

# Rogue Resources Inc.

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## Form 51-102F1 Management's Discussion and Analysis For the year ended April 30, 2023

This Management's Discussion and Analysis ("MD&A") has been prepared by management as of August 28, 2023 and should be read in conjunction with the audited consolidated financial statements of Rogue Resources Inc. ("Rogue" or the "Company"), for the year ended April 30, 2023, prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures are expressed in Canadian dollars unless otherwise indicated. Further information on the Company can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and the Company's website [www.roguerresources.ca](http://www.roguerresources.ca).

### Cautionary Statement on Forward Looking Statements

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

### Comment Regarding the COVID-19 Pandemic

Rogue has been and may be further impacted by the COVID-19 Pandemic ("the Pandemic"). The Company has been focused on the health and safety of our employees and has implemented procedures to ensure it is following public health recommendations (the "Pandemic Protocol"). The Pandemic Protocol has been discussed in detail with the Company's Board of Directors, which has been receiving regular updates regarding the course of business. The future course of the Pandemic remains unclear and there is a possibility that future outbreaks or sustained flareups may force government to take different action.

Similarly, the Company exports a large portion of its sales across the Canada-US border and the land border did not close to commercial traffic because of the Pandemic but, if this was to change, it would have a material impact on the Company's trajectory. In addition, although Pandemic Protocol has been followed, waves of exposures and some infections did progress through the Operations team and the Pandemic has had a material impact on the Operations team's productivity.

## Corporate Summary and Overall Performance

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

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

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

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

Highlights for the period from May 1, 2022 to April 30, 2023 are as follows:

### *Rogue Stone- Ontario Limestone Quarries*

- Bobcaygeon, Orillia and Shadow Lake combined to sell 12,881 tons of limestone in the period from May 1, 2022 to April 30, 2023. These sales had a total product value of \$1,333,718, averaging \$103/ton. In the same period of the prior year, Rogue Stone sold 19,763 tons of limestone, valued at \$1,662,845 or \$84/ton.

### *Rogue Quartz*

- Snow White - marketing discussions continued with potential customers of the quartz, including in both the Commodity (silicon metal producers) and Specialty (fillers, countertops, etc.) customer segments.

### *Financing*

- In March 2020, the Company closed on a \$1,800,000 Debt Facility with the Credit Group. The Debt Facility is secured against all of the Company's assets and has interest-only payments until the principal is due in full at maturity, carrying an interest rate equal to the higher of prime plus 8.05% or 12%. The Debt Facility was extended with the Credit Group, in December, 2021, in May 2022, December 2022, and again in June 2023 to September 2023. There were no penalties or further fees related to the extensions.

## Selected Annual Information

The following table sets forth information of the Company at April 30<sup>th</sup> for each of the last three fiscal years prepared in accordance with IFRS. The selected financial information should be read in conjunction with the Audited Financial Statements of the Company.

	2023	2022	2021
Other income/(expense)	\$ 128,580	\$ (9,451,792)	\$ 1,839,104
Net income/ (loss)	(291,501)	(9,788,780)	1,111,866
Earnings/ (loss) per share	(0.01)	(0.28)	0.03
Total assets	7,864,487	7,723,432	17,108,314
Long term debt	1,005,464	1,290,924	1,508,319
Dividends	Nil	Nil	Nil

## Results of Operations

### Year ended April 30, 2023

For the year ended April 30, 2023 ("fiscal 2023"), the Company incurred a net comprehensive loss of \$(297,031) compared to \$(9,787,548) for the year ended April 30, 2022 ("fiscal 2022"). The significant changes in revenue and expenses between the periods is a result of the following:

- A decrease in sales to \$1,347,930 (year ended April 30, 2022 – \$1,665,057);
- A decrease of gross profit to \$457,714 (year ended April 30, 2022 – \$581,221);
- An increase in the gain on assets sold to \$248,463 (loss in the year ended April 30, 2022 – \$(3,634,986));
- A loss from investment in associates of \$(119,883) (year ended April 30, 2022 – \$(173,247));
- A write off of Exploration and Evaluation Assets of \$nil (year ended April 30, 2022 – \$(5,646,993)).

## Summary of Quarterly Results

The following table sets forth selected quarterly financial information for each of the last eight (8) quarters.

Period	Quarter Ending	Other Income (Expense) (\$)	Net Income (Loss) (\$)	Net Income (Loss) per Share (\$)
Q4 – 2023	April 30, 2023	242,652	129,697	0.00
Q3 – 2023	January 31, 2023	3,353	(185,848)	(0.01)
Q2 – 2023	October 31, 2022	(69,629)	(152,778)	(0.00)
Q1 – 2023	July 31, 2022	(47,796)	(82,572)	(0.00)
Q4 – 2022	April 30, 2022	(3,937,284)	(4,172,049)	(0.11)
Q3 – 2022	January 31, 2022	(5,597,587)	(5,728,255)	(0.16)
Q2 – 2022	October 31, 2021	(109,343)	(170,864)	0.00
Q1 – 2022	July 31, 2021	254,828	282,388	0.00

**Note:** There were no discontinued operations or extraordinary items on the Company's financial statements during the above-mentioned periods.

