INTER-ROCK MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Six Months Ended June 30, 2021

August 23, 2021

INTER-ROCK MINERALS INC.

MANAGEMENT'S INTERIM DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021

NOTES TO READER

References to "Inter-Rock" and the "Company" in this discussion refer to Inter-Rock Minerals Inc. and its subsidiaries taken as a whole.

The following management discussion and analysis ("MD&A") provides an analysis of the financial condition of Inter-Rock at June 30, 2021 and compares it to the financial condition of the Company on December 31, 2020. The MD&A also analyzes the Company's results of operations for the three and six months ended June 30, 2021 and compares those results to the results for the comparable periods in 2020.

This MD&A has been prepared in compliance with the requirements of National Instrument ("NI") 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the unaudited consolidated interim financial statements for the three and six months ended June 30, 2021 and with the audited consolidated financial statements and the related notes for the year ended December 31, 2020. The Company's financial statements and MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

All monetary amounts are expressed in United States dollars unless otherwise indicated.

This MD&A is prepared as of August 23, 2021.

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. Further information about Inter-Rock can be found on the Company's website at www.interrockminerals.com.

SECOND QUARTER 2021 RESULTS SUMMARY

- Consolidated revenue of $17.86 million, up 25% from the same period in the prior year (2020 Q2: $14.19 million).

- Gross profit of $2.63 million, the highest level since the fourth quarter of 2019. Generated operating cash flow of $841,000 as compared with $440,000 in Q2 2020.

- Papillon hired a central plains regional sales manager to broaden its geographic reach and capture the increasing demand for premium nutritional feed solutions.

Milk prices in the U.S. increased in second quarter of 2021. There is, however, significant uncertainty with respect to prices for the balance of the year. To support prices achieved in the second quarter of 2021 for the balance of the year, milk production growth will not only need to decrease, but be accompanied by continued growth in domestic consumption and export volumes. Growth in U.S. milk production thus far in 2021 has been driven by both an increase in herd size and increased output per cow. Higher feed prices (for corn and soybeans) have started to reduce farmer's margins and this should lead to an increase in culling rates and reduced milk output per cow. Margins are also being squeezed by port congestion and higher freight rates. Continued strong domestic consumption of milk products is expected to be sustained by the ongoing reopening of the economy, with conventions, sporting events, restaurants and schools all generating additional demand. In the U.S., a greater volume of dairy products are consumed in restaurants and the food service sector than are consumed at home, so the lifting of capacity restrictions at restaurants and large gatherings should be positive for the dairy sector. Maintaining strong export sales is less certain as growth in China is expected to slow in the second half of 2021.

Papillon continues to experience robust demand for its protein products, in part, due to higher prices for alternative protein additives like soybean meal.

Despite the uncertainty of the length and magnitude of the economic impact of COVID-19, Inter-Rock expects that its available cash and cash flow from operations will be sufficient to meet its operating requirements and financial commitments in 2021.

COVID-19 PANDEMIC

COVID-19 negatively impacted the Company's results, particularly in the second quarter of 2020 at Mill Creek, and could have further negative impacts on the operations of the Company, its suppliers and its customers. Labour quarantines or other disruptions to the Company's operations may impact our ability to provide products to our customers and, as a consequence, negatively impact our revenues and cash flow. Prolonged closures of meat processing facilities may also reduce the availability of a key ingredient in the Company's protein supplements. 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 financial results of the Company.

OPERATIONS REVIEW

Papillon Agricultural

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

Second quarter 2021 review

Papillon recorded revenue of $16.02 million in the second quarter of 2021, as compared with $12.40 million in the year earlier period. Gross profit in the second quarter of 2021 was $1.92 million, up 32% from $1.46 million for the same period in 2020. The increase in gross profit in the current quarter was attributable to higher revenue, driven by a 21% increase in tons sold of all products in aggregate, and overall higher gross profit margins. Milk prices were, on average, approximately 16% higher in the second quarter of 2021 as compared with the second quarter of 2020.

