

Rogue Resources Inc.

Consolidated Annual Financial Statements

Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ROGUE RESOURCES INC.

Opinion

We have audited the consolidated financial statements of Rogue Resources Inc. (the "Company"), which comprise:

- ♦ the consolidated statements of financial position as at April 30, 2021 and 2020;
- ♦ the consolidated statements of operations and comprehensive income (loss) for the years then ended;
- ♦ the consolidated statements of changes in equity for the years then ended;
- ♦ the consolidated statements of cash flows for the years then ended; and
- ♦ the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at April 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Vancouver

1700 - 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley

600 - 19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

Nanaimo

201 - 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Vancouver

1700 - 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley

600 - 19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

Nanaimo

201 - 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

- ♦ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Kevin Kwan.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia

August 26, 2021

Vancouver

1700 - 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley

600 - 19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

Nanaimo

201 - 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

Rogue Resources Inc.
Consolidated Financial Statements
Years ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

Table of Contents	Page
Consolidated Statements of Financial Position	6
Consolidated Statements of Operations and Comprehensive Income (Loss)	7
Consolidated Statements of Changes in Equity	8
Consolidated Statements of Cash Flows	9
Notes to the Consolidated Financial Statements	10 - 48

Rogue Resources Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

		As at April 30,	
	Note	2021	2020
ASSETS			
Current assets			
Cash		\$ 128,401	\$ 42,094
Marketable securities	7	5,222	3,362
Accounts receivable		167,291	26,639
Loans receivable	13	-	25,000
Prepaid expenses		4,845	50,000
Tax recoverable		25,557	31,165
Inventory	11	101,581	78,468
Total Current Assets		432,897	256,728
Non-current assets			
Investment in associates	8, 12	1,882,386	-
Exploration and evaluation assets	6,8,14,15	10,796,408	13,911,683
Right-of-use assets	9	1,202,614	509,651
Equipment	10	37,795	-
Producing assets	6, 10	2,756,214	-
Total Assets		\$ 17,108,314	\$ 14,678,062
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 284,604	\$ 314,689
Due to related parties	19	647,956	766,063
Current portion of lease liability	9	323,706	124,107
Loan payable	15	1,773,522	-
Total Current Liabilities		3,029,788	1,204,859
Non-current liabilities			
Vendor mortgages	14	700,000	700,000
Lease liability	9	748,319	386,993
Loan payable	15	-	1,491,841
Government assistance	16	60,000	40,000
Total Liabilities		4,538,107	3,823,693
EQUITY			
Share capital	17	50,372,363	49,888,007
Reserves	17	10,666,052	10,548,296
Accumulated other comprehensive income	7	4,298	2,438
Non-controlling interest	18	202,213	205,059
Deficit		(48,674,719)	(49,789,431)
Total Equity		12,570,207	10,854,369
Total Liabilities and Equity		\$ 17,108,314	\$ 14,678,062

These consolidated financial statements were approved and authorized for issue by the Board of Directors on August 26, 2021. They are signed on the Company's behalf by:

(Signed) "Sean Samson"

Director

(Signed) "Christopher Berlet"

Director

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

Rogue Resources Inc.
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

		Years Ended April 30,	
	Note	2021	2020
Revenue	1	\$ 1,354,792	\$ -
Less:			
Cost of goods sold		(712,904)	-
Depreciation and depletion	9,10	(269,404)	-
		372,484	-
Expenses:			
Bad debt	13	5,000	-
Compensation and benefits	19	225,020	212,458
Consulting fees		6,121	30,021
Consulting fees - related parties		313	36,052
Depreciation	9	-	3,396
Financing fees	15	37,875	6,133
Interest and accretion expense	9,15	495,827	89,911
Investor relations, promotion and product marketing		6,057	49,600
Office expense and miscellaneous		59,515	27,904
Part XII.6 tax		-	(678)
Professional fees	19	144,994	213,187
Regulatory and stock transfer fees		23,271	16,424
Rent		-	18,596
Stock based compensation	17,19	103,281	32,441
Total Expenses Before Items Below		1,107,274	735,445
Loss Before Other Income and Income Taxes		(734,790)	(735,445)
Gain on Property Sold	8	1,956,718	-
Loss from Investment in Associates	8	(117,614)	-
Deferred Income Tax Recovery	24	7,552	-
Net Income/(Loss) For The Year		1,111,866	(735,445)
Other Comprehensive Income (Loss)			
Unrealized gain (loss) on marketable securities	7	1,860	(2,547)
Comprehensive Income (Loss) For The Year		\$ 1,113,726	\$ (737,992)
Attributable to:			
Non-controlling interest	18	(2,846)	-
Equity shareholders of the Company		1,116,572	(737,992)
		1,113,726	(737,992)
Basic and Diluted Earnings/(Loss) Per Share	17	\$ 0.03	\$ (0.04)
Weighted Average Number of Shares Outstanding			
Basic	17	33,198,100	20,605,499
Diluted	17	33,816,660	20,605,499

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

Rogue Resources Inc.
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share Capital		Reserves	Accumulated Other Comprehensive Income	Non- controlling Interest	Deficit	Total equity
	Number of shares	Amount					
Balance, April 30, 2019	16,249,204	\$ 48,821,246	\$10,501,365	\$ 4,985	\$ -	\$ (49,053,986)	\$ 10,273,610
Non flow-through shares	6,216,000	621,600	-	-	-	-	621,600
Share issue cash costs	-	(9,677)	-	-	-	-	(9,677)
Share issue non-cash costs	-	(3,124)	3,124	-	-	-	-
Shares issued for exploration and evaluation assets	1,720,000	169,000	-	-	-	-	169,000
Shares issued for bonus fee on loan	2,250,000	288,962	-	-	-	-	288,962
Non-controlling interest at acquisition	-	-	-	-	205,059	-	205,059
Stock based compensation - options	-	-	43,807	-	-	-	43,807
Other comprehensive loss	-	-	-	(2,547)	-	-	(2,547)
Net loss for the year	-	-	-	-	-	(735,445)	(735,445)
Balance, April 30, 2020	26,435,204	49,888,007	10,548,296	2,438	205,059	(49,789,431)	10,854,369
Non flow-through shares	7,191,666	431,500	-	-	-	-	431,500
Flow-through shares	1,121,429	78,500	-	-	-	-	78,500
Flow-through share premium adjustment	-	(11,147)	-	-	-	-	(11,147)
Shares issued for exploration and evaluation assets	400,000	34,000	-	-	-	-	34,000
Share issue cash costs	-	(34,022)	-	-	-	-	(34,022)
Share issue non-cash costs	-	(14,475)	14,475	-	-	-	-
Stock based compensation - options	-	-	103,281	-	-	-	103,281
Other comprehensive income	-	-	-	1,860	-	-	1,860
Net income (loss) for the year	-	-	-	-	(2,846)	1,114,712	1,111,866
Balance, April 30, 2021	35,148,299	\$ 50,372,363	\$ 10,666,052	\$ 4,298	\$ 202,213	\$ (48,674,719)	\$ 12,570,207

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

Rogue Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years Ended April 30,	
	2021	2020
Operating activities		
Net income/(loss) for the year	\$ 1,111,866	\$ (735,445)
Items not affecting cash:		
Depreciation and depletion	269,404	3,396
Bad debt on loan receivable	5,000	-
Financing fees	36,804	6,133
Gain on property sold	(1,956,718)	-
Interest and accretion expense	244,877	89,911
Interest on lease liability	55,743	813
Stock based compensation	103,281	32,441
Deferred income tax recovery	(7,552)	-
Loss from investment in associates	117,614	-
Changes in non-cash working capital items:		
Accounts receivable	(140,652)	(26,639)
Prepaid expenses	45,155	(46,796)
Inventory	(23,113)	(78,468)
Part XII.6 tax payable	-	(1,482)
Due to related parties	(118,107)	384,417
Tax recoverable	5,608	(28,856)
Accounts payable and accrued liabilities	(39,180)	130,220
Cash Used in Operating Activities	(289,970)	(270,355)
Investing activities		
Proceeds from loan receivable	20,000	-
Net change in exploration and evaluation assets	174,151	(2,044,520)
Acquisition of equipment	(38,602)	-
Sale of property	150,000	-
Cash Provided by (Used in) Investing Activities	305,549	(2,044,520)
Financing activities		
Net proceeds from issuance of common shares	475,978	611,923
Lease liability payments	(425,250)	(2,760)
Government assistance	20,000	40,000
Proceeds from loan payable	-	1,754,000
Vendor mortgages	-	(120,397)
Cash Provided by Financing Activities	70,728	2,282,766
Net Increase/(Decrease) in Cash	86,307	(32,109)
Cash, Beginning of Year	42,094	74,203
Cash, End of the Year	\$ 128,401	\$ 42,094

Supplemental Cash Flow Information (Note 20)

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

1) Nature of Operations

Rogue Resources Inc. (“Rogue” or the “Company”) was incorporated on January 10, 1985 under the laws of the Province of British Columbia, Canada and is a public company listed on the TSX Venture Exchange (the “TSX.V”), trading under the symbol “RRS.” The registered and records office of the Company is Suite 2900, 550 Burrard Street, Vancouver, British Columbia, V6C 0A3. The head office of the Company is Suite 1612, 44 Victoria Street, Toronto, Ontario, M5C 1Y2.

