INTER-ROCK MINERALS INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Three and Six Months Ended June 30, 2018

August 22, 2018

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MANAGEMENT'S INTERIM DISCUSSION AND ANALYSIS

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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, 2018 and compares it to the financial condition of the Company on December 31, 2017. The MD&A also analyzes the Company's results of operations for the three and six months ending June 30, 2018 and compares those results to the results for the comparable periods in 2017.

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, 2018 and with the audited consolidated financial statements and the related notes for the year ended December 31, 2017. 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 22, 2018.

DESCRIPTION OF THE BUSINESS

Inter-Rock 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 Company Inc. ("Papillon"), MIN-AD Inc. ("MIN-AD"), 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.

SECOND QUARTER 2018 HIGHLIGHTS

- Tons sold by both Papillion and MIN-AD were approximately 12% below the same period last year due to a weak U.S. dairy market.

- Papillon arranged a $4.0 million, five-year term loan to refinance existing debt. The new loan allows Papillon to extend the maturity of its debt at a lower, fixed rate of interest.

- Consolidated debt reduced to $6.66 million (from $7.08 million at year end 2017).

The U.S. dairy market is experiencing its fourth year of low milk prices as a result of persistent overproduction due to larger dairy herd sizes and increasing milk output per cow. With a recent increase in feed costs, milk prices are now at or below the cost of production for many U.S. dairy farmers. An improvement in milk prices will depend on production cuts, export volumes and domestic demand. Overall global economic growth is expected to support exports of U.S. dairy products; however, growth will be tempered by increasing worldwide milk production, particularly in the EU. U.S. domestic demand is forecast to remain robust. Lower production remains the key to sustaining a higher milk price.

The Company expects results for the balance of 2018 to be largely in line with the first half of the year. General economic growth in the U.S., an expanded product line and higher dolomite sales to glass customers should support operating cash flow in the second half of the year at a level similar to the first half.

OPERATIONS REVIEW

Papillon Agricultural

Papillon develops and produces premium specialty nutritional products for dairy consultants, feed suppliers and dairy producers in the United States. Papillon has its own line of high quality proteins and rumen probiotic products that are produced under toll manufacturing agreements. In addition, Papillon distributes MIN-AD products and a clostridia control product.

Papillon recorded revenue of $10.75 million in the second quarter of 2018 as compared with $11.35 million in the year earlier period. Revenue for the first half of 2018 was $20.70 million as compared with $22.73 million in the first half of 2017. Revenue was lower as the aggregate sales volumes of all products in the second quarter and first six months of 2018 were approximately 12% and 11% lower respectively, than in the same periods in 2017.

Despite a 9% reduction in revenue in the first half of 2018 as compared with the first half of 2017, gross profit (revenue less cost of goods sold) declined by less than 5%, as sales of Baciflex, Papillon's clostridia control product introduced in the first quarter of 2017, were significantly higher in the first half of 2018. Additionally, gross margins per ton sold for Papillon's other main products were maintained at the same level, or slightly higher, than margins in the first half of 2017, despite a weak dairy market. However, in the last month of the second quarter gross profit per ton of protein products declined due to a short-term spike in the cost of animal protein ingredients. Tons sold were also impacted as higher costs for animal-based protein products led to some substitution of soy bean meal for animal-based protein feed additives. A decline in the price of animal-based protein ingredients subsequent to quarter end should support a recovery in the feed rate of animal proteins.

Cash flow from operating activities (before non-cash working capital changes) was $429,000 in the second quarter of 2018, as compared with $807,000 for the comparable period in 2017. For the first half of 2018, cash flow was $915,000, down from $1.44 million for the same period in 2017. Cash flow is lower on a year-to-date basis as a result of lower gross profits as described above, together with higher SG&A expenses primarily related to professional fees, compensation for new staff, marketing and higher management fees paid to Inter-Rock.

Mill Creek

Mill Creek 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 70% of Mill Creek's sales volume is to the glass industry.

Tons sold in the second quarter of 2018 were 4% higher than the same period in 2017. Year to date tons sold were 15% higher than in the first half of 2017, (first quarter 2017 sales to glass manufacturers were low due to a temporary shutdown at one customer to rebuild a furnace). As a result of higher sales volumes, gross revenue (including freight and fuel charged to customers) in the first half of 2018 increased to $2.63 million, $370,000 higher than revenue recorded in the same period in 2017 ($2.26 million).

