



Consolidated Financial Statements

Expressed in United States dollars
For the nine months ended September 30, 2024

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

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by, and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements.

INTER-ROCK MINERALS INC.
November 15, 2024

Inter-Rock Minerals Inc.

Condensed Consolidated Interim Balance Sheets

As at

(Expressed in thousands of United States Dollars)

UNAUDITED	Note	September 30, 2024	December 31, 2023
		\$	\$
ASSETS			
Current assets			
Cash		6,661	4,603
Accounts receivable		8,446	13,216
Inventories	7	2,313	1,904
Prepaid expenses and other assets		1,289	1,131
Total Current Assets		18,709	20,854
Non-current assets			
Investment	5	635	543
Properties, plant and equipment	8	5,331	3,615
Intangible assets	9	483	724
Goodwill	9	1,808	1,808
Total Assets		26,966	27,544
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		7,544	11,520
Current portion of long term debt	10	616	221
Current portion of lease obligations	11	426	294
Total Current Liabilities		8,586	12,035
Non-current liabilities			
Long-term debt	10	527	292
Lease obligations	11	1,369	569
Asset retirement obligation	12	33	33
Deferred tax liability		454	454
Series A preferred shares	13	3,417	3,417
Total Liabilities		14,386	16,800
Equity			
Share capital	14	5,613	5,621
Contributed surplus		315	315
Retained earnings		6,652	4,808
Total Equity		12,580	10,744
Total Liabilities and Equity		26,966	27,544

Financial Commitments (Note 19)

Subsequent Event (Note 20)

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

Inter-Rock Minerals Inc.

Condensed Consolidated Interim Statements of Net and Comprehensive Income

(Expressed in thousands of United States Dollars except for outstanding shares and per share amounts)

UNAUDITED	Note	For the three months ended		For the nine months ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
		\$	\$	\$	\$
REVENUE	6	22,190	21,819	74,351	65,821
COST OF SALES					
Operating costs	6	19,233	19,083	65,046	57,698
GROSS PROFIT		2,957	2,736	9,305	8,123
OPERATING EXPENSES					
Selling, general and administrative	6	1,874	1,817	5,944	5,468
Amortization and depletion	8	182	168	503	498
Amortization of intangible assets	9	80	81	241	242
INCOME BEFORE FINANCING COSTS		821	670	2,617	1,915
FINANCING COSTS					
Interest on Series A preferred shares	13	146	139	146	139
Interest on debt and lease obligations	10,11	49	22	127	51
INCOME BEFORE INCOME TAXES		626	509	2,344	1,725
INCOME TAXES					
Current	16	150	200	500	450
NET INCOME AND COMPREHENSIVE INCOME		476	309	1,844	1,275
Basic income per share	15	0.02	0.01	0.08	0.06
Diluted income per share	15	0.01	0.01	0.05	0.03
Weighted average number of shares outstanding					
Basic		21,956,811	22,106,811	21,956,811	22,106,811
Diluted		39,093,791	39,243,791	39,093,791	39,243,791

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

Inter-Rock Minerals Inc.

Condensed Consolidated Interim Statements of Changes in Equity

As at and for the periods ended September 30, 2024 and 2023

(Expressed in thousands of United States Dollars)

UNAUDITED	Share Capital (Note 14)	Contributed Surplus	Retained Earnings	Total
	\$	\$	\$	\$
Balance, December 31, 2022	5,791	315	3,038	9,144
Shares purchased for cancellation	(102)	-	-	(102)
Net income and comprehensive income			1,275	1,275
Balance, September 30, 2023	5,689	315	4,313	10,317
Balance, December 31, 2023	5,621	315	4,808	10,744
Shares purchased for cancellation	(8)	-	-	(8)
Net income and comprehensive income	-	-	1,844	1,844
Balance, September 30, 2024	5,613	315	6,652	12,580

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

Inter-Rock Minerals Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in thousands of United States Dollars)

