

# Rogue Resources Inc.

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## Form 51-102F1 Management's Discussion and Analysis For the year ended April 30, 2020

This Management's Discussion and Analysis ("MD&A") has been prepared by management as of August 28, 2020 and should be read in conjunction with the audited financial statements of Rogue Resources Inc. ("Rogue" or the "Company"), For the year ended April 30, 2020, 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.sedar.com](http://www.sedar.com) 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 Resources Inc. ("Rogue" or the "Company") will be impacted by the COVID-19 Pandemic ("the Pandemic"). The Company has been focused on the health and safety of our employees and has been practicing social distancing throughout the company. Management has been working remotely since February and our Operations teams at Rogue Stone have rigorous procedures to ensure they are following public health recommendations. The Operations team members arrive in their personal vehicles, operate individual pieces of equipment, spend break time outside or back in their personal vehicles and use mobile phones to communicate with each other, with Management, and to coordinate delivery trucks that arrive to be loaded. This protocol has been discussed in detail with the Company's Board of Directors, which has been receiving regular updates regarding the course of business. We are also in regular contact with our suppliers and our lenders, all of whom are seeing major disruption in their businesses.

Based upon the Ontario Government direction that all non-essential businesses close for a 14 day period starting on March 25, 2020 and the related similar announcements made elsewhere, including in Michigan, a key export market, the Company temporarily suspended operations at both the Bobcaygeon and Orillia quarries (the "Temporary Closure") in order to properly assess the risks to employees, contractors and the public, determine the impact on sales orders and develop operational plans to navigate the market conditions, Rogue's stone business qualified to remain open based on its production of armour stone and supply to infrastructure projects but chose to initiate the Temporary Closure.

In mid-April Rogue determined that the health and safety of its employees, contractors, suppliers and the public could be properly managed and that market conditions supported the resumption of operations and the quarries reopened on April 20th at Orillia and April 27th at Bobcaygeon.

The Temporary Closure, and missing more than a month of operations had a direct, material impact on the Company's trajectory.

## Corporate Summary and Overall Performance

Rogue Resources Inc. is a mining company focused on generating positive cash flow from 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 two operating quarries in Ontario; *Rogue Quartz*- focused on advancing its silica/quartz business with the Snow White Project in Ontario and the Silicon Ridge Project in Québec; and *Rogue Timmins* with the nickel resource at Langmuir and the gold potential at Radio Hill. Rogue is always searching for projects or mines that meet its criteria of "Grade, Stage and Jurisdiction".

Property acquisition, exploration and advancement was funded in the past through the issuance of shares to investors; last quarter the Company financed the acquisition of its first limestone quarry with a combined financing which included equity and project debt. Revenue from the limestone quarry business, which began this quarter, 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 properties.

Highlights for the period May 1, 2019 to April 30, 2020 are as follows:

### **Rogue Stone- Acquisition of Ontario Limestone Quarries**

- Johnston Farm Quarry (also referred to as "Bobcaygeon") - on October 25, 2019, the Company closed on its acquisition of 85% of the Johnston Farm Quarry, with transfer of the permit and final approval of the TSXV received soon thereafter, with the first sales of stone completed on November 1, 2019,
- Speiran Quarry (also referred to as "Orillia") - on November 21, 2019, the Company finalized purchase terms of the Speiran Quarry, successfully completed a final inspection of the Speiran Quarry on November 29, 2019, and provided a \$25,000 deposit on December 13, 2019, held in escrow, for the Sellers of the Speiran Quarry, towards consideration for the acquisition, planned to be completed in March 2020. Rogue Stone acquired Orillia on March 3, 2020.

### **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.
- Silicon Ridge- no update from the Ministère des Forêts, de la Faune et des Parcs ("MFFP") regarding the ongoing Woodland Caribou protection process since the April 2019 discussion in which a decision on the Section 128.7 Certificate Application was promised by the end of June 2019. The MFFP has refused to decide, despite continued requests from Rogue.

### **Rogue Timmins**

- Projects remain in good standing and do not require additional expenditures for the foreseeable future.
- Langmuir- represents an excellent exploration target for additional nickel sulphide mineralization beyond the existing 14.8 million pounds of nickel in 43-101 Indicated Resource
- Radio Hill- includes prime 1,800 hectares of prospective land for gold mineralization now almost completely surrounded by GFG Resources' recently consolidated property package, which appears to contain the western extension of the Porcupine Destor Fault Zone.
- In early April, within approximately 4km of Radio Hill, GFG announced 71.27 Grams of Gold per Tonne Over 8.5m

