INTER-ROCK MINERALS INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Year Ended December 31, 2021

April 21, 2022

INTER-ROCK MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTES TO READER

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

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

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, 2021 and December 31, 2020. The Company's financial statements 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 21, 2022.

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 two operating businesses: Papillon Agricultural Company Inc. ("Papillon") and MIN-AD Inc. ("MIN-AD"). Papillon is a US based marketer and distributor of toll manufactured premium dairy feed nutritional supplements, including MIN-AD's products. MIN-AD is engaged in the production and marketing of dolomite and clay products for the animal feed industry.

During the third quarter of 2021, Inter-Rock decided to sell its Mill Creek dolomite operation as part of its strategy to focus on its animal feed nutritional supplement businesses. Mill Creek was sold in February, 2022 (see "Subsequent Events"). In accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, at December 31, 2021, all assets and liabilities related to Mill Creek have been classified as held for sale and are presented as current assets and current liabilities on the consolidated balance sheet. Additionally, results of operations for Mill Creek have been separated from the results of continuing operations and are presented as discontinued operations on the Company's consolidated statement of net and comprehensive income.

2021 HIGHLIGHTS

- Record consolidated revenue of $64.18 million.
- Operating cash flow before working capital changes of $2.42 million, (2020: $2.99 million).
- Working capital at year end increased to $4.17 million, including $2.27 million of cash.
- Papillon achieved record revenues of $60.56 million and gross profit of $7.02 million.

The U.S. dairy market experienced declining herd sizes and stable milk output per cow in the second half of 2021. This contributed to an increase in average milk prices in the fourth quarter of the year. A record year for U.S. dairy export sales also helped support domestic milk prices.

Overall, demand for U.S. dairy products is expected to remain robust in 2022, supported by the lifting of COVID-19 related capacity restrictions (in the U.S., a greater volume of dairy products are consumed in restaurants and the food service sector than are consumed at home) and continued strength in dairy product exports. Farmers, however, have been contending with significant inflation of farm input costs for the past two years. Prices for dairy feed, principally corn and soybeans, increased as a result of drought conditions in key growing regions and substantial imports by the Chinese to rebuild their hog industry. Wages have also increased as a result of a shortage of farm labourers, as farms and many other industries have struggled to find adequate labour during the COVID pandemic. Furthermore, energy costs are continuing to rise and, as a consequence, fertilizer prices are expected to increase further. Farm input costs are forecast to remain high during 2022 and into 2023, which will temper the benefit of higher milk prices for dairy producers and may impact the sale of some of Papillon's higher margin nutritional feed additive products.

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

COVID-19 PANDEMIC

COVID-19 negatively impacted the Company's results, particularly in the second quarter of 2020 at Mill Creek, and could have further negative impacts on the operations of the Company, its suppliers and its customers. Labour quarantines, railroad disruptions or other disturbances to the Company's operations may impact our ability to provide products to our customers and, as a consequence, negatively impact our revenues and cash flow. Prolonged closures of meat processing facilities may also reduce the availability of a key ingredient in the Company's protein supplements. It is not possible to reliably estimate the length and severity of the economic consequences of the COVID-19 pandemic and the impact on the financial results of the Company.

OPERATIONS REVIEW

Papillon

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

Papillon recorded revenue of $60.56 million in 2021, an increase of 28% from $47.14 million in 2020. Total tons sold of all products combined in 2021 were approximately 7% higher than the prior year. In particular, a 12% increase in the volume of protein products sold in 2021 offset lower sales volumes of MIN-AD products (7% lower) and Dairyman's Edge probiotic and prebiotic products (3% lower). The improved sales performance in 2021 over 2020 reflects relatively high milk prices, a strong export market for dairy products and additional sales efforts by Papillon.

