INTER-ROCK MINERALS INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Year Ended December 31, 2017

April 18, 2018

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FOR THE YEAR ENDED DECEMBER 31, 2017

NOTES TO READER

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

The following management discussion and analysis ("MD&A") provides an analysis of the financial condition of Inter-Rock at December 31, 2017 and compares it to the financial condition of the Company on December 31, 2016. The MD&A also analyzes the Company's results of operations for the year ended December 31, 2017 and compares those results to the results for the year ended December 31, 2016.

This MD&A has been prepared in compliance with the requirements of National Instrument ("NI") 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with Inter-Rock's annual audited consolidated financial statements and corresponding notes for the years ended December 31, 2017 and December 31, 2016. The Company's financial statements and MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

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

This MD&A is prepared as of April 18, 2018.

DESCRIPTION OF THE BUSINESS

Inter-Rock is domiciled in Canada and is continued under the Business Corporations Act (Ontario). The Company's office is located at 2 Toronto Street, Suite 500 Toronto, Ontario, M5C 2B6, Canada. The Company's shares are traded on the TSX Venture Exchange under the symbol "IRO".

Inter-Rock owns three operating businesses: Papillon Agricultural Company Inc. ("Papillon"), MIN-AD, Inc. ("MIN-AD"), Mill Creek Dolomite LLC ("Mill Creek"). Papillon is a US based marketer and distributor of toll manufactured premium dairy feed nutritional supplements, including MIN-AD's products. MIN-AD and Mill Creek are engaged in the production and marketing of high purity dolomite, primarily to the animal feed, glass, roofing and aglime industries in the United States.

2017 HIGHLIGHTS

- Revenue of $51.9 million, as compared with $30.1 million in 2016, (2016 includes only nine months of Papillon's results).

- Operating cash flow (before working capital changes) of $4.2 million, as compared with $1.9 million in 2016.

- Reduced debt by $2.3 million. Consolidated debt at the end of the year was $7.1 million.

- Tons sold at Papillon and MIN-AD were 36% and 6% higher respectively than 2016.

2017 was a strong year for Inter-Rock, generating record revenue and cash flow. This was the first full year of consolidating the results of Papillon. Papillon's sales volumes increased 36% and MIN-AD's increased 6% on a year over year basis. All three businesses recorded higher operating cash flow in 2017 as compared with the year earlier. The strong cash flow allowed the Company to reduce debt by $2.3 million in 2017.

Despite a forecast of lower milk prices for at least the first half of 2018, the Company is budgeting a slight increase in overall tons sold by both Papillon and MIN-AD in 2018, including increasing volumes of a new higher margin product at Papillon. Mill Creek is targeting an increase in higher margin sales to the float glass industry. The Company will continue to focus on reducing its debt in 2018 and plans to refinance approximately $3.6 million of debt that is scheduled to mature in the first quarter of 2019.

OPERATIONS REVIEW

Papillon Agricultural

Papillon develops, markets and sells specialty nutritional supplements to the dairy cow feed industry. Papillon has its own line of high quality proteins and rumen probiotic products that are produced under toll manufacturing agreements. In addition, Papillon sells MIN-AD products in the Northeast and Midwest United States. Most of Papillon's sales are in the northeastern and northcentral regions of the United States.

Papillon recorded revenue of $42.3 million in 2017. For the nine-month period that Papillon was owned by the Company in 2016, revenue was $21.1 million. The increase in revenue in 2017 was attributable to a significant increase in tons sold, with sales volumes 36% higher on a year over year basis. Notably, sales volumes of protein products and Papillon's sales of MIN-AD's products were approximately 49% and 14% higher respectively in 2017 as compared with 2016.

Cash flow from operating activities (before working capital changes) was $2.7 million in 2017. For the nine months of 2016 that Papillion's results were consolidated with Inter-Rock, cash flow from operating activities was $1.2 million.