### Selected Quarterly Financial Data – Rogue Stone Operations

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

During the quarter ended April 30, 2023, Rogue Stone:

- Sold 605 tons of limestone, for revenue of \$88,373.
- Cost of goods sold ("COGS") excluding depreciation and depletion expense was \$(40,059) for the period. The negative value represents an adjustment to COGS for the fiscal year related to a reallocation of certain costs incurred to Producing assets. See below table showing quarterly average and fiscal totals.

Rogue Resources Inc.  
Management's Discussion and Analysis  
Year ended April 30, 2023

	Q4-2023	Q3-2023	Q2-2023	Q1-2023	Fiscal Total	Quarterly Average
<b>Tons Sold</b>	<b>605</b>	2,222	5,131	4,922	<b>12,880</b>	3,220
<b>Revenue</b>	<b>\$ 102,585</b>	\$ 246,977	\$ 484,784	\$ 513,584	<b>\$ 1,347,930</b>	\$ 336,983
<b>Revenue / ton</b>	<b>\$ 170</b>	\$ 111	\$ 94	\$ 104	<b>\$ 105</b>	\$ 105
<b>COGS (excludes depreciation &amp; depletion)</b>	<b>\$ (39,899)</b>	\$ 160,583	\$ 263,566	\$ 342,415	<b>\$ 726,665</b>	\$ 181,666
<b>COGS / ton</b>	<b>\$ (66)</b>	\$ 72	\$ 51	\$ 70	<b>\$ 56</b>	\$ 56

	Q4-2022	Q3-2022	Q2-2022	Q1-2022	Fiscal Total	Quarterly Average
<b>Tons Sold</b>	3,507	4,278	5,431	6,547	<b>19,763</b>	4,941
<b>Revenue</b>	\$ 318,551	\$ 331,548	\$ 441,537	\$ 573,421	<b>\$ 1,665,057</b>	\$ 416,264
<b>Revenue / ton</b>	\$ 91	\$ 78	\$ 81	\$ 88	<b>\$ 84</b>	\$ 84
<b>COGS (excludes depreciation &amp; depletion)</b>	\$ 191,907	\$ 202,236	\$ 216,335	\$ 251,957	<b>\$ 862,435</b>	\$ 215,609
<b>COGS / ton</b>	\$ 57	\$ 47	\$ 40	\$ 38	<b>\$ 44</b>	\$ 44

The quarter ended April 30, 2023 was another very challenging quarter for Rogue Stone operations; unit costs and tons sold were down compared to the same period in the prior year. Despite last year's strong trajectory for Rogue Stone, this quarter the business was again challenged by poor equipment performance in addition to high costs from equipment breakdowns, and maintenance. This quarter the bulk business continued to see a shift in the product distribution of the material recovered from the ground, shifting from the higher-value Step to more of the lower-value Armour. Increased revenues were observed related to the increase in the incorporation of guillotined material within the sales as reflected in the higher revenue per ton value.

Rogue Stone also continued to feel the impact of macro inflation, with higher fuel and relative labour costs. The Company believes that inflation has a compounding impact on labour productivity, with the team easily distracted by increasing cost pressure in all parts of their lives. Rogue Stone has doubled-down on safety and focus, hoping to improve productivity; the Company believes changes made to key personnel should support this re-focus.

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

Rogue Stone sells the vast majority of its stone "at the quarry" and buyers coordinate their own trucking but lately, with significant inflation related to moving product by road, buyers have begun to scale back demand because of the increased costs. Though anecdotal, it seems that stone-yards and their customers are finding more local alternatives (cheaper interlock brick for example) and/or natural stone options closer to where they are located. It is a worrying trend and the Company hopes fuel prices return to historical levels and/or the on-road trucking market can provide some relief to its clients and Rogue Stone's customers.

## **Adjusted EBITDA- consolidated**

Adjusted earnings before interest, tax and depreciation ("Adjusted EBITDA") were \$64,666 for the year ended April 30, 2023, compared to \$256,032 for the year ended April 30, 2022. (See *Non-IFRS Performance Measures* below for an explanation of Adjusted EBITDA).

## **Liquidity and Capital Resources**

The Company is in the business of acquiring, exploring, advancing and operating mineral properties. The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets.

The Company had a working capital deficit of \$4,111,129 as at April 30, 2023 compared to a working capital deficit of \$3,196,620 as at April 30, 2022. As at April 30, 2023, the Company's cash on hand was \$3,593 (April 30, 2022 - \$30,123). The Company has insufficient working capital to cover its current liabilities. The Company has \$4,309,321 of current liabilities including \$464,230 from invoices more than 24 months old as at the date of this MDA. According to Ontario law "*a proceeding shall not be commenced in respect of a claim after the second anniversary of the day on which the claim was discovered*" (Limitations Act, 2002, S.O. 2002, c. 24, Sched. B, section 4). The Company plans to treat these liabilities as "Old Debts."

The Company has financed its operations primarily by the issuance of share capital but plans to transition to funding the continued operations of the Company through proceeds from the producing quarries.

## **Commitments and Contingencies**

At April 30, 2023, the Company holds ten pieces of machinery and equipment with a book value of \$675,000 under lease agreements. In the year ended April 30, 2023, the Company acquired two leases and disposed of two leases. The interest rates range from 4.0% to 18.8% per annum. Monthly lease payments for all leases are \$23,000 including HST.

