

Rogue Resources Inc.

Form 51-102F1

Management's Discussion and Analysis For the three and six months ended October 31, 2023

This Management's Discussion and Analysis ("MD&A") has been prepared by management as of December 29, 2023 and should be read in conjunction with the unaudited condensed interim consolidated financial statements of Rogue Resources Inc. ("Rogue" or the "Company"), for the three and six months ended October 31, 2023, prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures are expressed in Canadian dollars unless otherwise indicated. Further information on the Company can be found on SEDAR+ at www.sedarplus.com and the Company's website www.roguerresources.ca.

Cautionary Statement on Forward Looking Statements

This MD&A includes some statements that may be considered "forward-looking statements." All statements in this discussion that address the Company's expectations about future exploration and development are forward-looking statements. Although the Company believes the expectations presented in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, permitting successes, availability of capital and financing, and general economic, market, and business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. The forward looking statements herein are made as of the date of this MD&A only; Rogue does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law.

Corporate Summary and Overall Performance

Rogue Resources Inc. is a mining company focused on generating positive cash flow from its assets. Not tied to any commodity, it looks at rock value and quality deposits that can withstand all stages of the commodity price cycle. The Company includes *Rogue Stone* - selling quarried limestone for landscape applications from three operating quarries in Ontario; and *Rogue Quartz* - focused on advancing its quartz business with the Snow White Project in Ontario.

Rogue Stone currently comprises two subsidiaries that own two quarries referred to as the "Bobcaygeon" and "Orillia" quarries. The Company has also produced from a third Ontario quarry, referred to as "Shadow Lake."

Property acquisition, exploration and advancement was funded in the past through the issuance of shares to investors. Revenue from the limestone quarry business, which began in the 2020 fiscal year, is the Company's first revenue from mineral producing operations.

The Company is a reporting issuer in British Columbia and trades on the TSX Venture Exchange under the symbol "RRS." The final section of this MD&A provides a detailed history for all of its current properties.

Fiscal Year 2024 Second Quarter Highlights :

Rogue Stone - Ontario Limestone Quarries

- The Company suspended quarry operations for the winter season given low seasonal demand during the period.
- The Company sold 1,039 tons of limestone in the period from August 1 to October 31, 2023. These sales had a total product value of \$184,514, averaging \$178/ton. In the same period of the prior year, Rogue Stone sold 5,131 tons of limestone, valued at \$484,784 or \$94/ton.

Rogue Resources

In March 2020, the Company closed a \$1,800,000 Debt Facility with the Credit Group. The Debt Facility is secured against all of the Company's assets and 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%. The Debt Facility was extended with the Credit Group again in June 2023 to December 2023. There were no penalties or fees related to the previous extensions. The Company continues to discuss a further extension or extinguishment of the debt through the sale of assets and/or EVNi shares (see below). Related to these discussions, 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.

On September 14, 2023, EV Nickel Inc. ("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 with Rogue previously receiving an advance of \$384,140. EVNi has elected to pay the balance entirely in common shares, which pursuant to the 10-day VWAP as set out in the asset purchase agreement translated to 3,267,016 common shares of EVNi (received). The Company currently holds 9,933,683 common shares of EVNi.

At October 31, 2023, the Company assessed the value of its exploration and evaluation assets and 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.

Results of Operations

Six months ended October 31, 2023

For the six months ended October 31, 2023 ("fiscal 2024"), the Company incurred a net comprehensive loss of \$(1,011,318) compared to a loss of \$(241,947) for the six months ended October 31, 2022 ("fiscal 2023"). The significant changes in revenue and expenses between the periods is a result of the following:

- A decrease in sales to \$486,766 (six months ended October 31, 2022 – \$998,368);
- An increase in interest and accretion expense to \$181,177 (six months ended October 31, 2022 – \$(144,750));
- An increase in property sales in the period of \$584,542 (six months ended October 31, 2022 – gain of \$209,619);
- An increase in exploration and evaluation asset write-off of \$1,225,659 (six months ended October 31, 2022 – \$Nil).

Summary of Quarterly Results

The following table sets forth selected results of operations for the Company's eight most recently completed quarters, compiled from the Company's quarterly and annual financial statements.