Sales volumes in 2017 benefitted primarily from increased sales and marketing efforts. Additionally, sales of protein feed additives were supported by lower feed and energy costs for dairy farmers. A number of marketing and new product initiatives also contributed to the increase in sales, including an expansion into a new geographic territory, increased marketing of MIN-AD and sales of a new product that defends dairy cows against clostridia that can reduce their feed consumption and lower milk production. Also, at the end of the third quarter of 2017, toll manufacturing of protein products commenced at a facility in Ohio. Papillon now has products toll manufactured in New York, Wisconsin and Ohio. The additional manufacturing location will allow Papillon to better serve customers in the Great Lakes region.

In 2018, Papillon plans to strengthen its sales and marketing group and increase brand awareness, particularly for its new clostridia product. A second technical services employee recently joined the company and Papillon aims to expand its sales territory to the west with the addition of a new western territory sales representative. Increasing brand awareness and technical support should, to some extent, counter lower milk prices, which have declined since December 2017 as a result of an oversupply of milk. Milk futures contracts suggest that prices are expected to remain low for the first half of 2018. Continuing low feed costs for dairy farmers should also help counter low milk prices.

Mill Creek

Mill Creek owns and operates a dolomite quarry and plant in Mill Creek, Oklahoma. Mill Creek sells into specialty markets for dolomite, principally the glass, roofing materials and aglime markets. Mill Creek, located approximately half way between Dallas, TX and Oklahoma City, OK, is ideally located to serve the large concentration of glass and asphalt shingle manufacturers in Texas, Oklahoma, and eastern Kansas.

About 70% of Mill Creek's sales volume is to the glass industry, primarily for float glass production which is used in the construction and automotive industries. Mill Creek produces a uniform composition, low decrepitation dolomite for glass furnaces, where it serves as a flux, which assists melting and adjusts the melt viscosity, and acts as a source of magnesium and calcium. The filler and aglime markets require purity and uniformity, but have no decrepitation requirement. The filler market, primarily for asphalt shingles, accounts for about 20% of Mill Creek's sales volume and the remaining 10% of sales are to the aglime market where Mill Creek's products provide a high purity source of calcium and magnesium to enhance soils and reduce acidity.

Dolomite is sourced from two adjacent quarries at Mill Creek. A stockpile area allows for separation of the higher value, low decrepitation ore from the material that is sold into non-glass markets. Sales logistics at Mill Creek are straightforward as the majority of customers have FOB Mill Creek pricing and thus make their own freight arrangements. Most shipments are by truck, but the plant is located on a railway siding and some shipments are made by rail.

Mill Creek recorded revenue (including freight and fuel charged to customers) of $4.8 million in 2017, up from $4.0 million in 2016. Total tons sold in 2017 were approximately the same as 2016, with slight reductions in tons sold to glass and roofing customers offset by increased sales of aglime. Reduced sales to glass customers was largely attributed to lower shipments in the first quarter of the year when a key customer was gradually increasing orders to historical levels after a temporary shutdown to rebuild a furnace.

Operating costs per ton sold decreased by approximately 12% in 2017 as compared with 2016. The decrease was due, in part, to new mobile crushing and screening equipment commissioned in the first quarter of 2017.

Cash flow from operations (before working capital changes) was $450,000 in 2017, up from $248,000 in 2016, (the 2016 figure includes $103,000 in equipment sales proceeds). The improvement in cash flow in 2017 was primarily due to lower stripping costs and a reduction in general and administrative expenses.

Mill Creek incurred capital expenditures of $1.5 million in 2017, of which $1.3 million were payments made in the first quarter for the new mobile crushing and screening equipment. In 2016, capital expenditures totalled $896,000, which included $153,000 in initial payments for the crushing and screening equipment, $375,000 for haul trucks, $306,000 for mill refurbishment and $62,000 on vehicles. The capital budget for 2018 is approximately $350,000.

MIN-AD

MIN-AD quarries, processes, and markets a specialty dolomite for dairy and beef cattle feed. The dolomite is used as a source of magnesium and calcium and as a rumen acid buffer. MIN-AD produces three product lines: (i) Standard – a broad particle size distribution for dry supplements; (ii) Fines – a finely ground product sold to liquid feed manufacturers and (iii) Granular – a dust free coarse product for cattle on pasture. Approximately 96% of sales are in the United States, while the other 4% are in Alberta and British Columbia. MIN-AD's quarry and grinding plant are located in northern Nevada near the town of Winnemucca.