The Company’s principal business activity is focused on selling dimensional limestone into the landscape market from its two operating quarries, Johnston Farm Quarry near Bobcaygeon, Ontario (“Johnston Farm Quarry” or “Bobcaygeon”) and Speiran Quarry near Orillia, Ontario (“Speiran Quarry” or “Orillia”).

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete the evaluation and development of commercially viable reserves, the ability of the Company to generate enough revenue and income from commercial production of limestones, and upon future profitable production or proceeds from the disposition of exploration and evaluation assets.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time. The Company continues to monitor the situation closely and will follow the guidelines and recommendations of the Regional Health Departments and the Ontario Government.

2) Transition to Commercial Production

Management has determined that Rogue Stone projects were in the pre-commercial production stage at the beginning of Q2, 2021. Consistent with previous quarters, during this pre-commercial production period, costs associated with the projects, before they are operating in the way intended by management, are capitalized as exploration and evaluation assets, net of any pre-production revenues. Commercial production is deemed to have occurred when the project produces a designated percentage of planned output, which involves management judgment.

As previously disclosed, the Company follows the guideline that commercial production begins once the project produces a designated percentage of planned output.

The Company reached commercial production with an effective date of September 1, 2020. The Company completed an impairment analysis on the Rogue Stone projects on September 1, 2020 and concluded that there were no impairment on the exploration and evaluation assets before transferring the value to producing assets (see Notes 8 and 10).

3) Significant Accounting Policies

a) Basis of Presentation

Statement of Compliance

These consolidated financial statements of the Company for the year ended April 30, 2021 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Foreign Currencies

The presentation currency and the functional currency of the Company and its subsidiaries is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains or losses upon translations is recorded in profit or loss.

b) Consolidation Principles

Subsidiaries are entities controlled by the Company. Control exists when an entity is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements. See Note 5 for further details on the Company's subsidiaries.

c) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with maturities within six months held for the purpose of meeting short-term cash commitments rather than for investing purposes. The Company did not have cash equivalents as at April 30, 2021 and 2020.

d) Marketable Securities

Marketable securities represent investments in public companies and have been designated as fair value through other comprehensive income (loss). The investments are reported at fair value based on quoted market prices with unrealized gains or losses excluded from operations and reported as other comprehensive income or loss.

3) Significant Accounting Policies (Continued)

e) Financial Instruments

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or if the Company has opted to measure them at FVTPL. The following table shows the classification:

Financial assets/liabilities	Classification
Cash	Amortized cost
Marketable securities	FVTOCI
Accounts receivable	Amortized cost
Loans receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Lease liability	Amortized cost
Vendor mortgages	Amortized cost
Loan payable	Amortized cost
Government assistance	Amortized cost

ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of operations. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of operations in the period in which they arise.

iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of operations, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

iv) Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of operations.

3) Significant Accounting Policies (Continued)

e) Financial Instruments (Continued)

v) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in the consolidated statements of operations.

f) Other Comprehensive Income (Loss)

Other comprehensive income (loss) represents the change in net equity for the period that arises from unrealized gains and losses on FVTOCI financial instruments. Amounts included in other comprehensive income (loss) are shown net of tax. Cumulative changes in other comprehensive income (loss) are included in reserves which is presented as a category in equity.

g) Inventory

The Company values its limestone inventory at the lower of cost, determined on a weighted average basis, and net realizable value. Net realizable value is defined as the expected selling price in the ordinary course of business minus the cost of completion.

h) Equipment

Equipment is recorded at cost and depreciated over its estimated useful life. The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of operations and comprehensive loss during the financial period in which they are incurred.

Depreciation on equipment is recognized on a straight-line basis over their estimated useful lives. Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate.

The Company's equipment has useful lives as follows:

	<u>Useful life</u>
Equipment	3-8 years

3) Significant Accounting Policies (Continued)

i) Exploration and Evaluation Assets

Exploration and evaluation expenditures include the cost of acquiring licenses, costs associated with exploration and evaluation activities, and the fair value (at acquisition date) of exploration and evaluation assets acquired. When shares are issued as consideration for exploration and evaluation asset costs, they are valued at the closing share price on the date of issuance. Exploration and evaluation expenditures are capitalized as incurred. Costs incurred before the Company has obtained the legal right to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study, exploration and evaluation assets attributable to that area of interest are first tested for impairment and the balance is reclassified as producing assets.

Recoverability of the carrying amount of any exploration and evaluation asset is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. It is management's judgment that none of the Company's exploration and evaluation assets have reached the development stage and as a result are all considered to be exploration and evaluation assets.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements. The Company is not aware of any disputed claims of title.

3) Significant Accounting Policies (Continued)

j) Producing Assets

Producing assets are carried at cost, less accumulated depletion and any accumulated impairment charges. Expenditures of mineral properties include:

- i) Acquisition costs which consist of payments for property rights and leases, including the estimated fair value of exploration properties acquired as part of a business combination or the acquisition of a group of assets.
- ii) Exploration, evaluation and project investigation costs incurred on an area of interest once a determination has been made that a potential quarry or mine contains economically recoverable material (in the case of a mining property, this can be Mineral Resources and Mineral Reserves ("R&R")) and there is a reasonable expectation that costs can be recovered by future exploitation or sale of the property. Exploration, evaluation and project investigation expenditures made prior to a determination that a quarry or mine has economically recoverable material are expensed as incurred.
- iii) Deferred stripping costs which represent the cost incurred to remove overburden and other waste materials. Stripping costs incurred prior to the production phase of the quarry or mine are capitalized and included as part of the carrying value of the mineral property. During the production phase, stripping costs which provide probable future economic benefits, identifiable improved access to the ore body and which can be measured reliably are capitalized to mineral properties. Capitalized stripping costs are amortized on a unit-of-production basis over the forecast production amounts to which they relate.
- iv) Development costs incurred on an area of interest once management has determined that a property is capable of economical commercial production are capitalized. Development costs are directly attributable to the construction of a quarry or mine. When additional development expenditures are made on a property after commencement of production, the expenditure is capitalized as mineral property when it is probable that additional economic benefit will be derived from future operations. Development costs are amortized using a unit-of-production basis over the forecast production amounts to which they relate.

k) Impairment of Non-Financial Assets

Impairment tests on non-financial assets, including exploration and evaluation assets, right-of-use assets, equipment and producing assets, are performed whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. Each of the Company's exploration and evaluation properties is considered to be a cash-generating unit for which impairment testing is performed.

An impairment loss is recognized in the consolidated statements of operations.

3) Significant Accounting Policies (Continued)

l) Exploration Tax Credits

The Company recognizes mineral exploration tax credits against the exploration and evaluation assets when the amount to be received can be reasonably estimated and collection is reasonably assured.

m) Decommissioning Liabilities

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mineral property assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

n) Non-monetary Consideration

Agent's warrants, stock options and other equity instruments issued as purchase consideration in non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued is based on the trading price of those shares on the TSX.V on the date of the agreement to issue shares as determined by the Board of Directors. Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Under this method, the proceeds are allocated first to shares based on the fair value of the shares at the time the units are priced and any residual value is allocated to the warrants.

o) Investment in Associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The results, assets and liabilities of associates are incorporated using the equity method of accounting. Under the equity method, investments in associates are initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income (loss) of the associate.

When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

3) Significant Accounting Policies (Continued)

p) Share Capital

a. Flow-through units or shares

The Company will from time to time issue flow-through units or common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through unit/share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. The proceeds received from flow-through units are allocated between shares, warrants and liability component related to the flow-through units using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance, then to warrants, and the residual proceeds are allocated to liability component related to the flow-through units. Upon expenses being incurred, the Company derecognizes the liability and credits deferred income tax recovery when the entity renounces the tax benefits to the shareholders. Costs incurred in connection with the issuance of flow-through shares reduce the flow-through liability on a pro-rata basis.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through expenditure commitments.

The Company is also subject to a Part XII.6 tax on unspent flow-through proceeds, renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

b. Stock based compensation

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

If and when the stock options or warrants are ultimately exercised, the applicable amounts of their fair values in the reserves account are transferred to share capital.

c. Share issuance costs

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations.

d. Nature and purpose of reserves

The reserves recorded in equity on the Company's consolidated statements of financial position includes Reserve which is used to recognize the fair value of stock option grants, warrants and compensation warrants prior to exercise, expiry or cancellation and the fair value of other share-based consideration recorded at the date of issuance.