Gross profit (revenue less costs of goods sold) was $7.02 million in 2021, up from $6.35 million in 2020, a record level for the second consecutive year. (Papillon's revenue for its principal products reflects targeting a set gross profit per ton. As a consequence, if the cost of input ingredients fall, revenues will fall commensurately; however, margins may be maintained. Accordingly, gross profit can be more indicative of financial performance than revenue). The increase in gross profits was due to higher sales, notably a 12% increase in protein volumes and higher profit margins on the sale of MIN-AD products. The increase in protein product sales volume offset lower profit margins for these products, while the opposite was the case for Papillon's sales of MIN-AD's products, where lower sales volumes were more than offset by higher profit margins. Papillon's two other key product lines experienced flat or lower gross profits, in part due to lowering product margins to maintain sales. Papillon's overall gross profit margin was 11.6% in 2021, as compared with 13.5% in 2020. The decline in profit margins in 2021 was due largely to increased competition in protein products.

Cash flow from operating activities (before working capital changes) was $2.44 million in 2021, as compared with $2.33 million in 2020. The increase in cash flow is attributable to higher sales, which offset a decline in overall gross profit margins and higher SG&A expenses. SG&A expenses increased 14% in 2021 to $4.58 million, primarily due to increases in compensation, benefits, travel and insurance.

MIN-AD

MIN-AD quarries, processes, and markets dolomite and clay products for dairy and beef cattle feed. The specialty dolomite is used as a source of magnesium and calcium and as a rumen acid buffer and is available in 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 dolomite sales are in the United States, while the other 4% are in Alberta and British Columbia. MIN-AD's newly developed clay business produces products for use in anti-caking and toxin control applications. MIN-AD's operations are located in northern Nevada near the town of Winnemucca.

MIN-AD's sales and marketing activities are managed by Papillon. In the northeast, central Atlantic and upper mid-west regions of the U.S., Papillon acts as the exclusive distributor of MIN-AD's products. Under a distribution agreement, MIN-AD products are purchased by Papillon and then sold by Papillon to dairy feed manufacturers. This arrangement takes advantage of Papillon's marketing and sales expertise and geographic reach in the eastern United States. In 2021, 35% of MIN-AD's tons sold and 46% of sales revenue were attributed to inter-company sales to Papillon.

Papillion also acts as a sales agent for MIN-AD's products in regions of the U.S. not covered by the exclusive distribution agreement, primarily the mid-west and western states. Papillon is paid a commission by MIN-AD for tons sold under a sales agent agreement.

MIN-AD's sales volumes declined 14% in 2021 as compared with the prior year. The reduction in tons sold was attributable to increased competition and, to a lesser extent, truck and rail delivery disruptions. As a consequence, revenue and cash flow were also lower in 2021 as compared with 2020. Gross revenue (including freight and fuel costs passed on to customers) was $6.86 million in 2021 (excluding $150,000 of dividend income), as compared with $7.56 million in 2020. Operating cash flow (before working capital changes) of $376,000 was significantly lower than $999,000 recorded in 2020. The reduction in cash flow is attributable to lower sales. Despite lower volumes shipped, freight and warehousing costs in 2021 were near the same level as the year earlier and other operating and general and administrative costs in 2021 were comparable to 2020 levels.

Payments related to rail car leases (recorded as financing payments and thus not netted against operating cash flow) totalled $168,000 in 2021, as compared with $175,000 in 2020.

MIN-AD incurred $328,000 of capital expenditures in 2021, (2020: $166,000). Approximately $200,000 of the capital expenditures in 2021 were related to the development of the new clay deposit near MIN-AD's existing dolomite operation. Clay project capital items included a bagging machine, storage bins and some mobile equipment. The clay will be mined and processed by MIN-AD and will be sold as an anti-caking and toxin control agent for use in beef and dairy cow feed. MIN-AD forecasts a very modest level of clay sales in 2022, representing approximately 5% of MIN-AD's net revenues.

Mill Creek (Discontinued operations)

Mill Creek owns and operates a dolomite quarry and plant in Mill Creek, Oklahoma. Mill Creek sells into specialty markets for dolomite, principally glass, roofing materials and aglime. About 75% of Mill Creek's sales volume is to the glass industry, with the balance sold into the filler market, primarily for asphalt shingles and to the aglime market where Mill Creek's products provide a high purity source of calcium and magnesium to enhance soils and reduce acidity.