Period	Quarter Ending	Revenue (\$)	Net Income (Loss) (\$)	Net Income (Loss) per Share (\$)
Q2 – 2024	October 31, 2023	196,514	(819,551)	(0.02)
Q1 – 2024	July 31, 2023	290,252	(191,766)	(0.01)
Q4 – 2023	April 30, 2023	102,585	129,697	0.00
Q3 – 2023	January 31, 2023	246,977	(185,848)	(0.01)
Q2 – 2023	October 31, 2022	484,784	(152,778)	(0.00)
Q1 – 2023	July 31, 2022	513,584	(82,572)	(0.00)
Q4 – 2022	April 30, 2022	318,551	(4,172,049)	(0.11)
Q3 – 2022	January 31, 2022	331,548	(5,728,255)	(0.16)

Selected Quarterly Financial Data – Rogue Stone Operations

During the quarter ended October 31, 2023, Rogue Stone:

- Sold 1,697 tons of limestone, for revenue of \$184,514.
- Cost of goods sold (“COGS”) excluding depreciation and depletion expense was \$138,139 for the period. See below table showing quarterly average and fiscal totals.

	Q2-2024	Q1-2024	Q4-2023	Q3-2023	Rolling Four Quarter Average
Tons Sold	1,039	1,697	605	2,222	1,391
Revenue	\$ 184,514	\$ 278,076	\$ 102,585	\$ 246,977	\$ 203,038
Revenue / ton	\$ 178	\$ 164	\$ 170	\$ 111	\$ 146
COGS (excludes depreciation & depletion)	\$ 138,138	\$ 145,336	\$ (39,899)	\$ 160,583	\$ 101,040
COGS / ton	\$ 133	\$ 86	\$ (66)	\$ 72	\$ 73

	Q2-2023	Q1-2023	Q4-2022	Q3-2022	Rolling Four Quarter Average
Tons Sold	5,131	4,922	3,507	4,278	4,460
Revenue	\$ 484,784	\$ 513,584	\$ 318,551	\$ 331,548	\$ 412,117
Revenue / ton	\$ 94	\$ 104	\$ 91	\$ 78	\$ 92
COGS (excludes depreciation & depletion)	\$ 263,566	\$ 342,415	\$ 191,907	\$ 202,236	\$ 250,031
COGS / ton	\$ 51	\$ 70	\$ 57	\$ 47	\$ 56

The quarter ended October 31, 2023 was another very challenging quarter for Rogue Stone operations; unit costs and tons sold were down compared to the same period in the prior year. This quarter, the business was again challenged by poor equipment performance in addition to high costs from equipment breakdowns, and maintenance. Revenues decreased related to the reduction in sales, however the revenue per ton value increased with the incorporation of guillotined material.

Rogue Stone also continued to feel the impact of macro inflation, with higher fuel and relative labour costs. The Company believes that inflation has a compounding impact on labour productivity, with the team easily distracted by increasing cost pressure in all parts of their lives.

As with the prior quarters, despite successfully passing along some of the cost increases with higher product pricing, not all of the burden was transferred to customers. The Company also continues to feel pressure from buyer behaviour based on very material increases for on-road trucking costs to get the product from Rogue's quarries to their stone-yards or job sites.

Rogue Stone sells the vast majority of its stone "at the quarry" and buyers coordinate their own trucking but lately, with significant inflation related to moving product by road, buyers have begun to scale back demand because of the increased costs. It is a concerning trend and the Company hopes fuel prices return to historical levels and/or the on-road trucking market can provide some relief to its clients and Rogue Stone's customers.

Adjusted EBITDA- consolidated

Adjusted earnings before interest, tax and depreciation ("Adjusted EBITDA") was a loss of (\$54,501) for the quarter ended October 31, 2023, compared to earnings of \$68,324 for the quarter ended October 31, 2022. (See *Non-IFRS Performance Measures* below for an explanation of Adjusted EBITDA).

Liquidity and Capital Resources

The Company is in the business of acquiring, exploring, advancing and operating mineral properties. The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of 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 development of those reserves, and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets.

The Company had a working capital deficit of \$4,533,351 as at October 31, 2023 compared to a working capital deficit of \$4,111,128 as at April 30, 2023. As at October 31, 2023, the Company's cash on hand was \$2,691 (April 30, 2023 - \$3,593). Due to this cash shortfall, the Company has discontinued the preparation of its financial statements on a going concern assumption as of October 31, 2023, and as such, has reclassified certain non-current liabilities as current, with the expectation that they will become due within the next 12 months. Currently, the Company has insufficient working capital to cover its current liabilities.

Included in current liabilities of \$5,249,781, is accounts payable of \$458,640 from invoices more than 24 months old as at the date of this MD&A. 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 plans to treat these liabilities as "Old Debts."

The Company has financed its operations primarily by the issuance of share capital planned to transition to funding the continued operations of the Company through proceeds from the producing quarries. Quarry operations however, have not been profitable, and the Company is now assessing its strategic options.

Commitments and Contingencies

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 were \$21,000 including HST. In November 2023, the Company voluntarily returned all of the pieces of machinery to the lessors.

