

# **Rogue Resources Inc.**

## **Consolidated Interim Financial Statements**

**Three and six months ending October 31, 2023 and 2022**  
**(Unaudited - Expressed in Canadian Dollars)**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited consolidated interim financial statements of Rogue Resources Inc. (“the Company”) for the three and six months ended October 31, 2023, have been prepared by management and have not been reviewed by the Company’s external independent auditors.

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**Rogue Resources Inc.**  
Consolidated Financial Statements  
Three and six months ending October 31, 2023 and 2022  
(Unaudited - expressed in Canadian Dollars)

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**Rogue Resources Inc.**  
**Consolidated Statements of Financial Position**  
(Unaudited - expressed in Canadian dollars)

|   |     | As at October 31,<br>2023 | As at April 30,<br>2023 |
|---|-----|---------------------------|-------------------------|
| <b>ASSETS</b>                                       |     |                           |                         |
| <b>Current assets</b>                               |     |                           |                         |
| Cash  | \$  | 2,691                     | \$ 3,593                |
| Accounts receivable                                 |     | 6,891                     | 4,980                   |
| Prepaid expenses                                    |     | 19,485                    | 1,328                   |
| Inventory   | 8   | 107,742                   | 188,291                 |
| Right-of-use assets                                 | 6   | 579,621                   | -                       |
| <b>Total Current Assets</b>                         |     | <b>716,430</b>            | <b>198,192</b>          |
| <b>Non-current assets</b>                           |     |                           |                         |
| Investment in associates                            | 4,9 | 1,717,363                 | 1,589,257               |
| Exploration and evaluation assets                   | 5   | -                         | 1,221,003               |
| Right-of-use assets                                 | 6   | -                         | 675,465                 |
| Equipment   | 7   | 99,437                    | 112,693                 |
| Producing assets                                    | 7   | 4,254,935                 | 4,067,877               |
| <b>Total Assets</b>                                 | \$  | <b>6,788,165</b>          | \$ 7,864,487            |
| <b>LIABILITIES</b>                                  |     |                           |                         |
| <b>Current Liabilities</b>                          |     |                           |                         |
| Accounts payable and accrued liabilities            | \$  | 1,113,150                 | \$ 943,169              |
| Tax payable   |     | 269,507                   | 229,703                 |
| Current portion of lease liability                  | 6   | 470,570                   | 248,814                 |
| Due to related parties                              | 16  | 827,360                   | 638,703                 |
| Short term advance                                  | 5   | -                         | 363,749                 |
| Government assistance loan                          | 12  | 60,000                    | 60,000                  |
| Deferred revenue                                    |     | 9,040                     | 40,680                  |
| Loan payable  | 11  | 1,800,154                 | 1,784,503               |
| Vendor mortgages                                    | 10  | 700,000                   | -                       |
| <b>Total Current Liabilities</b>                    |     | <b>5,249,781</b>          | <b>4,309,321</b>        |
| <b>Non-current liabilities</b>                      |     |                           |                         |
| Vendor mortgages                                    | 10  | -                         | 700,000                 |
| Long term lease liability                           | 6   | -                         | 305,464                 |
| <b>Total Liabilities</b>                            |     | <b>5,249,781</b>          | <b>5,314,785</b>        |
| <b>SHAREHOLDERS' EQUITY</b>                         |     |                           |                         |
| Share capital                                       | 13  | 50,416,363                | 50,416,363              |
| Reserves  | 13  | 10,468,816                | 10,468,816              |
| Non-controlling interest                            | 15  | 181,382                   | 186,185                 |
| Accumulated deficit                                 |     | (59,528,177)              | (58,521,662)            |
| <b>Total Shareholders' Equity</b>                   |     | <b>1,538,384</b>          | <b>2,549,702</b>        |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | \$  | <b>6,788,165</b>          | \$ 7,864,487            |

Nature of Operations and Going Concern (Note 1)  
Commitments (Note 20)

These consolidated financial statements were approved and authorized for issue by the Board of Directors on December 29, 2023. They are signed on the Company's behalf by:

*(Signed) "Sean Samson"*

*(Signed) "Christopher Wolfenberg"*

Director

Director

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

**Rogue Resources Inc.**  
**Consolidated Statements of Operations and Comprehensive Loss**  
**For the three and six months ending October 31, 2023 and 2022**  
**(Unaudited - Expressed in Canadian dollars)**

|   | Note | Three months ended<br>October 31, |                     | Six months ended<br>October 31, |                     |
|---|------|-----------------------------------|---------------------|---------------------------------|---------------------|
|   |      | 2023                              | 2022                | 2023                            | 2022                |
| <b>Revenue</b>  |      | \$ 196,514                        | \$ 484,784          | \$ 486,766                      | \$ 998,368          |
| <b>Less:</b>  |      |                                   |                     |                                 |                     |
| Cost of goods sold                                    |      | (138,139)                         | (263,566)           | (287,912)                       | (606,141)           |
| Depreciation and depletion                            | 6,7  | (29,689)                          | (55,895)            | (56,092)                        | (111,864)           |
| <b>Gross Profit</b>                                   |      | <b>28,686</b>                     | <b>165,323</b>      | <b>142,762</b>                  | <b>280,363</b>      |
| <b>Expenses:</b>                                      |      |                                   |                     |                                 |                     |
| Compensation and benefits                             | 16   | 92,634                            | 95,457              | 182,057                         | 172,692             |
| Consulting fees - related parties                     | 16   | 1,708                             | 5,000               | 3,125                           | 6,000               |
| Interest and accretion expense                        | 6,11 | 90,818                            | 72,691              | 181,177                         | 144,750             |
| Office expense and miscellaneous                      |      | 14,891                            | 24,467              | 35,658                          | 40,235              |
| Professional fees                                     |      | 18,556                            | 45,000              | 41,825                          | 28,803              |
| Regulatory and stock transfer fees                    |      | -                                 | 5,857               | 1,183                           | 6,874               |
| <b>Total Expenses Before Items Below</b>              |      | <b>218,607</b>                    | <b>248,472</b>      | <b>445,025</b>                  | <b>399,354</b>      |
| <b>Loss Before Other Income and Income Taxes</b>      |      | <b>(189,921)</b>                  | <b>(83,149)</b>     | <b>(302,263)</b>                | <b>(118,991)</b>    |
| <b>Gain on Property</b>                               | 5    | <b>584,542</b>                    | <b>153,247</b>      | <b>584,542</b>                  | <b>209,619</b>      |
| <b>Loss from Investment in Associates</b>             | 5,9  | <b>11,487</b>                     | <b>(222,876)</b>    | <b>(67,915)</b>                 | <b>(327,045)</b>    |
| <b>Write-off of Exploration and Evaluation Assets</b> | 5    | <b>(1,225,659)</b>                | <b>-</b>            | <b>(1,225,659)</b>              | <b>-</b>            |
| <b>Net Loss For The Period</b>                        |      | <b>(819,551)</b>                  | <b>(152,778)</b>    | <b>(1,011,295)</b>              | <b>(236,417)</b>    |
| <b>Other Comprehensive Loss</b>                       |      |                                   |                     |                                 |                     |
| Unrealized & realized loss on marketable securities   |      | -                                 | (5,475)             | (23)                            | (5,530)             |
| <b>Comprehensive Loss For The Period</b>              |      | <b>\$ (819,551)</b>               | <b>\$ (158,253)</b> | <b>\$ (1,011,318)</b>           | <b>\$ (241,947)</b> |
| <b>Attributable to:</b>                               |      |                                   |                     |                                 |                     |
| Non-controlling interest                              | 15   | (2,908)                           | (2,906)             | (4,803)                         | (4,312)             |
| Deficit to shareholders of the Company                |      | (816,643)                         | (155,347)           | (1,006,515)                     | (237,635)           |
|   |      | (819,551)                         | (158,253)           | (1,011,318)                     | (241,947)           |
| <b>Basic and Diluted Loss Per Share</b>               | 14   | \$ (0.02)                         | \$ (0.00)           | \$ (0.03)                       | \$ (0.01)           |
| <b>Weighted Average Number of Shares Outstanding</b>  |      |                                   |                     |                                 |                     |
| Basic and diluted                                     | 14   | 36,026,076                        | 35,326,076          | 36,026,076                      | 35,326,076          |
| Diluted   | 16   | 36,026,076                        | 35,326,076          | 36,026,076                      | 35,326,076          |