3) Significant Accounting Policies (Continued)

q) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized through profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

r) Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated using the treasury stock method, which assumes that cash that would be received on the exercise of stock options is applied to purchase shares at the average price during the period. The difference between the shares issued on the exercise of the stock options and the number of shares purchased under this computation, on a weighted average basis, is added to the number of shares outstanding. Anti-dilutive stock options are not considered in computing diluted earnings per share. Stock options are typically dilutive when the Company has income for the year and the average market price of the common shares during the year exceeds the exercise price of the options.

s) Leases

At inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset ("ROU asset"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The Company may elect to not apply IFRS 16 *Leases* to leases with a term of less than 12 months or to low value assets, which is made on an asset by asset basis.

3) Significant Accounting Policies (Continued)

s) Leases (Continued)

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured on the initial amount of the lease liability, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated depreciation, impairment losses and adjusted for certain re-measurements of the lease liability. The ROU asset is depreciated from the commencement date over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in the consolidated statements of comprehensive loss in the period in which they are incurred.

The ROU assets are presented within "Right-of-use assets" and the lease liabilities are presented in "Lease liability" on the consolidated statements of financial position.

t) Revenue Recognition

The Company's revenue consists of limestone sales from its two active quarries, Orillia and Bobcaygeon. The Company follows IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") to recognize revenue. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

The following steps are used to determine whether, how much and when revenue is recognized:

- Identify the contract with the customer;
- Identify the performance obligation in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligation in the contract; and
- Recognize revenue when or as the Company satisfies a performance obligation.

IFRS 15 requires entities to recognize revenue when 'control' of goods or services transfers to the customer. Revenue from the sale of limestone products is recognized at a point in time when control over the goods has been transferred to the customer, which is when the product is loaded on the customer's vehicle. The sales price is determined based on the Company's price list and the weight of the product sold.

IFRS 15 requires entities to apportion the transaction price attributable to contracts from customers to distinct performance obligations on a relative standalone selling price basis. In accordance with the terms of the sales orders, all performance obligations are met when the products are loaded and control of the goods have been transferred to the customer.

4) Critical Accounting Judgments and Estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impact of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) Determination of cash generating units

In performing impairment assessments of corporate assets, assets that cannot be assessed individually are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Management is required to exercise judgment in identifying these cash generating units ("CGUs").

b) Recoverability of asset carrying values

Management is required to assess impairment in respect of intangible exploration and evaluation assets. Note 8 discloses the carrying value of these assets. The triggering events for the impairment of exploration and evaluation assets are defined in *IFRS 6 Exploration and Evaluation of Mineral Resources*

Impairment of exploration and evaluation assets is assessed at the CGU level. The Company has used each of its mineral properties to establish its CGUs. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

The Company assesses its equipment and producing assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, or at least annually.

The assessment of any impairment of equipment and producing assets is dependent upon estimates of recoverable amounts that take into account factors such as production estimates, decline in sales volumes, economic and market conditions affecting prices, timing of cash flows, future development costs, and the useful lives of assets and their related salvage values.

c) Classification of exploration and evaluation assets

Judgement is required in determining whether technical feasibility and commercial viability have been established by an economically viable extraction operation and commitment of sufficient financial resources to pursue development in determining whether the exploration and evaluation assets should be reclassified to producing assets.

d) Decommissioning liabilities

Provisions for decommissioning liabilities associated with the Company's operations are based on current legal and constructive requirements, technology, price levels and expected plans for remediation. Amounts recorded for decommissioning liabilities require the use of management's best estimates of future decommissioning expenditures, expected timing of expenditures and future inflation rates. The estimates are based on internal and third-party information and actual costs and cash outflows can differ from estimates due to changes in laws and regulations, public expectations, prices, discovery and analysis of site conditions, and changes in clean up technology.

4) Critical Accounting Judgments and Estimates (Continued)

e) Depreciation and depletion

Depletion of producing assets is provided using the unit-of-production method based on the production volume forecast, as determined annually by management and independent engineers.

f) Business combinations

Determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require the Company to make certain judgments as to whether or not the assets acquired and liabilities assumed include the inputs, processes and outputs necessary to constitute a business as defined in IFRS 3 *Business Combinations*. If an acquired set of assets and liabilities includes goodwill, the set is presumed to be a business. Based on an assessment of the relevant facts and circumstances, the Company concluded that the acquisition of the Johnston Farm Quarry and Speiran licenses did not meet the definition of a business and the transaction has been accounted for as an asset acquisition (Note 6).

g) Fair value of assets acquired and consideration

The fair value of consideration to acquire the assets (Note 6) comprised of common shares and cash. Common shares were valued on the date of issuance. The Company applied IFRS 2 *Share-based Payments* in accounting for the acquisitions.

h) Determination of control of subsidiaries and significant influence

Judgment is required to determine when the Company has control of subsidiaries or joint control or joint arrangements. This requires an assessment of the relevant activities of the investee, being those activities that significantly affect the investee's returns, including operating and capital expenditure decision-making, financing of the investee, and the appointment, remuneration and termination of key management personnel; and when the decisions in relation to those activities are under the control of the Company or require unanimous consent from the investors. Judgment is also required when determining the classification of a joint arrangement as a joint venture or a joint operation through an evaluation of the rights and obligations arising from the arrangement. Changes to the Company's access to those rights and obligations may change the classification of that joint arrangement. Based on assessment of the relevant facts and circumstances, the Company concluded that it controls 2723493 Ontario Inc. ("Rogue Stone"), 2712428 Ontario Inc. ("BobOpCo") and 2701674 Ontario Inc. ("OrilliaOpCo").

The Company applies the equity method to account for its investments when the Company determines that it has significant influence in the investees. Significant influence is the power to participate in the financial and operating policy decision of the investee but not control of those policies and management uses judgment in determining whether significant influence exists. Judgment is exercised in the evaluation of its voting power and potential voting rights by examining all facts and circumstance in determining its powers to participate in the financial and operating policy decisions of an investee.

i) Impairment of investment in associates

An impairment loss or recovery in respect of an equity method investment is measured by comparing the recoverable amount of the investment with its carrying amount. For the purpose of its determination of recoverable amount, management used its judgement considering factors such as economic environment and the market in which the investee operates.

4) Critical Accounting Judgments and Estimates (Continued)

- j) Discount rate used for right-of-use asset/lease liability

The Company uses estimation in determining the incremental borrowing rate used to measure the lease liability, right-of-use asset, specific to the asset, underlying currency and geographic location. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations is estimated using a discount rate similar to the Company's specific borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in a similar environment.

- k) Discount rate used for compound instruments

The carrying value of the loan payable is subject to management's estimates in determining an appropriate discount rate based on similar instruments with no bonus shares.

- l) Accrued liabilities

The Company has applied judgment in recognizing accrued liabilities, including judgment as to whether the Company has a present obligation (legal or constructive) as a result of a past event; whether it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and whether a reliable estimate can be made of the amount of the obligation.

- m) Stock based compensation

The Company has applied estimates in the inputs used in accounting for stock based compensation in the consolidated statements of operations and comprehensive loss.

- n) Deferred income tax assets

The Company has applied judgment in the inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income.

- o) Taxes recoverable

Mineral Tax Credit

The federal and provincial taxation authorities provide companies with tax incentives for undertaking mineral exploration programs in certain areas. The Company accrues these credits as a reduction of exploration and evaluation expenditures in the period that the related expenditures were incurred. These accrued credits are subject to review by the relevant authorities and by their nature are subject to measurement uncertainty. Adjustments, if any, resulting from such a review are recorded in the period that the tax filings are amended.

- p) Right-of-use asset

The Company applies judgment in determining whether the contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

4) Critical Accounting Judgments and Estimates (Continued)

q) Commercial production

The determination of the date on which a quarry or mine enters the commercial production stage is a significant judgment since capitalization of certain costs ceases and the recording of revenues and expenses commences upon entering commercial production. As a quarry or mine is constructed, certain costs incurred are capitalized and proceeds from sales are offset against the capitalized costs. This continues until the quarry or mine is available for use in the manner intended by management, which requires significant judgment (see Note 2).

r) Allocation of flow-through funds

The Company determines the flow-through share premium by allocating the total funds received between common share and flow-through premium liability by first assessing the fair value of the common shares issued, based on market price at issuance, with any excess considered being allocated to warrants (if any) and then the flow-through premium.

s) Eligible flow-through expenditures

The Company is required to spend proceeds received from the issuance of flow-through units or shares on qualifying Canadian exploration expenditures. Management judgment is applied in determining whether qualified expenditures have been incurred. Differences in judgment between management and regulatory authorities may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

5) Subsidiaries

Rogue Stone was incorporated on October 25, 2019 under the laws of the Province of Ontario. Rogue Stone issued 100 common shares at \$1 per share to Rogue Resources Inc. on October 25, 2019. The principal activity will be to produce and distribute limestone. Rogue Resources Inc. has 100% of the ownership interest and voting power of Rogue Stone.

BobOpCo was incorporated on August 20, 2019 under the laws of the Province of Ontario. BobOpCo issued 85 common shares to Rogue Resources Inc. and 15 common shares to QMX8 Bobcaygeon Inc. on August 20, 2019 at \$1 per share (Note 6). The principal activity of BobOpCo is to produce limestone from the Johnston Farm Quarry near Bobcaygeon, Ontario. Rogue Resources Inc. has 85% of the ownership interest and voting power of BobOpCo.