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

## **Off-Balance Sheet Arrangements**

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

## Transactions with Related Parties

### a) Compensation of key management personnel

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consist of its directors, President and Chief Executive Officer, VP Technical and Corporate Secretary, and Chief Financial Officer. Compensation of the directors, officers and/or companies controlled by these individuals for the year ended April 30, 2023 and 2022 were as follows:

	<u>2023</u>		<u>2022</u>
Key management compensation	\$ 404,188*	\$	404,037*
Stock based compensation		-	10,881*
Total compensation of key management personnel	<u>\$ 404,188*</u>	<u>\$</u>	<u>414,919</u>

*\*Compensation of \$nil (April 30, 2022- \$40,141) has been capitalized under exploration and evaluation assets.*

Although key management compensation remained relatively unchanged between the periods, cash payments were reduced in the year-to-date as a result of the President and Chief Executive Officer and the VP Technical and Corporate Secretary choosing to forgo payment during the period. Cash payments totaled \$104,698 for the year ended April 30, 2023 (2022 - \$358,056).

### b) Related party balances

Amounts due to related parties amounted to \$638,703 as at April 30, 2023 (April 30, 2022 - \$364,929). Amounts due to related parties are unsecured, non-interest bearing and have no specific repayment terms.

## Critical Accounting Estimates

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

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements. The Company is not aware of any disputed claims of title.

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

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

The Company measures the cost of the services received for all stock options made to consultants, employees and directors based on an estimate of fair value at the grant date. The Company uses the Black-Scholes option pricing model to estimate the fair value of each stock option at the grant date. Stock options which vest immediately are recorded at the grant date. Stock options that vest over time are recorded over the vesting period using the graded vesting method. Stock options issued to outside consultants that vest

over time are valued at the grant date and expensed as services are rendered. Stock based compensation is recognized as an expense or, if applicable, capitalized to exploration and evaluation assets with a corresponding increase in contributed surplus. On exercise of the stock option, consideration received and the estimated fair value previously recorded in contributed surplus is recorded as share capital.

## Financial Instruments and Other Instruments

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

## Changes in Accounting Policies

New or revised accounting policies adopted by the Company on May 1, 2021 had no significant impact on the Company's financial position and results of operations. These policies and all accounting policies and new standards that are not yet adopted are disclosed in the year ended April 30, 2022 financial statements.

## Outstanding Share Data

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

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

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

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

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

Expiry Date	Exercise Price	Number of Options Exercisable	Number of Options Outstanding
December 6, 2023	\$0.44	255,000	255,000
February 7, 2024	\$0.60	120,000	120,000
January 11, 2025	\$0.39	425,000	425,000
January 15, 2027	\$0.07	680,000	680,000
August 14, 2027	\$0.09	1,045,000	1,045,000
December 18, 2027	\$0.08	340,000	340,000
<b>Balance, April 30, 2023</b>		<b>2,685,000</b>	<b>2,685,000</b>

## Investor Relations, Promotion and Product Marketing

During the year ended April 30, 2023, the Company did not hire contractors for investor support.

## Non-IFRS Performance Measures

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

### a) Non-IFRS reconciliation of Adjusted EBITDA

EBITDA is a non-IFRS measure that represents an indication of the Company's continuing capacity to generate earnings from operations before taking into account management's financing decisions and costs of consuming capital assets, and management's estimate of their useful life. EBITDA

comprises revenue less operating expenses before interest expense (income), property, plant and equipment amortization and depletion, and income taxes. EBITDA does not have any standardized meaning prescribed by IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA and Adjusted EBITDA differently.

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

	Q4-2023	Q3-2023	Q2-2023	Q1-2023	Fiscal 2023
Comprehensive income (loss)	129,697	(185,848)	(158,253)	(82,627)	<b>(297,031)</b>
Less gain/loss on sale of assets	14,879	23,812	153,247	56,525	<b>248,463</b>
Add back:					
Depreciation	18,798	30,483	48,782	48,893	<b>146,956</b>
Interest and accretion	72,370	72,546	72,691	72,060	<b>289,667</b>
<b>EBITDA</b>	<b>205,986</b>	<b>(106,631)</b>	<b>(190,027)</b>	<b>(18,200)</b>	<b>(108,872)</b>
Adjust for items not involved in ongoing operations:					
Professional fees not related to operations	10,000	39,322	30,000	(31,197)	<b>48,125</b>
Loss from investment in associates	(227,621)	20,459	222,876	104,169	<b>119,883</b>
Unrealized gain on marketable securities	-	-	5,475	55	<b>5,530</b>
<b>Adjusted EBITDA</b>	<b>\$ (11,635)</b>	<b>\$ (46,850)</b>	<b>\$ 68,324</b>	<b>\$ 54,827</b>	<b>64,666</b>

