

**INTER-ROCK MINERALS INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the Quarter Ended September 30, 2019**

**November 18, 2019**

**INTER-ROCK MINERALS INC.**  
**MANAGEMENT'S INTERIM DISCUSSION AND ANALYSIS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019**

**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 September 30, 2019 and compares it to the financial condition of the Company on December 31, 2018. The MD&A also analyzes the Company's results of operations for the three and nine months ending September 30, 2019 and compares those results to the results for the comparable periods in 2018.

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 nine months ended September 30, 2019 and with the audited consolidated financial statements and the related notes for the year ended December 31, 2018. 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 November 18, 2019.

**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"), 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 U.S.

**THIRD QUARTER 2019 RESULTS SUMMARY**

- A second consecutive quarter of higher milk prices in the U.S. is underpinning a gradual increase in sales of Papillon's and MIN-AD's products.
- Cash flow from operations of \$1,077,000, (Q3 2018: \$1,149,000), is the highest quarterly cash flow since the same period last year
- Consolidated debt reduced to \$5.36 million.

Milk prices in the United States continued to improve in the third quarter of 2019. September's milk price was the highest average monthly price in almost five years. Milk production has remained relatively flat as increases in cow productivity are only slightly greater than reductions in herd size. Export markets for all dairy products in aggregate have remained strong thus far in 2019. Prices for dairy products may be supported in the short term as poor growing and harvesting conditions may impact dairy feed quality and thereby reduce milk production and the African swine fever outbreak in China may further increase demand for interim dairy replacements. Despite the increase in milk prices in the second and third quarters of 2019, many U.S. dairy farms are still operating at a loss or breakeven levels after four and a half years of low prices, with many only covering interest payments on their financial obligations. It may take a year or more of higher milk prices to generate a material improvement in dairy farm finances and thus the sales volumes of some of Papillon's higher value feed additives are expected to experience a gradual recovery.

## **OPERATIONS REVIEW**

The Company adopted IFRS 16, Leases ("IFRS 16") on January 1, 2019. The objective of IFRS 16 is to record most leases on the lessee's balance sheet. The Company adopted IFRS 16 using a modified retrospective approach which does not require restatement of prior period financial statements. Prior to the adoption of IFRS 16, the Company's leases were classified as operating leases and payments made under operating leases were recognized as an expense in the statement of income and through operating activities in the statement of cash flows. For comparative purposes, this MD&A presents prior year operating costs and operating cash flow figures with the application of IFRS 16. The Company leases mining equipment and rail cars at its dolomite operations. For more information on IFRS 16 please see Note 3 in the Company's condensed interim consolidated financial statements.

### **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 for dairy cows (clostridia are bacteria naturally found in the environment and in the gastrointestinal tracts of dairy cows and calves, which under the right conditions can form toxins that result in reduced growth performance and digestive disorders). Most of Papillon's sales are in the northeastern and north central regions of the United States.

Sales volumes of all products in aggregate increased approximately 10% in the third quarter of 2019 as compared with the year earlier period. In particular, Papillon's sales of MIN-AD in the third quarter of 2019 increased by 26% over the same period last year. Overall sales volumes in the third quarter of 2019 were the highest since the first quarter of 2018. Revenue in the current quarter was \$8.27 million, down from \$8.88 million recorded in the same period last year. Despite lower revenue, cash flow from operating activities (before working capital changes) in the third quarter of 2019 was \$363,000, which was the same as the year earlier period as higher gross profits offset an increase in SG&A expenses.

Year-to-date volumes of all products sold were about 5% lower than the prior year period. Revenue in the first nine months of 2019 was \$24.23 million, as compared with \$29.57 million for nine months of 2018, while operating cash flow was \$973,000 and \$1.43 million for the same periods, respectively. Lower revenue and cash flow for the first nine months of 2019 was principally attributable to lower sales volumes recorded in the first quarter of the year.

### **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 75% of Mill Creek's sales volume is to the glass industry.

Tons sold in the third quarter of 2019 were 15% higher than the same period in 2018 and year-to-date tons sold were 12% higher than in the first nine months of 2018. Tons sold to glass customers in the first nine months of 2019 increased 15 percent over the same period a year earlier.

Cash flow from operations (before working capital changes) was \$306,000 in the third quarter of 2019 as compared with \$232,000 in the corresponding quarter of 2018. In the first nine months of 2019, operating cash flow was \$593,000, up from \$551,000 for the comparable period in 2018. The increase in cash flow was primarily attributed to higher sales, offset, in part, by higher administrative expenses.

