



**Condensed Consolidated Interim
Financial Statements
Unaudited**

Expressed in United States dollars
Periods ended March 31, 2020 and 2019

**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 consolidated interim 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 28, 2020

Inter-Rock Minerals Inc.

Condensed Consolidated Interim Balance Sheets

As at

(Expressed in thousands of United States Dollars)

UNAUDITED	Note	March 31, 2020	December 31, 2019
		\$	\$
ASSETS			
Current assets			
Cash		1,903	1,680
Accounts receivable		4,377	4,000
Inventories	6	2,440	2,237
Prepaid expenses and other assets		552	477
Total Current Assets		9,272	8,394
Non-current assets			
Properties, plant and equipment	7	6,882	6,625
Intangible assets	8	1,937	2,019
Goodwill	8	1,809	1,809
Total Assets		19,900	18,847
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		3,481	3,190
Current portion of long term debt	9	1,624	1,419
Current portion of lease obligations	10	704	609
Current portion equipment purchase financing	9	38	38
Total Current Liabilities		5,847	5,256
Non-current liabilities			
Long term debt	9	2,844	3,126
Equipment purchase financing	9	78	88
Lease obligations	10	1,156	1,035
Deferred income tax liability		281	281
Asset retirement obligation	11	75	75
Series A preferred shares	12	3,417	3,417
Total Liabilities		13,698	13,278
Equity			
Share capital	13	5,819	5,864
Contributed surplus		315	315
Deficit		68	(610)
Total Equity		6,202	5,569
Total Liabilities and Equity		19,900	18,847

Financial Commitments (Note 19)

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

Inter-Rock Minerals Inc.

Condensed Consolidated Interim Statements of Income and Comprehensive Income

(Expressed in thousands of United States Dollars, except share and per share amounts)

UNAUDITED	Note	March 31, 2020	March 31, 2019
		\$	\$
REVENUE	5,17	14,677	10,099
COST OF SALES			
Operating costs	5	12,065	8,381
Amortization and depletion	7	338	263
		12,403	8,644
GROSS PROFIT		2,274	1,455
OPERATING EXPENSES			
Selling, general and administrative	5	1,382	1,416
Amortization of intangible assets	8	82	82
INCOME BEFORE FINANCING COSTS		810	(43)
FINANCING COSTS			
Interest on debt and lease obligations	9	82	95
INCOME BEFORE INCOME TAXES		728	(138)
INCOME TAXES			
Current		50	-
NET INCOME AND COMPREHENSIVE INCOME		678	(138)
Basic income per share	14	0.03	(0.01)
Diluted income per share	14	0.02	(0.00)
Weighted average number of shares outstanding			
Basic		22,438,811	22,617,811
Diluted		39,575,791	39,754,791

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

Inter-Rock Minerals Inc.

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in thousands of United States Dollars)

	Share Capital (Note 13)	Contributed Surplus	Deficit	Total
	\$	\$	\$	\$
Balance, December 31, 2018	5,864	315	(2,157)	4,022
Net income and comprehensive income	-	-	999	999
Balance, March 31, 2019	5,864	315	(1,158)	5,021
Balance, December 31, 2019	5,864	315	(610)	5,569
Shares purchased for cancellation	(45)	-	-	(45)
Net income and comprehensive income	-	-	678	678
Balance, March 31, 2020	5,819	315	68	6,202

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

Inter-Rock Minerals Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in thousands of United States Dollars)

UNAUDITED	Note	March 31, 2020	March 31, 2019
		\$	\$
CASH PROVIDED BY (USED IN) OPERATIONS			
Net income		678	(138)
Items not affecting cash			
Amortization and depletion		338	263
Amortization of intangible assets		82	82
Interest expense		82	95
		1,180	302
Net changes in non-cash working capital			
Accounts receivable		(377)	76
Inventories		(203)	(116)
Prepaid expenses		(75)	(39)
Accounts payable and accrued liabilities		290	381
Accrued interest payable		-	8
Cash generated by operating activities		815	612
INVESTING			
Purchase of properties, plant and equipment	7	(186)	(332)
Cash used in investing activities		(186)	(332)
FINANCING			
Interest paid		(82)	(87)
Proceeds from long term debt	9	200	250
Repayment of long term debt	9	(277)	(322)
Repayment of equipment purchase financings	9	(9)	(22)
Repayment of lease obligations	10	(193)	(132)
Shares purchased for cancellation	13	(45)	-
Cash used in financing activities		(406)	(313)
Net change in cash		223	(33)
Cash, beginning of the period		1,680	2,463
Cash, end of the period		1,903	2,430

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

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the periods ended March 31, 2020 and 2019

(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 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 United States.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the 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 with the Company's audited annual consolidated financial statements for the year ended December 31, 2019 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, 2019.