	Q4-2022	Q3-2022	Q2-2022	Q1-2022	Fiscal 2022
Comprehensive income (loss)	(4,162,636)	(5,734,864)	(172,436)	282,388	<b>(9,787,548)</b>
Less gain/loss on sale of assets	(3,948,362)	-	37,776	275,600	<b>(3,634,986)</b>
Add back:					
Depreciation	38,470	38,924	52,118	57,713	<b>187,225</b>
Interest and accretion	71,884	61,696	64,456	75,261	<b>273,297</b>
<b>EBITDA</b>	<b>(143,967)</b>	<b>(5,634,244)</b>	<b>(53,591)</b>	<b>139,762</b>	<b>(5,692,040)</b>
Adjust for items not involved in ongoing operations:					
Asset impairment	-	5,646,926	-	-	<b>5,646,926</b>
Finance fees	-	-	-	3,067	<b>3,067</b>
Share based compensation	-	1,488	4,421	13,706	<b>19,615</b>
Professional fees not related to operations	40,536	29,854	15,000	24,493	<b>109,883</b>
Loss from investment in associates	104,215	(58,812)	107,072	20,772	<b>173,247</b>
Deferred income tax recovery	160	(3,594)	-	-	<b>(3,434)</b>
Unrealized gain on marketable securities	(5,521)	6,609	1,572	(3,892)	<b>(1,232)</b>
<b>Adjusted EBITDA</b>	<b>\$ (4,577)</b>	<b>\$ (11,773)</b>	<b>\$ 74,474</b>	<b>\$ 197,908</b>	<b>\$ 256,032</b>

## Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time



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

TSX Venture listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multilateral Instrument 52-109. In particular, the CEO/CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitation on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in Multinational Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## **Risks and Uncertainties**

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

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

### ***Pandemic Impact***

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

### ***Quarry Operations***

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

### ***Landscape Stone Demand***

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

### ***Financing***

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

### **General Resource Exploration Risks and Competitive Conditions**

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

### **Governmental Regulation**

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

### **Product Marketing**

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

### **Approval**

The Board of Directors of Rogue has approved the contents of this Management's Discussion and Analysis on August 28, 2023.

### **Property Summaries and Exploration Updates:**

#### **Rogue Stone:**

##### **Bobcaygeon Quarry**

The Bobcaygeon quarry includes a privately owned parcel representing approximately 40 hectares, located approximately 10 km east of the town of Bobcaygeon and 155 km northeast of Toronto (the "Bobcaygeon Quarry"). The property currently has a Class B Aggregate License to extract up to 20,000 tonnes of natural stone per year and has historically produced armour stone, steps and flagstone. The quarry license covers an area of approximately 12.3 hectares (123k m<sup>2</sup>) allowing for extraction of natural stone to within 1 metre of the ground water table that is estimated to range from 5 to 10 meters from the current quarry floor. As part of internal due diligence, Rogue conducted limited diamond drilling, which provided samples of the underlying limestone units and helped to verify the continuation of marketable material below the pit floor.

The Bobcaygeon Quarry is located at 48 Ties Mountain Road, Township of Harvey, Municipality of Trent Lakes, County of Peterborough. The property is 100 acres / 40.5 hectares in size, referred to as Part of Lot 22 and has a Class B Aggregate License 20375 to extract up to 20,000 tonnes of Natural Stone per year. Rogue Stone - Bobcaygeon (2712428 Ontario Inc.) holds an 85% interest in the property with the remaining 15% held by a private company which vended the Quarry to Rogue.

Access to the quarry can be gained by means of paved roads, Quarry Road and Ties Mountain Road, joining the north side of the quarry with Highway 36. The nearby community of Bobcaygeon provides access to all services, supplies and quarry personnel.

The quarry area is regionally situated near the contact of Paleozoic Sedimentary rocks of the Gull River Formation and the Proterozoic metamorphic rocks of the Canadian Shield. The Paleozoic Sedimentary rocks are composed of very fine-grained, light grey to brown limestone and greenish grey to tan weathering dolostone. The lower most limestone units within the stratigraphy have a unique pink to reddish hue as the contact with the metamorphic units is approached.

Rogue completed a total of 7 shallow diamond drill holes for a total of 51.1 metres, as part of its due diligence process on the property, to qualify the limestone units and bed thickness over the quarry license area as well as the overall thickness of the Gull River Formation. Based on the results of the 2019 drilling, Rogue gained comfort in the existence of marketable units continuing deeper in the limestone and was able to model out future production by product type.

The Bobcaygeon Quarry generates a number of landscape products including Armour Stone, Steps and Flagstone. Each product has unique size characteristics that suit the particular use. Bobcaygeon Landscape Stone is distributed throughout Ontario and into the US.

Individual limestone beds range in thickness from less than 2" up to 28". This provides Rogue Stone with a range of products from the Bobcaygeon Quarry used by builders, landscapers, homeowners and manufacturers that produce wallrock and cut material. Diamond drilling has helped to define the potentially expected products to be extracted from the Bobcaygeon Quarry below the current quarry floor and in currently undeveloped areas of the quarry.