## Financing

- In October 2019, the Company completed two tranches of the private placement announced on August 12, 2019 and issued 6,216,000 non flow-through units ("NFT Units") at a price of \$0.10 per NFT Unit for total proceeds of \$621,600. Each NFT Unit consists of one common share and one non-transferable common share purchase warrant at an exercise price of \$0.20 per share.
- As part of the agreements to acquire Bobcaygeon, the Company closed on a \$700,000 Vendor Mortgage with an annual rate of 5.25% interest (the "Vendor Mortgage") and inherited an additional \$100,000 Mortgage with an annual rate of 12% interest (the "Second Mortgage"), both secured against the Johnston Farm Quarry. Importantly, the interest payments on the Vendor Mortgage are delayed until the Project reaches positive "Net Profit" which refers to full recovery of pre-New Production costs, and after the deduction of all operating and capital expenses for the Project, this results in a positive balance. These costs will include- all development, quarrying, processing, transportation, administrative, marketing and tax costs.
- Under the terms of the agreement to acquire Johnston Farm Quarry, the Company committed with the Province of Ontario to bring the Project into Compliance, closing out any non-compliant items not resolved by the seller by December 31, 2019. The Company resolved all non-compliant items by the deadline. The costs associated with this effort were designated as Site Preparation and Rehabilitation.
- On March 4 2020, the Company announced it had secured equipment financing for its fleet of heavy equipment to operate the quarries (the "Fleet Leases"). Working closely with Toromont Cat (a business unit of Toromont Industries TSX:TIH), Rogue Stone identified the optimal equipment to achieve the quarries permitted production rate and agreed acquisition terms and negotiated financing through an Equipment Financing Group. The Fleet Leases range from 40 to 60 months and average a 4% interest rate.
- On March 5 2020, Rogue closed on a debt financing with a leading Canadian, non-bank lender (the "Credit Group") for a \$1.8M term loan (the "New Term Facility"), to be secured against Orillia and the Company's remaining assets. The New Term Facility has a 12 month term, extendable to 18 months, with interest-only payments until the principal is due in full at maturity and is subject to an existing general security agreement with the Credit Group. The New Term Facility carries an interest rate equal to the higher of prime plus 8.05% or 12%. In addition, Rogue has issued the Credit Group 2,250,000 bonus shares, equal to 10% of the New Term Facility. Rogue immediately drew the full \$1.8M loan amount. The Company used the New Term Facility to finance the acquisition of Orillia and to extinguish the Second Mortgage.
- On April 27 2020, the Company announced it had received the Government of Canada's CEBA, a \$40,000 interest-free, government-guaranteed loan and negotiated relief with its Credit Group, highlighted by a 3 month deferral on interest payments for the New Term Facility, delaying the first payment to June 30.

## Selected Annual Information

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

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Other expense/(income)	\$ Nil	\$ (1,159)	\$ 20,828	\$ 7,348,781
Net loss	735,445	483,043	694,082	8,111,235

Net loss per share	0.04	0.03	0.06	0.90
Total assets	14,678,062	10,756,589	10,684,166	10,284,952
Long term debt	3,823,693	Nil	Nil	Nil
Dividends	Nil	Nil	Nil	Nil

## Results of Operations

### Year ended April 30, 2020

For the year ended April 30, 2020 ("fiscal-2020"), the Company incurred a net comprehensive loss of \$1,028,464 compared to a net comprehensive loss of \$478,886 during the year ended April 30, 2019 ("fiscal-2019"). The significant increases in expenses between the periods is a result of the following:

- an increase in consulting fees to \$30,021 (fiscal 2019 - 521) due to more contracts with consultants;
- an increase in interest on vendor mortgages to \$700,000 (fiscal 2019 - nil) due to outstanding mortgages; and
- an increase in professional fees to \$323,483 (fiscal 2019 - \$121,702) due to more legal fees provided for the acquisition of the two quarries during the fiscal year.
- An increase in interest and accretion expense \$89,911 (fiscal 2019 – nil) due to the vendor mortgage and the New Term Facility.

There was also a decrease in revenues between the periods:

- a decrease in deferred income tax recovery to nil (fiscal-2019 - \$30,433) due to no flow-through expenditures incurred.

## Summary of Quarterly Results

The following table sets forth selected quarterly financial information for each of the last nine (9) quarters.