OrilliaOpCo was incorporated on June 14, 2019 under the laws of the Province of Ontario. OrilliaOpCo issued 1 common share at \$1 per share to Rogue Resources Inc. on June 14, 2019. The principal activity of OrilliaOpCo is to produce limestone from the Speiran Quarry near Orillia, Ontario, an acquisition that closed on March 3, 2020. Rogue Resources Inc. has 100% of the ownership interest and voting power of OrilliaOpCo.

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

6) Asset Acquisitions

a. Bobcaygeon Quarry Acquisition

On October 25, 2019, the Company completed the acquisition of 85% of the Johnston Farm Quarry ("Bobcaygeon Quarry"), located northeast of the town of Bobcaygeon from 2023115 Ontario Inc. (the "Seller") (third party). The Company now operates the Bobcaygeon Quarry, which includes Class B Aggregate License number 20375, allowing extraction of up to 20,000 metric tons of natural stone per year.

The total consideration for the acquisition of the Bobcaygeon Quarry comprised the following:

Cash	\$ 200,000
Rogue common shares issued (1,620,000)	162,000
Total Consideration of 85% interest	\$ 362,000

The Company concluded that the acquired assets and liabilities did not constitute a business as there are no processes or inputs, and accordingly, the acquisition was accounted for as an asset acquisition. The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

Johnston Farm Quarry	\$ 1,367,059
Vendor Mortgage	(700,000)
Mortgage	(100,000)
Total assets acquired	567,059
Non-controlling share of total assets	(205,059)
Total identifiable assets acquired	\$ 362,000

The assets were transferred into BobOpCo and 85% of the shares of this entity were issued to Rogue Stone and 15% were issued to QMX8 Bobcaygeon Inc.

b. Orillia Quarry Acquisition

On March 3, 2020, the Company completed the acquisition of 100% of the Speiran Quarry ("Orillia Quarry"), from Gott Natural Stone '99 Inc. and members of the Speiran family (the "Orillia Sellers"). The Company now operates the Orillia Quarry, which includes Class B Aggregate License number 20375, allowing extraction of up to 20,000 metric tons of limestone per year.

The total consideration for the acquisition of the Orillia Quarry comprised the following:

Cash	\$ 1,406,042
Total Consideration	\$ 1,406,042

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

6) Asset Acquisitions (Continued)

b. Orillia Quarry Acquisition (Continued)

The Company concluded that the acquired assets and liabilities did not constitute a business as there are no processes or inputs, and accordingly, the acquisition was accounted for as an asset acquisition. The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

Orillia Quarry	\$ 1,406,042
Total identifiable assets acquired	\$ 1,406,042

The Project was transferred into OrilliaOpCo and 100% of the shares of this entity were issued to Rogue Stone.

7) Marketable Securities

i) For the year ended April 30, 2021

	Number of Shares	Cost	Market Value at April 30, 2021	Accumulated Other Comprehensive Income/(Loss)
Mene Inc.	9,240	\$924	\$5,222	\$4,298
			\$5,222	\$4,298

ii) For the year ended April 30, 2020

	Number of Shares	Cost	Market Value at April 30, 2020	Accumulated Other Comprehensive Income
Mene Inc.	9,240	\$924	\$3,362	\$2,438
			\$3,362	\$2,438

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

8) Exploration and Evaluation Assets

i) For the year ended April 30, 2021

	Langmuir	Radio Hill	Snow White	Silicon Ridge	Bobcaygeon	Orillia	Total
	Ontario	Ontario	Ontario	Quebec	Ontario	Ontario	
Acquisition costs:							
Balance, April 30, 2020	\$ 137,418	\$ 538,700	\$ 191,700	\$ 850,000	\$ 1,496,294	\$ 1,406,042	\$ 4,620,154
Option payments - shares	-	-	34,000	-	-	-	34,000
Cash payment	-	-	10,000	-	-	-	10,000
Transfer to producing assets	-	-	-	-	(1,496,294)	(1,406,042)	(2,902,336)
Sale of asset	(137,418)	-	-	-	-	-	(137,418)
Balance, April 30, 2021	-	538,700	235,700	850,000	-	-	1,624,400
Exploration costs:							
Balance, April 30, 2020	21,369	3,435,287	881,930	4,775,487	174,032	3,424	9,291,529
Sales receipts	-	-	-	-	(96,153)	(569,040)	(665,193)
Cost of goods sold	-	-	-	-	68,363	236,709	305,072
Equipment rental	-	-	-	-	36,207	-	36,207
Field costs and equipment	5,000	5,000	-	-	1,622	18,008	29,630
Legal/insurance	-	-	-	-	481	320	801
Mapping and assaying	-	-	500	-	-	-	500
Permit application fees	-	-	719	2,500	-	-	3,219
Project management	24,495	26,533	22,026	22,026	4,873	4,873	104,826
Repair and maintenance	-	-	-	-	-	1,033	1,033
Travel and accommodation	-	-	-	-	144	110	254
Transfer to producing assets	-	-	-	-	(189,569)	304,563	114,994
Sale of asset	(50,864)	-	-	-	-	-	(50,864)
Balance, April 30, 2021	-	3,466,820	905,175	4,800,013	-	-	9,172,008
Total balance, April 30, 2021	\$ -	\$ 4,005,520	\$ 1,140,875	\$ 5,650,013	\$ -	\$ -	\$ 10,796,408
Cost summary							
Acquisition costs	\$ -	\$ 538,700	\$ 235,700	\$ 850,000	\$ -	\$ -	\$ 1,624,400
Exploration costs	\$ -	\$ 3,466,820	\$ 905,175	\$ 4,800,013	\$ -	\$ -	\$ 9,172,008

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

8) Exploration and Evaluation Assets (Continued)

ii) For the year ended April 30, 2020

	Langmuir	Radio Hill	Snow White	Silicon Ridge	Bobcaygeon	Orillia	Total
	Ontario	Ontario	Ontario	Quebec	Ontario	Ontario	
Acquisition costs:							
Balance, April 30, 2019	\$137,418	\$531,700	\$191,700	\$850,000	\$ -	\$ -	\$ 1,710,818
Staking costs – cash (Notes 6 and 15)	-	-	-	-	534,294	1,406,042	1,940,366
Staking costs – shares	-	-	-	-	162,000	-	162,000
Option payments shares	-	7,000	-	-	-	-	7,000
Vendor Mortgage (Notes 6 and 14)	-	-	-	-	800,000	-	800,000
Balance, April 30, 2020	137,418	538,700	191,700	850,000	1,496,294	1,406,042	4,620,154
Exploration costs:							
Balance, April 30, 2019	12,000	3,415,893	733,201	4,774,052	-	-	8,935,146
Sales receipts	-	-	-	-	(89,087)	(24,557)	(113,644)
Cost of goods sold	-	-	-	-	62,050	7,607	69,657
Equipment rental	-	-	-	-	126,079	1,554	127,633
Field costs and equipment	4,500	5,500	-	(2,000)	41,661	-	49,661
Geology (Note 19)	-	-	146,155	4,869	15,911	6,769	173,704
Mapping and assaying	-	-	1,870	-	-	-	1,870
Permit application fees	-	-	704	(1,434)	351	-	(379)
Project management (Note 19)	4,868	13,894	-	-	13,654	12,051	44,468
Repair and maintenance	-	-	-	-	1,809	-	1,809
Travel and accommodation	-	-	-	-	1,604	-	1,604
Balance, April 30, 2020	21,369	3,435,287	881,930	4,775,486	174,032	3,424	9,291,529
Total balance, April 30, 2020	\$ 158,787	\$ 3,973,987	\$ 1,073,630	\$ 5,625,487	\$ 1,670,326	\$ 1,409,466	\$ 13,911,683
Cost summary							
Acquisition costs	\$ 137,418	\$ 538,700	\$ 191,700	\$ 850,000	\$ 1,496,294	\$ 1,406,042	\$ 4,620,154
Exploration costs	\$ 21,369	\$ 3,435,287	\$ 881,930	\$ 4,775,487	\$ 174,032	\$ 3,424	\$ 9,291,529

8) Exploration and Evaluation Assets (Continued)

a) Rogue Stone

i. Orillia Quarry

On March 3, 2020, the Company completed the acquisition of 100% of the Speiran Quarry, located near the Town of Orillia from the Orillia Sellers. Rogue Stone acquired and operates the project, which includes Class B Aggregate License number 3732, allowing extraction of up to 20,000 metric tons of Natural Stone per year. See Note 6 for details of the acquisition.

As of September 1, 2020, the Orillia Quarry was transferred from an exploration and evaluation asset to a producing asset once Rogue Stone entered commercial production. The value transferred was \$1,101,479 (see Note 10).

ii. Bobcaygeon Quarry

On October 25, 2019, the Company completed the acquisition of 85% of the Johnston Farm Quarry, located northeast of the Town of Bobcaygeon from 2023115 Ontario Inc. Rogue Stone acquired and operates the project, which includes Class B Aggregate License number 20375, allowing extraction of up to 20,000 metric tons of Natural Stone per year. See Note 6 for details of the acquisition.