UNAUDITED	Note	For the three months ended		For the nine months ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
CASH PROVIDED BY (USED IN) OPERATIONS					
Net income		476	309	1,844	1,275
Items not affecting cash					
Amortization and depletion		182	168	503	498
Amortization of intangible assets		80	81	241	242
Interest expense		195	161	273	190
		933	719	2,861	2,205
Net changes in non-cash working capital					
Accounts receivable		698	100	4,770	1,824
Inventories		(164)	(24)	(409)	443
Prepaid expenses		123	78	(158)	(156)
Accounts payable and accrued liabilities		(674)	(514)	(3,904)	(776)
Cash generated by operating activities		916	359	3,160	3,540
INVESTING					
Purchase of properties, plant and equipment	8	(170)	(206)	(1,020)	(1,151)
Investment	5	(17)	-	(92)	(542)
Cash used in investing activities		(187)	(206)	(1,112)	(1,693)
FINANCING					
Interest paid		(49)	(22)	(127)	(51)
Interest on Series A preferred shares	14	(146)	(139)	(218)	(203)
Proceeds from financing	10	85	102	694	515
Repayment of long term debt	10	(33)	(3)	(64)	(277)
Repayment of lease obligations	11	(81)	(84)	(267)	(250)
Shares purchased for cancellation		(3)	(89)	(8)	(102)
Cash provided by (used in) financing activities		(227)	(235)	10	(368)
Net change in cash		502	(82)	2,058	1,479
Cash, beginning of the period		6,159	4,609	4,603	3,048
Cash, end of the period		6,661	4,527	6,661	4,527

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

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended September 30, 2024 and 2023

(Expressed in thousands of United States Dollars except for per share information)

1. CORPORATE INFORMATION

Inter-Rock Minerals Inc. (“Inter-Rock” or the “Company”) 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 U.S. 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 high purity dolomite and clay, primarily to the animal feed industry in the United States.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The condensed consolidated interim financial statements should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended December 31, 2023 prepared in accordance with IAS as issued by the IASB.

2.2 Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3 of the Company’s audited financial statements for the year ended December 31, 2023.

2.3 Basis of consolidation

The condensed consolidated interim financial statements include the accounts of the Company and the following wholly-owned subsidiaries:

Name of subsidiary	Country of Incorporation	Ownership
Secret Pass Gold, Inc.	United States	100%
MIN-AD, Inc.	United States	100%
Papillon Agricultural Company, Inc.	United States	100%

2.4 Functional currency and currency of presentation

These condensed consolidated interim financial statements are presented in United States dollars, which is the functional currency of the Company and all its subsidiaries. Transactions denominated in currencies other than the functional currency are recorded in the functional currency using the spot rate on the transaction date, and revalued using the exchange rate in effect at the end of each reporting date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the reporting date. Non-monetary assets and liabilities are translated at the historical rate. Exchange gains and losses are included in the condensed consolidated interim statements of income and comprehensive income for the period.

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended September 30, 2024 and 2023

(Expressed in thousands of United States Dollars except for per share information)

3. MATERIAL ACCOUNTING POLICIES

The condensed consolidated interim financial statements reflect the accounting policies applied by the Company in its audited financial statements for the year ended December 31, 2023. The Company's material accounting policies are presented in Note 3 in the audited consolidated financial statements for the year ended December 31, 2023.

4. CRITICAL JUDGMENTS AND ESTIMATES

The preparation of the Company's condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results could differ from these estimates.

These condensed consolidated interim financial statements reflect the judgements and estimates outlined by the Company in Note 4 of its audited consolidated financial statements for the year ended December 31, 2023.

5. INVESTMENT

In February 2023, the Company provided a convertible loan to a private Swiss company ("Embion") in the amount of CHF 500,000. Embion is a start-up company developing a novel catalytic process to break down waste biomass, such as brewer's grains. The process can be adapted to convert certain carbohydrates that can be utilized by bacteria in the gastrointestinal tracts of animals.