Operating cash flow in the second quarter and first half 2018 was $133,000 and $171,000 respectively, as compared with $135,000 and $149,000 for the same periods in 2017. Improved cash flow in the first half of 2018 was attributable to higher sales to glass customers, which was partially offset by higher operating costs (operating costs per ton were about 4% higher in the first six months of 2018) and higher expenses for leased mining equipment.

Capital expenditures at Mill Creek were $82,000 and $138,000 for the second quarter and first half of 2018 respectively. In the first half of 2017, expenditures on capital equipment were $1.4 million.

MIN-AD

MIN-AD quarries, processes, and markets a specialty dolomite for the dairy and beef cattle feed industries. 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's sales and marketing activities are managed by Papillon. In the northeast, central Atlantic and upper mid-west regions of the U.S., Papillon acts as the exclusive distributor of MIN-AD's products, which are purchased by Papillon and then sold to dairy feed manufacturers. This arrangement takes advantage of Papillon's marketing and sales expertise and geographic reach in the eastern United States. Under this distribution arrangement, approximately 38% of MIN-AD's revenue was attributable to sales to Papillon in the first six months of 2018. Papillion also acts as a sales agent for MIN-AD's products in parts of the mid-west and western United States

Gross revenue (including freight and fuel charged to customers) of $1.86 million in the second quarter of 2018 was approximately 8% lower than revenue in the second quarter of 2017 ($2.04 million) as a result of lower sales volumes. Tons sold in the second quarter of 2018 were 13% lower than the year earlier period. Sales were impacted, in part, by depressed dairy prices in the United States. Gross revenues in the first half of 2018 were $3.92 million, approximately 3% lower than the comparable period in 2017 ($4.05 million).

Cash flow from operations (before non-cash working capital changes) was $54,000 and $344,000 in the second quarter and first half of 2018 respectively, as compared with $341,000 and $727,000 for the comparable periods in 2017. The decrease in operating cash flow was attributable to lower sales and higher costs for rail car rentals, transportation to distribution warehouses and general and administrative expenses.

CONSOLIDATED FINANCIAL REVIEW

(US$,000)	Three Months Ended		Six Months Ended	
	June 30, 2018	June 30, 2017	**June 30, 2018**	June 30, 2017
Revenue	**$13,278**	$13,646	**$25,688**	$27,021
Operating costs	**$11,037**	$11,140	**$21,342**	$22,584
SG&A	**$1,512**	$1,215	**$3,018**	$2,424
Net income (Loss)	**$386**	$944	**$677**	$1,298
Income per share, basic	**$0.02**	$0.04	**$0.03**	$0.06
Cash flow from operations[1]	**$729**	$1,291	**$1,328**	$1,958
Capital expenditures	**$110**	$23	**$199**	$1,409

[1]Before working capital changes.

Second Quarter and Year-to-Date 2018 Financial Results

Revenue for the quarter ended June 30, 2018 was $13.28 million as compared with $13.65 million in the second quarter of 2017. The decrease in consolidated revenue is attributable to lower sales at Papillon and MIN-AD, offset in part by higher glass industry sales at Mill Creek. On a year-to-date basis, revenue was $25.69 million, a decrease of $1.33 million over the same period in 2017 ($27.02 million).

Operating costs for the second quarter of 2018 were $11.04 million, largely unchanged from the comparable period in 2017 ($11.14 million). Year to date operating costs were $21.34 million as compared with $22.58 million for the first six months of 2017. Operating costs per ton at the Company's dolomite operations were higher in the first six months of 2018 as compared with the year earlier period.

Selling, general and administrative, ("SG&A") costs include administrative, sales and marketing costs for the Company's three operating subsidiaries, as well as Toronto office corporate general and administrative costs. SG&A expenses of $1.51 million for the second quarter of 2018 were up from $1.23 million from the second quarter of 2017. Year to date SG&A expenses increased by $600,000 to $3.02 million as compared to the same period in 2017 ($2.42 million). The increase is largely attributable to higher expenses at Papillon for professional fees, compensation related to hiring new staff and marketing. There were smaller SG&A increases at MIN-AD, Mill Creek and Inter-Rock.