As of September 1, 2020, the Bobcaygeon Quarry was transferred from an exploration and evaluation asset to a producing asset once Rogue Stone entered commercial production. The value transferred was \$1,685,863 (see Note 10).

8) Exploration and Evaluation Assets (Continued)

b) Rogue Quartz

i. Silicon Ridge Project

Pursuant to an option agreement dated August 15, 2014, the Company acquired an option to earn a 100% interest in the Silicon Ridge property located northeast of Québec City for a payment of 850,000 shares (issued). The property is subject to a 2% NSR, of which one-half (1%) may be purchased for \$500,000 and the remaining one-half (1%) may be purchased for a further \$1,000,000.

ii. Snow White Project

The Company announced the closing of the acquisition of the Snow White Quartz project from a Sudbury-based prospector (the "Seller") pursuant to an agreement previously announced in October 2017. Under the terms of the agreement, Rogue purchased the project by delivering, among other things, the following to the Seller:

- cash payment at execution of \$25,000 (paid);
- issuance of 150,000 (issued) Rogue common shares at closing, subject to the approval of the TSXV;
- additional cash payment of \$25,000 (paid) following closing upon the earlier of achievement of certain milestones and anniversaries of closing (the "payment period");
- additional issuance of up to an aggregate of 900,000 Rogue common shares (200,000 common shares issued) during the payment period, subject to the approval of the TSXV; and
- grant of a 2% net return on all quartz/silica from the project, subject to a reservation by the Company of a buy back right upon payment of an additional \$2 million to the Seller.

Upon an uncured event of default under the agreement, the project shall revert to the Seller and the Company shall have no interest in the project.

In June 2018, the Company amended the payment terms (the "2018 SW Amendment") of the Company's previously announced acquisition of the Snow White quartz project and made two cash payments, one for \$25,000 and one for \$20,000. Under the terms of the 2018 SW Amendment, Rogue has agreed to deliver additional cash payments up to an aggregate of \$470,000 upon the earlier of achievement of certain production milestones and the end of 2023 (200,000 common shares issued to settle \$25,000). Rogue also agreed to make payments equal to a maximum of \$355,000 in aggregate on the basis of \$1.00 per tonne of production of silica removed from the project. The Rogue common shares to be issued over the payment period and the 2% net return royalty remain unchanged from the original acquisition agreement. Upon an uncured event of default under the agreement, the project shall revert to the Seller and the Company shall have no interest in the project.

In February 2020, the Company further amended the payment terms (the "February 2020 SW Amendment") agreeing to deliver additional cash payments of up to an aggregate of \$440,000 upon the earlier of achievement of certain production milestones and the end of 2024 starting in December 2020. All other terms of the Agreement remain unchanged.

8) Exploration and Evaluation Assets (Continued)

b) Rogue Quartz (Continued)

iii. Snow White Project (Continued)

In January 2021, the Company announced it had amended the payment terms another time (the "January 2021 SW Amendment") whereby the December 2020 payment of \$120,000 became payments of \$10,000 cash and 200,000 shares. In addition, the annual \$80,000 cash payments due each December in each of the following two years were amended to become annual deliveries of shares of the Company with a worth of \$16,000. The number of shares to be granted will be calculated by a ten-day volume-weighted average price each December. Finally, the January 2021 Amendment adjusted the production royalty from \$1 per tonne on the first 500K tonnes of production to \$3/ tonne of the first 100K tonnes of production and \$1/ tonne of the next 200K tonnes. All other terms of the Agreement remain unchanged.

c) Rogue Timmins

i. Langmuir Property

Pursuant to an option agreement dated July 13, 2004, the Company acquired a 100% interest in two claims on the Langmuir property near Timmins, Ontario. The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 1% of the NSR for \$500,000. The property is an exploration and evaluation asset that hosts a nickel and copper mineral resource and other prospective nickel/copper targets. Subsequent to the agreement, the Company staked a further 72 claims which form part of the Langmuir property.

On April 30, 2017, the Company decided to write-down the property's exploration costs to \$Nil to focus on its other properties. \$7,692,491 in exploration costs were written off during the year ended April 30, 2017. Minimal exploration costs have been incurred since April 30, 2017.

On March 4, 2021 the Company sold its ownership and rights in the Langmuir property to EV Nickel Inc. ("EVNi"), a private company incorporated under the laws of Ontario, conditional on the following:

- EVNi to close the first tranche of its previously announced non-brokered private placement for proceeds of more than \$1,500,000 (completed);
- Rogue to be granted shares for >20% in EVNi and been paid \$150,000 in cash (completed);
- Rogue to transfer the Langmuir Project claims to EVNi (completed).

In addition to the consideration paid at closing, a future payment will be received by the Company based on the size of an updated new mineral resource estimate, expected to be completed by EVNi in early 2022. This payment will be up to a maximum of \$5,000,000 paid in cash, EVNi shares, or a combination thereof to be determined by EVNi.

The Company acquired 6,666,667 shares of EVNi at a fair value of \$0.30 per share. The \$2,000,000 value is recorded as an investment in associates (see Note 12).

The Company recorded a gain on property sold of \$1,956,718:

Shares of EVNi received	\$	2,000,000
Cash received		150,000
Cash transferred to EVNi		(5,000)
Langmuir property transferred to EVNi		(188,282)
Gain on property sold	\$	1,956,718

8) Exploration and Evaluation Assets (Continued)

c) Rogue Timmins (Continued)

ii. Radio Hill Property

Pursuant to an option agreement dated November 16, 2007, the Company acquired a 100% interest in any and all commercial products from the Radio Hill property. Consideration consisted of cash payments of \$275,000 (paid) over three years. By agreement dated November 16, 2010, the Company issued 2,000 shares to the Optionors in exchange for the final \$100,000 cash payment being delayed to February 28, 2011 (paid). There is a 3% NSR on all minerals produced (except for iron ore), 2/3 (2%) of which may be purchased at any time for \$3,000,000. In April 2011 and as amended in October 2013, the Company completed its option agreement to earn a 100% interest on its Radio Hill Iron Ore property. In lieu of an NSR on the iron rights, the agreement requires a \$50,000 annual payment to be paid in perpetuity until commencement of commercial production, at which time a \$7,000,000 payment is required, subject to a cost of living increase. The annual payment is only applied to the Radio Hill property containing the historical resource and not the adjacent Timmins West property, which hosts the Nat River formation as well as other targets.

On June 16, 2016, the Company executed an amendment to the Radio Hill Option Agreement whereby the Company maintains its option on the iron mineralization, but at the sole discretion of the Company, can either issue 10,000 shares of the Company or pay \$50,000 to the Optionors on an annual basis. The Company issued 10,000 shares to the Optionors in February 2017 and February 2018.

A Memorandum of Understanding (“MOU”) dated April 10, 2015 was entered into with the Flying Post and Mattagami First Nations groups (“First Nations”) in respect of the Radio Hill claims. The Company agreed to pay 2% of all costs of the exploration program incurred after the agreement date, to be divided equally amongst the First Nations groups. The Company also agreed to grant 10,000 shares to each of the First Nations groups (20,000 total), of which 20,000 shares were issued as at April 30, 2017.

In January 2020, the Company executed an amendment to the Radio Hill Option Agreement whereby the Company purchased full ownership of the iron mineralization less a 1.5% net smelter return royalty on the production of iron ore to the optionors, in exchange for 100,000 shares of the Company (fair valued at \$7,000).

iii. Timmins West Property

Through staking, the Company acquired a 100% interest in mineral claims known as Timmins West located in Penhorwood, Kenogaming and Keith Townships, Ontario.

In July 2016, the Company completed the sale of its Pen South property to Rapier Gold Inc. for \$325,000 and 1,500,000 Rapier shares. The terms of the sale agreement include Rapier acquiring 100% of the Pen South property, subject to a 2% NSR. The entire NSR may be purchased for \$3,000,000. Rogue also retains the right to repurchase any individual claim within the property for \$1 if Rapier or any potential successor does not meet the outstanding government exploration work requirement and/or intends to abandon or allow the claim to lapse.

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

9) Right-of-Use Assets

Right-of-use assets	Equipment
Value of right-of-use assets as at April 30, 2019	\$ -
Additions	513,047
Depreciation	(3,396)
Value of right-of-use assets as at April 30, 2020	509,651
Additions	930,432
Depreciation	(237,469)
Value of right-of-use assets as at April 30, 2021	\$ 1,202,614

Lease liability	
Lease liability recognized as at April 30, 2019	\$ -
Additions	513,047
Lease payments	(2,760)
Interest expense	813
Lease liability recognized as at April 30, 2020	511,100
Additions	930,432
Lease payments	(425,250)
Interest expense	55,743
Lease liability recognized as at April 30, 2021	\$ 1,072,025

Current portion	\$ 323,706
Non-current portion	748,319
	\$ 1,072,025

Since March 2020, the Company acquired eleven pieces of machinery and equipment for a value of \$1,467,000 under lease agreements. The interest rates range from 4.0% to 10.4% per annum. Monthly lease payments for all leases are \$30,000 including HST.