The convertible loan is non-interest bearing and has a maturity date of February 28, 2025. The loan will automatically convert to shares of Embion at the earlier of the maturity date and the completion by Embion of a financing of a minimum of CHF 1,500,000. The conversion rate will be based on the lower of (a) a 50% discount from the pre-money valuation of Embion in the financing and (b) CHF 5.59 per share. (Note 20)

Due to the fact that the convertible loan automatically converts to equity, the instrument is valued as an equity investment in shares of Embion. The value of the investment is adjusted for inputs at the valuation date based on the most recent financing round economics, if applicable.

In January 2024, the Company made an additional non-interest bearing loan of CHF 65,000. The second tranche was provided under the same terms and conditions as the original loan.

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended September 30, 2024 and 2023

(Expressed in thousands of United States Dollars except for per share information)

6. SUBSIDIARIES AND BUSINESS SEGMENTS

Inter-Rock has two operating businesses. Each business is an operating segment for financial reporting purposes. Certain costs are managed on a consolidated basis and are therefore not reflected in segment income. Operating segments of the Company are as follows:

Name of subsidiary	Country of Incorporation	Ownership
MIN-AD, Inc.	United States	100%
Papillon Agricultural Company, Inc.	United States	100%

The Company's management evaluates the performance of these segments and allocates resources to them based on certain performance measures.

Segment earnings correspond to each business' earnings from operations. The Company's management reporting system evaluates performance based on a number of factors; however, the primary profitability measure is the earnings from operations before depreciation, amortization, net financing income or expense and income taxes ("EBITDA").

Effective April 1, 2024, Papillon became the exclusive distributor of MIN-AD's feed products. Inter-segment revenues are eliminated upon consolidation.

Segment operating results are as follows:

For the nine month period ended September 30, 2024	MIN-AD	Papillon	Other	Eliminations	Total
REVENUE					
Internal sales	4,620	50	720	(5,390)	-
External sales	1,551	72,800	-	-	74,351
COST OF SALES					
Operating costs	4,454	65,212	-	(4,620)	65,046
GROSS PROFIT	1,717	7,638	720	(770)	9,305
OPERATING EXPENSES					
Selling, general & administration	1,202	4,899	613	(770)	5,944
Amortization and depletion	321	51	131	-	503
Amortization of intangible assets	-	241	-	-	241
INCOME (LOSS) BEFORE FINANCING COST:	194	2,447	(24)	-	2,617
FINANCING COSTS					
Interest on Series A preferred shares	-	-	146	-	146
Interest on debt and lease obligations	98	20	9	-	127
INCOME (LOSS) BEFORE INCOME TAXES	96	2,427	(179)	-	2,344
INCOME TAXES					
Current	-	500	-	-	500
Deferred	-	-	-	-	-
	96	1,927	(179)		1,844
Inter-company dividend income	200	-	600	(800)	-
NET AND COMPREHENSIVE INCOME	296	1,927	421	(800)	1,844

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended September 30, 2024 and 2023

(Expressed in thousands of United States Dollars except for per share information)

6. SUBSIDIARIES AND BUSINESS SEGMENTS (CONT'D)

Segment operating results are as follows:

As at September 30, 2024	MIN-AD	Papillon	Other	Eliminations	Total
ASSETS					
Current assets	1,476	16,794	775	(336)	18,709
Non-current assets	4,834	3,252	171	-	8,257
	6,310	20,046	946	(336)	26,966
LIABILITIES					
Current liabilities	1,566	7,201	155	(336)	8,586
Non-current liabilities	1,619	264	3,917	-	5,800
	3,185	7,465	4,072	(336)	14,386
For the three month period ended					
September 30, 2024	MIN-AD	Papillon	Other	Eliminations	Total
REVENUE					
Internal sales	1,730	-	240	(1,970)	-
External sales	219	21,971	-	-	22,190
COST OF SALES					
Operating costs	1,383	19,580	-	(1,730)	19,233
GROSS PROFIT	566	2,391	240	(240)	2,957
OPERATING EXPENSES					
Selling, general & administration	357	1,728	29	(240)	1,874
Amortization and depletion	119	20	43	-	182
Amortization of intangible assets	-	80	-	-	80
INCOME BEFORE FINANCING COSTS	90	563	168	-	821
FINANCING COSTS					
Interest on Series A preferred shares	-	-	146	-	146
Interest on debt and lease obligations	36	13	-	-	49
INCOME BEFORE INCOME TAXES	54	550	22	-	626
INCOME TAXES					
Current	-	150	-	-	150
Deferred	-	-	-	-	-
	54	400	22	-	476
Inter-company dividend income	200	-	600	(800)	-
NET AND COMPREHENSIVE INCOME	254	400	622	(800)	476