2.3 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.

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the periods ended March 31, 2020 and 2019

(Expressed in thousands of United States Dollars)

2. BASIS OF PRESENTATION (CONT'D)

2.4 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%

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements reflect the accounting policies applied by the Company in its audited financial statements for the year ended December 31, 2019. The Company's significant accounting policies are presented as Note 3 in the audited consolidated financial statements for the year ended December 31, 2019.

4. JUDGMENTS AND ESTIMATES

The preparation of the Company's condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results could differ from these estimates.

These condensed consolidated interim financial statements reflect the judgments and estimates outlined by the Company in Note 4 of its audited consolidated financial statements for the year ended December 31, 2019.

5. SUBSIDIARIES AND BUSINESS SEGMENTS

Inter-Rock's business is organized into three 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 Dolomite LLC	United States	100%
Papillon Agricultural Company Inc.	United States	100%

The Company's management evaluates the performance of these segments and allocates resources to them based on certain performance measures.

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the periods ended March 31, 2020 and 2019

(Expressed in thousands of United States Dollars)

5. SUBSIDIARIES AND BUSINESS SEGMENTS (CONT'D)

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	Mill		Elimi-			
March 31, 2020	MIN-AD	Creek	Papillon	Other	nations	Total
REVENUE						
Internal sales	742	-	50	162	(954)	-
External sales	1,422	1,210	12,045	-	-	14,677
COST OF SALES						
Operating costs	1,443	832	10,532	-	(742)	12,065
Amortization & depletion	96	201	9	32		338
GROSS PROFIT	625	177	1,554	130	(212)	2,274
OPERATING EXPENSES						
Selling, general & administration	284	283	1,042	106	(333)	1,382
Amortization of intangible assets	-	-	82	-	-	82
INCOME (LOSS) BEFORE FINANCING	341	(106)	430	24	121	810
FINANCING COSTS						
Interest on debt and lease obligations	16	28	35	3	-	82
INCOME (LOSS) BEFORE INCOME TAXES	325	(134)	395	21	121	728
INCOME TAXES						
Current	-	-	-	50	-	50
NET COMPREHENSIVE INCOME (LOSS)	325	(134)	395	21	121	678

As at March 31, 2020	Mill		Elimi-			
	MIN-AD	Creek	Papillon	Other	nations	Total
ASSETS						
Current assets	1,772	1,823	5,769	100	(192)	9,272
Non-current assets	1,922	4,330	4,021	355	-	10,628
	3,694	6,153	9,790	455	(192)	19,900
LIABILITIES						
Current liabilities	1,472	1,190	3,387	210	(412)	5,847
Non-current liabilities	365	1,594	1,941	3,951	-	7,851
	1,837	2,784	5,328	4,161	(412)	13,698

Adjustments and eliminations include: (i) inter-segment revenues are eliminated on consolidation (ii) unallocated assets related to deferred tax assets (iii) unallocated liabilities related to deferred taxes and current taxes payable. The three operating businesses are in the United States.

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements
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5. SUBSIDIARIES AND BUSINESS SEGMENTS (CONT'D)

Segment balances for the prior year are as follows:

Period ended March 31, 2019	MIN-AD	Mill Creek	Papillon	Other	Elimi- nations	Total
	\$	\$	\$	\$	\$	\$
REVENUE						
Internal sales	763	-	57	170	(990)	-
External sales	1,286	1,256	7,557	-	-	10,099
COST OF SALES						
Operating costs	1,505	896	6,427	-	(447)	8,381
Amortization & depletion	93	159	-	11	-	263
GROSS PROFIT	451	201	1,187	159	(543)	1,455
OPERATING EXPENSES						
Selling, general & administration	293	321	971	181	(350)	1,416
Amortization of intangible assets	-	-	82	-	-	82
INCOME (LOSS) BEFORE FINANCING COSTS	158	(120)	134	(22)	(193)	(43)
FINANCING COSTS						
Interest on debt and lease obligations	13	33	49	-	-	95
NET COMPREHENSIVE INCOME (LOSS)	145	(153)	85	(22)	(193)	(138)