### **Acquisition Costs**

The Company acquired 85% of Johnston Farm Quarry / Bobcaygeon by:

- Completing a cash payment at closing of \$200,000;
- Issuing 1,620,000 Rogue common shares at Closing;
- Taking a \$700,000 Vendor Mortgage secured against the property with:
  - Interest accruing quarterly on the outstanding balance at the annual rate of 5.25%, until maturity or until full repayment;
  - Quarterly Interest-only payments to begin when the property earns a positive Net Profit;
  - Term of four years from closing of the acquisition and can be completely repaid at any time in lump sum;
  - Remaining principal at the end of term (if any) will be repayable, at the Vendor's request, in either cash or Common Shares. If converted, the deemed price per security at which the debt is converted will not be less than the Discounted Market Price (as defined in TSXV policies) at the time of conversion and will be subject to approval by the TSXV;
- Assumption of the additional \$100,000 Second Mortgage on the property (subsequently paid);
- If Rogue chooses to add any additional mortgages to the property, it has agreed to pay the Vendor a one-time levy of \$75,000, to be counted against the remaining Vendor Mortgage principal amount, and a subordination fee for each month any additional mortgage is in place (the "Subordination Penalties"). The subordination fee will be calculated using a 2.5% annualized rate of the principal of the additional mortgage;
- For potential sales into the higher value Architectural and Block Export markets, a capped Premium Market Net Profit Royalty, calculated as:
  - 10% of Net Profit for tonnes with Net Profit between \$100 and \$200 per tonne, up to \$1.5M; and
  - 20% of Net Profit for tonnes with >\$200 Net Profit per tonne, up to \$1.5M.

The Bobcaygeon Quarry is managed through an 85% owned subsidiary of Rogue with Net Profits and if necessary, required capital (after an initial year of free carry granted to the Vendor) to be split based upon the ownership interest of each party.

### **Orillia Quarry**

The Orillia Quarry includes a privately owned parcel representing approximately 81 hectares, located approximately 10 km south of the town of Washago and 145 km north of Toronto (the "Orillia Quarry"). The property currently has a Class B Aggregate License to extract up to 20,000 tonnes of natural stone per year and has historically produced armour stone, steps and flagstone. The quarry license covers an area of approximately 15.8 hectares (158k m<sup>2</sup>) allowing for extraction of natural stone to the ground water table that is estimated to range from 3 to 6 meters from the current quarry floor. As part of internal due diligence, Rogue conducted limited diamond drilling, which provided samples of the underlying limestone units and helped to verify the continuation of marketable material below the pit floor.

The Orillia Quarry is located at 7477 Concession B&C, Township of Ramara approximately 10 km south of the Town of Washago, Ontario. The property is 200 acres in size, referred to as Part of Lots 3 and 4, Concession B and has a Class B Aggregate License 3732 to extract up to 20,000 tonnes of Natural Stone per year. The property is accessed by an all season, paved road from Simcoe Road 169. The Orillia Quarry License covers an area of 15.8 hectares within the larger land package of 81 hectares. Rogue Stone - Orillia (2701674 Ontario Inc.) holds a 100% interest in the property.

The quarry area is regionally situated near the contact of Paleozoic Sedimentary rocks of the Gull River Formation and the Proterozoic metamorphic rocks of the Canadian Shield. The Paleozoic Sedimentary rocks are composed of very fine-grained, light grey to brown limestone and greenish grey to tan weathering dolostone.

Rogue completed a total of 6 shallow diamond drill holes for a total of 38.7 metres, as part of its due diligence process on the property, to qualify the limestone units and bed thickness over the quarry license area as well as the overall thickness of the Gull River Formation. Based on the results of the 2019 drilling, Rogue gained comfort in the existence of marketable units continuing deeper in the limestone and was able to model out future production by product type.

The Orillia Quarry generates a number of landscape products including armour stone, steps and flagstone. Each product has unique size characteristics that suit the particular use. Orillia Landscape Stone is distributed throughout Ontario and into the US.

Individual limestone beds range in thickness from less than 2" up to 30". This provides Rogue Stone with a range of products from the Orillia Quarry used by builders, landscapers, homeowners and manufacturers that produce wallrock and cut material. Diamond drilling has helped to define the potentially expected products to be extracted from the Orillia Quarry below the current quarry floor and in currently undeveloped areas of the quarry.

Prior to finalizing the New Term Facility, the Company negotiated to waive the Subordination Penalties, in return for a one-time Facilitation Fee of \$15,000 to the Vendor Mortgage lender.

### **Acquisition Costs**

The Company acquired 100% of the Speiran Quarry / Orillia by:

- Cash payment at closing of \$1.35M, for the land, permit, all inventory and all on-site equipment;
- Separately, Rogue acquired ~\$240,000 of heavy equipment from one of the Sellers.

### **Shadow Lake Quarry**

The Shadow Lake quarry License represents approximately 16.12 hectares, located approximately 4 km south of the village of Norland and 160 km northeast of Toronto. The property currently has a Class B Aggregate License to extract up to 20,000 tonnes of natural stone per year and has historically produced armour stone, steps and flagstone. The quarry license covers an area of approximately 16.8 hectares (168k m<sup>2</sup>) allowing for extraction of natural stone to within 1 metre of the ground water table that is estimated to range from 6 to 8 meters from the current quarry floor.

Shadow Lake is located at 51 Otter Lane, Township of Laxton, Municipality of Kawartha Lakes, County of Peterborough. The quarry license is 39.9 acres / 16.12 hectares in size, referred to as Part of Lot 1 and 2; Concession 10 and has a Class B Aggregate License 174 to extract up to 20,000 tonnes of Natural Stone

per year. Rogue Stone (2723493 Ontario Inc.) secured operating rights, paying set royalty rates to access material.

Access to the quarry can be gained by means of paved and gravel roads joining the quarry with Highway 35. The nearby communities of Orillia and Lindsay provide access to all services, supplies and quarry personnel.