MIN-AD conducts its own sales and marketing in the western U.S and in parts of the mid-west. In the northeast, central Atlantic and upper mid-west regions of the U.S., Papillon acts as the exclusive distributor of MIN-AD products, which are purchased by Papillon and then sold to dairy feed manufacturers. This arrangement takes advantage of Papillon's marketing and sales expertise and geographic reach in the eastern United States. Papillion also acts as a sales agent for MIN-AD's products in parts of the mid-west. The Company plans to have Papillon assume all of MIN-AD's sales and marketing activities.

In 2017, Papillon's sales of MIN-AD's products represented approximately 30% of MIN-AD's sales volumes.

MIN-AD recorded revenue (including freight and fuel charged to customers) of $7.7 million in 2017, an increase of 10% over 2016. The increase in revenue in 2017 was due to a 6% increase in tons sold.

Cash flow from operations (before working capital changes) was $1.3 million 2017, an increase of 45% over 2016 ($892,000). The increase in cash flow was largely attributable to higher sales, partially offset by higher general and administrative costs.

CONSOLIDATED FINANCIAL REVIEW

Selected Annual Information

US$,000	**2017**	2016	2015
Financial Performance			
Revenue	**$51,890**	$30,087	$11,750
Operating Costs	**$42,479**	$23,883	$8,717
SG&A	**$5,204**	$4,314	$2,171
Net Profit (Loss)	**$1,801**	$750	($263)
Operating Cash Flow[1]	**$4,207**	$1,890	$862
Capital Expenditures	**$1,520**	$1,019	$368
Financial Condition			
Cash	**$2,106**	$1,123	$329
Working Capital	**$3,160**	$1,616	($441)
Total Assets	**$17,140**	$17,074	$7,241
Total Debt	**$7,083**	$9,370	$2,028

[1] Revenue less Operating Costs less Selling General and Administrative Expenses.

Financial Results

The Company recorded revenue of $51.9 million in 2017, an increase of 72% over 2016 revenue of $30.1 million. Almost all the increase in revenue is attributable to higher sales at Papillon. 2016 revenue only includes nine months of Papillon's results.

Operating costs were $42.5 million in 2017, up from $23.9 million in 2016, reflecting higher sales volumes and only nine months of Papillon operating costs in 2016. Operating costs at the dolomite businesses include quarrying, plant and maintenance costs, while Papillon's operating costs primarily comprise raw material costs and toll manufacturing fees. Operating costs as a percent of revenues increased slightly from 79.4% in 2016 to 81.9% in 2017.

Selling, general and administrative expenses, ("SG&A") were $5.2 million in 2017, as compared with $4.3 million in 2016. SG&A includes all administrative, sales and marketing costs for the Company's three wholly owned subsidiaries as well as costs associated with operating the Canadian corporate office, including, among other items, salaries and benefits, professional fees, shareholder relations and filing fees. Higher SG&A costs in 2017 reflect a full year of Papillon expenses as well as higher corporate expenses, particularly costs associated with changing the jurisdiction of the Company from Barbados to Ontario.

The Company incurred non-cash impairment charges of $604,000 in 2017. During the fourth quarter of 2017, the Company undertook a review of its spare parts inventory at MIN-AD. During 2017, the Company reviewed its spare parts inventory at MIN-AD. As a result of this review, the Company determined that the recoverable value of the spare parts inventory was less than the carrying amount. Accordingly, a non-cash impairment charge of $327,000 was recorded against property, plant and equipment. Additionally, the Company recorded a non-cash impairment charge of $277,000 representing the total carrying value of two Nevada gold exploration properties, Sentinel Peak and Varyville. The write-down of the exploration assets reflects the Company's change in accounting policy with respect to early stage exploration and evaluation costs. At year-end 2017, the Company adopted a policy to expense exploration and evaluation costs as incurred. In prior years, these costs were capitalized. The write-down of the Varyville property also reflects management's decision not to incur further exploration expenditures on the property.

