INTER-ROCK MINERALS INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Year Ended December 31, 2018

April 12, 2019

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FOR THE YEAR ENDED DECEMBER 31, 2018

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 December 31, 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 year ended December 31, 2018 and compares those results to the results for the year ended December 31, 2017.

This MD&A has been prepared in compliance with the requirements of National Instrument ("NI") 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with Inter-Rock's annual audited consolidated financial statements and corresponding notes for the years ended December 31, 2018 and December 31, 2017. The Company's financial statements 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 April 12, 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 United States.

2018 HIGHLIGHTS

- Revenue of $47.27 million, as compared with $51.89 million in 2017, reflects the impact of a weak U.S. dairy market.
- Operating cash flow (before working capital changes) of $2.81 million, down from $4.21 million in 2017 as a result of lower sales and increased SG&A.
- Reduced debt by $1.01 million. Consolidated debt at the end of the year was $6.08 million.

- Papillon's clostridia control product tempered the impact of lower sales of other dairy feed nutritional products. Papillon is working on advancing a number of new product development projects.

Despite a persistently weak U.S. dairy market, the Company continues to generate sufficient free cash flow to support a strong liquidity position and ongoing debt reduction. The U.S. dairy market experienced its fourth consecutive year of low milk prices, with the annual average milk price for 2018 being the lowest since 2010. Low prices are attributable to persistent overproduction stemming from increasing milk output per cow and a greater number of cows. Milk prices in 2018 were at or below the cost of production for many U.S. dairy farmers. There is not expected to be a significant improvement in milk prices in 2019, although strong U.S. demand and the supply impact of increased culling of dairy herds may modestly improve milk prices in the second half of the year.

Inter-Rock expects to generate sufficient cash flow to meet its operating requirements and debt repayment obligations in 2019. An expanded product line and higher dolomite sales to glass customers should maintain operating cash flow at, or above, levels achieved in 2018.

OPERATIONS REVIEW

Papillon

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 $37.26 million in 2018, approximately 12% lower than in 2017 ($42.30 million). Revenue was lower as the total volume of all products sold in 2018 was about 10% below tons sold in 2017. Sales of protein products fell by 13% (protein products accounted for approximately 72% of Papillon's revenue in 2018). With many dairy farms not covering operating costs, purchases of nutritional feed supplements have declined.

Gross profit (revenue less cost of goods sold, excluding SG&A) was $5.45 million in 2018, a reduction of just over 10% as compared with 2017 ($6.08 million). Gross profit was impacted by lower sales of Papillon's nutritional products; however, this was partially offset by higher sales of Baciflex, Papillon's clostridia control product introduced in the first quarter of 2017. Despite poor dairy market conditions, the gross profit margin in 2018 was maintained at the same level as 2017.

Cash flow from operating activities (before working capital changes) was $1.62 million in 2018, as compared with $2.70 million in 2017. Cash flow was lower in 2018 as a result of lower gross profits as described above, coupled with a 13% increase in SG&A expenses to $3.83 million (2017: $3.38 million) primarily related to higher expenditures for research and development, compensation and benefits for new staff, professional fees and higher management fees paid to Inter-Rock.

Papillon's 2018 results reflect not only the impact of continued low milk prices in the United States, but also significant investments in product research and development and expanding staff

throughout the organization to expand the geographic reach of the sales team and bolster the technical and administrative support functions.

In 2019, Papillon plans to increase brand awareness, particularly for its probiotics and clostridia control products, while improving sales coverage in a key dairy region. This should, to some extent, counter lower milk prices.

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. Mill Creek, located approximately half way between Dallas, TX and Oklahoma City, OK, is ideally located to serve the large concentration of glass and asphalt shingle manufacturers in Texas, Oklahoma, and eastern Kansas.

About 75% of Mill Creek's sales volume is to the glass industry, primarily for float glass production which is used in the construction and automotive industries. Mill Creek produces a uniform composition, low decrepitation dolomite for glass furnaces, where it serves as a flux, which assists melting and adjusts the melt viscosity, and acts as a source of magnesium and calcium. The filler and aglime markets require purity and uniformity, but have no decrepitation requirement. The filler market, primarily for asphalt shingles, accounts for about 15% of Mill Creek's sales volume and the remaining 10% of sales are to the aglime market where Mill Creek's products provide a high purity source of calcium and magnesium to enhance soils and reduce acidity.