Mill Creek did not record any capital expenditures in the third quarter of 2019 as a result of an insurance claim recovery that was netted against prior period capital expenditures. Mill Creek incurred capital expenditures of \$268,000 in first nine months of 2019 (nine months 2018: \$188,000).

### **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'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. Papillon also acts as a sales agent for MIN-AD's products in parts of the mid-west and western United States. In the first nine months of 2019, 36% of MIN-AD's sales revenue was attributed to inter-company sales to Papillon.

Tons sold in the third quarter of 2019 were 14% higher than the same period in 2018 and year-to-date tons sold were 10% higher than in the first nine months of 2018.

Cash flow from operations (before working capital changes) was \$214,000 in the third quarter of 2019 as compared with \$259,000 for the same period in 2018. In the first nine months of 2019, operating cash flow was \$726,000, as compared to \$713,000 for the comparable period in 2018.

The increase in cash flow from higher sales year-to-date in 2019 was partly offset by higher marketing and administrative costs.

MIN-AD incurred \$105,000 of capital expenditures in the third quarter of 2019, (Q3 2018: \$7,000) and \$350,000 in the first nine months of the year, (nine months of 2018: \$68,000). The increase in capital spending is primarily attributable to the purchase of the new loader in the first quarter of 2019.

## CONSOLIDATED FINANCIAL REVIEW

(US\$,000)	Three Months Ended		Nine Months Ended	
	Sept 30, 2019	Sept 30, 2018	Sept 30, 2019	Sept 30, 2018
Revenue	<b>\$11,089</b>	\$11,280	<b>\$32,793</b>	\$36,968
Operating costs <sup>1</sup>	<b>\$8,589</b>	\$9,077	<b>\$26,158</b>	\$30,170
SG&A	<b>\$1,423</b>	\$1,054	<b>\$4,297</b>	\$4,072
Net income (Loss)	<b>\$569</b>	\$487	<b>\$901</b>	\$1,164
Income per share, basic	<b>\$0.03</b>	\$0.02	<b>\$0.04</b>	\$0.05
Cash flow from operations <sup>1,2</sup>	<b>\$1,077</b>	\$1,149	<b>\$2,338</b>	\$2,726
Capital expenditures	<b>\$102</b>	\$63	<b>\$621</b>	\$262

<sup>1</sup>2018 operating costs and cash flow from operations adjusted to reflect IFRS 16.

<sup>2</sup>Before working capital changes.

### Review of Third Quarter and Year-to-Date Financial Results

Consolidated revenue for the quarter ended September 30, 2019 was \$11.09 million as compared with \$11.28 million in the third quarter of 2018. On a year-to-date basis, revenue decreased to \$32.79 million from \$36.97 million for the same period in 2018. The decrease in revenue for the nine month period is primarily attributable to lower sales of protein products at Papillon. Papillon accounted for approximately 77% of the Company's consolidated revenue in the first nine months of 2019.

Operating costs for the third quarter of 2019 were \$8.59 million, down from \$9.08 million in the year earlier period. Year to date operating costs were \$26.2 million as compared with \$30.17 million for the first nine months of 2018. Lower operating costs in the current year periods are largely a result of lower costs of raw ingredients for Papillon's protein products.

Selling, general and administrative, ("SG&A") costs increased to \$1.42 million in the third quarter of 2019, from \$1.05 million in the corresponding period of 2018. Year-to-date SG&A expenses of \$4.30 million were up approximately 6% from the same period in 2018 (\$4.07 million), primarily reflecting higher administrative costs at Papillon for compensation and marketing. SG&A costs include all administrative, sales and marketing costs for the Company's three operating subsidiaries, as well as Toronto office general and administrative costs.

Interest expense in the third quarter of 2019 was \$90,000 as compared with \$81,000 for the year earlier quarter. Interest expense in the current quarter includes \$17,000 of lease interest expense as a result of the adoption of IFRS 16 – Leases ("IFRS 16") on January 1, 2019. Interest expense for the first nine months of 2019 was \$285,000 as compared with \$268,000 in the year earlier period (interest expense in the first nine of 2019 includes \$53,000 of lease interest expense).

Inter-Rock reported net income of \$569,000 in the third quarter of 2019, as compared with \$487,000 for the same period in 2018. Higher net income in the current quarter is in part attributable to a lower estimate of income tax expense. Net income for the first nine months of 2019 was \$901,000 (2018 first nine months: \$1,164,000).