Interest expense was $455,000 in 2017, as compared with $366,000 in 2016. The higher interest expense in 2017 is attributable to the $5.9 million of Papillon acquisition debt assumed in March 2016 and $1.3 million of debt related to equipment financing at Mill Creek incurred in March 2017.

Inter-Rock recorded net income of $1.8 million or $0.08 per basic share in 2017 as compared with net income of $750,000, or $0.03 per basic share in 2016.

Summary of Quarterly Results

US$,000	**Q4/17**	**Q3/17**	**Q2/17**	**Q1/17**	**Q4/16**	**Q3/16**	**Q2/16**	**Q1/16**
Revenue	$12,605	$12,264	$13,646	$13,375	$10,417	$8,347	$8,600	$2,723
Net Income (Loss)	($305)	$808	$944	$354	$248	$386	$15	$101
EPS – Basic	($0.01)	$0.04	$0.04	$0.02	$0.01	$0.02	$0.00	$0.00

FINANCIAL CONDITION REVIEW

Financial Condition (US$,000)	December 31, 2017	December 31, 2016
Cash	**$2,106**	$1,123
Working Capital	**$3,160**	$1,616
Total Assets	**$17,240**	$17,074
Total Debt	**$7,083**	$9,370

The Company's financial position improved in 2017, with working capital of $3.2 million at year-end, up from $1.6 million at the end of 2016. Cash was $2.1 million at the end of 2017 as compared with $1.1 million a year earlier, notwithstanding payments totalling $2.7 million for principal and interest during the year. The Company's dolomite subsidiaries had approximately $420,000 available under a revolving credit facility at the end of 2017.

The change in the cash balances during 2017 is reconciled as follows ($000):

Cash at January 1, 2017	**$1,123**
Cash provided by operations	$4,207
Proceeds from equipment financing loan	$1,264
Proceeds from revolving credit facility	$18
Proceeds from asset sales	$398
Repayments of debt and interest	($2,674)
Cash used for capital equipment purchases	($1,520)
Cash provided (used) by changes in working capital	($655)
Adjustment for gain from sale of equipment	($55)
Cash December 31, 2017	**$2,106**

Consolidated debt was $7.1 million at year-end 2017, a reduction of $2.3 million since the beginning of the year. The reduction includes scheduled payments of bank debt and equipment financings as well as prepayments of $899,000 of the Papillon Seller Notes.

The Company has scheduled principal and interest payments of approximately $1.6 million in 2018. This includes $583,000 owing under its revolving credit facility that matures in May 2018; however, the Company expects to extend the maturity date of this facility.

The Company's debt comprises the following:

(i) $1.0 million Revolving Credit Facility – a one-year, secured revolving credit facility ("RC") in the amount of the lesser of $1.0 million or 75% of accounts receivable at MIN-AD and Mill Creek, bearing interest at the U.S. bank prime rate plus 1.00% per annum. The RC facility matures on May 25, 2018. At December 31, 2017, $583,000 was outstanding under the RC facility.

(ii) $750,000 Term Loan – a five year, secured term loan bearing interest of 5.50% per annum. The loan amortizes in sixty equal monthly payments and matures on December 25, 2021. At December 31, 2017, the outstanding balance of the term loan was $616,000.

(iii) $1.3 million Equipment Term Loan – a five and a half year, secured term loan arranged to partially finance the purchase of crushing and screening equipment for Mill Creek. For six months post-closing, the loan carried interest at the U.S. prime rate plus 0.50% and the Company was only required to make monthly interest payments during the six-month period. Thereafter, the loan bears interest at a fixed rate of 5.50% and amortizes over sixty months in equal instalments. The loan matures on June 25, 2022. The loan was drawn in March 2017 and at December 31, 2017, $1.2 million was outstanding.