Sales logistics at Mill Creek are straightforward as the majority of customers have FOB Mill Creek pricing and thus make their own freight arrangements. Most shipments are by truck, but the plant is located on a railway siding and some shipments are made by rail.

Mill Creek recorded gross revenue (including freight and fuel charged to customers) of $5.37 million in 2018, a 12% increase over 2017 ($4.81 million). The increase in revenue in 2018 was attributable to higher sales volumes and a greater proportion of sales to glass customers. Total tons sold in 2018 were 5% higher than 2017, while tons sold to glass customers increased 20% over the prior year. In 2018, tons sold to glass customers represented approximately 78% of total tons sold, as compared with 68% in 2017.

Operating cash flow (before working capital changes) was $409,000 in 2018, as compared with $450,000 of cash flow generated in 2017. Despite higher revenue in 2018, cash flow was negatively impacted by an increase in operating costs. Operating costs were higher primarily as a result of higher expenses for leased equipment due to additions to the mine mobile equipment fleet. Operating costs were also impacted by higher fuel costs, additional in-pit pumping due to heavy rainfall and an increase in waste stripping.

Mill Creek incurred capital expenditures of $322,000 in 2018 as compared with $1.50 million in 2017 ($1.26 million in 2017 was for new mobile crushing and screening equipment). Capital expenditures of $300,000 are budgeted for 2019.

MIN-AD

MIN-AD quarries, processes, and markets a specialty dolomite for dairy and beef cattle feed. The dolomite is used as a source of magnesium and calcium and as a rumen acid buffer. MIN-AD produces three product lines: (i) Standard – a broad particle size distribution for dry supplements;

(ii) Fines – a finely ground product sold to liquid feed manufacturers and (iii) Granular – a dust free coarse product for cattle on pasture. Approximately 96% of sales are in the United States, while the other 4% are in 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. Under a distribution agreement, MIN-AD products are purchased by Papillon and then sold by Papillon to dairy feed manufacturers. This arrangement takes advantage of Papillon's marketing and sales expertise and geographic reach in the eastern United States. In 2018, approximately one third of MIN-AD's revenue was generated by sales to Papillon. Papillion also acts as a sales agent for MIN-AD's products in regions of the U.S. not covered by the exclusive distribution agreement, primarily the mid-west and western states. Papillon is paid a commission by MIN-AD for tons sold under a sales agent agreement.

Gross revenue (including freight and fuel costs passed on to customers) of $7.43 million in 2018 was 4% lower than revenue recorded in 2017 ($7.70 million). Revenue was lower in 2018 as a result of a 12% drop in sales volumes. Sales were impacted, in part, by depressed dairy prices in the United States.

Operating cash flow (before working capital changes) was $818,000 in 2018, down from $1.26 million in 2017. The decrease in cash flow was largely attributable to lower sales and, to a lesser extent, higher freight related expenditures.

MIN-AD incurred $79,000 of capital expenditures in 2018. Capital expenditures of $200,000 are budgeted for 2019.

CONSOLIDATED FINANCIAL REVIEW

Financial Performance	Three months ended		Year ended	
US$,000	**Dec. 31, 2018**	Dec. 31, 2017	**Dec. 31, 2018**	Dec. 31 2017
Revenue	**$10,298**	$12,605	**$47,266**	$51,890
Operating costs	**$8,160**	$10,234	**$38,737**	$42,479
SG&A	**$1,646**	$1,351	**$5,718**	$5,204
Net income (loss)	**($165)**	($305)	**$999**	$1,801
Income per share, basic	**($0.01)**	($0.01)	**$0.04**	$0.08
Cash flow from operations[1]	**$466**	$1,020	**$2,811**	$4,207
Capital expenditures	**$146**	$14	**$408**	$1,520

[1] Before working capital changes.