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended September 30, 2024 and 2023

(Expressed in thousands of United States Dollars except for per share information)

6. SUBSIDIARIES AND BUSINESS SEGMENTS (CONT'D)

Segment balances for the prior period are as follows:

For the nine month period ending September 30, 2023	MIN-AD	Papillon	Other	Eliminations	Total
REVENUE					
Internal sales	3,455	182	540	(4,177)	-
External sales	3,685	62,136	-	-	65,821
COST OF SALES					
Operating costs	5,277	55,876	-	(3,455)	57,698
GROSS PROFIT	1,863	6,442	540	(722)	8,123
OPERATING EXPENSES					
Selling, general & administration	1,155	4,446	586	(719)	5,468
Amortization and depletion	318	47	133	-	498
Amortization of intangible assets	-	242	-	-	242
INCOME (LOSS) BEFORE FINANCING COST	390	1,707	(179)	(3)	1,915
FINANCING COSTS					
Interest on Series A preferred shares	-	-	139	-	139
Interest on debt and lease obligations	23	18	13	(3)	51
INCOME (LOSS) BEFORE INCOME TAXES	367	1,689	(331)	-	1,725
INCOME TAXES					
Current	-	450	-	-	450
NET AND COMPREHENSIVE INCOME (LOSS)	367	1,239	(331)	-	1,275
For the three month period ending September 30, 2023					
	MIN-AD	Papillon	Other	Eliminations	Total
REVENUE					
Internal sales	1,067	62	180	(1,309)	-
External sales	1,073	20,746	-	-	21,819
COST OF SALES					
Operating costs	1,584	18,567	-	(1,068)	19,083
GROSS PROFIT	556	2,241	180	(241)	2,736
OPERATING EXPENSES					
Selling, general & administration	369	1,493	195	(240)	1,817
Amortization and depletion	107	(17)	78	-	168
Amortization of intangible assets	-	81	-	-	81
INCOME (LOSS) BEFORE FINANCING COST	80	684	(93)	(1)	670
FINANCING COSTS					
Interest on Series A preferred shares	-	-	139	-	139
Interest on debt and lease obligations	13	5	5	(1)	22
INCOME (LOSS) BEFORE INCOME TAXES	67	679	(237)	-	509
INCOME TAXES					
Current	-	200	-	-	200
NET AND COMPREHENSIVE INCOME (LOSS)	67	479	(237)	-	309

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended September 30, 2024 and 2023

(Expressed in thousands of United States Dollars except for per share information)

7. INVENTORIES

	September 30, 2024	December 31, 2023
	\$	\$
Raw materials and consumables	451	298
Finished goods	1,862	1,606
Total inventories	2,313	1,904

8. PROPERTIES, PLANT AND EQUIPMENT

	Dolomite Property	Plant and Equipment	Right of Use Assets	Vehicles	Spare Parts	Total
Balance, December 31, 2022	1,754	9,888	2,140	300	372	14,454
Additions in the year	-	1,127	192	-	139	1,458
Disposals in the year	-	-	-	-	(102)	(102)
Balance, December 31, 2023	1,754	11,015	2,332	300	409	15,810
Additions in the year	-	931	1,199	-	89	2,219
Disposals in the year	-	-	-	-	-	-
Balance, September 30, 2024	1,754	11,946	3,531	300	498	18,029