The three bank facilities noted above are secured by the accounts receivables, inventory, equipment and other assets of MIN-AD and Mill Creek. The facilities are guaranteed by both the Company and its subsidiary, Secret Pass Gold Inc. The facilities contain certain covenants that limit, among other things, the ability of MIN-AD and Mill Creek to incur new indebtedness, sell material assets and make acquisitions and investments. There is also a requirement to maintain a minimum debt to cash flow ratio.

Additionally, the Company incurred debt related to the acquisition of Papillon:

(i) Seller Notes: a subsidiary of the Company, Papillon Agricultural LLC, issued $3.9 million of promissory notes to the shareholders of Papillon Agricultural Company Inc., (the "Seller Notes"). There were two tranches of Seller Notes, a $3.5 million tranche bearing interest at 5.75% per annum and a $400,000 tranche bearing interest at 7% per annum. Interest is paid quarterly and the principal is due at maturity on March 23, 2019. The 7% Notes have been fully repaid and $449,000 of the 5.75% Notes have been prepaid. The Seller Notes are guaranteed by Inter-Rock and Papillon Agricultural Company Inc. and are secured by a pledge of the shares of Papillon Agricultural Company Inc. The Seller Notes are fully subordinated to the Shore United term loan described below.

(ii) $1.5 million Shore United Bank Term Loan: a three year, secured term loan bearing interest at 4.75% per annum with monthly principal and interest payments of $28,000 and a final principal repayment of $669,000 at maturity on March 22, 2019. The Shore loan is guaranteed by the Company and certain of the Company's subsidiaries and is secured by Papillon's accounts receivables. Under the terms of the Shore United loan, Papillon Agricultural LLC, (the "Borrower") is governed by certain covenants including, requiring Shore Bank approval for distributing cash to Inter-Rock, restrictions on new indebtedness, asset dispositions and acquisitions, a requirement to maintain a minimum debt service cover ratio and a certain level of cash and accounts receivables, among other covenants. At December 31, 2017, $1.0 million of the loan was outstanding.

(iii) Buyer Notes: The Company issued a $500,000 promissory note to the Chairman and a $55,000 promissory note to the CEO of the Company, (the "Buyer Notes"). The Notes are unsecured and bear interest at 6% per annum. Interest is accrued and payable at maturity on December 31, 2019. Accrued interest payable at December 31, 2017 was $62,000.

LIQUIDITY AND CAPITAL RESOURCES

The Company manages liquidity risk by monitoring actual and projected cash flows and performing ongoing cash flow forecasting. Forecasting takes into consideration the Company's debt service requirements, debt covenant compliance and other contractual commitments (detailed in the Contractual Obligations section of this MD&A).

Operating Cash Flows

Consolidated operating cash flow (before working capital changes) was $4.2 million in 2017, an increase of $2.3 million as compared with 2016 ($1.9 million). All three operating subsidiaries recorded higher cash flow in in 2017.

Financing Activities

During 2017, cash used in financing activities was $2.7 million, including principal repayments of bank and equipment finance debt of $1.1 million, Papillon Seller Note prepayments of $899,000, other related party debt of $250,000 and $437,000 in interest payments.

The Company received proceeds of $1.3 million on the drawdown of the bank loan provided to partially finance the crushing and screening equipment at Mill Creek and also drew down $18,000 under its revolving credit facility.

The Company did not declare any preferred share dividends in 2017.

Investing Activities

The Company spent $1.5 million on capital equipment at Mill Creek and MIN-AD in 2017, as compared with $1.0 million in 2016. Payments related to the new crushing and screening equipment at Mill Creek accounted for $1.3 million of the total expenditures in 2017. With the completion of the mill modernization program at Mill Creek, including the new crushing and screening equipment, the Company has a lower capital budget for its two dolomite businesses in 2018 of approximately $550,000.