Review of Fourth Quarter Financial Results

The Company recorded revenue of $10.30 million in the fourth quarter of 2018, a decrease of 18% compared to the prior year period (Q4 2017: $12.61 million). The reduction in revenue was attributable to fewer tons sold at all three operating subsidiaries in the quarter, notably a 15% reduction in Papillon's sales volumes. Gross profit (revenue less operating costs) declined by 10%, or $233,000. Selling, general and administrative, ("SG&A") expenses were $1.65 million in the fourth quarter of 2018, an increase of $295,000 over the comparable period in 2017 (Q4 2017: $1.35 million).

Review of 2018 Financial Results

The Company recorded revenue of $47.27 million in 2018, a decrease of 9% from 2017 revenue of $51.89 million. The decrease in revenue is attributable to lower sales at Papillon and MIN-AD, offset in part by higher glass industry sales at Mill Creek.

Operating costs were $38.74 million in 2018, down from $42.48 million in 2017, reflecting lower sales volumes. Operating costs at the dolomite businesses include quarrying, plant and maintenance costs, while Papillon's operating costs primarily comprise raw material costs and toll manufacturing fees. Operating costs as a percent of revenues remained stable year over year.

Selling, general and administrative expenses, ("SG&A") were $5.72 million in 2018, as compared with $5.20 million in 2017. SG&A includes all administrative, sales and marketing costs for the Company's three wholly owned subsidiaries as well as Toronto office corporate general and administrative expenses. SG&A expenses increased 10% in 2018 as compared to the prior year, largely as a result of higher expenses at Papillon for professional fees, compensation related to hiring new staff, and research and development. There were smaller SG&A increases at MIN-AD and Inter-Rock.

Interest expense was $356,000 in 2018, as compared with $455,000 in 2017. Lower interest expense in 2018 is attributable to a reduction in debt as well as lower interest rates on refinanced debt at Papillon. During 2018, the Board of Directors declared quarterly preferred share dividends in the first three quarters of the year, totalling $126,000. The dividends are calculated at a rate equivalent to the U.S. prime interest rate and are recorded as interest on Series A preferred shares on the consolidated statement of income.

Inter-Rock reported net income of $999,000 in 2018, or $0.04 per share, as compared with net income of $1.80 million, or $0.08 per share in 2017.

FINANCIAL CONDITION

Financial Condition (US$,000)	**December 31, 2018**	December 31, 2017
Current assets	**$7,223**	$7,652
Total assets	**$16,240**	$17,140
Current liabilities	**$4,518**	$4,492
Total liabilities	**$12,218**	$14,117
Working capital	**$2,705**	$3,160
Total debt	**$6,077**	$7,083
Shareholders' equity	**$4,022**	$3,023

The financial condition of the Company remains strong with working capital of $2.71 million at December 31, 2018, including $2.46 million of cash. Current assets at the end of 2018 were marginally lower than year end 2017, with a decrease in accounts receivable of $638,000 partially offset by increases in cash and prepaid expenses. The Company's consolidated debt decreased to $6.08 million at December 31, 2018 from $7.08 million at December 31, 2017.

The Company's dolomite subsidiaries had approximately $460,000 available under a revolving credit facility at the end of 2018.

Bank Debt and Notes

The Company's debt, comprising bank debt and related party notes is summarized below. The borrowers under the first three 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) $1.0 million revolving credit facility: 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. The facility matures on May 25, 2019. At December 31, 2018, the outstanding balance was $540,000;

(ii) $750,000 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 on December 25, 2021. At December 31, 2018, the outstanding balance was $474,000;

(iii) $1.26 million term loan: a five and a half year secured term loan bearing interest at a fixed rate of 5.50% and amortizing over sixty months in equal instalments. The loan matures on June 25, 2022. At December 31, 2018, the outstanding balance was $922,000;

(iv) $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 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 December 31, 2018, the outstanding balance was $3.47 million;

(v) $555,000 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.

In addition to the debt described above, the Company had approximately $120,000 of debt outstanding at December 31, 2018 under various equipment financing arrangements.