Interest expense in the second quarter of 2018 was $89,000, as compared with $113,000 in the second quarter of 2017. For the first half of 2018, interest expense was $187,000, down from the same period in 2017 ($240,000). The decrease in interest expense year to date is a result of lower debt levels and the refinancing of Papillon's debt at a lower rate of interest.

During the second quarter of 2018, the Board of Directors declared a first quarter preferred share dividend. The dividend of $38,000, which is calculated at a rate equivalent to the U.S. prime interest rate, was paid in the second quarter and is recorded as interest on Series A preferred shares on the condensed consolidated statement of income.

Inter-Rock reported net income of $386,000 or $0.02 per share in the second quarter of 2018 as compared with a net income of $944,000, or $0.04 per share in the same period in 2017. Net income in the first half of 2018 was $677,000 or $0.03 per share as compared to net income of $1.30 million or $0.06 per share in the first half of 2017.

Summary of Quarterly Results

US$,000	**Q2/18**	**Q1/18**	**Q4/17**	**Q3/17**	**Q2/17**	**Q1/17**	**Q4/16**	**Q3/16**
Revenue	13,278	$12,410	$12,605	$12,264	$13,646	$13,375	$10,417	$8,347
Net income (loss)	$386	$329	($305)	$808	$944	$354	$248	$386
EPS – Basic	$0.02	$0.01	($0.01)	$0.04	$0.04	$0.02	$0.01	$0.02

FINANCIAL CONDITION

Financial Condition (US$,000)	**June 30, 2018**	December 31, 2017
Current assets	**$7,683**	$7,652
Non-current assets	**$9,262**	$9,488
Total assets	**$16,945**	$17,140
Current liabilities	**$4,479**	$4,492
Non-current liabilities	**$8,766**	$9,625
Total Debt	**$6,659**	$7,083
Shareholders’ equity	**$3,700**	$3,023

The financial condition of the Company remains sound. Current assets at the end of the second quarter of 2018 were largely unchanged from year end 2017, with a decrease in cash of $650,000 more than offset by an increase in accounts receivable. Working capital was a positive balance of $3.20 million, approximately the same as at December 31, 2017. Working capital improved significantly from a $217,000 deficit recorded at the end of the first quarter 2018 as almost $4.0 million of debt, which was classified as a current liability at March 31, 2018 was refinanced with a five year term in the second quarter. The Company’s consolidated debt decreased to $6.66 million at June 30, 2018 from $7.08 million at December 31, 2017.

Bank Debt and Notes

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

(i) a one-year, revolving credit facility 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. In the second quarter of 2018, the maturity date of the facility was extended by one year to May 25, 2019. At June 30, 2018, $540,000 was outstanding under the RC facility;

(ii) $750,000, five-year, secured term loan bearing interest at a fixed rate of 5.50% per annum. The loan amortizes in sixty equal monthly payments and matures on December 25, 2021. At June 30, 2018, the outstanding balance of the term loan was $546,000;

(iii) $1.26 million, five and a half year equipment acquisition term loan. 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, 2018, the outstanding balance was $1.04 million.

The bank facilities are secured by the assets of MIN-AD Inc. and Mill Creek Dolomite LLC and are guaranteed by both the Company and its subsidiary, Secret Pass Gold Inc.

In the second quarter of 2018, Papillon Agricultural LLC (the parent company of Papillon) closed a $4.0 million, five year secured term loan at a fixed interest rate of 4.75%. Proceeds of the loan were used to repay the balance of the notes due to the original shareholders of Papillion ($3.0 million) and to fully repay a bank loan ($918,000). The loan amortizes over sixty months with equal principal repayments of $66,667 plus interest. The loan is secured against the assets of Papillon and Papillon Agricultural LLC, and is guaranteed by the Company and its subsidiaries, Secret Pass Gold Inc. and Papillon. At June 30, 2018, the outstanding balance of the loan was $3.87 million.

The borrowers under the bank facilities were in compliance with all debt covenants as of the date of this MD&A.