CONTRACTUAL OBLIGATIONS

The Company incurs contractual obligations and financial commitments in the normal course of operations and financing activities. Contractual obligations include future cash payments required under existing contracts, such as debt and operating lease agreements. At December 31, 2017, the Company had the following financial commitments ($,000):

	Total	**2018**	**2019**	**2020**	**2021**	**Thereafter**
Bank Principal Payments	**$2,215**	$1,021[1]	$869	$158	$167	$0
Equipment Financings	**$1,313**	$321	$282	$275	$290	$145
Operating Leases	**$906**	$268	$268	$268	$102	$0
Related Party Notes	**$3,555**	$0	$3,555	$0	$0	$0
Total	**$7,989**	$1,610	$4,974	$701	$559	$145

[1] Includes $583,000 drawn under the Company's revolving credit facility which matures May 25, 2018. The Company anticipates extending the maturity date of the facility for an additional year.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 22,617,811 common shares and 17,136,980 preferred shares issued and outstanding.

The Company does not have any equity-based compensation plans.

RELATED PARTY TRANSACTIONS

During 2017, the Company had the following related party transactions:

(i) The Company's term loan with Shore United Bank requires loan guarantees from the Company, its subsidiaries Secret Pass Gold and Papillon Agricultural Company Inc. and a personal guarantee from the CEO of the Company. To compensate the CEO for assuming this obligation, the Board of Directors approved a retroactive guarantee fee payable to the CEO in an amount equal to an annual rate of 2% interest on the outstanding balance of the loan for so long as the guarantee is in place. At December 31, 2017 the accrued guarantee fee owing to the CEO was $44,628. At year-end 2017, Shore agreed to release the CEO from the personal guarantee.

(ii) The Company prepaid in full the $400,000, 7% Papillon Seller Notes, and prepaid $449,000 of the 5.75% Notes. Papillon noteholders are related parties as they either continue to work for Papillon or are directors of Papillon.

(iii) On January 26, 2017, the Company repaid a $250,000 note that was provided by the Chairman of the Company on December 18, 2015. The note and accrued interest paid was $266,000.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's activities expose it to a number of financial risks including, (i) credit risk; (ii) market risk (including interest rate risk and foreign exchange risk) and (iii) liquidity risk. The objective of the Company's risk management policy is to properly identify financial risks and minimize adverse effects by ensuring that the Company maintains adequate capital in relation to the risks. The Company does not use derivative financial instruments as part of its strategy to manage market risks. Management designs and implements strategies for managing financial risks, as summarized below.

Credit risk

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

For cash and accounts receivables, credit risk exposure equals the carrying amount on the balance sheet. The Company's historical accounts receivable defaults have been negligible, resulting in a low level of credit risk. The Company mitigates accounts receivable credit risk by dealing with creditworthy counterparties and limiting concentration risk. The Company has adopted a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment terms and conditions are offered. The Company's exposure to credit risk with its customers is influenced mainly by the individual characteristics of each customer. All of the Company's customers are located in either Canada or the United States. When available, the Company reviews credit bureau ratings, bank accounts and financial information for each new customer.

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

Liquidity risk

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

Market rate risk

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

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

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

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

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

RISK FACTORS

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

Competition

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

Commodity Prices

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

Government Regulation

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

Environmental Regulation

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

Cost Risk

The Company is exposed to industry wide cost pressures on capital and operating expenditures. The increasing costs seen in the Company's operations increases the risk relating to the profitability of its operations and the economic returns on its investments. The Company continues to implement cost management and pricing strategies to mitigate this risk.

Indebtedness

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

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

Dependence on Management and Key Personnel

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

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements which may include, but are not limited to, statements with respect to the future financial or operating performance of Inter-Rock and its subsidiaries. All statements other than statements of historical fact are forward-looking statements. Generally, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “anticipates”, “believes”, “estimates”, “expects” and similar expressions, or the negatives of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might”, or “will” be taken, occur or be achieved. Forward-looking statements are based on reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to price volatility for the Company’s dolomite products and diary feed ingredients, market competition, changes in economic conditions in the markets for the Company’s products, particularly the diary market in the United States, the ability to attract and retain skilled staff, timing and availability of external financing on acceptable terms, increases in costs, environmental compliance, and changes in environmental and other local legislation and regulation, interest rate fluctuations, as well as those risk factors listed in the “Risk Factors” section above. There may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The Board of Directors of Inter-Rock Minerals Inc. has approved the disclosure contained in this MD&A.