Cash flow from operating activities (before working capital changes) was $748,000 as compared with $529,000 in the second quarter of 2020.

Six months 2021 review

Revenue in the first six months of 2021 was $31.82 million, up from $24.50 million in the year earlier period. Gross profit for the first half of 2021 increased to $3.61 million as compared with $3.02 million in the first half of 2020. The increase in gross profit was due to a 14% increase in total tons sold, notably a 21% increase in protein sales. Gross profit margins declined slightly in the first half of 2021, as compared with the same period in 2020. Year-to-date cash flow from operating activities was $1.37 million as compared with $1.05 million for the same period in 2020. Higher cash flow in the first half of 2021 was principally attributable to higher sales volumes, particularly of protein products.

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.

Second quarter 2021 review

Tons sold increased by 30% in the second quarter of 2021 as compared with the second quarter of 2020. Volumes in the second quarter of 2020 were significantly impacted by the loss of a glass customer and glass customers reducing inventory in response to COVID-19. As a result of higher sales volumes, Mill Creek's revenue increased to $982,000 in the second quarter of 2021, up from $752,000 in the year earlier period.

Cash flow from operations (before working capital changes) was $156,000 in the second quarter of 2021, as compared with a deficit of $156,000 in the second quarter of 2020.

Payments related to equipment leases (which are recorded as financing payments and thus not netted against operating cash flow) and debt service payments totalled $207,000 in the second quarter of 2021 as compared with $226,000 in the comparable period in 2020.

Mill Creek incurred capital expenditures of $16,000 in the second quarter of 2020 (Q2 2019: $29,000).

Six months 2021 review

For the first six months of 2021, tons sold were slightly lower than the year earlier period. Sales volumes for the first six months of 2021 reflect the return to normal purchasing levels by existing glass customers; however, the loss of a large glass customer at the end of the first quarter of 2020 is projected to result in 2021 glass sales volumes of approximately 80 to 85 percent of the level reached in the two years prior to 2020. Revenue of $1.96 million in the first six months of 2021 was similar to the year earlier period.

In the first half of 2021, operating cash flow was $292,000, as compared with a deficit of $68,000 for the comparable period in 2020. The increase in cash flow is largely attributable to lower quarrying and milling costs which reflect cost saving operational changes instituted in the second half of 2020, including reducing crew sizes, reducing shifts in the quarry and operating at times of off-peak power rates.

Mill Creek made payments related to equipment leases and debt service of $454,000 in the first six months of 2021, as compared with $468,000 in the year earlier period.

Capital expenditures in first six months of 2021 were $546,000, (six months 2020: $201,000). The majority of the expenditure in the first half of 2021 was for purchasing a new haul truck to replace a truck at the end of its lease term.

Capital expenditures will increase in the third quarter as Mill Creek replaces leased mining equipment with purchased equipment.

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. 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. Papillion also acts as a sales agent for MIN-AD's products in parts of the mid-west and western United States. In the first half of 2021, 47% of MIN-AD's sales revenue was attributed to inter-company sales to Papillon.

Second quarter 2021 review

MIN-AD's tons sold in the second quarter of 2021 were 8% below the level recorded in the corresponding quarter of 2020. Revenue (including freight and fuel charged to customers) of $1.73 million in the second quarter of 2021, decreased approximately 3% from the prior year period ($1.79 million). MIN-AD's sales were impacted by the drought in the western U.S.

Cash flow from operations (before working capital changes) was $65,000 in the second quarter of 2021, as compared with $128,000 in the same period in 2020. The reduction in cash flow was attributable to lower sales, coupled with higher plant expenses and higher costs for freight and freight related items.

MIN-AD's payments related to rail car leases and debt service totalled approximately $51,000 in the second quarter of 2021, unchanged from the same period in 2020. MIN-AD incurred capital expenditures of $118,000 in the second quarter of 2021 (Q2 2020: 43,000).