The quarry area is regionally situated near the contact of Paleozoic Sedimentary rocks of the Bobcaygeon and Gull River Formations and the Proterozoic metamorphic rocks of the Canadian Shield. The Paleozoic Sedimentary rocks are composed of very fine-grained, light grey to brown limestone and grey to tan weathering dolostone.

Shadow Lake generates a number of landscape products including Armour Stone, Steps and Flagstone. Each product has unique size characteristics that suit the particular use. Shadow Lake Landscape Stone is distributed throughout Ontario and into the US.

Individual limestone beds range in thickness from less than 2" up to 24". This provides Rogue Stone with a range of products from Shadow Lake used by builders, landscapers, homeowners and manufacturers that produce wallrock and cut material.

Shadow Lake is managed through Rogue Stone (2723493 Ontario Inc.).

## **Rogue Quartz:**

### **Silicon Ridge Project**

Pursuant to an option agreement dated August 15, 2014, the Company acquired an option to earn a 100% interest in the Silicon Ridge Project located approximately 95 km northeast of Québec City for a payment of 850,000 shares (issued). The property is subject to a 2% NSR, of which one-half (1%) may be purchased for \$500,000 and the remaining one-half (1%) may be purchased for a further \$1,000,000.

*The below is a summary of the completed technical work, more details are available on [rogueresources.ca](http://rogueresources.ca).*

An airborne Heli-Mag survey was flown over the property on December 7, 2014, which clearly defined the quartzite units. Comprehensive maps were produced showing the high and low mag areas located on the property.

Extensive community consultations in the region with various community groups, including the Zec des Martres, the Municipal Regional Offices of St. Urbain, Baie St. Paul and MRC de Charlevoix have taken place with follow up ongoing.

A baseline desktop study was initiated by WSP of Québec City, to identify and catalog physiographical sensitive areas on the claims and, WSP provided guidance on community relations, available labour and services in the region, and outlined the studies and government requirements for the project.

From May to July 2015, considerable work was undertaken to prepare the site for advanced exploration in the form of channel sampling and drilling.

In August 2015, the Company commenced its drill program. The initial 5,000 m drill program was expanded to 11,822 m. The drilling was spaced at 40 to 50 m on section and with section spacing of 50 m. There were 32 sections interpreted from the drilling.

ANZAPLAN provided the Company with a final report in April 2015 on the "Evaluation of a Quartzite Deposit in Canada for the Identification of Potential Application", identifying a number of potential high value applications that can be derived from the high grade silica mineralization hosted on the Silicon Ridge property. The Company initiated a Bulk Sample program and 1,500 kilograms of quartzite from a surface exposure from the "G" quartzite were collected and shipped to Germany in April and May of 2015. This material was processed into a number of samples designed to aid in ongoing discussions with potential end users and consumers of silica. The samples include material potentially suitable for metallurgical grade silicon and ferrosilicon applications as well as glass, ceramics and fillers.

ANZAPLAN provided the Company with the results, in June and July 2016, from the crushing and optical sorting of the 1,500 kg bulk sample. The quartzite sample provided to ANZAPLAN for the bulk sample test

work showed improved quality with less impurities compared to the previous drill core. After crushing and classification, the material was already at ferrosilicon feedstock specifications. The bulk sample was crushed and optically sorted to determine the amount of material that meets the specifications for high value silica products. The test work determined yield distributions when crushed of 89.4% of the material ranging in size from 20 to 120 mm, meeting the thresholds required for ferrosilicon quality and that 10.6% of the sample was <20 mm and meets the feedstock quality for further beneficiation to fulfill the requirements for certain glass, ceramics and fillers.

The Company commissioned UK-based Roskill Information Services, in April 2016, for a detailed market study of the North American market for Rogue's identified silica products. This study was completed in May 2016.

After a competitive process, the Company awarded a contract for environmental consultation to SNC-Lavalin for the Silicon Ridge project in May 2016.

The Company commissioned Thermoroc Inc. of Salaberry de Valleyfield, Québec to complete a ground penetrating radar survey. The survey was completed in October and designed to test the thickness of the overburden cover over the proposed surface expression of the quarry.

SNC-Lavalin of Québec City, Québec provided an estimate of the overburden for the Southwest Zone on the Silicon Ridge project. The volume of overburden was reduced by 36% from 624K m<sup>3</sup> to 402K m<sup>3</sup> based on Rogue's re-interpretation of the bedrock-overburden contact as supported by the identification of surface outcrop and the results of the ground penetrating radar.

#### ***Initial Resource Estimate***

The mineral resource estimate completed by Met-Chem of Montréal, Québec in June 2016 includes a pit-constrained measured and indicated resource of 9.7 Mt grading 98.6% SiO<sub>2</sub> and an inferred resource of 4.6 Mt grading 98.6% SiO<sub>2</sub>.

#### ***Initial Preliminary Economic Assessment***

A PEA, prepared by Met-Chem, demonstrated a good economic project, initially modeled with a 20-year mine life and 200,000 tonnes mined per year. The PEA uses the pit constrained measured resource of 3.2 million tonnes grading 98.6% SiO<sub>2</sub>, indicated resource of 6.5 Mt grading 98.6% SiO<sub>2</sub> and an inferred mineral resource of 4.6 Mt grading 98.6% SiO<sub>2</sub>. The PEA has a base case pre-tax net present value with a 10% discount rate of \$36.5 million and an internal rate of return of 40% and an after tax NPV<sub>10%</sub> of \$23.8 million and an IRR of 33.9%.