In 2021, total tons sold were 6% lower than in 2020, as a result of lower sales to the roofing market. Sales of higher value glass grade material in 2021 were largely unchanged from the prior year and represented 75% of overall sales volume. Sales volumes in 2021 reflect the return to normal purchasing levels by existing glass customers after some glass customers reduced inventory in 2020 due to COVID. The loss of a large glass customer in 2020 means that current volumes sold to glass customers are approximately 75% of the level reached in 2019 and 2018. Revenue of $3.97 million in 2021 was similar to the year earlier period ($3.93 million).

Operating cash flow in 2021 was $599,000, as compared with $339,000 in in 2020. The increase in cash flow is largely attributable to lower quarrying and milling costs which reflect continued cost savings stemming from operational changes instituted in the second half of 2020, including changing to one shift per day, reducing equipment usage and working in only one quarry.

In 2021, Mill Creek received equipment loan proceeds of $1.54 million to finance the purchase of mobile mine equipment. Payments for debt service and equipment leases (which are recorded as financing payments and thus not netted against operating cash flow) totalled $889,000 in 2021, (comprising $580,000 in debt service and $309,000 in lease payments) as compared with $947,000 in the prior year (comprising $528,000 in lease payments and $419,000 in debt service). Lease payments declined and debt service increased in 2021 as leased equipment was replaced with vendor financed purchased equipment.

Mill Creek incurred capital expenditures of $1.66 million in 2021, as compared with $270,000 in 2020. The majority of the expenditures in 2021 were for purchasing mine equipment, including haul trucks, front end loaders and an excavator.

CONSOLIDATED FINANCIAL REVIEW

Financial Performance	Three months ended		Year ended	
US$,000	**Dec. 31, 2021**	Dec. 31, 2020	**Dec. 31, 2021**	Dec. 31, 2020
Revenue	**$14,837**	$13,709	**$64,177**	$51,621
Operating costs	**$12,922**	$11,601	**$55,888**	$43,408
Gross Profit	**$1,915**	$2,189	**$8,289**	$8,213
SG&A	**$1,349**	$1,459	**$5,392**	$4,837
Net income (loss)	**($140)**	$337	**$1,301**	$1,778
Income per share, basic	**($0.01)**	$0.02	**$.06**	$0.08

Review of Fourth Quarter Financial Results

The Company recorded revenue of $14.84 million in the fourth quarter of 2021, compared with $13.71 million in the prior year period. The increase in revenue was principally due to higher tons sold by Papillon as a result of favourable domestic and export markets for dairy products. Gross profit of $1.92 million in the fourth quarter of 2021 was lower than the prior year quarter (2020 Q4: $2.11 million) due to lower margins for Papillon's products and lower gross profits at MIN-AD. The net loss in the fourth quarter of 2021 is attributable to an increase in the provision for current tax expense and a loss from discontinued operations.

Review of 2021 Financial Results

The Company generated record revenue of $64.18 million in 2021, an increase of 24% from 2020 revenue of $51.62 million. Papillon accounted for 94% of the Company's consolidated revenue in 2021, (2020:91%). (Approximately 46% of MIN-AD's 2021 revenue was derived from inter-company sales to Papillon and this revenue is eliminated upon consolidation).

Despite the significant increase in revenue, consolidated gross profit in 2021 of $8.29 million was flat on a year-to-year basis (2020: $8.21 million), as a volume driven increase of gross profits at Papillon was largely offset by lower gross profits from MIN-AD due to lower sales volumes. The Company's consolidated gross profit margin decreased from 15.9% in 2020 to 12.9% in 2021, primarily as a result of increased competition for Papillon's primary products, which limited price increases. Operating costs at Papillon primarily comprise raw material costs and toll manufacturing fees, while MIN-AD's operating costs include quarrying, processing plant and maintenance costs.

Selling, general and administrative expenses ("SG&A") were $5.39 million in 2021, as compared with $4.84 million in 2020. SG&A includes all administrative, sales and marketing costs for the Company's two wholly owned subsidiaries as well as Toronto office corporate general and administrative expenses and foreign exchange impacts on Toronto based expenses. SG&A expenses were approximately $550,000 higher at Papillon in 2021 due to increases in payroll expenses, travel and insurance. A stronger Canadian dollar in 2021 had a minor impact on head office expenses.