As at March 31, 2019	MIN-AD	Mill Creek	Papillon	Other	Elimi- nations	Total
	\$	\$	\$	\$	\$	\$
ASSETS						
Current assets	1,336	1,643	4,747	191	(648)	7,269
Non-current assets	1,895	4,339	4,072	-	-	10,306
	3,231	5,982	8,819	191	(648)	17,575
LIABILITIES						
Current liabilities	1,798	1,108	2,303	723	(332)	5,600
Non-current liabilities	178	1,503	2,527	3,883	-	8,091
	1,976	2,611	4,830	4,606	(332)	13,691

6. INVENTORIES

Inventories comprise the following:

	March 31, 2020	December 31, 2019
	\$	\$
Raw materials and consumables	888	889
Finished goods	1,552	1,348
Total inventories	2,440	2,237

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the periods ended March 31, 2020 and 2019

(Expressed in thousands of United States Dollars)

7. PROPERTIES, PLANT AND EQUIPMENT

Cost	Land	Dolomite Properties	Plant and Equipment	Right of Use			Total
				Assets	Vehicles	Spare Parts	
Balance, December 31, 2018	515	2,051	12,871	-	494	328	16,259
Recognized upon adoption of IFRS 16	-	-	-	1,972	-	-	1,972
Additions in the year	-	-	777	174	100	-	1,051
Disposals in the year	-	-	(31)	-	(104)	(11)	(146)
Balance, December 31, 2019	515	2,051	13,617	2,146	490	317	19,136
Additions in the period	-	-	186	409	-	-	595
Disposals in the period	-	-	-	-	-	-	-
Balance, March 31, 2020	515	2,051	13,803	2,555	490	317	19,731

Accumulated Amortization and Depletion	Land	Dolomite Properties	Plant and Equipment	Right of Use			Total
				Assets	Vehicles	Spare Parts	
Balance, December 31, 2018	-	(1,257)	(9,743)	-	(398)	-	(11,398)
Additions in the year	-	(49)	(491)	(618)	(50)	-	(1,208)
Disposals in the year	-	-	-	-	95	-	95
Balance, December 31, 2019	-	(1,306)	(10,234)	(618)	(353)	-	(12,511)
Additions in the period	-	(13)	(110)	(195)	(20)	-	(338)
Disposals in the period	-	-	-	-	-	-	-
Balance, March 31, 2020	-	(1,319)	(10,344)	(813)	(373)	-	(12,849)

Net Book Value

As at December 31, 2019	515	745	3,383	1,528	137	317	6,625
As at March 31, 2020	515	732	3,459	1,742	117	317	6,882

For the period ending March 31, 2020, there were no indicators of impairment in the carrying value of the Company's dolomite properties, plant and equipment and right-of-use assets.

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the periods ended March 31, 2020 and 2019

(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
Balance December 31, 2018	\$ 1,342	\$ 924	\$ 11	\$ 70	\$ 2,347	\$ 1,809
Less: amortization	(184)	(124)	(8)	(12)	(328)	-
Balance December 31, 2019	1,158	800	3	58	2,019	1,809
Less: amortization	(46)	(31)	(2)	(3)	(82)	-
Balance March 31, 2020	1,112	769	1	55	1,937	1,809

Amortization of intangible assets is presented within amortization of intangibles on the condensed consolidated interim statement of income and comprehensive income. As at period-end there were no impairment losses recognized in income.

- Customer relationships, which are long-standing relationships with many specialty feed ingredient suppliers, toll manufacturers and customers in the dairy industry.
- Distribution rights, which are exclusive rights of the Company to produce and distribute specialty feed ingredients to the dairy industry.
- 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.
- 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.

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the periods ended March 31, 2020 and 2019

(Expressed in thousands of United States Dollars)

9. DEBT

Bank debt and equipment purchase financings comprise the following:

	March 31, 2020	December 31, 2019
	\$	\$
<u>Aggregate debt facilities</u>		
(i) Revolving credit facility	500	300
(ii) Mill Creek term loan	1,501	1,579
(iii) Papillon term loan	2,467	2,666
(iv) Equipment financings	116	126
	<u>4,584</u>	<u>4,671</u>
<u>Less: current portions of</u>		
Bank debt	(1,624)	(1,419)
Equipment financing	(38)	(38)
Total long term debt	2,922	3,214

Bank facilities

In June 2019, the Company consolidated and refinanced its Meadows Bank facilities (items (i) and (ii) in the table above.) The outstanding balances of two term loans, totalling \$1,234, together with \$500 drawn under the revolving credit facility were combined to create a new \$1,734 five year term loan as described in item (ii) below. In addition, the size of the revolving credit was reduced from \$1,000 to \$500 as described in (i) below.