Quarter Ending	Other Income (Expense) (\$)	Net Income (Loss) (\$)	Net Income (Loss) per Share (\$)
April 30, 2020	-	<b>(205,381)</b>	<b>(0.02)</b>
January 31, 2020	-	(340,348)	(0.02)
October 31, 2019	-	(106,760)	(0.01)
July 31, 2019	-	(82,956)	(0.00)
April 30, 2019	-	(101,094)	0.00
January 31, 2019	-	(202,080)	(0.01)
October 31, 2018	-	(95,334)	(0.01)
July 31, 2018	1,159	(84,535)	(0.01)
April 30, 2018	1,931	(174,017)	0.00

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

## Summary of Quarterly Results

The Company follows the guideline that Commercial Production begins once the project produces a designated percentage of planned output. Using industry norms, Rogue has determined that the "percentage" be >60% for three consecutive months. In the case of our two limestone quarries, our "planned output" will be the licensed rate of 20,000 tonnes per year, or 1,667 tonnes per month. Rogue considers the quarry will have reached "Commercial Production" on the first day of the calendar month immediately following three consecutive calendar months during which the quarry produces more than 60% of one-twelfth of the yearly licensed production rate. Once the Company has reached Commercial Production at an operation, it will report Revenue and Cost of Goods Sold, etc.

## **Rogue Stone Operations**

Bobcaygeon completed 6 months of operations and sales but remained in a pre-Commercial Production state through the 3 months Q4-2020. Orillia completed 2 months of operations and sales but remained in a pre-Commercial Production state through the 2 months fiscal 2020.

During this pre-Commercial Production, Rogue Stone can report that:

During the 3 months Q4-2020:

- Sold 467 tons of limestone, for Sales Receipts of \$35,216
- Expenses directly related to those Sales Receipts totaled \$46,576
- Expenses related to Site Preparation and Rehabilitation totaled \$86,932

During fiscal-2020:

- Sold 1,771 tons of limestone, for Sales Receipts of \$111,405
- Expenses directly related to those Sales Receipts totaled \$69,656
- Expenses related to Site Preparation and Rehabilitation totaled \$229,047

Subsequent to fiscal-2020, the Company announced on July 10, 2020, that since the end of the Temporary Closure it had sold 3,340 tons of limestone, for Sales Receipts of \$300,400.

## **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 the 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 \$948,131 as at April 30, 2020, compared to a working capital deficit of \$372,354 as at April 30, 2019. As at April 30, 2020, the Company's cash on hand was \$42,094 (April 30, 2019 - \$74,203). The Company has insufficient working capital to cover its current liabilities.

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**

In April and May 2020, the Company entered into the Fleet Leases for the two quarries. The Fleet Leases end starting from July 2023 to April 2025. The commitments for these leases are \$1,529,000.

## **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 years ended April 30, 2020 and 2019 were as follows:

	2020	2019
Key management compensation	\$ 448,547*	\$ 439,225*
Stock based compensation	40,966**	49,344**
Total compensation of key management personnel	\$ 489,513	\$ 488,569

*\*Key management compensation of \$204,253 (2019 - \$194,099) have been capitalized under exploration and evaluation assets*

*\*\*Stock based compensation of \$11,366 (2019 – \$16,623) have been capitalized under exploration and evaluation assets (see Note 7).*

#### b) Related party balances

Amounts due to related parties amounted to \$766,063 as at April 30, 2020 (April 30, 2019 - \$381,646). Amounts due to related parties are unsecured, non-interest bearing and have no specific repayment terms. Amounts due from related parties related for rental deposit are nil as at April 30, 2020 (April 30, 2019 - \$1,519).

#### c) Other related party transactions

During the year ended April 30, 2020, the Company incurred rent of \$18,596 (2019 - \$18,596) to companies related by common officers and directors.

During the year ended April 30, 2020, the Company incurred a total of \$244,493 (2019 - \$79,032) related to legal services to a law firm in which a director of the Company is a partner.

The above transactions were in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### Transactions

As is typical in the mineral exploration and development industry, the Company is continually reviewing potential acquisition and joint venture transactions and opportunities that could enhance shareholder value.

Under the terms of the Agreements to purchase the Ontario Limestone Quarries (see above), Rogue has closed on two acquisitions, more specifically:

#### 1- Closed on its Acquisition of 85% of Johnston Farm Quarry / Bobcaygeon by -

- Completing a cash payment at closing of \$200K;
- 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;
- 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<sup>1</sup>;
- 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 will be 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.

#### 2- Closed on its Acquisition of 100% of the Speiran Quarry / Orillia by -

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

### 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.

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<sup>1</sup> 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.

## Changes in Accounting Policies

New or revised accounting policies adopted by the Company on May 1, 2019 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, 2020 financial statements.

## Other

### Outstanding Share Data as of the Report Date

As at August 28, 2020, an aggregate of 34,948,298 common shares were issued and outstanding.