Interest expense comprises interest on debt and interest recognized on lease liabilities. In 2021, interest expense was $166,000, as compared with $216,000 in 2020. Lower interest expense was attributable to a reduction in the Company's consolidated debt and lease obligations.

During 2021, the Company declared four quarterly preferred share dividends, totalling $111,000, as compared with three quarterly dividends totalling $84,000 in 2020. Dividends are recorded as interest on Series A preferred shares on the consolidated statement of income. The dividends are calculated using the preferred share value of $0.20/share and a rate equivalent to the U.S. prime interest rate.

A $318,000 non-cash gain on debt forgiveness was recorded in 2021 (2020: $216,000) to reflect the forgiveness of debt related to loans provided to the Company's subsidiaries under a U.S. government COVID-19 financial assistance program, (see Paycheck Protection Program below). The gain is recorded in the same amount as the principal forgiven. The original loan proceeds were recorded as proceeds from long term debt on the consolidated statement of cash flows.

During the year ended December 31, 2021, the Company recognized a current tax expense of $473,000 and a deferred tax expense of $32,000, as compared with a current tax expense of $406,000 and deferred tax recovery of $9,000 for the year ended December 31, 2020.

Inter-Rock reported net and comprehensive income of $1.30 million in 2021, or $0.06 per share, as compared with net income of $1.78 million, or $0.08 per share in 2020.

FINANCIAL CONDITION

	2021	2020
Working capital [1]	**$4,170**	$3,599
Total assets	**$22,548**	$21,441
Total liabilities	**$13,973**	$14,164
Lease obligations[2]	**$752**	$1,560
Total debt[2]	**$1,596**	$4,032
Shareholders' equity	**$8,575**	$7,277

[1] The working capital calculation excludes assets and liabilities classified as held for sale.

[2] Lease obligations and total debt are included in total liabilities. Total debt excludes debt of $2.29 million of Mill Creek debt transferred to liabilities held for sale.

At December 31, 2021, the Company's financial condition was sound, with working capital of $4.17 million, (excluding assets and liabilities classified as held for sale), including $2.27 million of cash. The Company's consolidated debt, excluding all debt related to Mill Creek (classified as liabilities held for sale) decreased to $1.60 million at December 31, 2021, down from $4.03 million at December 31, 2020. The decrease in debt is primarily due to the reclassification of Mill Creek debt to liabilities held for sale ($2.29 million at December 31, 2021), the scheduled repayment of Papillon's term loan and the forgiveness of Papillon's PPP loan (see Debt Facilities below).

Debt Facilities

At December 31, 2021, the Company's debt comprised the following:

	2021	2020
Revolving credit facility	**$498**	$500
Papillon term loan	**$1,067**	$1,866
Vehicle financings	**$31**	$88
Mill Creek term loan	**$922**	$1,260
Mill Creek equipment loans	**$1,367**	---
Paycheck protection program	**---**	$318
Less debt transferred to liabilities held for sale[1]	**($2,289)**	---
Total debt	**$1,596**	$4,032

[1]In accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, Mill Creek debt of $2.29 million at December 31, 2021 is included in the classification of liabilities held for sale.

Debt facilities:

(i) $500,000 revolving credit facility: a one-year, revolving credit facility in the amount of the lesser of $500,000 or 50% of MIN-AD's accounts receivable plus 75% of inventory, bearing interest at the U.S. bank prime rate plus 1.00% per annum. The facility matures on May 25, 2022. At December 31, 2021 the outstanding balance was $498,000. The line is secured by MIN-AD's assets and is guaranteed by both the Company and its subsidiary, Secret Pass Gold Inc.

(ii) Papillon $4.0 million term loan: a five-year secured term loan bearing interest at a fixed interest rate of 4.75% and amortizing over sixty months with equal principal repayments of $66,667 plus interest. The loan matures in April 2023. The borrower is Papillon Agricultural LLC, the parent company of Papillon. The loan is secured by the assets of Papillon and Papillon Agricultural LLC, and is guaranteed by the Company and its subsidiaries, Secret Pass Gold Inc. and Papillon. The loan covenants are customary for a facility of this nature, including a minimum DSCR of 1.15x and a requirement that the loan balance outstanding cannot exceed 80% of accounts receivable plus cash. At December 31, 2021, the outstanding balance was $1.07 million.