- (i) \$500 Revolving Credit Facility – a one-year, secured revolving credit facility (“RC”) in the amount of the lesser of \$500 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, 2020. At March 31, 2020, \$500 was outstanding under the RC facility and was recorded as current portion of long term debt.
- (ii) \$1,734 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 \$33 and matures on June 21, 2024. At March 31, 2020, \$324 was recorded as current portion of long term debt and the balance of \$1,177 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.

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements
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(Expressed in thousands of United States Dollars)

9. DEBT (CONT'D)

- (iii) Papillon Term Loan - a \$4.0 million, five year secured term loan bearing interest at a fixed rate of 4.75% per annum. The loan is secured against all the present and future assets of Papillon and Papillon Agricultural LLC, and is guaranteed by the Company and its subsidiaries, Secret Pass Gold 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 a minimum debt service cover ratio of 1.15 and a requirement that 80% of accounts receivable plus cash must be equal to or greater than the outstanding loan balance. At March 31, 2020, \$800 (March 31, 2019 - \$800) was recorded as current portion of long term debt and the balance of \$1,667 (March 31, 2019 - \$2,467) was recorded as long term debt.
- (iv) Equipment Financing - in the course of operations, MIN-AD and Mill Creek arrange equipment finance facilities with major equipment manufacturers. The total amount outstanding under these facilities at March 31, 2020 was \$116 (March 31, 2019- \$99) and the interest rate on the facilities ranges from 1.99% to 5.00% per annum.

Paycheck Protection Program

In March 2020, the U.S. government passed the Coronavirus Aid, Relief, and Economic Security Act, ("CARES ACT") to provide financial assistance to individuals and businesses. A major component of the CARES ACT is the Paycheck Protection Program ("PPP"). The principal aim of the PPP is to provide loans to small businesses so that they have sufficient funds to keep employees on the payroll. The loans are available through the U.S. government's Small Business Administration, ("SBA"). PPP loans are obtained by applying through an SBA approved lender. Borrowers are required to certify that the current economic uncertainty necessitates the loan request.

The amount of a PPP loan is the lesser of \$10.0 million or 2.5 times a Company's average monthly payroll, including salaries, lease/mortgage interest and utilities. The loan proceeds are only to be used for payroll and other allowable expenses. The loan term is for two years and has a fixed interest rate of 1%. There are no repayments of principal and interest required for the first six months of the loan. If employers maintain their payroll for eight weeks, then 100% of the loan can be forgiven. The amount forgiven depends upon the number of employees retained in the eight week period following loan funding.

The Company's three operating businesses received PPP loans in the following amounts: Papillon: \$317,000, MIN-AD: \$214,000 and Mill Creek: \$284,000.

10. LEASE OBLIGATIONS

The Company adopted IFRS 16, Leases ("IFRS 16") on January 1, 2019. Upon adoption of IFRS 16, the Company recognized right-of-use assets and the corresponding lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17, Leases. The Company leases mining equipment, rail cars, a rail siding and office space.

Inter-Rock Minerals Inc.

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(Expressed in thousands of United States Dollars)

10. LEASE OBLIGATIONS (CONT'D)

The Company's lease obligations consist of the following as at March 31, 2020:

Movement in lease obligations:	
Lease obligations at December 31, 2019	\$ 1,644
Additions during the period	409
Payments during the period	(193)
Lease obligations at March 31, 2020	1,860
Less: current portion	(704)
Total long term lease obligations	\$ 1,156

At period end, the Company recognized interest expense of \$25 on lease liabilities.

11. 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 properties has been discounted to its present value based on an estimate of the Company's pricing in the market to obtain debt.

12. 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.

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, 2020, so the liability has been presented in these condensed consolidated interim financial statements as long term.

13. SHARE CAPITAL

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

	Number	Amount
Balance, December 31, 2019	22,617,811	\$5,864
Purchased for cancellation	(179,000)	(45)
Balance, March 31, 2020	22,438,811	\$5,819

Inter-Rock Minerals Inc.

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13. SHARE CAPITAL (CONT'D)

Normal Course Issuer Bid

On February 14, 2020, the Company received approval to commence a Normal Course Issuer Bid (the "NCIB") to purchase for cancellation up to 1,130,891 common shares, representing 5% of the outstanding common shares of the Company. Inter-Rock may purchase common shares under the NCIB over the next twelve-month period beginning on or about February 18, 2020. The NCIB will terminate upon the earliest of (i) the Company purchasing 1,130,891 common shares, (ii) the Company providing notice of termination of the NCIB and (iii) the date that is 12 months following the commencement of the NCIB.