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

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 December 31, 2018, the Company had consolidated cash of $2.46 million. The Company's dolomite subsidiaries also had $460,000 available under a revolving credit facility. 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 most significant near-term liquidity requirements are scheduled debt repayments and equipment lease payments. The Company has scheduled principal and interest payments of $2.18 million in 2019 (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). In addition, scheduled equipment lease payments total $394,000 in 2019.

Cash Flows

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

Cash at January 1, 2017	**$2,106**
Cash provided by operations	$2,811
Proceeds from bank loan	$4,000
Proceeds from equipment financing facility	$48
Proceeds from asset sales	$20
Repayments of debt and interest	($5,377)
Cash used for capital equipment purchases	($408)
Cash provided (used) by changes in working capital	($277)
Taxes	($334)
Preferred share dividends	($126)
Cash December 31, 2018	**$2,463**

Cash Flow Provided by Operating Activities

Before working capital adjustments, the Company generated $466,000 of operating cash flow in the fourth quarter of 2018, as compared with $1.02 million in the prior year quarter. Operating cash flow for the full year 2018 was $2.81 million, down 33% from 2017 ($4.21 million). The decrease in operating cash flow in the fourth quarter and for the year ended December 31, 2018 is primarily a result of lower sales at Papillon and MIN-AD and higher SG&A expenses.

Cash Flow Used in Financing Activities

In 2018, the Company made scheduled principal and interest payments of $1.46 million (2017: $2.67 million). In addition, the Company received proceeds of $4.0 million from the Papillon Agricultural LLC term loan, which was used to repay the remaining $3.0 million of Notes due to the former owners of Papillon Agricultural Company Inc. and repay approximately $918,000 of bank debt. A $48,000 equipment loan was arranged in the fourth quarter of 2018 for the purchase of mine mobile equipment.

The Company paid $126,000 of preferred share dividends in 2018, (2017: nil).

Cash Flow Used in Investing Activities

In the fourth quarter of 2018, cash used in investing activities was $146,000, as compared with $14,000 in the year earlier period.

In 2018, cash used in investing activities was $408,000, (2017 - $1.52 million). The capital investments were incurred at the Company's dolomite operations primarily for mill equipment and mill refurbishment projects. Capital expenditures in 2017 included $1.30 million for new crushing

and screening equipment. The Company has budgeted $500,000 for capital expenditures at MIN-AD and Mill Creek in 2019.

Selected Annual Information

US$,000	**2018**	2017	2016
Financial Performance			
Revenue	**$47,266**	$51,890	$30,087
Operating costs	**$38,737**	$42,479	$23,883
SG&A	**$5,718**	$5,204	$4,314
Net income	**$999**	$1,801	$750
Income per share, basic	**$0.04**	$0.08	$0.03
Cash flow from operations[1]	**$2,811**	$4,207	$1,890
Capital expenditures	**$408**	$1,520	$1,019

[1] Before working capital changes.

Summary of Quarterly Results

US$,000	**Q4/18**	**Q3/18**	**Q2/18**	**Q1/18**	**Q4/17**	**Q3/17**	**Q2/17**	**Q1/17**
Revenue	$10,298	$11,280	13,278	$12,410	$12,605	$12,264	$13,646	$13,375
Net Income (Loss)	($203)	$487	$386	$329	($305)	$808	$944	$354
EPS – Basic	($0.01)	$0.02	$0.02	$0.01	($0.01)	$0.04	$0.04	$0.02

Revenue has generally trended downward since the fourth quarter of 2017 largely as a result of declining milk prices in the United States. The Company has generated net income in each of the past eight quarters with the exception of the fourth quarters of 2017 and 2018. The fourth quarter of 2017 was impacted by a non-cash $604,000 impairment charge related to the write-down of exploration properties and spare parts inventory at the dolomite operations.

CONTRACTUAL OBLIGATIONS

The Company incurs contractual obligations and financial commitments in the normal course of operations and financing activities. Contractual obligations include future cash payments required under existing contracts, such as debt and operating lease agreements. At December 31, 2018, the Company had the following financial commitments:

(US$,000)	**Total**	**2019**	**2020**	**2021**	**2022**	**Thereafter**
Bank principal repayments	$5,403	$1,735[1]	$1,218	$1,241	$942	$267
Equipment financings	$119	$46	$26	$24	$15	$8
Operating leases	$1,091	$401	$401	$225	$64	$0
Related party notes	$555	$555	$0	$0	$0	$0
Total	**$7,168**	**$2,737**	**$1,645**	**$1,490**	**$1,021**	**$275**

[1] Includes $540,000 drawn under the Company's revolving credit facility which matures May 25, 2019. The Company anticipates extending the maturity date of the facility for an additional year.

