Expressed in thousands of United States Dollars)

9. DEBT

Bank debt, equipment financings, and promissory notes due to related parties comprise the following:

	March 31, 2018	December 31, 2017
	$	$
Aggregate debt facilities		
Revolving Credit Facility	**583**	583
Mill Creek Term Loan	**581**	616
Papillon Term Loan	**944**	1,016
Equipment Financings	**1,233**	1,313
Related Party Notes	**3,555**	3,555
	6,896	7,083
Less: current portions of		
Bank debt	**(1,671)**	(1,021)
Current portion equipment purchase financing	**(318)**	(321)
Current portion of promissory notes to related parties	**(3,000)**	-
Total long term debt	**1,907**	5,741

Bank facilities

MIN-AD and Mill Creek jointly have three bank facilities:

(i) $1,000 Revolving Credit Facility – a one-year, secured revolving credit facility (“RC”) in the amount of the lesser of $1,000 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 May 25, 2018. At March 31, 2018, $583 (March 31, 2017 - $693) was outstanding under the RC facility and was recorded as current portion of long term debt.

(ii) $750 Term Loan – a five year, secured term loan bearing interest of 5.50% per annum. The loan amortizes over sixty months in equal principal and interest payments of $14 and matures on December 25, 2021. At March 31, 2018, $144 (March 31, 2017 - $137) was recorded as current portion of long term debt and the balance of $437 (March 31, 2017 - $582) was recorded as long-term debt.

9. DEBT (CONT'D)

(iii) $1,264 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 after closing, the loan bore interest at the U.S. bank prime rate plus 0.50% and only monthly interest payments were required. Thereafter, the loan bears interest at a fixed rate of 5.50% and amortizes over sixty months in equal principal and interest payments of $24. The loan matures on June 25, 2022. At March 31, 2018, $236 (March 31, 2017 - $111) was recorded as current portion of equipment purchase financing and the balance of $860 (March 31, 2017 - $1,153) was recorded as long-term debt.

The MIN-AD and Mill Creek bank facilities are secured by the accounts receivables, inventory, equipment and other assets of MIN-AD and Mill Creek. The facilities are guaranteed by both the Company and its subsidiary, Secret Pass Gold Inc. and contain certain covenants that limit, among other things, the ability of MIN-AD and Mill Creek to incur new indebtedness, sell material assets and make acquisitions and investments. There is also a requirement to maintain a minimum debt service cover ratio of 1.30.

Papillon Agricultural LLC (the "Borrower") arranged a $1,500, three year secured term loan in connection with the acquisition of Papillon Agricultural Company Inc., ("Papillon"). The loan bears interest at 4.75% per annum with monthly principal and interest payments of $28 and a final principal repayment of $669 at maturity on March 22, 2019. The loan is guaranteed by the Company and certain of the Company's subsidiaries and is secured by Papillon's cash and accounts receivables. Under the terms of the loan, the Borrower is governed by certain covenants including, requiring bank approval for distributing cash to the Company, 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 March 31, 2018, $944 (March 31, 2017 - $282) was recorded as current portion of long term debt and the balance of $Nil (March 31, 2017 - $946) was recorded as long-term debt.

As at March 31, 2018, the borrowers were in compliance with all bank debt covenant requirements.

Equipment financings

In the course of operations, MIN-AD and Mill Creek arrange equipment finance facilities with major equipment manufacturers and financial institutions. The total amounts currently outstanding under these facilities range from $7 to $1,096 (March 31, 2017 - $19 to $1,264) and the interest rate on the facilities range from 1 .99% to 5.5% per annum. At March 31, 2018, $318 (March 31, 2017 - $222) was recorded as current portion of long term debt and the balance of $915 (March 31, 2017 - $1,291) was recorded as long-term debt.

Related party notes

On March 23, 2016, in connection with the acquisition of Papillon, Papillon Agricultural LLC issued notes to the original shareholders of Papillon for $3,899 (the "Seller Notes"). In addition, the Company borrowed $500 from the Chairman of the Company and $55 from the Chief Executive Officer of the Company to assist in financing the purchase of Papillon (the "Buyer Notes"). Refer to Note 16 for details of this related party debt. During 2017, Papillon Agricultural LLC prepaid in full the $400 of 7% Seller Notes and prepaid $449 of the 5.75% Seller Notes. At March 31, 2018, $3,000 (March 31, 2017 - $3,499) of the 5.75% Seller Notes were outstanding and are recorded as promissory notes to related parties.