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

**Rogue Resources Inc.**  
**Consolidated Statements of Changes in Equity**  
**For the six months ending October 31, 2023 and 2022**  
**(Unaudited - Expressed in Canadian Dollars)**

|                                  | Share Capital       |                      |                      |   |                                 |                        |                                  |
|----------------------------------|---------------------|----------------------|----------------------|---|---------------------------------|------------------------|----------------------------------|
|                                  | Number of<br>shares | Amount               | Reserves             | Accumulated<br>Other<br>Comprehensive<br>Income | Non-<br>controlling<br>Interest | Deficit                | Total<br>shareholders'<br>equity |
| Balance, April 30, 2022          | 35,326,076          | \$ 50,388,363        | \$ 10,686,123        | \$ 5,530  | \$ 193,266                      | \$ (58,454,549)        | \$ 2,818,733                     |
| Other comprehensive income       | -                   | -                    | -                    | (5,530)   | -                               | -                      | (5,530)                          |
| Net loss for the period          | -                   | -                    | -                    | -   | (4,312)                         | (232,105)              | (236,417)                        |
| <b>Balance, October 31, 2022</b> | <b>35,326,076</b>   | <b>\$ 50,388,363</b> | <b>\$ 10,686,123</b> | <b>\$ -</b>                                     | <b>\$ 188,954</b>               | <b>\$ (58,686,653)</b> | <b>\$ 2,576,786</b>              |
| Balance, April 30, 2023          | 36,026,076          | \$ 50,416,363        | \$ 10,486,816        | -   | \$ 186,185                      | \$ (58,521,662)        | \$ 2,549,702                     |
| Net loss for the period          | -                   | -                    | -                    | -   | (4,803)                         | (1,006,515)            | (1,011,318)                      |
| <b>Balance, October 31, 2023</b> | <b>36,026,076</b>   | <b>\$ 50,416,363</b> | <b>\$ 10,486,816</b> | <b>\$ -</b>                                     | <b>\$ 181,382</b>               | <b>\$ (59,528,177)</b> | <b>\$ 1,538,384</b>              |

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

**Rogue Resources Inc.**  
**Consolidated Statements of Cash Flows**  
**For the six months ending October 31, 2023 and 2022**  
**(Unaudited - Expressed in Canadian Dollars)**

|  | For the six months ended October 31, |                  |
|--|--------------------------------------|------------------|
|  | 2023                                 | 2022             |
| <b>Operating activities</b>                  |                                      |                  |
| Net loss for the year                        | \$ (1,011,318)                       | \$ (236,417)     |
| Items not affecting cash:                    |                                      |                  |
| Depreciation and depletion                   | 60,530                               | 180,133          |
| (Gain)/loss on property sold                 | (584,542)                            | -                |
| Deferred revenue recognized                  | (31,640)                             | -                |
| Interest and accretion expense               | 181,177                              | 144,750          |
| Write-down of exploration assets             | 1,225,659                            | -                |
| Loss from investment in associates           | 67,915                               | 327,045          |
| Changes in non-cash working capital items:   |                                      |                  |
| Accounts receivable                          | (1,695)                              | 53,010           |
| Prepaid expenses                             | (18,157)                             | 6,804            |
| Inventory                                    | 80,549                               | 10,275           |
| Due to related parties                       | 188,657                              | 93,476           |
| Tax payable                                  | 39,804                               | 93,419           |
| Accounts payable and accrued liabilities     | 151,609                              | (65,947)         |
| <b>Cash Provided by Operating Activities</b> | <b>348,548</b>                       | <b>606,549</b>   |
| <b>Investing activities</b>                  |                                      |                  |
| Change in exploration and evaluation assets  | (4,656)                              | (5,653)          |
| Proceeds from disposal of assets             | -                                    | 924              |
| Change in producing assets                   | (191,496)                            | (391,534)        |
| Purchase of property, plant, and equipment   | -                                    | (3,592)          |
| (Purchase)/disposal of right-of-use asset    | 53,008                               | (87,735)         |
| <b>Cash used in Investing Activities</b>     | <b>(143,144)</b>                     | <b>(487,590)</b> |
| <b>Financing activities</b>                  |                                      |                  |
| Loan proceeds                                | 14,249                               | 112,100          |
| Net change in lease liability                | (83,708)                             | (76,040)         |
| Interest payments                            | (136,847)                            | (114,953)        |
| <b>Cash used in Financing Activities</b>     | <b>(206,306)</b>                     | <b>(78,893)</b>  |
| <b>Net Increase in Cash</b>                  | <b>(902)</b>                         | <b>40,066</b>    |
| Cash, Beginning of Year                      | 3,593                                | 30,123           |
| Cash, End of the Period                      | \$ 2,691                             | \$ 70,189        |

Supplemental Cash Flow Information (Note 17)

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

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**Rogue Resources Inc.**  
**Notes to the Consolidated Financial Statements**  
**Three months ending October 31, 2023 and 2022**  
**(Unaudited - expressed in Canadian Dollars)**

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**1) Nature of Operations and Going Concern**

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 250 Howe Street, 20th Floor, Vancouver, British Columbia V6C 3R8. The head office of the Company is Suite 200, 150 King St West, Toronto, Ontario, M5H 1J9.