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

During 2018, the Company had the following related party transactions:

(i) The Company's $1.5 million term loan with Shore United Bank, which was fully repaid in April 2018, required a personal guarantee from the CEO of the Company, (in addition to corporate guarantees provided by the Company and two of its subsidiaries). To compensate the CEO for assuming this obligation, the Board of Directors approved a guarantee fee payable to the CEO in an amount equal to an annual rate of 2% interest on the outstanding balance of the loan for so long as the guarantee was in place. At year-end 2017, Shore agreed to release the CEO from the personal guarantee. The accrued fee payable to the CEO was $44,628 at December 31, 2017. The fee was paid in full in 2018.

(ii) During the first half 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 interest payments to the noteholders of $59,000. The Papillon noteholders are related parties as they either continue to work for Papillon or were directors of Papillon.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's activities expose it to a number of financial risks including, (i) credit risk; (ii) market risk (including interest rate risk and foreign exchange risk) and (iii) 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. Management designs and implements strategies for managing financial risks, as summarized below.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss to the Company. The Company is exposed to credit risk primarily from trade receivables and from its financing activities, including deposits with banks.

For cash and accounts receivables, credit risk exposure equals the carrying amount on the balance sheet. The Company's historical accounts receivable defaults have been negligible, resulting in a low level of credit risk. The Company mitigates accounts receivable credit risk by dealing with creditworthy counterparties and limiting concentration risk. The Company has adopted a credit policy under which each new customer is analyzed individually for

creditworthiness before the Company's standard payment terms and conditions are offered. The Company's exposure to credit risk with its customers is influenced mainly by the individual characteristics of each customer. All of the Company's customers are located in either Canada or the United States. When available, the Company reviews credit bureau ratings, bank accounts and financial information for each new customer.

Credit risk from deposits with banks is managed by maintaining cash balances at three banks in North America.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash to meet its financial obligations as they come due. The Company manages liquidity risk by continuously monitoring forecasted and actual cash flows, cash balances and liabilities to ensure adequate cash is available to meet its liabilities. The Company is growing and in order to meet its longer-term working capital requirements, the Company will attempt, if necessary, to secure further financing.

Market rate risk

Market risk is the risk that changes in market factors, such as interest rates or foreign exchange rates, will affect the value of the Company's financial instruments. The Company can either accept market risk or mitigate it using derivatives or other hedging strategies. The Company is exposed to interest rate risk related to its Preferred Shares, if dividends are declared and, to the extent that it uses it, the revolving credit facility since the interest rate and dividend payment on these instruments fluctuates with the general level of interest rates. The majority of the Company's debt is fixed rate. Of the floating rate debt held at year-end, a one percent change in interest rates would affect the profitability of the Company by an immaterial amount.

The majority of the Company's revenues, expenses, cash holdings and debt instruments are denominated in U.S. dollars, accordingly, foreign exchange risk is minimal. The Company has relatively small amounts of cash, executive compensation, accounts payable and accrued liabilities denominated in Canadian dollars. Changes in the exchange rate between the United States and Canadian dollars would not have a material impact on the Company's earnings.

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. We review these estimates and underlying assumptions on an ongoing basis based on our experience and other factors, including expectations of future events that we believe to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Certain accounting estimates and judgements have been identified as being "critical" to the presentation of our financial condition and results of operations because they require us to make subjective and/or complex judgments about matters that are inherently uncertain; or there is a reasonable likelihood that materially different amounts could be reported under different conditions or using different assumptions and estimates.

The Company's critical accounting judgements and estimates are described in Note 4 to the Consolidated Financial Statements.