(Expressed in thousands of United States Dollars)

10. ASSET RETIREMENT OBLIGATION

The Company is required to satisfy certain asset retirement obligations including the removal of any equipment and the restoration of the land and premises. This liability is management's estimate of the requirements for restoration and rehabilitation of the Company's MIN-AD and Mill Creek dolomite quarrying operations. The Company's liability for reclamation of the property has been discounted to its present value based on an estimate of the Company's pricing in the market to obtain debt.

11. SERIES A PREFERRED SHARES

On December 5, 2008, the Company issued 17,136,980 Series A preferred shares ("Preferred Shares") to settle debt and unpaid interest owing to a shareholder in the amount of $3,417.

Each Preferred Share is entitled to one vote, is redeemable and retractable on demand at a value of $0.20, pays a non-cumulative quarterly dividend at a rate equivalent to the US prime interest rate, and is convertible into one common share of the Company.

There is no certainty of retraction of the Preferred Shares as there is no fixed or determinable date for their retraction nor are any future events defined that would trigger retraction. The shareholder has agreed to waive its right to retract the Preferred Shares for the year ending December 31, 2018, so the liability has been presented in these financial statements as long-term. For the periods ended March 31, 2018 and 2017 the Company did not pay any preferred share dividends and, accordingly, did not record any amount in interest expense for dividends.

12. SHARE CAPITAL

The Company is authorized to issue an unlimited amount of common shares. The amount of common shares issued and outstanding is as follows:

	Number	Amount
Balance, March 31, 2018 and 2017	22,617,811	5,864

13. INCOME PER SHARE

Basic and diluted income per share have been calculated as follows:

	March 31, 2018	March 31, 2017
Basic income per share		
Income available to common shares	**329**	354
Weighted average common shares (in thousands)	**22,618**	22,618
	0.01	0.02
Diluted income per share		
Income available to common shares	**329**	354
Income available to common shares, assuming dilution	**329**	354
Weighted average common shares outstanding	**22,618**	22,618
Preferred shares converted to common shares	**17,137**	17,137
Adjusted weighted average common shares outstanding	**39,755**	39,755
	0.01	0.01

Each Preferred Share (Note 11) is convertible into one common share of the Company, the dilutive effect of the conversion of Preferred Shares is 17,136,980 additional common shares.

14. INCOME TAXES

The Company has net operating losses for income tax purposes of $862 (2016 – $2,696) which can be carried forward and applied against future taxable income. The right to use these losses expires as follows:

Incurred	Expires	Amount
		$
2012	2032	232
2013	2033	193
2014	2034	437
		862

15. RELATED PARTY TRANSACTIONS

(a) Promissory notes related to the acquisition of Papillion Agricultural Company Inc. ("Papillon")

On March 23, 2016, in connection with the acquisition of Papillon, Papillon Agricultural LLC issued notes to the original shareholders of Papillon totaling $3,899 (the "Seller Notes"). The Papillon noteholders are related parties as they continue to work for, or, are directors of Papillion. In addition, the Company borrowed $500 from the Chairman of the Company and $55 from the Chief Executive Officer of the Company to assist in financing the purchase of Papillon (the "Buyer Notes"). At March 31, 2018 the following related party promissory notes were outstanding:

(i) Seller Notes: The Seller Notes comprise two tranches: a $3,499 tranche bearing interest at 5.75% per annum and a $400 tranche bearing interest at 7% per annum. Interest is paid quarterly and the principal is due at maturity on March 23, 2019. The Seller Notes are guaranteed by Inter-Rock and Papillon and are secured by a pledge of the shares of Papillon. During 2017, Papillon Agricultural LLC fully prepaid the $400 7% notes and prepaid $499 of the 5.75% notes. At March 31, 2018, $3,000 (March 31, 2017 - $3,699) of the 5.75% Seller Notes were outstanding.