On November 22, 2022, a vendor issued a statement of claim in the Province of Alberta. The issue was settled in January 2023, with the Company committing to a payment plan based on a revised balance in the amount outstanding. On December 14, 2022, a second vendor issued a statement of claim in the Province of British Columbia. The Company continues to include these amounts in its current liabilities; no additional amounts have been accrued.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Transactions with Related Parties

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.*

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 payment during certain the period.

Related party balances

Amounts due to related parties amounted to \$827,360 as at October 31, 2023 (April 30, 2023 - \$638,703). Amounts due to related parties are unsecured, non-interest bearing and have no specific repayment terms. The amounts due to related parties are divided between four counterparties (the President and Chief Executive Officer (owed \$424,424 as of October 31, 2023), the VP Technical and Corporate Secretary (\$368,583), the current CFO (\$5,175), and the former CFO (\$9,178)) and are entirely designated as unpaid employee compensation.

Critical Accounting Estimates

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition and exploration costs are capitalized and deferred until such time as the property is put into production, or the property is disposed of either through sale or abandonment. If put into production, the costs of acquisition and exploration will be written off over the life of the property based on estimated economic reserves. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in operations for the year. If a property is abandoned, the acquisition and deferred exploration costs will be written off to operations.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms 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.

Recorded costs of mineral properties and deferred exploration expenditures are not intended to reflect present or future values of mineral properties. The costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

Management reviews capitalized costs on its mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable revenues from the property or from sale of the property.

The Company measures the cost of the services received for all stock options made to consultants, employees and directors based on an estimate of fair value at the grant date. The Company uses the Black-Scholes option pricing model to estimate the fair value of each stock option at the grant date. Stock options which vest immediately are recorded at the grant date. Stock options that vest over time are recorded over the vesting period using the graded vesting method. Stock options issued to outside consultants that vest over time are valued at the grant date and expensed as services are rendered. Stock based compensation is recognized as an expense or, if applicable, capitalized to exploration and evaluation assets with a corresponding increase in contributed surplus. On exercise of the stock option, consideration received and the estimated fair value previously recorded in contributed surplus is recorded as share capital.

Financial Instruments and Other Instruments

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. As of the date hereof, the Company's investment in exploration and evaluation assets has full exposure to commodity risk, both upside and downside.

Changes in Accounting Policies

As of October 31, 2023, there are no IFRS or IFRIC interpretations with future effective dates that are expected to have a material impact on the Company's consolidated financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. These policies and all accounting policies and new standards that are not yet adopted are disclosed in the year ended April 30, 2023 financial statements.

Outstanding Share Data

As at September 28, 2023, a total of 36,026,076 common shares were issued and outstanding.

The Company had no warrants outstanding as of the date of this MD&A.

The following table summarizes the Company's stock options outstanding as of the date of this MD&A.

Expiry Date	Exercise Price	Number of Options Exercisable	Number of Options Outstanding
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	1,045,000	1,045,000
December 18, 2027	\$0.08	340,000	340,000
Balance, October 31, 2023		2,430,000	2,430,000

Investor Relations, Promotion and Product Marketing

During the quarter ended October 31, 2023, the Company did not hire contractors for investor support.

Non-IFRS Performance Measures

The non-IFRS performance measures presented do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be directly comparable to similar measures presented by other issuers.

a) Non-IFRS reconciliation of Adjusted EBITDA

EBITDA is a non-IFRS measure that represents an indication of the Company's continuing capacity to generate earnings from operations before taking into account management's financing decisions and costs of consuming capital assets, and management's estimate of their useful life. EBITDA comprises revenue less operating expenses before interest expense (income), property, plant and equipment amortization and depletion, and income taxes. EBITDA does not have any standardized meaning prescribed by IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA and Adjusted EBITDA differently.

The following table provides a reconciliation of net income (loss) to EBITDA and Adjusted EBITDA:

	Q2-2024	Q1-2024	Q4-2023	Q3-2023	Fiscal 2023
Comprehensive income (loss)	(819,551)	(191,768)	129,697	(185,848)	(1,067,470)
Less gain/loss on sale of assets	-	-	14,879	23,812	38,691
Add back:					
Depreciation	28,046	28,046	18,798	30,483	105,373
Interest and accretion	90,818	90,359	72,370	72,546	326,093
EBITDA	(700,687)	(73,363)	205,986	(106,631)	(674,695)
Adjust for items not involved in ongoing operations:					
Asset impairment	1,225,659				1,225,659
Professional fees not related to operations	16,556	21,269	10,000	39,322	87,147
Loss from investment in associates	(11,487)	79,402	(227,621)	20,459	
(Gain) on sale of property	(584,542)				(584,542)
Adjusted EBITDA	\$ (54,501)	\$ 27,308	\$ (11,635)	\$ (46,850)	(85,678)