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 following list details material risks to the business of the Company. The risks described below are not exhaustive. Additional risks and uncertainties, or those that the Company currently deems to be immaterial, may become material and adversely affect the Company's business. The realization of any of these risks may materially and adversely affect the Company's business, financial condition, results of operations and/or the market price of the Company's securities.

Competition

The Company competes with other businesses that produce, market and sell similar products. Many of these companies have greater financial resources, closer proximity to markets and technical capabilities than Inter-Rock. As a consequence of this competition, the Company may be unable to compete on the basis of price with other producers and lose market share. Moreover, the Company may be unable to acquire or maintain attractive dolomite properties or skilled personnel on acceptable terms. As a result, the Company's financial and operational condition could be materially adversely affected. The Company makes efforts to counter competition risks through marketing, distribution agreements, customer service and pricing strategy.

Commodity Prices

Inter-Rock's businesses, particularly MIN-AD and Papillon, are exposed to fluctuations in the price of milk and the price of feed ingredients for dairy and beef cattle (including the price of certain grains and forage). Dairy farmers may spend less on specialty feed additives, like those produced by Papillon, if milk prices drop, while both dairy and beef producers may spend less on specialty products produced by MIN-AD and Papillon if the cost of feed ingredients increase. Fluctuations in the price of milk and feed ingredients are caused by numerous factors beyond the control of Inter-Rock, including milk production levels, herd sizes, crop yields and unusual weather patterns, among others.

Government Regulation

The quarrying, processing and development activities of the Company are subject to various laws governing development, production, taxes, royalties, labour standards and occupational health and safety, toxic substances, land use, water use and other matters. In addition, Papillon's and MIN-AD's products are subject to feed safety regulations. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could have an adverse effect on the Company's financial position and results of operations.

Environmental Regulation

The Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. Environmental legislation is evolving in a manner which will likely require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's financial position and results of operations. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its operations or from proceeding with planned exploration or development of mineral properties.

Cost Risk

The Company is exposed to industry wide cost pressures on capital and operating expenditures. The increasing costs seen in the Company's operations increases the risk relating to the

profitability of its operations and the economic returns on its investments. The Company continues to implement cost management and pricing strategies to mitigate this risk.

Indebtedness

Although the Company has been successful in making its scheduled principal and interest repayments under its various note and loan facilities, there can be no assurance that it will continue to do so. The Company's level of indebtedness could have material consequences for its operations including: (a) limiting its ability to borrow additional amounts for working capital, capital expenditures or debt service requirements; (b) limiting the Company's ability to use operating cash flow in other areas, such as capitalizing on business opportunities or reacting to competitive pressures because of its obligations to service debt; (c) increasing the Company's vulnerability to general adverse economic and industry conditions; and (d) limiting its ability or increasing the costs to refinance indebtedness.

The Company expects to utilize its cash flow from operations to pay its operating costs and to pay interest and principal on its debt. The Company's ability to meet these payment obligations will depend on its future operating and financial performance, which will be affected by financial, business, economic and other factors. The Company will not be able to control many of these factors, such as economic conditions in the markets in which it operates. The Company cannot be certain that its future cash flow from operations will be sufficient to allow it to make principal and interest payments on its debt and meet its other obligations. If cash flow from operations is insufficient or if there is a contravention of the debt facility covenants, the Company may be required to refinance all or part of its existing debt, sell assets, borrow additional money or issue equity. There can be no assurance that the Company will be able to refinance all or part of its existing debt on terms that are commercially reasonable.

Dependence on Management and Key Personnel

Inter-Rock is dependent on the services of key executives and a small number of highly skilled and experienced operating personnel. Loss of any of these people could have a material adverse effect on the Company's business. The marketplace for skilled personnel may become more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high-level of expertise and experience required to manage the Company's businesses will affect the Company's ability to employ the specific personnel required. The failure to retain or attract a sufficient number of skilled personnel could have a material adverse effect on the Company's business, results of operations and financial condition. The Company has not taken out and does not intend to take out key man insurance.

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 dairy feed ingredients and dolomite products, changes in economic conditions in the markets for the Company’s products, particularly the diary market in the United States, market competition, 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 in the Company’s most recent annual MD&A. 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.