The Seller Notes are subordinate to the Papillon Agricultural LLC bank facility and are subject to the terms of the note indentures and the Stock Purchase Agreement (the agreement that governs the acquisition of Papillion Agricultural Company Inc. by Papillion Agricultural LLC), which limit the distribution of cash from Papillon to the Company while any amount of the Seller Notes remain outstanding.

(ii) Buyer Notes: in connection with the acquisition of Papillon, on March 23, 2016, the Company issued a $500 promissory note to the Chairman of Inter-Rock and a $55 promissory note to the Chief Executive Officer of Inter-Rock. The Notes are unsecured and bear interest at 6% per annum. The principal and accrued interest is due in full on December 31, 2019 and is recorded as long-term debt. At March 31, 2018 accrued interest totaled $70 (March 31, 2017 - $37).

(b) Other related party notes

The Company issued a $250, 6% note to the Chairman of the Company on December 18, 2015. The loan proceeds were used to partially fund an engineering study for upgrading the plant at Mill Creek. The note and accrued interest was due on December 31, 2016. On January 26, 2017 the $250 note and accrued interest of $16 was fully repaid.

(Expressed in thousands of United States Dollars)

15. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key management remuneration

The Company's related parties as defined by IAS 24, Related Party Disclosures, include key management personnel, namely directors of the Company and senior management of the Company and its subsidiaries, including the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Vice-President of Operations and the President of Papillon.
.
Remuneration of key management personnel is as follows:

For the three months ended	March 31, 2018	March 31, 2017
	$	$
Short term benefits including salaries, consulting and director fees	**194**	188

16. REVENUE SUPPLEMENTAL INFORMATION

The Company's revenue by type is broken down as follows in the condensed consolidated interim statements ofincome and comprehensive income:

For the three months ended	March 31, 2018	March 31, 2017
	$	$
MIN-AD and Mill Creek		
Dolomite sales	**1,862**	1,588
Freight charges	**534**	371
Fuel charges	**83**	63
	2,479	2,022
Papillon		
Animal feed sales	**9,333**	10,586
Other revenue	**173**	235
Freight charges	**425**	532
	12,410	13,375

(Expressed in thousands of United States Dollars)

17. COMMITMENTS

The Company is committed to $7,857 for obligations and financial commitments in the normal course of operations and financing activities. At March 31, 2018, the Company had the following financial commitments:

	Total $	2018 $	2019 $	2020 $	2021 $	Thereafter $
Bank Principal Repayments	2,108	913	870	158	167	-
Equipment Financing	1,233	242	282	275	290	144
Operating Lease	961	221	295	295	143	7
Related Party Notes	3,555	-	3,555	0	-	-
Total	**7,857**	**1,376**	**5,002**	**728**	**600**	**151**

In December 2015, the Company entered into a sub-lease agreement for office space for its head office in Toronto. The sub-lease has a four year term with monthly payments of $2.

18. SUBSEQUENT EVENTS

Bank refinancing

Subsequent to the end of the first quarter, Papillon Agricultural LLC (the parent company of Papillon Agricultural Company Inc.) arranged a $4.0 million, five year secured term loan bearing interest at a fixed rate of 4.75%. The proceeds of the loan were used to repay an existing term loan ($918) and the remaining Seller Notes ($3,000).

The loan is secured against all the present and future assets of Papillon Agricultural Company Inc. and Papillon Agricultural LLC, and is guaranteed by the Company and its subsidiaries, Secret Pass Gold Inc. and Papillon Agricultural Company Inc. The loan contains various covenants customary for a facility of this nature, including restrictions on new indebtedness, asset dispositions and acquisitions. The loan also contains financial covenants including (i) a minimum debt service cover ratio of 1.15 and (ii) beginning in the second year of the loan, a requirement that 80% of accounts receivable plus cash must be equal to or greater than the outstanding loan balance.

Preferred share dividend

On May 18, 2018, the Board of Directors of the Company declared a quarterly preferred share dividend of $38 for the three months ended March 31, 2018, (March 31, 2017 - nil). The dividend was paid subsequent to quarter end.