Six months 2021 review

For the first six months of 2021, MIN-AD's sales volume and revenue were below levels recorded in the prior year period by 8 and 6 percent respectively. In the first half of 2021, MIN-AD recorded revenue of $3.55 million (excluding $150,000 of inter-company dividend income) as compared with $3.95 million first half of 2020.

Cash flow from operations (before working capital changes) was $151,000 in the first six months of 2021, down from $565,000 the prior year period.

Payments for rail car leases and debt service totalled $102,000 in the first half of 2021, as compared with $116,000 in the same period in 2020. Lower payments in 2021 are due to leasing fewer rail cars. MIN-AD incurred capital expenditures of $158,000 in the first six months of the year (six months of 2020: $65,000).

CONSOLIDATED FINANCIAL REVIEW

(US$,000)	Three Months Ended		Six Months Ended	
	June 30, 2021	**June 30, 2020**	**June 30, 2021**	June 30, 2020
Revenue	**$17,860**	$14,187	**$35,709**	$28,864
Operating costs	**$15,233**	$12,285	**$30,671**	$24,350
Gross profit	**$2,627**	$1,902	**$5,038**	$4,514
SG&A	**$1,713**	$1,462	**$3,193**	$2,844
Net income (Loss)	**$668**	($69)	**$1,074**	$609
Income per share, basic	**$0.03**	$0.00	**$0.05**	$0.03
Cash flow from operations[1]	**$841**	$440	**$1,742**	$1,670
Capital expenditures	**$132**	$87	**$703**	$273

[1]Before working capital changes.

Review of Second Quarter and Year-to-Date Financial Results

Second quarter 2021 review

Revenue for the quarter ended June 30, 2021 was $17.86 million as compared with $14.19 million in the second quarter of 2020. The increase in revenue is primarily attributed to higher sales at Papillon. Papillon's share of the Company's consolidated revenue was 89% in the second quarter of 2021, up from 87% in the comparable period in 2020. (Papillon's share of revenue on a pre-consolidation basis before elimination of MIN-AD's inter-company sales was 85%).

Higher revenues were the primary factor in increasing gross profit to $2.63 million in the second quarter of 2021, from $1.90 million in the prior year quarter. Gross profit improved at both Papillon and Mill Creek in the current quarter as compared with the comparable period in 2020. The Company's gross profit margin was 14.7% in the second quarter of 2021, as compared with 13.4% in the same period in 2020 (and compared with 13.5% in the first quarter of 2021).

Selling, general and administrative, ("SG&A") costs increased to $1.71 million in the second quarter of 2021, up from $1.46 million in the corresponding period in 2020. The increase in SG&A is primarily due to higher expenses for payroll, research and development and marketing at Papillon. 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, which includes interest on debt and lease obligations, was $66,000 in the second quarter of 2021, as compared with $83,000 in the same period of 2020. The reduction in the current quarter is mainly due to lower interest expense on bank debt.

Preferred share dividend expense of $28,000 was recorded in the second quarter of 2021, (Q2 2020: nil). The dividend, based on a share value of U.S.$0.20, is calculated at a rate equivalent to the U.S. bank prime interest rate and is recorded as interest on Series A preferred shares on the condensed consolidated statement of income.

Inter-Rock recorded net income of $668,000 in the second quarter of 2021, as compared with a net loss of $69,000 in the prior year period. The current period net income reflects higher gross profits and the non cash gain on Papillon's PPP debt extinguishment, whereas the same period last year was impacted by an operating deficit at Mill Creek.

Six months 2021 review

Revenue for the first half of 2021 was $35.71 million, a 24% increase over the first half of 2020 ($28.86 million). Higher revenue in the first six months of 2021 is entirely attributable to improved sales at Papillon. Mill Creek's revenue was largely unchanged from the prior year and MIN-AD's external sales (excludes sales to Papillon, which are eliminated upon consolidation) were 20% below the level in the first half of 2020.