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"). The Company is also exploring mineral resources.

These condensed interim consolidated financial statements have been prepared not on the basis of accounting principles applicable to a going concern, but rather on a basis consistent with IFRS but amended where required to reflect that the going concern assumption is no longer appropriate; that is, the presumption of the realization of certain assets and the discharge of certain liabilities in the normal course of business for the foreseeable future cannot be relied upon.

In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. As at October 31, 2023, the Company has a net loss of \$(1,006,515) and an accumulated deficit of \$(59,528,177).

Management is aware, in making its assessment, of material uncertainties related to events or conditions that have cast significant doubt upon the Company's ability to continue as a going concern. The Company's continuance as a going concern has been dependent upon its ability to obtain adequate financing or to reach profitable levels of operation. The Company has been unable to do either of these to date; It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. As such, with the going concern assumption no longer appropriate, material adjustments to the consolidated financial statements have been made and are discussed in Note 3.

**2) Basis of Presentation**

These unaudited condensed interim consolidated financial statements of the Company for the three months ended October 31, 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The preparation of these unaudited condensed interim consolidated financial statements is based on accounting principles and methods consistent with those used in the preparation of the audited consolidated financial statements for the year ended April 30, 2023. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended April 30, 2023. The Company's interim results are not necessarily indicative of its results for a full year.

**3) 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 is 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.

Areas of significant judgement and estimates made by management for the quarter ended October 31, 2023 in the application of IFRS that have a significant effect on the consolidated financial statements and estimates

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**Rogue Resources Inc.**  
**Notes to the Consolidated Financial Statements**  
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with a significant risk of material adjustment in the current and following fiscal years are discussed in Note 4 of the Company's audited consolidated financial statements for the year ended April 30, 2023 and remain valid for the current period.

#### Exploration and Evaluation Assets

The recoverability of investments in 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. The Company does not expect to be able to recover its investment in these assets in the near term given the funding it would require. As such, the Company has taken an impairment charge on its exploration and evaluation assets in the three months ended October 31, 2023.

#### Lease Liabilities

The Company does not expect that it will be able to continue to make ongoing contractual lease payments. As such, all lease liabilities have been classified as current. The related right of use assets have also been classified as current and are expected to be returned to the lessors in the near term.

#### 4) 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. 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**  
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**(Unaudited - expressed in Canadian Dollars)**

**5) Exploration and Evaluation Assets**  
**i) For the three months ended October 31, 2023**

|  | Snow White<br>Ontario |
|--|-----------------------|
| Acquisition costs:                     |                       |
| Balance, April 30, 2023                | \$279,700             |
| Write-down                             | (279,700)             |
| Balance, October 31, 2023              | -                     |
| Exploration costs:                     |                       |
| Balance, April 30, 2023                | 941,303               |
| Project management                     | 4,656                 |
| Write-down                             | (945,959)             |
| Balance, October 31, 2023              | -                     |
| <b>Total balance, October 31, 2023</b> | <b>\$-</b>            |
| Cost summary                           |                       |
| Acquisition costs                      | \$279,700             |
| Exploration costs                      | \$945,959             |
| <b>Total</b>                           | <b>\$1,225,659</b>    |

**ii) For the year ended April 30, 2023**

|                                      | Snow White<br>Ontario |
|--------------------------------------|-----------------------|
| Acquisition costs:                   |                       |
| Balance, April 30, 2022              | \$251,700             |
| Option payments – shares             | 28,000                |
| Balance, April 30, 2023              | <b>279,700</b>        |
| Exploration costs:                   |                       |
| Balance, April 30, 2022              | 925,361               |
| Project management                   | 15,200                |
| Permit application fees              | 742                   |
| Balance, April 30, 2023              | <b>941,303</b>        |
| <b>Total balance, April 30, 2023</b> | <b>\$1,221,003</b>    |
| Cost summary                         |                       |
| Acquisition costs                    | \$279,700             |
| Exploration costs                    | \$941,303             |
| <b>Total</b>                         | <b>\$1,221,003</b>    |

### **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.

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.