Accumulated Amortization and Depletion	Dolomite Property	Plant and Equipment	Right of Use Assets	Vehicles	Spare Parts	Total
Balance, December 31, 2022	(1,325)	(8,755)	(1,165)	(292)	-	(11,537)
Additions in the year	(47)	(279)	(339)	(2)	-	(667)
Disposals in the year	-	9	-	-	-	9
Balance, December 31, 2023	(1,372)	(9,025)	(1,504)	(294)	-	(12,195)
Additions in the year	(39)	(167)	(291)	(6)	-	(503)
Disposals in the year	-	-	-	-	-	-
Balance, September 30, 2024	(1,411)	(9,192)	(1,795)	(300)	-	(12,698)

Net Book Value

As at December 31, 2023	382	1,990	828	6	409	3,615
As at September 30, 2024	343	2,754	1,736	-	498	5,331

For the periods ending September 30, 2024 and 2023, there were no indicators of impairment in the carrying value of the Company's dolomite property, plant and equipment and right-of-use assets.

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended September 30, 2024 and 2023

(Expressed in thousands of United States Dollars except for per share information)

9. INTANGIBLE ASSETS AND GOODWILL

Intangible assets and goodwill comprise the following:

	Customer relationships (a)	Distribution rights (b)	Brand (c)	Total Intangibles	Goodwill
	\$	\$	\$	\$	\$
Balance December 31, 2022	599	422	25	1,046	1,808
Less: amortization	(185)	(127)	(10)	(322)	-
Balance, December 31, 2023	414	295	15	724	1,808
Less: amortization	(141)	(96)	(4)	(241)	-
Balance, September 30, 2024	273	199	11	483	1,808

Amortization of intangible assets is presented within amortization of intangibles on the condensed consolidated interim statements of income and comprehensive income. At period-end there were no impairment losses recognized in income.

- Customer relationships, which are long-standing relationships with many specialty feed ingredient suppliers, toll manufacturers and customers in the dairy industry.
- Distribution rights, which are exclusive rights of the Company to produce and distribute specialty feed ingredients to the dairy industry.
- Brand, where the value of a brand is determined by the consumers' perception of the brand. Positive brand equity is achieved when consumers are willing to pay more for a product with a recognizable brand name than they would pay for a generic version of the product.

Goodwill is measured as the fair value of consideration paid less the fair value of the net assets acquired and liabilities assumed on the acquisition date. Goodwill is tested at least annually for impairment or more frequently when impairment indicators are identified. In accordance with IAS 36, if some or all of the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period.

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended September 30, 2024 and 2023

(Expressed in thousands of United States Dollars except for per share information)

10. DEBT

Bank debt and equipment purchase financings comprise the following:

	September 30, 2024	December 31, 2023
<u>Aggregate debt facilities</u>	\$	\$
(i) Revolving credit facility	470	170
(ii) MIN-AD term loan	629	343
(iii) Equipment financing	44	-
	1,143	513
<u>Less:</u>		
Current portion of long term debt	(602)	(221)
Equipment financing	(14)	-
Total long term debt	527	292

The Company's debt facilities are described below. At September 30, 2024, the Company was in compliance with all debt covenants.

- (i) \$500 Revolving Credit Facility – a one-year, secured revolving credit facility (“RC”) in the amount of \$500 bearing interest at the U.S. bank prime rate plus 1.00% per annum. At September 30, 2024 - \$470 (September 30, 2023 - \$170) was recorded as current portion of long term debt.

The facility is secured by the assets of MIN-AD and is guaranteed by both the Company and its subsidiary Secret Pass Gold Inc. The facility contains certain covenants that limit, among other things, the ability of MIN-AD to incur new indebtedness, sell material assets and make acquisitions. There is also a requirement to maintain a minimum debt service cover ratio (“DSCR”). The DSCR is calculated annually based on the annual audited consolidated results of the Company.