(iii) Vehicle loans: MIN-AD had $31,000 of debt outstanding at December 31, 2021 under two light vehicle financing facilities. The loans are secured by the vehicles and have interest rates that range from 5.00% to 5.50%.

(iv) Mill Creek $1.73 million term loan: a five-year secured term loan bearing interest at a fixed rate of 5.50% per annum and amortizing over sixty months in equal instalments. The loan matures in June, 2024. At December 31 2021, the outstanding balance was $922,000.

(v) Mill Creek $1.54 million equipment term loans: four-year secured term loans bearing interest at fixed annual rates between 2.36% and 2.89%. The loans amortize monthly, are secured by the equipment and are guaranteed by MIN-AD. At December 31, 2021, the outstanding balance was $1.37 million.

(vi) Paycheck Protection Program: In March 2020, the U.S. government passed the Coronavirus Aid, Relief, and Economic Security Act (the "CARES ACT") to provide financial assistance to individuals and businesses. A major component of the CARES

ACT is the Paycheck Protection Program (the "PPP"), a forgivable loan program for small businesses administered by the U.S. Small Business Administration. The Company's three operating subsidiaries received PPP loans in 2020 as follows: Papillon: $318,000, MIN-AD: $215,000 and Mill Creek: $284,000. The loans for MIN-AD and Mill Creek were forgiven in December 2020 and the Papillon loan was forgiven in June 2021. The loan forgiveness was recorded as a gain on debt forgiveness on the Company's consolidated statement of income.

In accordance with the terms of the Mill Creek sale agreement, (see Subsequent Events) all Mill Creek related debt was repaid (items (iv) and (v) above) when the transaction closed on February 9, 2022.

In connection with the sale of Mill Creek, the $500,000 revolving credit facility was amended to remove Mill Creek as a borrower, leaving MIN-AD as the sole borrower. The amendment required a repayment of at least $100,000 be made within 30 days of closing the sale of Mill Creek. The total outstanding under the revolving credit facility of $498,000 was repaid on March, 9 2022. The loan amendment also adjusted the borrowing base calculation so that advances under the line are capped at 50% of MIN-AD's account receivables plus 75% of inventory.

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

LIQUIDITY AND CAPITAL RESOURCES

Liquidity refers to a company's ability to access cash. Sources of liquidity generally include operating cash flow, proceeds from the issuance of debt and equity, availability under credit facilities and proceeds from asset sales. The Company's strategy is to generate positive operating cash flow to fund its operating, financing and capital requirements.

At December 31, 2021, the Company had consolidated cash of $2.27 million. The Company's most significant liquidity requirements over the next twelve months are scheduled principal and interest repayments of bank debt and lease payments, which total $1.69 million at December 31, 2021 and comprise $1.35 million of debt service (including $498,000 under the revolving credit facility, which the Company repaid on March 9, 2022) and $340,000 in rail car and office lease payments. In the opinion of management, the Company's liquidity comprising cash and cash flow from operations is sufficient to meet normal operating requirements and financing commitments.

Cash Flows

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

Cash at January 1, 2021	**$2,072**
Cash provided by operations	$2,424
Proceeds from loans	$40
Repayments of debt and interest	($983)
Repayments of lease obligations	($377)
Cash used in working capital changes	($476)
Capital expenditures	($328)
Cash used to repurchase common shares	($3)
Interest (dividends) on preferred shares	($111)
Net cash provided by discontinued operations	$29
Less cash at discontinued operations	($21)
Cash at December 31, 2021	**$2,266**

Cash Flow Provided by Operating Activities

Before non-cash working capital adjustments, the Company's continuing operations generated $2.42 million of operating cash flow in 2021, as compared with $2.99 million in 2020. The decrease is largely attributable to higher SG&A expense in 2021.

Cash Flow Used in Financing Activities

In 2021, the Company's continuing operations made scheduled debt repayments of principal and interest of $983,000 (2020: $938,000) and payments related to lease obligations of $377,000 (2020: $374,000). The Company also paid $111,000 of preferred share dividends in 2021 (2020: $96,000). Financing inflows in 2021 were limited to $40,000 in proceeds under a revolving credit facility drawdown, while in the prior year, the Company received loan proceeds of $731,000, including $533,000 in PPP loans and a $198,000 drawdown under the revolving credit facility.