At October 31, 2023, the Company wrote down the full carrying value of the Snow White asset to \$Nil as it does not expect to initiate further exploration on the project until the Company has sufficient funding to do so.

### **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.

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**Rogue Resources Inc.**  
**Notes to the Consolidated Financial Statements**  
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**(Unaudited - expressed in Canadian Dollars)**

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On April 30, 2017, the Company decided to write-down the property's exploration costs to \$nil. \$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);
- The Company to be granted shares for >20% in EVNi and been paid \$150,000 in cash (completed);
- The Company 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 is to be paid in cash, EVNi shares, or a combination thereof to be determined by EVNi (see Note 21).

In April 2022, the Company amended the Langmuir Asset Purchase Agreement, granting until the end of 2023 for EVNi to complete an updated mineral resource estimate. The extension was granted to allow for additional drilling across the Langmuir property, including on the W4 deposit which has an historic resource already and is currently completing metallurgical test work to be fully incorporated into any updated resource. In exchange for this amendment, EVNi has agreed to provide the Company with access to an advance on the New Resource Payment, the advance carries an interest rate of 6%. At October 31, 2023, \$381,162 has been advanced to the Company.

The Company acquired 6,666,667 shares of EVNi at a fair value of \$0.30 per share. The \$2,000,000 value was recorded as an investment in associates (see Note 9).

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)        |
| <b>Gain on property sold</b>          | <b>\$</b> | <b>1,956,718</b> |

On September 14, 2023, EVNi announced the agreement between it and Rogue on the final resource payment owed to Rogue related to the sale of the Langmuir property in March 2021. The payment was calculated based on EVNi's updated mineral resource estimate filed on July 26, 2023. The total value of the payment is \$772,262. EVNi elected to pay the balance owing net of previous funds advanced and accumulated interest, entirely in common shares. Pursuant to the 10-day VWAP as set out in the asset purchase agreement translated to 3,267,016 common shares of EVNi. The Company received these shares in September 2023 and recorded a gain on the sale of \$580,160 based the fair value of the shares received and the value of the advance.

#### **Additional Claims**

On January 24, 2022, the Company signed an agreement to sell an additional group of claims it staked for cash consideration of \$50,000 and 92,000 shares of Canadian Nickel Company. The Company received the shares on July 20, 2022 upon TSX approval of the sale. The shares were sold for proceeds of \$133,341.

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**6) Right-of-Use Assets**

| <b>Right of use asset</b>                                  |           | Equipment       |
|--|-----------|-----------------|
| Value of right-of-use assets as at April 30, 2022          | \$        | 959,926         |
| Additions  |           | 87,735          |
| Depreciation   |           | (270,659)       |
| Disposals  |           | (101,537)       |
| Value of right-of-use assets as at April 30, 2023          |           | <b>675,465</b>  |
| Depreciation   |           | <b>(95,844)</b> |
| <b>Value of right-of-use assets as at October 31, 2023</b> | <b>\$</b> | <b>579,621</b>  |
|  |           |                 |
| <b>Lease liability</b>                                     |           |                 |
| Lease liability recognized as at April 30, 2022            | \$        | 827,360         |
| Additions  |           | 87,636          |
| Disposals  |           | (95,140)        |
| Lease payments   |           | (265,122)       |
| Lease liability recognized as at April 30, 2023            |           | <b>554,464</b>  |
| Lease payments   |           | <b>(83,708)</b> |
| <b>Lease liability recognized as at October 31, 2023</b>   | <b>\$</b> | <b>470,570</b>  |
|  |           |                 |
| Current portion  |           | <b>470,570</b>  |
| Non-current portion  |           | -               |
|  | <b>\$</b> | <b>470,570</b>  |

At October 31, 2023, the Company held nine pieces of machinery and equipment with a book value of \$579,621 under lease agreements. The interest rates range from 4.0% to 18.8% per annum. Monthly lease payments for all leases are \$21,000 including HST.