- (ii) \$800 MIN-AD Term Loan – an equipment financing facility of up to \$800 with a nine-month drawdown period, which ended March 2, 2024, followed by a fifty-seven month amortization period commencing April 2024. During the drawdown period, the interest rate was the U.S. prime rate plus 50bps and during the amortization period the interest rate is fixed at 6.75%. Only interest was paid during the drawdown period. The loan is secured by the equipment and is guaranteed by Secret Pass Gold Inc. and the Company. At September 30, 2024 - \$132 (September 30, 2023 - \$52) was recorded as current portion of long term debt and the balance of \$497 (September 30, 2023 - \$291) was recorded as long term debt.
- (iii) Equipment financing loan – the Company periodically finances the purchase of equipment and company vehicles for use by a number of employees. At September 30, 2024 - \$44 (September 30, 2023 - \$Nil) was outstanding under an equipment loan of which \$14 was current. The loan is secured by the equipment and the interest rate is 9%.

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended September 30, 2024 and 2023

(Expressed in thousands of United States Dollars except for per share information)

11. LEASE OBLIGATIONS

The Company leases rail cars and office space. The Company's lease obligations at September 30, 2024 consist of the following:

	September 30, 2024	December 31, 2023
Movement in lease obligations:		
Lease obligations, beginning	\$ 863	\$ 978
Additions during the period	1,199	220
Payments during the period	(267)	(335)
Lease obligations, ending	1,795	863
Less: current portion	(426)	(294)
Total long term lease obligations	\$ 1,369	\$ 569

During the period, the Company recognized interest expense of \$45 (September 30, 2023 - \$38) on lease liabilities.

MIN-AD has a number of rail car leases with maturity dates ranging from 2026 to 2031. In the normal course of business, MIN-AD renews the rail car leases as demand requires. The rail car leases typically have terms of 3 or 5 years. The Company does not have any low value or short term leases and does not capitalize leases with these attributes.

12. ASSET RETIREMENT OBLIGATION

The Company is required to satisfy certain asset retirement obligations including the removal of any equipment and the restoration of the land and premises. This liability is management's estimate of the requirements for restoration and rehabilitation of the Company's MIN-AD dolomite quarrying operations. The Company's liability for reclamation of the property has been discounted to its present value based on an estimate of the Company's pricing in the market to obtain debt.

13. SERIES A PREFERRED SHARES

On December 5, 2008, the Company issued 17,136,980 Series A preferred shares ("Preferred Shares") to settle debt and unpaid interest owing to a shareholder in the amount of \$3,417.

Each Preferred Share is entitled to one vote, is redeemable and retractable on demand at a value of \$0.20, pays a non-cumulative quarterly dividend at a rate equivalent to the US prime interest rate, and is convertible into one common share.

There is no certainty of retraction of the Preferred Shares as there is no fixed or determinable date for their retraction nor are any future events defined that would trigger retraction. The shareholder agreed to waive their right to retract the Preferred Shares for the year ending December 31, 2024, so the liability has been presented in these condensed consolidated interim financial statements as long term. During the period, the Board of Directors declared two quarterly preferred share dividends totaling \$146 (September 30, 2023 - \$139). The dividends are recorded as interest expense.

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended September 30, 2024 and 2023

(Expressed in thousands of United States Dollars except for per share information)

14. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares. The number of common shares issued and outstanding is as follows:

	Number	Amount
Balance, December 31, 2023	21,972,311	\$5,621
Purchased for cancellation	(15,500)	(8)
Balance, September 30, 2024	21,956,811	5,613

Normal Course Issuer Bid

On August 16, 2024, the Company received approval from the TSXV to renew its NCIB to purchase for cancellation up to 1,000,000 common shares, representing 4.6% of the outstanding common shares of the Company. The Company may purchase common shares under the NCIB over the twelve-month period beginning on or about August 19, 2024. The NCIB will terminate upon the earliest of (i) the Company purchasing 1,000,000 common shares, (ii) the Company providing termination of the NCIB and (iii) the date that is 12 months following the commencement of the NCIB.

Any purchases under the NCIB will be conducted on the open market through the facilities of the TSXV or alternative Canadian trading systems. The price paid for any common shares repurchased under the NCIB will be the prevailing market price at the time of purchase. All common shares purchased by the Company will be cancelled. At September 30, 2024, 10,500 common shares had been repurchased under the current NCIB and 5,000 common shares had been repurchased under the previous NCIB.