Cash Flow Used in Investing Activities

In the fourth quarter of 2021, cash used in investing activities at continuing operations was $58,000, as compared with $70,000 in the year earlier period.

For the full year 2021, cash used in investing activities at continuing operations was $328,000 as compared with $224,000 in 2020. The increase in capital spending in 2021 is largely due to expenditures related to the development of the clay deposit near MIN-AD's existing operation. The clay will be quarried and processed by MIN-AD and sold as an anti-caking and toxin control agent for use in beef and dairy cow feed.

The Company has budgeted approximately $450,000 for capital expenditures at MIN-AD in 2022. The budget figure relates to a number of capital projects at MIN-AD, some of which were previously deferred due to limited free cash flow.

Selected Annual Information[1]

US$,000	**2021**	2020	2019
Financial Performance			
Revenue	**$64,177**	$51,621	$39,531
Operating costs	**$55,888**	$43,408	$32,328
Gross profit	**$8,289**	$8,213	$7,203
SG&A	**$5,392**	$4,837	$4,546
Net income	**$1,301**	$1,778	$1,633
Income per share, basic	**$0.06**	$0.08	$0.07
Cash flow from operations[2]	**$2,424**	$2,993	$2,577
Capital expenditures	**$328**	$224	$489

[1] Continuing operations. [2]Before working capital changes.

Summary of Quarterly Results

US$,000	**Q4/21**	**Q3/21**	**Q2/21**	**Q1/21**	**Q4/20**	**Q3/20**	**Q2/20**	**Q1/20**
Revenue	$14,840	$15,590	$16,880	$16,870	$13,930	$11,010	$13,440	$13,240
Gross profit	$1,920	$2,150	$2,210	$2,010	$2,110	$2,060	$1,810	$2,230
Net Income (Loss)	($140)	$367	$668	$406	$500	$669	($69)	$678
EPS – Basic	($0.01)	$0.02	$0.03	$0.02	$0.02	$0.03	$0.00	$0.03

[1] Net income and income per share are the net results for the period, including continuing and discontinued operations.

The positive trend in quarterly revenue generally reflects higher prices for dairy products over the past eight quarters. Slightly lower revenue and gross profits in the fourth quarter of 2021 reflects increased competition in the protein supplement market, which reduced profit margins for these products. The net loss in the fourth quarter of 2021 is attributable to an increase in the provision for tax expense and a loss from discontinued operations.

FINANCIAL COMMITMENTS

The Company incurs financial commitments in the normal course of operations and financing activities. Financial commitments include payments due under bank loans, equipment leases and equipment financing loans, among other commitments.

At December 31, 2021, the Company had the following undiscounted financial commitments related to its continuing operations:

(US$,000)	**Total**	**2022**	**2023**	**2024**	**2025**	**Thereafter**
Bank debt repayments	$1,565	$1,300	$265	$0	$0	$0
Vehicle financing	$31	$19	$12	$0	$0	$0
Lease obligations	$845	$361	$200	$129	$49	$106
Total	**$2,441**	**$1,680**	**$477**	**$129**	**$49**	**$106**

Debt repayments represent the principal only and include $498,000 drawn under the Company's revolving credit facility which matures May 25, 2022. Subsequent to year end, on March 9, 2022, the Company repaid the full amount drawn under the revolving credit facility. The Company anticipates extending the maturity date of the facility for an additional year. As the lease obligations in the table represent the contractual undiscounted amount of the commitments, these balances may not agree with the amounts disclosed in the balance sheet.

At December 31, 2021, the Company had the following undiscounted financial commitments related to its discontinued operations:

(US$,000)	**Total**	**2022**	**2023**	**2024**	**2025**	**Thereafter**
Debt repayments	$2,292	$707	$736	$563	$283	$0
Lease obligations	$370	$143	$76	$72	$19	$60
Total	**$2,659**	**$850**	**$812**	**$635**	**$302**	**$60**

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 22,303,311 common shares and 17,136,980 preferred shares issued and outstanding.