### Summary of Quarterly Results

US\$,000	Q3/19	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18	Q4/17
Revenue	\$11,089	\$11,605	\$10,099	\$10,298	\$11,280	\$13,278	\$12,410	\$12,605
Net Income (Loss)	\$569	\$470	(\$138)	(\$203)	\$487	\$386	\$329	(\$305)
EPS – Basic	\$0.03	\$0.02	(\$0.01)	(\$0.01)	\$0.02	\$0.02	\$0.01	(\$0.01)

Higher revenue in the second and third quarters of 2019 reflects improving dairy conditions in the U.S. Net losses in the prior two quarters are a result of sustained overproduction of milk in the U.S. dairy market and a provision for income taxes in the fourth quarter of 2018. The 2017 fourth quarter loss was attributable to a non-cash \$604,000 impairment charge related to the write-down of exploration properties and spare parts inventory at the dolomite operations.

### FINANCIAL CONDITION

Financial Condition (US\$,000)	September 30, 2019	December 31, 2018
Current assets	\$7,838	\$7,223
Total assets	\$17,905	\$16,240
Current liabilities	\$5,017	\$4,518
Total liabilities	\$12,982	\$12,218
Working capital	\$2,821	\$2,705
Total debt	\$5,355	\$6,077
Lease obligation	\$1,141	-
Shareholders' equity	\$4,923	\$4,022

Current assets at the end of the third quarter of 2019 increased to \$7.90 million, up from \$7.22 million at December 31, 2018. The increase is attributable to higher cash and inventory balances. Working capital of \$2.82 million at September 30, 2019 was largely unchanged from December 31, 2018, despite including \$599,000 at September 30, 2019 (December 31, 2018: \$0) as current portion of lease obligations due to the capitalization of the Company's leases under IFRS 16. The current portion of the lease obligations was partially offset by a reduction in the current portion of long-term debt as a result of the refinancing of the MIN-AD and Mill Creek debt (as described below in Bank Debt and Notes).

Total liabilities increased to \$12.98 million at September 30, 2019 from \$12.22 million at December 31, 2018, which was mostly due to the capitalization of the Company's lease obligations under IFRS 16 on January 1, 2019. The adoption of IFRS 16 resulted in the recognition of a lease obligation of \$1.38 million at January 1, 2019. At September 30, 2019, the lease obligation was \$1.14 million.

The Company's consolidated debt decreased to \$5.36 million at September 30, 2019 from \$6.08 million at December 31, 2018.

## Bank Debt and Notes

The Company's debt, comprising bank debt and related party notes is summarized below. The borrowers under the first two facilities listed below are MIN-AD and Mill Creek. The MIN-AD and Mill Creek facilities are secured by the assets of MIN-AD and Mill Creek and are guaranteed by both the Company and its subsidiary, Secret Pass Gold Inc.

- (i) \$500,000 revolving credit facility: a one-year, revolving credit facility in the amount of the lesser of \$500,000 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. The facility matures on May 25, 2020. At September 30, 2019, the outstanding balance was \$250,000.
- (ii) \$1.73 million term loan: a five-year secured term loan bearing interest at a fixed rate of 5.50% per annum and amortizing over sixty months in equal instalments. The loan matures in June, 2024. At September 30, 2019, the outstanding balance was \$1.65 million.
- (iii) \$4.0 million term loan: a five-year secured term loan bearing interest at a fixed interest rate of 4.75% and amortizing over sixty months with equal principal repayments of \$66,667 plus interest. The loan matures in April 2023. The borrower is Papillon Agricultural LLC, the parent company of Papillon. The loan is secured by the assets of Papillon and Papillon Agricultural LLC, and is guaranteed by the Company and its subsidiaries, Secret Pass Gold Inc. and Papillon. At September 30, 2019, the outstanding balance was \$2.87 million.
- (iv) \$500,000 notes: in connection with the acquisition of Papillon, the Company issued promissory notes of \$500,000 to the Company's Chairman and \$55,000 to the CEO. The notes are unsecured and bear interest at 6% per annum. Interest is accrued and payable at maturity on December 31, 2019. During the third quarter of 2019, the note to the CEO was repaid in full with accrued interest (see Related Party Transactions).

In addition to the debt described above, the Company had approximately \$83,000 of debt outstanding at September 30, 2019 under various equipment financing arrangements.

## 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's strategy is to generate positive operating cash flow to fund its operating, financing and capital requirements.