In connection with the acquisition of Papillon, the Company issued a $500,000 promissory note to the Chairman and a $55,000 promissory note to the CEO of the Company. The notes are unsecured and bear interest at 6% per annum. Interest is accrued and payable at maturity on December 31, 2019.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity refers to a company's ability to access cash. Sources of liquidity generally include operating cash flow, proceeds from the issuance of debt and equity, availability under credit facilities and proceeds from asset sales. The Company aims to generate positive operating cash flow to fund its operating, capital and debt repayment requirements.

At June 30, 2018, the Company had consolidated cash of $1.45 million. The Company's dolomite subsidiaries also had $460,000 available under a revolving credit facility at the end of the second quarter. In the opinion of management, the Company's liquidity comprising cash, availability under the credit facility and cash flow from operations, is sufficient to meet normal operating requirements and financing commitments. The Company's subsidiaries have scheduled principal and interest payments of $1.50 million over the next four quarters (excluding $540,000 drawn under the revolving credit facility due May 25, 2019 which the Company expects to extend for another year beyond the current maturity date).

Cash Flows

The change in the Company's cash balance during the first half of 2018 is reconciled as follows: ($,000):

	Six months ended June 30, 2018
Cash at beginning of period	$2,106
Cash provided by operations	$1,328
Proceeds from bank loan	$4,000
Cash provided (used) by changes in working capital	($1,169)
Repayments of debt and interest	($4,574)
Capital expenditures	($199)
Preferred share dividend	($38)
Cash at June 30, 2018	**$1,454**

Cash Flow Provided by Operating Activities

Before working capital adjustments, the Company generated $729,000 of operating cash flow in the second quarter of 2018, a decrease of just over $562,000 as compared with the second quarter of 2017 ($1.29 million). For the first half of 2018, cash flow from operations was $1.33 million as compared with $1.96 million for the same period in 2017. The decrease in operating cash flow is a result of lower sales at Papillon and MIN-AD and higher SG&A expenses.

Cash Flow Used in Financing Activities

For the second quarter of 2018, net cash used in financing activities was $333,000. Financing inflows included proceeds from the $4.0 million Papillon Agricultural LLC term loan (as described above). Financing cash outflows during the second quarter consisted of repaying the remaining $3.0 million of Notes due to the former owners of Papillon Agricultural Company Inc., loan principal repayments of $1.22 million and interest payments of $80,000. In addition, the Company paid a preferred share dividend of $38,000 in the second quarter of 2018. Net cash used in financing activities for debt service and the preferred share dividend was $612,000 in the first half of 2018.

Cash Flow Used in Investing Activities

Cash used in investing activities was $110,000 in the second quarter of 2018, (2017 - $23,000) and $199,000 year to date, (2017 - $1.41 million). The capital investments were incurred at the Company's dolomite operations primarily for capital equipment and mill refurbishment projects.

CONTRACTUAL OBLIGATIONS

At June 30, 2018, the Company had the following financial commitments ($000):

	Total	2018	2019	2020	2021	Thereafter
Bank principal repayments	$4,954	$472	$1,490	$958	$967	$1,067
Equipment financings	$1,150	$159	$282	$275	$290	$144
Operating leases	$887	$147	$295	$295	$143	$7
Related party notes	$555	$0	$555	$0	$0	$0
Total	**$7,546**	**$778**	**$2,622**	**$1,528**	**$1,400**	**$1,218**

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 have any equity based compensation plans.

RELATED PARTY TRANSACTIONS

In the second quarter of 2018, Papillon Agricultural LLC repaid the remaining $3.0 million outstanding principal balance of the notes due to the original shareholders of Papillion and made a final interest payment to the noteholders of $16,292. During the first six months of 2018, the Company paid interest of $59,417 to the noteholders. The Papillon noteholders are related parties as they either continue to work for Papillon or were directors of Papillon.

SUBSEQUENT EVENTS

Preferred Share Dividend

The Board of Directors of the Company declared a preferred share dividend of $42,842 for the second quarter of 2018, (no dividends were declared for the second quarter of 2017). The dividends were paid subsequent to quarter end.

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, 2017.

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 4 in its audited consolidated financial statements for the year ended December 31, 2017, which are available on SEDAR at 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, 2017, which is available on SEDAR at 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 statements are based on 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 statements, including but not limited to risks related to price volatility for the Company's dolomite products and diary feed ingredients, market competition, changes in economic conditions in the markets for the Company's products, particularly the diary 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.