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**7) Equipment and Producing Assets**

|   | Equipment        | Bobcaygeon Quarry   | Orillia Quarry      | Total Producing Assets | Total               |
|---|------------------|---------------------|---------------------|------------------------|---------------------|
| Value of assets as at April 30, 2023          | \$ 112,693       | \$ 1,724,332        | \$ 2,343,397        | \$ 4,067,729           | \$ 4,180,422        |
| Additions                                     | -                | -                   | 191,644             | 191,644                | 191,644             |
| Depreciation                                  | (13,256)         | -                   | -                   | -                      | (13,256)            |
| Depletion                                     | -                | (260)               | (4,178)             | (4,438)                | (4,438)             |
| <b>Value of assets as at October 31, 2023</b> | <b>\$ 99,437</b> | <b>\$ 1,724,072</b> | <b>\$ 2,530,863</b> | <b>\$ 4,254,935</b>    | <b>\$ 4,354,372</b> |

**a) 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, 2023 and 2022, 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 quarries based on the value-in-use model categorised as Level 3 of the fair value hierarchy. The analysis performed has not resulted in the recognition of an impairment loss as at October 31, 2023.

*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.

**8) Inventory**

The Company's limestone inventory is held at:

| Quarry      | October 31, 2023  | April 30, 2023    |
|-------------|-------------------|-------------------|
| Orillia     | \$ -              | \$ 72,301         |
| Shadow Lake | 43,813            | 48,625            |
| Bobcaygeon  | 63,929            | 67,364            |
|             | <b>\$ 107,742</b> | <b>\$ 188,291</b> |

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**9) Investment in Associates**

**EVNi**

The Company has determined it has significant influence but not control of EVNi. As such, its investment has been equity accounted for in these consolidated financial statements. As at October 31, 2023, the Company held 6,666,667 common shares of EVNi, representing 12.97% of EVNi's outstanding common shares.

The following is a summary of the investment in associates as at October 31, 2023:

|                                    |           |                  |
|------------------------------------|-----------|------------------|
| Initial investment                 | \$        | 2,000,000        |
| Loss from investment in associates |           | (290,861)        |
| Balance, April 30, 2022            |           | 1,709,139        |
| Loss from investment in associates |           | (119,882)        |
| Balance, April 30, 2023            |           | 1,589,257        |
| Loss from investment in associates |           | (67,915)         |
| Additional investment in EVNi      |           | 196,021          |
| <b>Balance, October 31, 2023</b>   | <b>\$</b> | <b>1,717,363</b> |

**10) 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 \$18,375 (year ended April 30, 2023 - \$36,750) has been recorded in accounts payable and accrued liabilities in the period.

**11) 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 "Debt Facility"), secured against Orillia and the Company's remaining assets. The Debt 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 Debt 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 Debt Facility. 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.

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 (completed).

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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 was extended for six 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 additional fees related to the extension.

On December 10, 2021, June 3, 2022 and December 3, 2022, and June 3, 2023 the Company further extended its \$1,800,000 Debt Facility with the Credit Group. The Debt Facility is secured against all of the Company's assets and is currently extended to December 2023. All other terms remained unchanged and there were no penalties or additional fees related to the extension. The Company continues to discuss a further extension or extinguishment of the debt through the sale of assets and/or EVNi shares (see below).

**12) Government assistance loan**

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 due date of December 31, 2022 (the "Initial Term Date") which was extended to January 18, 2024. The loan can be further 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.

**13) Share Capital**

**a) Authorized**

Unlimited number of common shares without par value.

**b) Issued**

**Three months ended October 31, 2023**

There were no share transactions in the quarter.

**Year ended April 30, 2023**

On January 31, 2023, the Company issued 400,000 shares related to the acquisition of the Snow White project. See Note 5 a) ii). The fair market value at the time of issuance was \$0.04 per share.

On April 3, 2023, the Company issued 300,000 shares related to the acquisition of the Snow White project. See Note 5 a) ii). The fair market value at the time of issuance was \$0.04 per share.