At September 30, 2019, the Company had consolidated cash of \$2.92 million. The Company's dolomite subsidiaries also had \$250,000 available under a revolving credit facility. In the opinion of management, the Company's liquidity comprising cash, cash flow from operations and availability under the revolving credit facility, is sufficient to meet normal operating requirements and financing commitments. The Company's most significant liquidity requirements over the next twelve months are scheduled repayments of bank debt, interest and lease payments, which in aggregate total \$2.92 million at September 30, 2019, (including \$250,000 under the revolving

credit facility, which the Company expects to renew for twelve months beyond the current maturity date of May 2020).

## Cash Flows

The change in the Company's cash balance during the first nine months of 2019 is reconciled as follows: (\$,000):

	<b>Nine months ended September 30, 2019</b>
Cash at beginning of period	\$2,463
Cash provided by operations	\$2,338
Drawdown of debt facility	\$250
Cash provided by changes in working capital	\$175
Repayments of debt and interest	(\$1,233)
Lease payments	(\$409)
Payment of preferred share dividends	(\$45)
Capital expenditures	(\$621)
<b>Cash at September 30, 2019</b>	<b>\$2,918</b>

## Cash Flow Provided by Operating Activities

Consolidated cash flow from operations (before working capital changes) for the third quarter of 2019 was \$1.08 million, down from \$1.15 million for the same period in 2018. Despite improved gross profits, cash flow from operations in the third quarter of 2019 was impacted by higher SG&A expenditures at the Company's subsidiaries.

Cash flow from operations for the first nine months of 2019 was \$2.34 million as compared with \$2.73 million for the same period in 2018. Lower cash flow year-to-date in 2019 is due to reduced cash flow from Papillon and higher SG&A expenses.

## Cash Flow Used in Financing Activities

During the third quarter of 2019, cash used in financing activities was \$564,000, including principal and interest debt repayments of \$420,000 and repayments of lease obligations of \$144,000. For nine months of 2019, net cash used in financing activities was \$1,437,000, of which \$1,233,000 was repayment of debt and interest, \$409,000 was repayment of lease obligations and payment of preferred share dividends in the amount of \$45,000, offset by a drawdown of \$250,000 under the revolving credit facility.

Upon adoption of IFRS 16, leases are recognized on the balance sheet as a right-of-use asset and a corresponding liability. The principal amount of lease payments in each period are recorded in financing activities in the statement of cash flows and the interest expense on lease liabilities is included in interest expense on the statement of income.

## Cash Flow Used in Investing Activities

The Company incurred capital expenditures at its dolomite operations of \$102,000 in the third quarter of 2019 (Q3 2018: \$62,000) and \$621,000 in the first nine of 2019 (9 months 2018: \$262,000).



## FINANCIAL COMMITMENTS

The Company incurs financial commitments in the normal course of operations and financing activities. Financial commitments include payments due under bank loans, equipment leases and equipment financing loans, among other commitments. At September 30, 2019, the Company had the following undiscounted financial commitments:

(US\$,000)	Total	2019	2020	2021	2022	Thereafter
Bank principal repayments	\$4,775	\$277	\$1,368 <sup>1</sup>	\$1,136	\$1,156	\$838
Equipment financings	\$83	\$6	\$26	\$26	\$15	\$10
Lease obligations	\$1,207	\$173	\$624	\$336	\$74	\$0
Related party notes	\$500	\$500	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$6,565</b>	<b>\$956</b>	<b>\$2,018</b>	<b>\$1,498</b>	<b>\$1,245</b>	<b>\$848</b>

<sup>1</sup> Includes \$250,000 drawn under the Company's revolving credit facility which matures May 25, 2020. The Company anticipates extending the maturity date of the facility for an additional year.

In addition to the commitments listed in the table above, the Company signed a three year office lease agreement commencing February 1, 2020 that requires net annual payments (gross rent less sublet rental income) of approximately \$60,000.

## 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 equity compensation plans nor a stock option plan.

## RELATED PARTY TRANSACTIONS

During the third quarter of 2019, the Company prepaid in full, with accrued interest, the Note payable to the Chief Executive Officer of the Company. The principal amount of the note was \$55,000 and accrued interest was \$11,400.

## SUBSEQUENT EVENTS

The Board of Directors of the Company declared preferred share dividends of \$42,842.45 for the third quarter of 2019, (September 30, 2018 - \$44,985). 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 18 in the audited consolidated financial statements for the year ended December 31, 2018.

### **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, 2018, 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, 2018, 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 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 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.