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

10) Equipment and Producing Assets

	Equipment	Bobcaygeon Quarry	Orillia Quarry	Total Producing Assets	Total
Value of assets as at April 20, 2019 and 2020	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	38,602	-	-	-	38,602
Depreciation	(807)	-	-	-	(807)
Transfer from exploration and evaluation assets	-	1,685,863	1,101,479	2,787,342	2,787,342
Depletion	-	(4,772)	(26,356)	(31,128)	(31,128)
Value of assets as at April 30, 2021	\$ 37,795	\$ 1,681,091	\$ 1,075,123	\$ 2,756,214	\$ 2,794,009

Asset impairment

The Company reviews the carrying value of assets at each reporting period for indicators of impairment using both internal and external sources of information.

Due primarily to the market capitalisation at April 30, 2021 and 2020, indicators for impairment existed leading to a test of recoverable amount of the Bobcaygeon and Orillia quarries. The Company estimated the recoverable amount of the mine based on the value-in-use model and categorised in Level 3 of the fair value hierarchy. The analysis performed has not resulted in the recognition of an impairment loss as at April 30, 2021 and 2020.

Key assumptions and sensitivity

The Company's key assumptions used in determining the recoverable amount of the Bobcaygeon and Orillia quarries are sale price per ton, cost per ton, volume of limestone sold, inflation rate, discount rate, capital expenditures and useful life of the quarries. The carrying value of the quarries remained above the fair value for the purposes of the impairment test.

The calculation of the recoverable amount is not sensitive to changes in the discount rate as it would need to change significantly to impact the fair value.

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

11) Inventory

The Company's limestone inventory is held at:

Quarry	2021	2020
Orillia	\$ 83,555	\$ 10,268
Bobcaygeon	18,026	68,200
	<u>\$ 101,581</u>	<u>\$ 78,468</u>

12) Investment in Associates

EVNi

As at April 30, 2021, the Company held 6,666,667 common shares of EVNi, representing 24.9% of EVNi's outstanding common shares.

EVNi meets the definition of an associate and has been equity accounted for in the consolidated financial statements.

The following is a summary of the investment in associates as at April 30, 2021:

	2021
Initial investment	\$ 2,000,000
Loss from investment in associates	(117,614)
	<u>\$ 1,882,386</u>

The following are the financial statement balances of EVNi as at April 30, 2021:

	2021
Total current assets	\$ 1,812,867
Total assets	\$ 1,812,867
Total liabilities	\$ 78,535
Net loss	<u>\$ (2,722,069)</u>

13) Loans Receivable

On October 3, 2018, the Company provided a loan of \$25,000 to a vendor, secured against certain collateral of the vendor. The loan is non-interest bearing and was redeemable on or after March 31, 2019 at the sole election of the Company. On September 3, 2019, the Company issued a Notice of Intention to Enforce Security, in accordance with subsection 244(1) of the Bankruptcy and Insolvency Act (Canada). On April 16, 2021, \$20,000 of the loan was repaid in cash, with the remaining \$5,000 written off as bad debt.

14) Vendor Mortgages

On October 25, 2019, as part of the consideration for the acquisition of the Bobcaygeon Quarry, the Company took on a vendor mortgage with a principal amount of \$700,000 ("Vendor Mortgage"), incorporating an existing \$350,000 mortgage on title in favour of Inspirit Resources Inc. (a company controlled by 2023115 Ontario Inc. ("Vendor")) and a new \$350,000 mortgage, that was added at closing. The Vendor Mortgages are secured against the Bobcaygeon Quarry and the Class B Aggregate License number 20375, with the Vendor Mortgages listed on title for the Project until completely repaid. Quarterly interest-only payments are to begin when the property earns a positive net profit; the Vendor Mortgages will have a term of four years from closing of the acquisition and can be completely repaid at any time in lump sum. Interest shall accrue quarterly on the outstanding balance of the mortgages at a rate of 5.25% annualized, until maturity or until full repayment. Accrued interest of \$55,830 (2020 - \$19,080) has been recorded in accounts payable and accrued liabilities.

As part of the Vendor Mortgages, if the Company chooses to add any additional mortgages to the property, it has agreed to pay the Vendor a one-time levy of \$75,000, to be counted against the remaining Vendor Mortgages Principal Amount, and a subordination fee for each month any additional mortgage is in place. The subordination fee will be calculated using a 2.5% annualized rate of the principal of the additional mortgage. The Company subsequently amended the agreement to exclude the loan payable (see Note 15) from the levy and subordination fee in exchange for a payment of \$15,000 which has been paid.

15) Loan payable

On March 4, 2020, the Company closed with a leading Canadian, nonbank lender (the “Credit Group”) for a \$1,800,000 term loan (the “New Term Facility”), secured against Orillia and the Company’s remaining assets. The New Term Facility has a 12 month term, extendable to 18 months, with interest-only payments until the principal is due in full at maturity and is subject to an existing general security agreement with the Credit Group. The New Term Facility carries an interest rate equal to the higher of prime plus 8.05% or 12%. In addition, the Company has issued the Credit Group 2,250,000 bonus shares, equal to 10% of the New Term Facility pending the TSX Venture Exchange’s (“TSXV”) approval. The agreement also required the Company to raise \$300,000 in new equity capital within 60 days of the closing date. The Company immediately drew the full \$1,800,000 loan amount. A discount rate of 15% was applied to determine the liability component of the loan payable. Financing fees related to the loan were \$46,000 and the bonus shares were valued at \$288,962. During the year ended April 30, 2021, the Company accrued interest expense of \$Nil (2020 - \$35,162) and is recorded in accounts payable and accrued liabilities

On April 23, 2020, the Company signed an amending agreement in response to the COVID-19 pandemic. This amendment extended the term to 15 months and delayed the first interest accrual and payment to June 30, 2020. The equity raise deadline was also extended.

16) Government assistance

In April 2020, the Company received a loan of \$40,000 through the Canadian Emergency Business Account Program (“CEBA Loan”), which provides financial relief for Canadian small businesses during the COVID-19 pandemic. In December 2020, the Company received an additional \$20,000 loan. The CEBA Loan has an initial term date on December 31, 2022 (the “Initial Term Date”) and may be extended to December 31, 2025. The CEBA Loan is non-revolving, with an interest rate being 0% per annum prior to the Initial Term Date and 5% per annum thereafter during any extended term, which is calculated daily and paid monthly. The CEBA Loan can be repaid at any time without penalty and, if at least 75% of the CEBA Loan is paid prior to the Initial Term Date, the remaining balance of the CEBA Loan will be forgiven.

17) Share Capital

a) Authorized

Unlimited number of common shares without par value.

b) Issued

Year ended April 30, 2021

On December 31, 2020, the Company issued 200,000 shares related to the acquisition of the Snow White project. See Note 8 b) ii). The fair market value at the time of issuance was \$0.09 per share.

On August 10, 2020, the Company closed the second and final tranche of its private placement, receiving aggregate gross proceeds of \$348,060. \$301,060 was received from the sale of Non-Flow-Through Units (the “Unit Offering”) at a price of \$0.06 per unit (“Unit”) from the issuance of 5,017,667 Units. Each Unit consists of one common share and one common share purchase warrant (each, a “Warrant”) entitling the holder thereof to purchase one common share at an exercise price of \$0.08 for a period of 36 months from the closing date. \$47,000 was also received from the sale of Flow Through Units (the “FT Unit Offering”) at a price of \$0.07 per unit (“FT Unit”) from the issuance of 671,429 FT Units. The Company recorded a flow-through share premium of \$6,647.

Each FT Unit consists of one flow-through common share and one common share purchase warrant (each, a “Warrant”) entitling the holder thereof to purchase one common share at an exercise price of \$0.08 for 36 months from the closing date.

17) Share Capital (Continued)

b) Issued (Continued)

In connection with closing of the Second Tranche of the financing, the Company paid finders' fees of \$13,020, share issuance cost of \$18,692 and also issued 212,333 non-transferable warrants ("Finder's Warrants") to certain arm's length finders. Each Finder's Warrant entitles the holder to acquire one additional common share at a price of \$0.08 for 36 months from the closing date. The fair value of the Finder's Warrants was estimated on the grant date in the amount of \$12,253 using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$0.8; ii) expected share price volatility of 154.93%; iii) risk free interest rate of 0.30%; iv) expected life of 3 years; and v) no dividend yield.

On August 10, 2020, the Company issued 200,000 shares related to the acquisition of the Snow White project. See Note 8 b) ii). The fair market value at the time of issuance was \$0.08 per share.