#### ***Updated Preliminary Economic Assessment***

An optimized PEA focusing on a direct ship option ("DSO"), was prepared by SNC-Lavalin of Montréal, Québec, demonstrates a good economic project, initially modeled with a 20-year mine life and 200,000 tonnes mined per year. The optimized PEA uses a new DSO pit constrained Measured resource of 2.5 million tonnes ("Mt") grading 98.62% SiO<sub>2</sub>, indicated resource of 5.3 Mt grading 98.62% SiO<sub>2</sub> and an inferred mineral resource of 2.1 Mt grading 98.66% SiO<sub>2</sub>. The updated PEA has a base case pre-tax net present value with a 10% discount rate of \$33.8 million and an internal rate of return of 157% and an after tax NPV<sub>10%</sub> of \$23.4 million and an IRR of 132%. The technical report supporting this PEA was filed on SEDAR on July 7, 2017.

#### ***Permitting Switch***

In August, 2017 the Company was notified by the MFFP that a decision on the Section 128.7 application would not be made until a policy study forming part of the province-wide action plan for the development of forest-dwelling caribou habitat is completed in Spring of 2018. The Company was further notified by the MFFP on March 2, 2018 that the ongoing policy study of the province-wide action plan will be further extended until the fall of 2018.

The Company submitted the application for the bail d'exploitation minière permit ("BEX") in the form and content as described in Québec's Mining Act for its Silicon Ridge project. Based upon communications with the representatives of the Ministère de l'Énergie et des Ressources Naturelles ("MERN"), Rogue had

provided all the required information for the Ministry to complete the application process except for the requirement that the MFFP provides its decision on the Section 128.7 Authorization.

The Company also submitted the application for the Certificate of Authorization ("CofA") with Ministère de Développement durable, de l'Environnement et de la Lutte contre les changements climatiques ("MDDELCC") and based on communications with representatives of the MDDELCC, the Company had provided all of the required information for the Ministry to complete the application process except for the MFFP's Section 128.7 Authorization and the BEX from the MERN.

In March 2021, the Company received a formal refusal from the MFFP regarding the permit application.

After six years of investment, based on the continued perceived support and explicit signoffs along the way, the Company pivoted to seek fair compensation of its investment, the project value, and other damages. Depending on the outcome of the Company's efforts, the value Rogue expects to realize from its investment in Silicon Ridge may be impacted.

On January 31, 2022, the Company decided to write-down the property's exploration costs to \$nil. An impairment charge of \$5,659,993 was recorded in the period. As has been stated, this decision regarding the accounting treatment should not impact the ongoing effort to recover fair value from the Province of Québec.

### **Snow White Project**

Snow White contains a northeast trending quartz/silica-rich zone that may be suitable as a raw materials supply for silicon metal and silica fillers. The Company announced the acquisition of the project in October 2017 and conducted confirmatory due diligence and closed the acquisition on December 14, 2017.

Under the terms of the agreement, the Company has purchased the project by delivering, among other things, the following to seller, a Sudbury-based prospector:

- cash payment at execution of \$25,000 (paid);
- issuance of 150,000 (issued) Rogue common shares at closing, subject to the approval of the TSXV;
- additional cash payments of up to an aggregate of \$725,000 (\$25,000 paid) following closing upon the earlier of achievement of certain milestones and anniversaries of closing (the "payment period");
- additional issuance of up to an aggregate of 900,000 Rogue common shares (50,000 common shares issued) during the payment period, subject to the approval of the TSXV; and
- grant of a 2% net return on all quartz/silica from the project, subject to a reservation by the Company of a buy back right upon payment of an additional \$2 million to the seller.

Upon an uncured event of default under the agreement, the project shall revert to the seller and the Company shall have no interest in the project.

On June 18, 2018 the Company announced that it had amended the payment terms of the Company's previously announced acquisition of the Snow White quartz project. To date, Rogue made cash payments totaling \$75,000. Under the terms of the agreement, Rogue has agreed to deliver additional cash payments up to an aggregate of \$470,000 upon the earlier of achievement of certain production milestones and the end of 2023. Rogue also agreed to make payments equal to a maximum of \$355,000 in aggregate based on \$1.00 per tonne of production of silica removed from the project. The Rogue common shares to be issued over the payment period and the 2% net return royalty remain unchanged from the original acquisition agreement.

In February 2020, the Company further amended the payment terms (the "February 2020 SW Amendment") agreeing to deliver additional cash payments of up to an aggregate of CAD\$440,000 upon the earlier of achievement of certain production milestones and the end of 2024 starting in December 2020. All other terms of the Agreement remain unchanged.

In January 2021, the Company announced it had amended the payment terms another time (the "January 2021 SW Amendment") whereby the December 2020 payment of \$120,000 became payments of \$10,000

cash and 200,000 shares. In addition, the annual \$80,000 cash payments due each December in each of the following two years were amended to become annual deliveries of shares of the Company with a worth of \$16,000. The number of shares to be granted will be calculated by a ten-day volume-weighted average price each December. Finally, the January 2021 Amendment adjusted the production royalty from \$1 per tonne on the first 500K tonnes of production to \$3/tonne of the first 100K tonnes of production and \$1/ tonne of the next 200K tonnes. All other terms of the Agreement remain unchanged.