Any purchases under the NCIB will be conducted on the open market through the facilities of the TSXV or alternative Canadian trading systems. The price paid for any common shares repurchased under the NCIB will be the prevailing market price at the time of purchase. All Common Shares purchased by the Company will be cancelled. At March 31, 2020, 179,000 common shares have been repurchased.

14. INCOME PER SHARE

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

	March 31, 2020	March 31, 2019
Basic income per share		
Income available to common shares	678	(138)
Weighted average common shares (in thousands)	22,439	22,618
	0.03	(0.01)
Diluted income per share		
Income available to common shares	678	(138)
Income available to common shares, assuming dilution	678	(138)
Weighted average common shares outstanding	22,439	22,618
Preferred shares converted to common shares	17,137	17,137
Adjusted weighted average common shares outstanding	39,576	39,755
	0.02	(0.00)

Each Preferred Share (Note 12) 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.

Inter-Rock Minerals Inc.

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(Expressed in thousands of United States Dollars)

15. INCOME TAXES

At March 31, 2020, the Company has Canadian tax losses which are not recognized as deferred tax assets. The Company recognizes the tax benefit of the tax losses only to the extent of anticipated future Canadian taxable income that can be reduced by tax losses. The gross amount of the tax losses for which a tax benefit has not been recorded expire as follows:

Incurred	Expires	Amount
		C\$
2007	2027	464
2008	2028	377
2009	2029	262
2010	2030	319
2011	2031	328
2012	2032	303
2013	2033	249
2014	2034	169
2015	2035	166
2016	2036	199
2017	2037	262
2018	2038	116
2019	2039	153
		<u>3,367</u>

16. RELATED PARTY TRANSACTIONS

Key management remuneration

The Company's related parties as defined by IAS 24, Related Party Disclosures, include the key management of the Company and its subsidiaries. Key management includes directors, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Vice-President of Operations and the President of Papillon.

The compensation paid to key management for services is shown below:

	March 31, 2020	March 31, 2019
	\$	\$
Short term benefits including salaries, consulting and director fees	281	287

Inter-Rock Minerals Inc.

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17. REVENUE SUPPLEMENTAL INFORMATION

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

	March 31, 2020	March 31, 2019
	\$	\$
<u>MIN-AD and Mill Creek</u>		
Dolomite sales	2,166	2,084
Freight charges	386	364
Fuel charges	81	94
	2,633	2,542
<u>Papillon</u>		
Animal feed sales	11,354	7,093
Freight charges	690	464
	14,677	10,099

18. RISK MANAGEMENT

Coronavirus (COVID-19)

Coronavirus disease is an infectious respiratory disease caused by a new virus. On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. As a consequence, governments worldwide have enacted emergency measures to reduce the spread of the disease. The measures include travel bans, physical distancing, quarantine periods for people that have the disease and those that have travelled, closing of social, cultural and educational facilities, and in some jurisdictions, the closing of all non-essential businesses. Global equity markets have declined considerably and have experienced extreme volatility. Governments are providing substantial monetary and fiscal measures in an effort to stabilize economic conditions; however, it is not clear to what extent these measures will mitigate and stabilize the serious negative economic consequences resulting from the emergency measures imposed to combat COVID-19.

COVID-19 could have a substantial negative impact on the operations of the Company, its suppliers and its customers. Any labour quarantines or other disruptions to the Company's operations may impact its ability to provide products to its customers and, as a consequence, negatively impact the Company's revenues and cash flow. Similarly, the closure of one of the Company's quarrying and processing operations or its toll manufacturing facilities could severely limit the Company's production and its ability to supply its customers. Moreover, a widespread health crisis in the United States could have a material impact on the economy and lead to a prolonged recession that could seriously depress the demand for the Company's products. It is not possible to reliably estimate the length and severity of the economic consequences of the COVID-19 pandemic and the impact on the operations and financial results of the Company.

Inter-Rock Minerals Inc.

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19. FINANCIAL COMMITMENTS

The Company is committed to \$6,756 (March 31, 2019 - \$7,316) for obligations and financial commitments in the normal course of operations and financing activities. At March 31, 2020 the Company had the following financial commitments:

	Total	2020	2021	2022	2023	Thereafter
	\$	\$	\$	\$	\$	\$
Bank principal repayments	4,467	1,340	1,136	1,155	642	194
Equipment financing	117	29	63	15	10	-
Lease obligations	2,172	613	606	416	177	360
Total	6,756	1,982	1,805	1,586	829	554

Debt repayments represent the principal only. Lease obligations represent the undiscounted amount of the lease commitments.