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

RELATED PARTY TRANSACTIONS

There were no related party transactions in 2021.

NORMAL COURSE ISSUER BID

On February 19, 2021, the Company received approval from the TSXV to renew its NCIB to purchase for cancellation up to 1,000,000 common shares, representing 4.4% of the outstanding common shares of the Company. The renewal allowed for the purchase of common shares under the NCIB over the twelve-month period beginning on or about February 25, 2021. The NCIB terminated on February 25, 2022 and has not been renewed. The NCIB terminated upon the earliest of (i) the Company purchasing 1,000,000 common shares, (ii) the Company providing notice of termination of the NCIB and (iii) the date that is 12 months following the commencement of the NCIB.

The Company purchased 9,500 common shares in 2021 at an average cost of C$0.38/share. All common shares purchased by the Company were cancelled.

SUBSEQUENT EVENTS

During the third quarter of 2021, Inter-Rock decided to sell its Mill Creek dolomite operation as part of its strategy to focus on its animal feed nutritional supplement businesses. The sale of Mill Creek to United States Lime & Minerals Inc., ("USLM") closed on February 9, 2022. USLM purchased Mill Creek for U.S.$6.40 million in cash, excluding all Mill Creek debt and accrued interest of U.S.$2.24 million that was repaid at closing with a portion of the proceeds of the sale in accordance with the terms of the sale agreement. After the repayment of debt and working capital adjustments, the Company received net cash of U.S.$3.31 million.

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 the United States and Canada.

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 and 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 floating rate debt held at year-end, a one percent change in interest rates would affect the profitability of the Company by an immaterial amount.

The substantial 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 does 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 in 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.

Coronavirus (COVID-19)

Coronavirus disease is an infectious respiratory disease caused by a new virus. On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. As a consequence, governments worldwide enacted emergency measures to reduce the spread of the disease. The measures included travel bans, physical distancing, quarantine periods for people that have the disease and those that have travelled, closing of social, cultural and educational facilities, and in some jurisdictions, the periodic closing of all non-essential businesses. Initially, global equity markets declined considerably and experienced extreme volatility. Equity markets have since recovered. Governments provided substantial monetary and fiscal measures in an effort to stabilize economic conditions.

COVID-19 primarily impacted the Company's Mill Creek business in 2020 as glass customers reduced their purchases of dolomite. COVID-19 may have additional negative impacts on the operations of the Company, its suppliers and its customers. Any labour quarantines or other disruptions to the Company's operations may impact its ability to provide products to its customers and, as a consequence, negatively impact the Company's revenues and cash flow. Similarly, the closure of the Company's quarrying and processing operations or its toll manufacturing facilities could severely limit the Company's production and its ability to supply its customers. It is not possible to reliably estimate the length and severity of the economic consequences of the COVID-19 pandemic and the impact on the operations and financial results of the Company.

Competition

The Company competes with other businesses that produce, market and sell similar products. 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 businesses 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, energy and fertilizer prices, demand in export markets and unusual weather patterns, among others.

Government Regulation

The quarrying, processing and development activities of the Company's dolomite subsidiary is subject to various laws governing development, production, taxes, royalties, labour and occupational health and safety standards, toxic substances, land use, water use and other matters. Papillon's and MIN-AD's products are also 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.

In addition, some of Papillon's dairy feed protein additives include products made from animal proteins, such as blood meal and feather meal sourced from the pork and poultry industries. There can be no assurance that new regulations will not be enacted that ban or restrict the use of animal proteins in the food supply chain.

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 and Lease Obligations

Although the Company has been successful in making its scheduled principal and interest repayments under its various note and loan facilities and in servicing its lease obligations, 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, interest and principal on its debt and obligations under equipment and office leases. 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 lease 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 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 dairy feed ingredients and dolomite products, changes in economic conditions in the markets for the Company's products, particularly the dairy market in the United States, market competition, the ability to attract and retain skilled staff, timing and availability of external financing on acceptable terms, increases in costs, environmental compliance, changes in environmental and other local legislation and regulation, interest rate fluctuations, as well as those risk factors listed in the “Risk Factors” section in the Company’s most recent annual MD&A. 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.