The Snow White property consists of two staked mining claims representing approximately 96 hectares, located approximately 26 km northwest of the town of Massey, 125 km west of the city of Sudbury and 500km north-northwest of Toronto. The project currently has Class A and Class B Pit-Quarry-Aggregate Permits for unlimited annual silica/quartz production. The area surrounding the project is equipped with good infrastructure, an existing access road, and is also proximate to deep-water ports on Lake Huron that the Company expects could ease transportation logistics in respect of the project.

Snow White's material has been drilled and metallurgically tested over the past two decades. In 2000, Globe Specialty Metals Inc. (now part of Ferroglobe PLC), completed furnace testing on a 933 tonne bulk sample at their facility in Niagara Falls, New York which indicated that the shipment met all of the specification requirements and that a good quality silicon metal was produced in the furnace during the testing.

Additional areas of possible quartz mineralization have been identified within the project's property boundaries and could represent targets for future exploration.

Rogue filed a National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* technical report on Snow White in calendar Q1-2018.

A 300 kg sample of previously blasted material from the Snow White quarry was optically sorted by a German-based optical sorter manufacturer with a large US testing facility to determine the effectiveness of the optical sorter to remove lower quality quartz with inclusions, veinlets and staining from the higher purity quartz. The sorting test work was successful in sorting out the lower quality quartz and algorithms were developed to differentiate the material into different quality lots using colour alone.

In May 2018, the Company commenced its drill program completing 1,910 m in 36 holes. The drilling was spaced at 10 to 40 m on section and with section spacing of 20 to 40 m. There were 7 sections consisting of between 2 to 6 drill holes with an average of 5 holes per section.

### **Resource Estimate**

The mineral resource estimate completed by M. Plan in August 2018 includes a pit-constrained indicated resource of 486,000 t grading 97.05% SiO<sub>2</sub> and an inferred resource of 271,000 t grading 94.34% SiO<sub>2</sub>.

The resource estimate is summarized in the following table. All of the estimate is derived from the Main Zone on the Snow White Property. The Main Zone is open along strike and down dip and has potential for expansion.

The mineral resource for the Snow White Project incorporates assay results from 36 diamond drill holes totaling 1,910 m. The estimate was prepared using a block model constrained with 3D wireframes of the principal mineralized domains. Values for SiO<sub>2</sub>, Al<sub>2</sub>O<sub>3</sub>, TiO<sub>2</sub> and Fe<sub>2</sub>O<sub>3</sub> were interpolated into blocks using Inverse Distance Squared. A preliminary open pit optimization algorithm was run on the estimated grade block model to constrain the resources and to support the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") requirement that Mineral Resources have reasonable prospects for eventual economic extraction' (the "CIM Definitions"). Only mineralization contained within the preliminary pit shell has been included in the resource estimate.



Main Zone						
Description	Category	Tonnes (MT)	SiO <sub>2</sub> (%)	TiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	Fe <sub>2</sub> O <sub>3</sub> (%)
Permitted (Water Table - Above 305masl)	Indicated	236,000	96.89	0.008	0.195	0.113
	Inferred	75,000	92.91	0.010	0.384	0.177
Unpermitted (Below 305masl)	Indicated	251,000	97.21	0.010	0.254	0.149
	Inferred	196,000	94.89	0.009	0.361	0.195
<b>Total</b>	<b>Indicated</b>	<b>486,000</b>	<b>97.05</b>	<b>0.009</b>	<b>0.225</b>	<b>0.131</b>
<b>Total</b>	<b>Inferred</b>	<b>271,000</b>	<b>94.34</b>	<b>0.009</b>	<b>0.368</b>	<b>0.190</b>

Notes:

- 1) CIM definitions (May 10, 2014) were followed for classification of Mineral Resources.
- 2) Cut-off grades of Al<sub>2</sub>O<sub>3</sub> ≤ 2.4 wt.-%; Fe<sub>2</sub>O<sub>3</sub> ≤ 0.53 wt.-% and TiO<sub>2</sub> ≤ 0.054 wt.-%. P<sub>2</sub>O<sub>5</sub> was too low in concentration to affect the quality of the material and as a result ANZAPLAN did not determine a cut-off grade.
- 3) Density of 2.644 g/cm<sup>3</sup>.
- 4) The resources are constrained by a Lersch Grossman (LG) optimized pit shell using Geovia Whittle™ software.
- 5) LG pit shell defined using the following constraints:
  - i. 55 degree slope
  - ii. Offset of 30 m from lakes and wetlands
  - iii. Product sales price of CAD \$85.00/t.
  - iv. Processing cost of CAD \$20.20 t.
  - v. Mining cost of CAD \$5.50/t and a G&A cost of CAD \$2.00/t*(All pricing and costing will be refined for the PEA.)*
- 6) Mineral Resources are not Mineral Reserves and have no demonstrated economic viability. The estimate of Mineral Resources may be materially affected by mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and government factors ("Modifying Factors").
- 7) There are currently no measured resources at the Snow White Project.
- 8) Numbers may not add due to rounding.
- 9) Effective date of the resource estimate is August 4, 2018.