On May 27, 2020, the Company closed the first tranche of its private placement, receiving aggregate gross proceeds of \$161,940. \$130,440 was received from the sale of Non-Flow-Through Units (the "Unit Offering") at a price of \$0.06 per unit ("Unit") from the issuance of 2,173,999 Units. Each Unit consists of one common share and one common share purchase warrant (each, a "Warrant") entitling the holder thereof to purchase one common share at an exercise price of \$0.08 for a period of 36 months from the closing date. \$31,500 was also received from the sale of Flow-Through Units (the "FT Unit Offering") at a price of \$0.07 per unit ("FT Unit") from the issuance of 450,000 FT Units. The Company recorded a flow-through share premium of \$4,500.

Each FT Unit consists of one flow-through common share and one common share purchase warrant (each, a "Warrant") entitling the holder thereof to purchase one common share at an exercise price of \$0.08 for 36 months from the closing date. In connection with closing, the Company paid finders' fees of \$2,310 and also issued 38,500 Finder's Warrants to certain arm's length finders. Each Finder's Warrant entitles the holder to acquire one additional common share at a price of \$0.08 for 36 months from the closing date. The fair value of the Finder's Warrants was estimated on the grant date in the amount of \$2,222 using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$0.8; ii) expected share price volatility of 154.93%; iii) risk free interest rate of 0.30%; iv) expected life of 3 years; and v) no dividend yield.

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

17) Share Capital (Continued)

b) Issued (Continued)

Year ended April 30, 2020

In March 2020, the Company issued 2,250,000 common shares, valued at \$288,962, to the lender as part of the agreement for the New Term Facility.

In January 2020, the Company issued 100,000 common shares related to the acquisition of the Radio Hill project. The fair market value of the shares at the time of issuance was \$0.07 per share.

In November 2019, the Company completed its second tranche of the private placement announced on August 12, 2019 and issued 2,200,000 non-flow-through ("NFT") units at the price of \$0.10 per NFT Unit for total proceeds of \$220,000. Each NFT Unit consists of one common share and one non-transferable common share purchase warrant at an exercise price of \$0.20 per share. These warrants expire on November 7, 2021. No residual value was ascribed to the share purchase warrants. Finders fees of \$7,700 were paid in relation to this private placement.

In October 2019, the Company completed its first tranche of the private placement announced on August 12, 2019 and issued 4,016,000 NFT units at a price of \$0.10 per NFT Unit for total proceeds of \$401,600. Each NFT Unit consists of one common share and one non-transferable common share purchase warrant at an exercise price of \$0.20 per share. These warrants expire on October 25, 2021. No residual value was ascribed to the share purchase warrants. Finders fees of \$1,977 were paid and the Company issued 96,740 non-transferrable warrants in relation to this private placement. The fair value of the warrants was estimated on the grant date in the amount of \$3,124 using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$0.20; ii) expected share price volatility of 121.36%; iii) risk free interest rate of 1.67%; iv) expected life of 2 years; and v) no dividend yield.

In October 2019, the Company issued 1,620,000 shares related to the acquisition of the Johnston Farm Quarry (see Note 6 for further details). The fair market value of the shares at the time of issuance was \$0.10 per share.

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

17) Share Capital (Continued)

c) Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the plan may not exceed 10% of the issued and outstanding shares of the Company at any given time. Stock options ("Options") granted under the Plan may have a maximum term of ten years. The exercise price of Options granted under the Plan will not be less than the discounted market price of the shares (defined as the last closing market price of the Company's shares immediately preceding the grant date, less the maximum discount permitted by TSX Venture Exchange Policy), or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange. Options granted to consultants providing investor relations activities under the Plan are subject to vesting restrictions such that one-quarter of the total options shall vest at three, six, nine and twelve months following the date of the grant.

A summary of the status of the Company's stock options as of April 30, 2021 and 2020 were as follows:

	Options	Weighted Average Exercise Price
Balance, April 30, 2019	1,105,833	\$ 0.50
Cancelled	(15,000)	0.44
Granted	925,000	0.07
Balance, April 30, 2020	2,015,833	0.30
Cancelled	(10,000)	0.07
Granted	1,485,000	0.09
Expired	(4,333)	1.00
Balance, April 30, 2021	3,486,500	\$ 0.21

On April 30, 2021, the Company had outstanding and exercisable stock options as follows:

Expiry Date	Exercise Price	Number of Options Exercisable	Number of Options Outstanding
December 10, 2021	\$0.50	6,500	6,500
November 3, 2022	\$1.00	30,000	30,000
November 30, 2022	\$1.10	10,000	10,000
March 4, 2023	\$0.95	100,000	100,000
December 6, 2023	\$0.44	270,000	270,000
February 7, 2024	\$0.60	120,000	120,000
January 11, 2025	\$0.39	550,000	550,000
January 15, 2027	\$0.07	915,000	915,000
August 14, 2027	\$0.09	532,500	1,065,000
December 18, 2027	\$0.08	210,000	420,000
Balance, April 30, 2021		2,286,500	3,486,500

As at April 30, 2021, the weighted average remaining contractual life of the Company's share purchase options is 5.17 years and the weighted average exercise price is \$0.21 (2020 – 5.27 years and \$0.30).

17) Share Capital (Continued)

c) Stock Options

Year ended April 30, 2021

On December 18, 2020, the Company granted a total of 420,000 options. These options are exercisable at a price of \$0.08 per share, expire in seven years, and vest over a period of one year, with one half of the options vesting immediately, and one half vesting at the end of the first anniversary of the date of grant. The fair value of the options was estimated on the grant date in the amount of \$16,917 using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$0.08; ii) expected share price volatility of 109.09% determined from historical share price; iii) risk free interest rate of 0.48% for a 7 year Canadian zero-coupon bond; iv) expected life of 7 years; and v) no dividend yield.

On August 14, 2020, the Company granted a total of 1,065,000 options. These options are exercisable at a price of \$0.085 per share, expire in seven years, and vest over a period of one year, with one half of the options vesting immediately, and one half vesting at the end of the first anniversary of the date of grant. The fair value of the options was estimated on the grant date in the amount of \$71,762 using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$0.085; ii) expected share price volatility of 114.52% determined from historical share price; iii) risk free interest rate of 0.45% for a 7 year Canadian zero-coupon bond; iv) expected life of 7 years; and v) no dividend yield.

During the year ended April 30, 2021, the Company recorded \$14,602 (2019 - \$43,807) in stock based compensation for stock options that were granted on January 15, 2020 and vested during the current year.

Year ended April 30, 2020

On January 15, 2020, the Company granted a total of 925,000 options. These options are exercisable at a price of \$0.065 per share, expire in seven years, and vest over a period of one year, with one half of the options vesting immediately, and one half vesting at the end of the first anniversary of the date of grant. The fair value of the options was estimated on the grant date in the amount of \$43,807 using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$0.065; ii) expected share price volatility of 122.01% determined from historical share price; iii) risk free interest rate of 1.32% for a 7 year Canadian zero-coupon bond; iv) expected life of 7 years; and v) no dividend yield. \$32,441 have been expensed as stock based compensation and \$11,366 have been capitalized under exploration and evaluation assets.

In estimating the fair value of options granted using the Black-Scholes option pricing model, the Company is required to make assumptions. The expected volatility assumption is based on the historical volatility of similar companies operating in the same industry as the Company. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model. The Company has historically not paid dividends on its common stock.

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

17) Share Capital (Continued)

d) Warrants Outstanding

A summary of the status of the Company's warrants as at April 30, 2021 and 2020 were as follows:

	Warrants	Weighted Average Exercise Price
Balance, April 30, 2019	756,276	\$ 0.30
Granted	6,216,000	0.20
Balance, April 30, 2020	6,972,276	0.21
Granted	8,313,095	0.08
Expired	(756,276)	0.30
Balance, April 30, 2021	14,529,095	\$ 0.13

A summary of the Company's warrants outstanding as at April 30, 2021 were as follows:

Expiry Date	Exercise Price	Number of Warrants
October 25, 2021	0.20	4,016,000
November 7, 2021	0.20	2,200,000
May 26, 2023	0.08	2,623,999
August 11, 2023	0.08	5,689,096
Balance, April 30, 2021		14,529,095

As at April 30, 2021, the weighted average remaining contractual life of the Company's share purchase warrants is 1.48 years and the weighted average exercise price is \$0.13 (2020 – 1.38 years and \$0.21).

e) Compensation Warrants Outstanding

A summary of the status of the Company's compensation warrants as at April 30, 2021 and 2020 were as follows:

	Compensation Warrants	Weighted Average Exercise Price
Balance, April 30, 2019	-	\$ -
Granted	96,740	0.20
Balance, April 30, 2020	96,740	0.20
Granted	250,833	0.08
Balance, April 30, 2021	347,573	\$0.11

The Company had 347,534 compensation warrants outstanding as at April 30, 2021 with a weighted average remaining contractual life of 1.80 years and a weighted average exercise price of \$0.11 per share (2020 – 1.49 years and \$0.20).