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**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 October 31, 2023 and 2022 were as follows:

|   | Options          | Weighted Average<br>Exercise Price (\$) |
|---|------------------|---|
| Balance, April 30 and October 31, 2022        | 3,480,000        | 0.21                                    |
| Expired                                       | (140,000)        | 1.02                                    |
| Cancelled                                     | (655,000)        | 0.14                                    |
| <b>Balance, April 30 and October 31, 2023</b> | <b>2,685,000</b> | <b>0.18</b>                             |

On October 31, 2023, the Company had outstanding and exercisable stock options as follows:

| Expiry Date                      | Exercise<br>Price | Number of Options<br>Exercisable | Number of Options<br>Outstanding |
|----------------------------------|-------------------|----------------------------------|----------------------------------|
| December 6, 2023                 | \$0.44            | 255,000                          | 255,000                          |
| February 7, 2024                 | \$0.60            | 120,000                          | 120,000                          |
| January 11, 2025                 | \$0.39            | 425,000                          | 425,000                          |
| January 15, 2027                 | \$0.07            | 680,000                          | 680,000                          |
| August 14, 2027                  | \$0.09            | 865,000                          | 865,000                          |
| December 18, 2027                | \$0.08            | 340,000                          | 340,000                          |
| <b>Balance, October 31, 2023</b> |                   | <b>2,685,000</b>                 | <b>2,685,000</b>                 |

As at October 31, 2023, the weighted average remaining contractual life of the Company’s share purchase options is 2.8 years and the weighted average exercise price is \$0.18 (April 30, 2023 – 3.3 years and \$0.18).

**Three months ended October 31, 2023**

There were no stock options transactions in the quarter.

**Year ended April 30, 2023**

During the year ended April 30, 2023, the Company recorded \$nil (year ended April 30, 2022 - \$19,615) in stock-based compensation. \$Nil in stock-based compensation was capitalized to Exploration and evaluation assets in the fiscal year (2022 - \$456)).

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**d) Warrants Outstanding**

A summary of the status of the Company's warrants as at October 31, 2023 and 2022 were as follows:

|  | <b>Number of<br/>Warrants</b> | <b>Weighted Average<br/>Exercise Price</b> |
|--|-------------------------------|--|
| Balance, April 30 and October 31, 2022 | 8,313,095                     | \$ 0.13                                    |
| Balance, April 30, 2023                | 8,313,095                     | 0.13                                       |
| Expired                                | (8,313,095)                   | 0.08                                       |
| <b>Balance, October 31, 2023</b>       | <b>-</b>                      | <b>\$ -</b>                                |

**e) Compensation Warrants Outstanding**

A summary of the status of the Company's compensation warrants as at October 31, 2023 and 2022 were as follows:

|   | <b>Compensation<br/>Warrants</b> | <b>Weighted Average<br/>Exercise Price</b> |
|---|----------------------------------|--|
| Balance, April 30 and October, 2022               | 250,833                          | \$ 0.08                                    |
| Expired   | (250,833)                        | 0.08                                       |
| <b>Balance, April 30 and October 31,<br/>2023</b> | <b>-</b>                         | <b>\$ -</b>                                |

**14) Loss Per Share**

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

|   | <b>Three Months Ended<br/>October 31,</b> |              |
|---|---|--------------|
|   | <b>2023</b>                               | <b>2022</b>  |
| Net loss for the period                               | \$ (819,551)                              | \$ (152,778) |
| Basic weighted average number of shares outstanding   | <b>36,026,076</b>                         | 35,326,076   |
| Effect on dilutive securities from stock options      | -   | -            |
| Effect on dilutive securities from warrants           | -   | -            |
| Diluted weighted average number of shares outstanding | <b>36,026,076</b>                         | 35,326,076   |
| Earnings (loss) per share, basic and diluted          | <b>\$ (0.02)</b>                          | \$ (0.00)    |

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**15) 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, 2022                           | \$        | 193,266        |
| Net loss attributable to non-controlling interest |           | (7,081)        |
| Balance, April 30, 2023                           |           | 186,185        |
| Net loss attributable to non-controlling interest |           | (4,803)        |
| <b>Balance, October 31, 2023</b>                  | <b>\$</b> | <b>181,382</b> |

**16) 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 three months ended October 31, 2023 and 2022 were as follows:

|  | <u>2023</u>        | <u>2022</u>       |
|--|--------------------|-------------------|
| Key management compensation                    | \$ 185,206*        | \$ 106,812        |
| Stock based compensation                       | -                  | -                 |
| Total compensation of key management personnel | <u>\$ 185,206*</u> | <u>\$ 106,812</u> |

*\*Compensation of \$4,607 (October 31, 2022- \$5,654) has been capitalized under exploration and evaluation assets (see Note 5).*

Although key management compensation remained relatively unchanged between the periods, cash payments were reduced in the year-to-date as a result of the President and Chief Executive Officer and the VP Technical and Corporate Secretary choosing to forgo certain payment during the period.