Gross profit improved to $5.04 million in the first half of 2021, up from $4.51 million in the same period last year, as higher gross profit at Papillon and Mill Creek offset a decline in gross profit at MIN-AD. The gross profit margin declined to 14.1% in the first six months of 2021, down from 15.6% for the same period in 2020.

Year-to-date SG&A expense was $3.19 million, a 12% increase over the first six months of 2020 ($2.84 million). The majority of the increase is due to higher spending by Papillon on payroll, professional fees and research and development.

Interest expense for the first half of 2021 was $131,000, down from $165,000 for the same period in 2020.

The Company reported net income for the first half of 2021 of $1.04 million, as compared with $609,000 in the first half of 2020.

Summary of Quarterly Results

US$,000	**Q2/21**	**Q1/21**	**Q4/20**	**Q3/20**	**Q2/20**	**Q1/20**	**Q4/19**	**Q3/19**
Revenue	$17,860	$17,849	$14,617	$12,067	$14,187	$14,677	$11,871	$11,089
Gross profit	$2,627	$2,411	$2,555	$2,593	$1,902	$2,612	$2,671	$2,500
Net Income (Loss)	$668	$406	$500	$669	($69)	$678	$732	$569
EPS – Basic	$0.03	$0.02	$0.02	$0.03	$0.00	$0.03	$0.03	$0.03

Gross profit continued the trend of approximately $2.50 million per quarter. This largely reflects higher prices for dairy products over the past eight quarters, following a period of very low milk prices. Milk prices began to increase in the third quarter of 2019 after a prolonged period of low prices. The reduction in gross profit in the second quarter of 2020 reflects the negative impact of COVID-19 on sales volumes at Mill Creek and the loss of a glass customer.

FINANCIAL CONDITION

Financial Condition (US$,000)	**June 30, 2021**	December 31, 2020
Current assets	**$12,073**	$11,544
Current liabilities	**$7,158**	$7,945
Working capital	**$4,915**	$3,599
Total assets	**$21,932**	$21,441
Total liabilities	**$13,583**	$14,164
Lease obligations	**$1,289**	$1,560
Total debt	**$3,597**	$4,032
Shareholders' equity	**$8,349**	$7,277

The Company's working capital position remained strong at the end of the second quarter. Working capital was $4.92 million at June 30, 2021, up from $3.60 million at December 31, 2020. Higher working capital is mainly attributable to an increase in cash to $3.14 million (December 31, 2020: $2.07 million) and a decrease in the current portion of long-term debt. Consolidated debt decreased to $3.60 million at June 30, 2021, from $4.03 million at year end as scheduled principal repayments and the forgiveness of Papillon's $318,000 PPP loan (see Debt Facilities below) more than offset new debt of $493,000 to finance the mine equipment at Mill Creek.

Lease obligations were reduced from $1.56 million at year-end 2020 to $1.29 million at June 30, 2021. At the end of the second quarter 2021, lease obligations were comprised of the following allocations: 34% corporate and Papillon office space, 32% mobile mine equipment at Mill Creek and 31% MIN-AD rail cars.

Debt Facilities

The Company's bank and equipment finance debt at June 30, 2021 is summarized below. MIN-AD and Mill Creek are co-borrowers under the first two facilities listed below. 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, 2022. At June 30, 2021 the outstanding balance was $500,000.

(ii) Mill Creek $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 June 30 2021, the outstanding balance was $1.10 million.

(iii) Mill Creek $493,000 Volvo equipment term loan: a four-year secured term loan bearing interest at a fixed annual rate of 2.89%. The loan amortizes over 49 months with 48 payments of $8,925 and a bullet repayment in the 49th month of $100,000. The loan is secured by the equipment and is guaranteed by MIN-AD. At June 30, 2021, the outstanding balance was $470,000.