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

17) Share Capital (Continued)

f) Earnings (Loss) Per Share

The following is a reconciliation of the denominator in calculating basic and diluted earnings (loss) per share:

	<u>2021</u>	<u>2020</u>
Net income (loss) for the year	\$ 1,111,866	\$ (735,445)
Basic weighted average number of shares outstanding	33,198,100	20,605,499
Effect on dilutive securities from stock options	178,505	-
Effect on dilutive securities from warrants	440,055	-
Diluted weighted average number of shares outstanding	<u>33,816,660</u>	<u>20,605,499</u>
Earnings (loss) per share, basic	\$ 0.03	\$ (0.04)
Earnings (loss) per share, diluted	<u>\$ 0.03</u>	<u>\$ (0.04)</u>

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

18) Non-controlling Interest

The Company has an 85% interest in BobOpCo. 15% of BobOpCo's equity and total comprehensive income or loss is allocated to the non-controlling interest using the indirect method. The non-controlling interest comprises the following amounts:

Balance, April 30, 2020	\$ 205,059
Net loss attributable to non-controlling interest	(2,846)
Balance, April 30, 2021	\$ 202,213

19) Related Party Balances and Transactions

a) Compensation of key management personnel

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consist of its directors, President and Chief Executive Officer, VP Technical and Corporate Secretary, and Chief Financial Officer. Compensation of the directors, officers and/or companies controlled by these individuals for the years ended April 30, 2021 and 2020 were as follows:

	2021	2020
Key management compensation	\$ 395,882*	\$ 448,547*
Stock based compensation	102,334	40,966**
Total compensation of key management personnel	\$ 498,216	\$ 489,513

*Key management compensation of \$137,362 (2020 - \$204,253) have been capitalized under exploration and evaluation assets (see Note 8).

**Stock based compensation of \$Nil (2020 - \$11,366) have been capitalized under exploration and evaluation assets (see Note 8).

b) Related party balances

Amounts due to related parties amounted to \$647,956 as at April 30, 2021 (2020 - \$766,063). Amounts due to related parties are unsecured, non-interest bearing and have no specific repayment terms.

c) Other related party transactions

During the year ended April 30, 2021, the Company incurred a total of \$37,388 (2020 - \$244,493) related to legal services to a law firm in which a director of the Company is a partner.

The above transactions were in the normal course of operations and have been valued in these consolidated financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

20) Supplemental Cash Flow Information

	Years Ended April 30,	
	2021	2020
Interest paid	\$ 253,422	\$ 20,397
Interest received	\$ -	\$ -
Non-cash investing and financing activities:		
Share capital issued for exploration and evaluation assets	\$ 34,000	\$ 169,000
Share capital issued for bonus fee on loan	\$ -	\$ 288,962
Right-of-use assets additions	\$ 930,432	\$ 513,047
Stock based compensation capitalized to exploration and evaluation assets	\$ -	\$ 11,366
Change in accounts payable in exploration and evaluation assets	\$ 500	\$ 15,377

21) Financial Instruments and Risk Management

Fair value of financial instruments

The fair value hierarchy established by IFRS 13 *Fair Value Measurement* has three levels to classify the inputs to valuation techniques used to measure fair value described as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The carrying values of the Company's cash, loans receivable, accounts payable and accrued liabilities, and due to related parties approximate their fair values due to the short-term nature of these instruments. The Company's marketable securities, vendor mortgages, and government assistance are Level 1 and lease liability and loan payable are Level 2.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is primarily associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution. The Company is exposed to some credit risk on accounts receivable and loan receivable (Note 13), however, management considers the risk to be low. The aging of accounts receivables is as follows:

	April 30, 2021		April 31, 2020	
0 – 30 days	\$	139,101	\$	26,534
31 – 90 days		26,453		-
Greater than 90 days		1,737		105
Accounts receivable	\$	167,291	\$	26,639

21) Financial Instruments and Risk Management (Continued)

Financial risk factors (Continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. As of April 30, 2021, the Company had a cash balance of \$128,401 (2020 - \$42,094) to settle current liabilities of \$3,029,788 (2020 - \$1,204,859). The Company's accounts payable and due to related parties have contractual maturities of less than forty-five days and are subject to normal trade terms. The Company's lease liabilities mature based on the terms outlined in the lease agreements (Note 23). The \$1,800,000 loan payable balance matures in 2021. The Company's other long-term liabilities of mortgages and government assistance undiscounted contractual cash flows mature in 2023 and 2022, respectively.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and other price risk. The Company is not exposed to significant market risk, except as noted below.

Interest rate risk

The Company is exposed to interest rate risk from fluctuations of the interest rate on its loan payable. Currently, the interest rate on the Company's revolving credit facility of \$1,800,000 is the greater of 8.05% above the Prime Rate or 12%. The Prime Rate must be higher than 3.95% for the Company to incur higher interest expenses. The Prime Rate has not been higher than 3.95% since December 2008.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in market prices of securities would not have a material effect on the Company's comprehensive income (loss). A 20% increase in the market price would have decreased the Company's comprehensive loss by \$1,044 (2020 - \$684). A 20% decrease in the market prices would have increased the Company's comprehensive loss by the same amount.

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

22) Capital Management

In the definition of capital, the Company includes cash and equity, comprising issued common shares and reserves.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent upon revenues and external financings to fund activities. In order to carry out operations, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

23) Commitments

The Company entered into flow-through share subscription agreements whereby it was obligated to incur a total of \$78,500 on flow-through eligible expenditures. As of April 30, 2021, the Company had incurred \$53,089 (2020 – \$Nil) of qualifying resource expenditures and had an unspent flow-through commitment of \$25,411 (2020 – \$Nil).

As at April 30, 2021, the Company had entered into eleven equipment lease agreements to lease equipment for the two quarries. The leases end starting from July 2023 to April 2025. The commitments for these leases (including HST) are as follows:

<u>Fiscal year</u>	<u>Amount</u>
2022	\$ 386,000
2023	386,000
2024	319,000
2025	<u>165,000</u>
	<u>\$ 1,256,000</u>

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

24) Income Taxes

	2021	2020
Statutory Canadian corporate tax rate	27%	27%
Expected current income tax expense (recovery)	\$ 300,000	\$ (199,000)
Non-deductible permanent differences	66,000	12,000
Share issuance costs	(9,000)	(3,000)
Change in estimate and other	15,552	94,000
Change in deferred tax assets not recognized	(365,000)	96,000
Deferred income tax recovery	\$ 7,552	\$ -

The significant components of the Company's deferred tax assets (liabilities) are as follows:

	2021	2020
Loss carry forwards	\$ 4,109,000	\$ 3,945,000
Share issue costs	10,000	6,000
Equipment	(316,000)	(129,000)
Lease liability	289,000	138,000
Other	(15,000)	(93,000)
Deferred income tax assets	4,077,000	3,867,000
Mineral properties and deferred exploration	304,000	844,000
Producing assets	(35,000)	-
Net deferred income tax assets	4,346,000	4,711,000
Unrecognized deferred tax assets	(4,346,000)	(4,711,000)
	\$ -	\$ -

The Company has not recorded deferred income tax assets based on the extent to which it is more likely than not that sufficient taxable income will not be realized during the carry-forward period to utilize these net deferred income tax assets.

Rogue Resources Inc.
Notes to the Consolidated Financial Statements
Years Ended April 30, 2021 and 2020
(Expressed in Canadian Dollars)

24. Income Taxes (Continued)

The Company has available non-capital losses for Canadian income tax purposes of approximately \$15,206,000 which may be carried forward to reduce taxable income in future years, if not utilized, expiring as follows:

2026	\$	737,000
2027		1,213,000
2028		1,393,000
2029		1,505,000
2030		1,909,000
2031		984,000
2032		1,443,000
2033		307,000
2034		496,000
2035		569,000
2036		916,000
2037		1,076,000
2038		716,000
2039		575,000
2040		704,000
2041		663,000
		<hr/>
	\$	15,206,000

At April 30, 2021, the Company had unclaimed resource deductions totaling \$14,550,000, share issue costs totaling \$35,000 and other undepreciated assets totaling \$72,000, which may be used to reduce taxable income in the future.

25) Segmented Information

The Company operates primarily in two business segments, which are selling quarried limestones from two operating quarries located in Canada and the exploration and development of resource properties located in Canada. The Company's non-current assets of \$16,675,417 (2020 - \$14,421,334) are located in Canada. The operating quarries' non-current assets of \$3,996,623 (2020 - \$509,651) are comprised of right-of-use assets, equipment and producing assets. The exploration and development's non-current assets of \$10,796,408 (2020 - \$13,911,683) are comprised of exploration and evaluation assets. The Company's revenue of \$1,354,792 (2020 - \$Nil) were earned from the operating quarries.

26) Subsequent Events

On June 3, 2021. The Company extended its \$1,800,000 Debt Facility with the Credit Group. The Debt Facility is secured against all of the Company's assets and has been extended for 6 months to December 2021. The Debt Facility has interest-only payments until the principal is due in full at maturity, carrying an interest rate equal to the higher of prime plus 8.05% or 12%. There were no penalties or further fees related to the extension.