**b) Related party balances**

The amounts due to related parties are divided between four counterparties (the President and Chief Executive Officer, the VP Technical and Corporate Secretary, the current CFO and the former CFO) and are entirely designated as unpaid employee compensation.

**17) Supplemental Cash Flow Information**

|   | <u>Six Months Ended October 31,</u> |             |
|---|-------------------------------------|-------------|
|   | <u>2023</u>                         | <u>2022</u> |
| Interest paid   | \$ 10,523                           | \$ 141,841  |
| Non-cash investing and financing activities:                    |                                     |             |
| Share capital issued for exploration and evaluation assets      | \$ -                                | \$ -        |
| Right-of-use assets additions/(disposals)                       | \$ (53,008)                         | \$ 87,735   |
| Change in accounts payable in exploration and evaluation assets | \$ -                                | \$ (30,899) |

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**18) 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, accounts receivable, government assistance loan, accounts payable and accrued liabilities, due to related parties, and short term advance 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; however, management considers the risk to be low. The aging of accounts receivables is as follows:

|                      | <b>October 31, 2023</b> |              | April 30, 2023 |       |
|----------------------|-------------------------|--------------|----------------|-------|
| 0 – 30 days          | \$                      | <b>1,701</b> | \$             | 2,104 |
| 31 – 90 days         |                         | <b>5,190</b> |                | -     |
| Greater than 90 days |                         | -            |                | 2,875 |
| Accounts receivable  | \$                      | <b>6,891</b> | \$             | 4,980 |

*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 October 31, 2023, the Company had a cash balance of \$2,691 (April 30, 2023 - \$3,593) to settle current liabilities of \$5,249,781 (April 30, 2023 - \$4,309,319). The Company's accounts payable have contractual maturities of less than forty-five days and are subject to normal trade terms. Of the accounts payable balance, \$458,640 are from invoices more than 24 months old. According to Ontario law "*a proceeding shall not be commenced in respect of a claim after the second anniversary of the day on which the claim was discovered*" (Limitations Act, 2002, S.O. 2002, c. 24, Sched. B, section 4). The Company's lease liabilities mature based on the terms outlined in the lease agreements (see Note 20). The \$1,800,000 loan payable balance matures in December 2023. Given the Company's cash balance and with its operations on hold, it has reclassified its previous long-term lease and mortgage liabilities as current liabilities.

*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.

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*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. As of October 31, 2023, the Prime Rate was 7.20%.

*Price risk*

The Company is currently not directly exposed to price risk with respect to commodity or 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.

**19) 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.

**20) Commitments**

As at October 31, 2023, the Company has nine equipment lease agreements to lease equipment for the two quarries. The leases expire starting from August 2023 to May 2027. The commitments for these leases (including HST) are as follows:

| <u>Fiscal year</u> | <u>Amount</u>     |
|--------------------|-------------------|
| 2024               | 161,000           |
| 2025               | 183,000           |
| 2026               | 78,000            |
| 2027               | 15,000            |
| 2028               | 3,000             |
|                    | <u>\$ 444,000</u> |

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**21) 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 \$6,651,355 (April 30, 2023 - \$7,666,294) are located in Canada. The operating quarries' non-current assets of \$4,933,993 (April 30, 2023 - \$4,856,034) are comprised of right-of-use assets, equipment and producing assets. The exploration and development's non-current assets of \$Nil (April 30, 2023 - \$1,221,003) are comprised of exploration and evaluation assets. The Company's quarterly revenue is \$196,514 (October 31, 2022 - \$484,784) earned from the operating quarries.

**22) Subsequent Events**

With suspension of quarry operations for the winter season given low seasonal demand during the period, in November 2023, the Company voluntarily returned all leased equipment to the lessors in order to reduce its cash outflows. The Company is now assessing its strategic options with respect to the quarries given the cost and revenue pressures experienced since the start of the COVID pandemic.

In November 2023, based on guidance from the Credit Group, the Company listed each of the Johnston Farm Quarry and Speiran Quarry, for sale on the Multiple Listing Service.

Amounts due to related parties have risen to \$891,521 as of December 29, 2023 (October 31, 2023 - \$827,360). The amounts due to related parties continue to be divided between four counterparties (the President and Chief Executive Officer, the VP Technical and Corporate Secretary, the current CFO and the former CFO) and are entirely designated as unpaid employee compensation.