(iv) Papillon $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 June 30, 2021, the outstanding balance was $1.47 million.

In addition to the debt described above, the Company had approximately $70,000 of debt outstanding at June 30, 2021 under various light vehicle financing facilities.

The Company is in full compliance with the terms and conditions of its bank and equipment loans as of the date of this MD&A.

Under the original terms of the revolving credit and Mill Creek term loan facilities listed in (i) and (ii) above, MIN-AD and Mill Creek, (the “co-borrowers”) were jointly required to maintain a minimum debt service cover ratio (“DSCR”) of 1.30x. The DSCR was calculated quarterly on a rolling four quarter basis. The co-borrowers were not in compliance with the DSCR from the end of the second quarter of 2020 through the first quarter of 2021, in part due to the impact of COVID-19 on Mill Creek’s operations. Meadows Bank did not issue a notice of default, nor take any other action during this period. Under IFRS 7, in the event of a covenant breach prior to the end of the reporting period and in the absence of the right to defer settlement of the loan for at least 12 months after the reporting date, debt must be classified as current. Accordingly, at December 31, 2020 and March 31, 2021, the entire Mill Creek term loan (point ii above) was recorded as a current liability. During the second quarter of 2021, Meadows Bank amended the DSCR covenant so that it is now calculated annually at year end and is based on the consolidated audited results of Inter-Rock, rather than the results of the co-borrowers only. On the basis of the new DSCR, Meadows Bank retroactively determined that the Company was in compliance with the amended covenant at year end 2020. As a result, at June 30, 2021, the Mill Creek term loan has been recorded with current and long-term portions.

Paycheck Protection Program

In March 2020, the U.S. government passed the Coronavirus Aid, Relief, and Economic Security Act (the "CARES ACT") to provide financial assistance to individuals and businesses. A major component of the CARES ACT is the Paycheck Protection Program (the "PPP"), a forgivable loan program for small businesses administered by the U.S. Small Business Administration (the "SBA").

The Company's three operating subsidiaries received PPP loans in the second quarter of 2020 aggregating $817,000, funded as follows: Papillon: $318,000, MIN-AD: $215,000 and Mill Creek: $284,000. The PPP loans for MIN-AD and Mill Creek were forgiven in December 2020 and the Papillon PPP loan was forgiven in June 2021.

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 June 30, 2021, the Company had consolidated cash of $3.14 million. The Company's most significant liquidity requirements over the next twelve months are $2.45 million of scheduled servicing of debt and lease payments, comprised of $1.9 million of debt service (including $500,000 under the revolving credit facility, which the Company expects to renew for twelve months beyond the current maturity date of May 2022) and $545,000 of lease payments. In the opinion of management, the Company's liquidity comprising cash and cash flow from operations is sufficient to meet normal operating requirements and financing commitments.

Cash Flows

The change in the Company's cash balance during the first six months of 2021 is reconciled as follows: ($,000):

	Six months ended June 30, 2021
Cash at beginning of period	**$2,072**
Cash provided by operations	$1,742
Cash provided by changes in non-cash working capital	$677
Proceeds from loans	$533
Debt service and lease payments	($1,123)
Preferred share dividends	($56)
Capital expenditures	($703)
Common share purchases under NCIB	($2)
Cash at June 30, 2021	**$3,140**

Cash Flow Provided by Operating Activities

Consolidated cash flow from operations (before working capital changes) for the second quarter of 2021 was $841,000, up from $440,000 for the same period in 2020. The increase in cash flow in the current quarter is attributable to higher cash flow at Papillon and Mill Creek (in the prior year quarter Mill Creek recorded a cash flow deficit of approximately $160,000), which offset lower cash flow from MIN-AD.

Cash flow from operations for the first six months of 2021 was $1.74 million, as compared with $1.62 million for the same period in 2020. Year-to-date 2021 cash flow reflects the same pattern as in the second quarter, with materially higher cash flow from Papillon and Mill Creek offsetting significantly lower operating cash flow from MIN-AD.