15. INCOME PER SHARE

Basic and diluted income per share have been calculated as follows:

	For the three month period		For the nine month period	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Basic income per share				
Income available to common shares	476	309	1,844	1,275
Weighted average common shares (in thousands)	21,956	22,106	21,956	22,106
	0.02	0.01	0.08	0.06
Diluted income per share				
Income available to common shares	476	309	1,844	1,275
Income available to common shares, assuming dilution	476	309	1,844	1,275
Weighted average common shares outstanding	21,956	22,106	21,956	22,106
Preferred shares converted to common shares	17,137	17,137	17,137	17,137
Adjusted weighted average common shares outstanding	39,093	39,243	39,093	39,243
	0.01	0.01	0.05	0.03

Each Preferred Share (Note 13) is convertible into one common share of the Company, the dilutive effect of the conversion of Preferred Shares is 17,136,980 additional common shares.

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended September 30, 2024 and 2023

(Expressed in thousands of United States Dollars except for per share information)

16. INCOME TAXES

At September 30, 2024 the Company had Canadian tax losses which are not recognized as deferred tax assets. The Company recognizes the tax benefit of the tax losses only to the extent of anticipated future Canadian taxable income that can be reduced by tax losses. The gross amount of the tax losses for which a tax benefit has not been recorded expire as follows:

Incurred	Expires	Amount
		C\$
2007	2027	141
2008	2028	377
2009	2029	261
2010	2030	319
2011	2031	327
2012	2032	303
2013	2033	249
2014	2034	169
2015	2035	166
2016	2036	200
2017	2037	262
2018	2038	118
2019	2039	144
2020	2040	-
2021	2041	82
2022	2042	639
2023	2043	-
		<u>3,757</u>

17. RELATED PARTY TRANSACTIONS

Key management remuneration

The Company's related parties as defined by IAS 24, Related Party Disclosures, include the key management of the Company and its subsidiaries. Key management includes directors, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Vice-President of Operations and the President of Papillon.

The compensation paid to key management for services is shown below:

	For the three months ended		For the nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$	\$	\$	\$
Short term benefits including salaries and directors fees	272	252	1,037	1,051

Inter-Rock Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended September 30, 2024 and 2023

(Expressed in thousands of United States Dollars except for per share information)

18. REVENUE SUPPLEMENTAL INFORMATION

The Company's revenue by type is broken down as follows in the consolidated statements of income and comprehensive income.

	For the three months ended		For the nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2024	2023	2024	2023
	\$	\$	\$	\$
MIN-AD				
Dolomite sales	174	943	1,318	3,068
Freight charges	44	97	188	456
Fuel charges	1	32	45	158
	219	1,072	1,551	3,682
Papillon				
Animal feed sales	21,211	19,882	70,363	59,359
Freight charges	760	865	2,437	2,780
	22,190	21,819	74,351	65,821

19. FINANCIAL COMMITMENTS

The Company is committed to \$3,159 (September 30, 2023 - \$1,569) for obligations and financial commitments in the normal course of operations and financing activities. At September 30, 2024, the Company had the following financial commitments:

	Total	2024	2025	2026	2027	Thereafter
	\$	\$	\$	\$	\$	\$
Bank debt repayments	1,143	35	618	160	165	165
Lease obligations	2,016	128	516	372	352	648
Total	3,159	163	1,134	532	517	813

Debt repayments represent the principal only. Lease obligations represent the undiscounted amount of the lease commitments.

In accordance with the terms of a protein manufacturing agreement, Papillon has committed to purchasing a minimum annual value of protein products over a five-year period, with an aggregate value over the five years of \$1,000. If the value of the protein purchases is less than \$1,000 Papillon must pay the difference between the minimum required and the value of the actual amount purchased. The manufacturer can choose to reconcile the account annually or carry forward any difference.

20. SUBSEQUENT EVENT

Subsequent to period-end, the Embion convertible loan (Note 5) was converted to shares.