	Q2-2023	Q1-2023	Q4-2022	Q3-2022	Fiscal 2022
Comprehensive income (loss)	(158,253)	(82,627)	(4,162,636)	(5,734,864)	(10,138,380)
Less gain/loss on sale of assets	153,247	56,525	(3,948,362)	-	(3,738,590)
Add back:					
Depreciation	48,782	48,893	38,470	38,924	175,069
Interest and accretion	72,691	72,060	71,884	61,696	278,331
EBITDA	(190,027)	(18,200)	(143,967)	(5,634,244)	(5,986,438)
Adjust for items not involved in ongoing operations:					
Asset impairment	-	-	-	5,646,926	5,646,926
Share based compensation	-	-	-	1,488	1,488
Professional fees not related to operations	30,000	(31,197)	40,536	29,854	69,193
Loss from investment in associates	222,876	104,169	104,215	(58,812)	372,448
Deferred income tax recovery	-	-	160	(3,594)	(3,434)
Unrealized gain on marketable securities	5,475	55	(5,521)	6,609	6,618
Adjusted EBITDA	\$ 68,324	\$ 54,827	\$ (4,577)	\$ (11,773)	\$ 106,801

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with Canadian generally accepted accounting principles.

TSX Venture listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multilateral Instrument 52-109. In particular, the CEO/CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitation on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in Multinational Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

The Company is subject to a number of risks and uncertainties due to the nature of its business. The Company's quarry operations, in addition to its exploration and development activities expose the Company to various financial and operational risks that could have a significant impact on its level of operating cash flows in the future. Readers are advised to study and consider risk factors stressed below.

The following are identified as main risk factors that could cause actual results to differ materially from those stated in any forward-looking statements made by, or on behalf of, the Company.

Pandemic Impact

Rogue has implemented a Pandemic Protocol to try and make operations as safe as possible but, an outbreak across the teams, an intensified local community outbreak, the province of Ontario and/or the state of Michigan again going into compete lockdown (and/or the Canada-US border completely closing) would have a material impact on the Rogue Stone business.

Quarry Operations

Rogue is now leveraged to the success of the Rogue Stone quarries to produce the forecast tonnage at the modelled costs. A series of major breakdowns, a spike in fuel costs without the capacity to push costs to buying clients or, a change in labour availability could be events that change tonnage and/or costs considerably.

Landscape Stone Demand

The stone produced from the Rogue quarries needs to be sold in the forecast volumes and at the prices modelled by the Company. Although demand is spread across retail, commercial and institutional projects, a general and prolonged economic contraction would negatively impact stone sales and the Company's results.

Financing

The Company's future financial success depends on the ability to raise additional capital from the issuance of shares, borrowing from lenders or the discovery of properties which could be economically justifiable to develop. Such development could take years to complete and resulting income, if any, is difficult to determine. The sales value of any commodities potentially discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the products produced.

General Resource Exploration Risks and Competitive Conditions

The resource exploration industry is an inherently risky business with significant capital expenditures and volatile metals markets. The marketability of any minerals discovered may be affected by numerous factors that are beyond the Company's control and which cannot be predicted, such as market fluctuations, mineral markets and processing equipment, and changes to government regulations, including those relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. This industry is intensely competitive and there is no guarantee that, even if commercial quantities are discovered, a profitable market will exist for their sale. The Company competes with other junior exploration companies for the acquisition of mineral claims as well for the engagement of qualified contractors. Metal prices have fluctuated widely in recent years, and they are determined in international markets over which the Company has no influence.

Governmental Regulation

Regulatory standards continue to change, making the review process longer, more complex and therefore more expensive. Exploration and development on the Company's properties are affected by government regulations relating to such matters as environmental protection, health, safety and labour, mining law reform, restrictions on production, price control, tax increases, maintenance of claims, and tenure. There is no assurance that future changes in such regulations couldn't result in additional expenses and capital expenditures, decreasing availability of capital, increased competition, reserve uncertainty, title risks, and delays in operations. The Company relies on the expertise and commitment of its management team, advisors, employees and contractors to ensure compliance with current laws.

Product Marketing

The markets for sale of industrial minerals and limestone are often quite opaque and challenging for new entrants to break into. This is the case for the sale of silica, the primary product from the Snow White Project. The Company has worked with expert consultants to characterize the material, plan the project and identify the sales market. Management continues to aggressively market the material across various identified sales verticals, with the objective to confirm buyers and verify the economic nature of the project. However, 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. In the case of limestone, the Company works closely with sales agents and continues to collaborate with buyers to market the product.

Approval

The Board of Directors of Rogue has approved the contents of this Management's Discussion and Analysis on December 29, 2023.