Cash Flow Provided by (used in) Financing Activities

During the second quarter of 2021, net cash used in financing activities was $541,000, comprised of repayments of debt and lease obligations, including interest, of $525,000 and preferred share dividends of $56,000 (both the fourth quarter 2020 and first quarter 2021 dividends were paid in the second quarter of 2021). These uses of cash were partially offset by a draw under the revolving credit facility of $40,000.

For the first six months of 2021, net cash used in financing activities was $648,000. Uses of cash included scheduled debt and lease repayments with interest of $1.12 million and $56,000 of preferred share dividend payments. These were partially offset by debt financing proceeds of $533,000.

Cash Flow Used in Investing Activities

The Company incurred capital expenditures of $132,000 at its dolomite operations in the second quarter of 2021 as compared with $87,000 during the same period in 2020. Capital expenditures in the first half of 2021 were $703,000, (six months of 2020: $273,000). The increase is largely due to the purchase of new haul truck at Mill Creek in the first quarter of 2021.

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 June 30, 2021, the Company had the following financial commitments:

(US$,000)	**Total**	**2021**	**2022**	**2023**	**2024**	**Thereafter**
Debt repayments	$3,532	$1,117	$1,252	$742	$295	$126
Vehicle financing	$70	$20	$28	$22	$0	$0
Lease obligations	$1,465	$262	$496	$274	$199	$234
Total	**$5,067**	**$1,399**	**$1,776**	**$1,038**	**$494**	**$360**

Debt repayments represent the principal only and include $500,000 drawn under the Company's revolving credit facility which matures May 25, 2022. The Company anticipates extending the maturity date of the facility for an additional year. As the lease obligations in the table represent the contractual undiscounted amount of the commitments, these balances may not agree with the amounts disclosed in the balance sheet.

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 22,303,311 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

There were no related party transactions in the first six months of 2021.

NORMAL COURSE ISSUER BID

Renewal of Normal Course Issuer Bid

On February 19, 2021, the Company received approval from the TSXV to renew its NCIB to purchase for cancellation up to 1,000,000 common shares, representing 4.4% of the outstanding common shares of the Company. Inter-Rock may purchase common shares under the NCIB over the twelve-month period beginning on or about February 25, 2021. The NCIB will terminate upon the earliest of (i) the Company purchasing 1,000,000 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. All common shares purchased by the Company will be cancelled.

As of the date of this MD&A, the Company had repurchased for cancellation 3,500 shares under the renewed NCIB.

SUBSEQUENT EVENTS

Subsequent to the end of the second quarter of 2021, Mill Creek arranged a $1.05 million term loan with Volvo Financial Services to finance the purchase of mobile mining equipment. The transaction includes the purchase of a loader and excavator at the expiration of their leases, the purchase of a used truck to replace a leased truck and the purchase of a new loader. The loan amortizes over 48 months and has a fixed interest rate of 2.36%. The loan is guaranteed by MIN-AD.

The Board of Directors of the Company declared a preferred share dividend of $27,848 for the second quarter of 2021 (second quarter 2020: $nil). The dividend was 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 17 in the audited consolidated financial statements for the year ended December 31, 2020.

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, 2020, which are available on SEDAR at www.sedar.com. There have been no changes to the critical accounting estimates since the previous reporting period.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present all material respects the financial condition, results of the operations and cash flows of the Company, as of the date of and for the periods presented by the consolidated financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"), the Company utilizes the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a Venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Inter-Rock has identified a potential control weakness regarding a lack of segregation of duties because of limited staff resources. Inter-Rock believes that this control weakness has not caused any material information to be withheld in its financial disclosure and has not impacted reported financial results.

RISK FACTORS

The Company is subject to a number of risks and uncertainties. For more details, refer to the Company's annual MD&A for the year ended December 31, 2020, which is available on SEDAR at www.sedar.com.

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.