The Company had the following warrants outstanding as at August 28, 2020:

Expiry Date	Exercise Price	Number of Warrants
September 5, 2020	\$ 0.30	756,276
October 25, 2021	\$0.20	4,016,000
November 7, 2021	\$0.20	2,200,000
May 26, 2023	\$0.08	2,623,999
August 11, 2023	\$0.08	5,689,095
<b>Balance, August 28, 2020</b>		<b>15,285,370</b>

The Company had the following compensation warrants outstanding as at August 28, 2020:

Expiry Date	Exercise Price	Number of Warrants
October 25, 2021	\$ 0.20	96,740
August 11, 2023	\$ 0.08	250,833
<b>Balance, August 28, 2020</b>		<b>347,573</b>

The following table summarizes the Company's stock options outstanding as at August 28, 2020:

Number of Options Outstanding	Number of Options Exercisable	Price	Expiry Date
4,333	4,333	\$ 1.00	April 28, 2021
6,500	6,500	\$ 0.50	December 10, 2021
30,000	30,000	\$ 1.00	November 3, 2022
10,000	10,000	\$ 1.10	November 30, 2022
100,000	100,000	\$ 0.95	March 4, 2023
270,000	270,000	\$ 0.44	December 6, 2023
120,000	120,000	\$ 0.60	February 7, 2024
550,000	550,000	\$ 0.39	January 11, 2025
925,000	462,500	\$ 0.065	January 15, 2027
1,065,000	532,500	\$ 0.085	August 14, 2027
<b>3,080,833</b>	<b>2,085,833</b>		<b>Balance, August 28, 2020</b>



## Investor Relations, Promotion and Product Marketing

During the year ended April 30, 2020, the Company did not hire contractors for investor support. As the Company continues to expand and adapt its marketing efforts it will continue working closely with its consultants to communicate the Rogue story moving forward.

## Subsequent Events

Subsequent to April 30, 2020:

- a) In May 2020, the Company signed agreements to lease four pieces of machinery equipment with a combined value of \$891,550 and monthly payments of approximately \$14,000.
- b) On May 27, 2020, the Company closed its first tranche of the private placement, receiving aggregate gross proceeds of \$161,940. \$130,440 was received from the sale of Non-Flow-Through Units (the "Unit Offering") at a price of \$0.06 per unit ("Unit") from the issuance of 2,173,999 Units. Each Unit consists of one common share ("Common Share") and one Common Share purchase warrant (each, a "Warrant") entitling the holder thereof to purchase one Common Share at an exercise price of \$0.08 for a period of 36 months from the closing date. \$31,500 was also received from the sale of Flow-Through Units (the "FT Unit Offering") at a price of \$0.07 per unit ("FT Unit") from the issuance of 450,000 FT Units. Each FT Unit consists of one flow-through Common Share and one Common Share purchase warrant (each, a "Warrant") entitling the holder thereof to purchase one Common Share at an exercise price of \$0.08 for 36 months from the closing date.

In connection with closing, the Company will pay finders' fees of \$2,310 and will also issue 38,500 non-transferable warrants ("Finder's Warrants") to certain arm's length finders. Each Finder's Warrant entitles the holder to acquire one additional Common Share at a price of \$0.08 for 36 months from the closing date.

- c) On August 10, 2020, the Company closed the second and final tranche of the private placement, receiving aggregate gross proceeds of \$348,060. \$301,060 was received from the sale of Non-Flow-Through Units (the "Unit Offering") at a price of \$0.06 per unit ("Unit") from the issuance of 5,017,666 Units. Each Unit consists of one common share ("Common Share") and one Common Share purchase warrant (each, a "Warrant") entitling the holder thereof to purchase one Common Share at an exercise price of \$0.08 for a period of 36 months from the closing date. \$47,000 was also received from the sale of Flow Through Units (the "FT Unit Offering") at a price of \$0.07 per unit ("FT Unit") from the issuance of 671,429 FT Units. Each FT Unit consists of one flow-through Common Share and one Common Share purchase warrant (each, a "Warrant") entitling the holder thereof to purchase one Common Share at an exercise price of \$0.08 for 36 months from the closing date.

In connection with closing of the Second Tranche of the financing, the Company will pay finders' fees of \$13,020 and will also issue 212,333 non-transferable warrants ("Finder's Warrants") to certain arm's length finders. Each Finder's Warrant entitles the holder to acquire one additional Common Share at a price of \$0.08 for 36 months from the closing date.

- d) In August 2020, the Company granted 1,065,000 stock options to officers, directors and advisors of the Company. The options are exercisable at \$0.085 per share for a period of seven years and vest over a period of one year.
- e) In August 2020, the Company issued 200,000 common shares related to the acquisition of the Snow White Quartz project.

## 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 Multilateral 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.

### ***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 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 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 mineralization 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 both the Snow White and Silicon Ridge Projects. The Company has worked with expert consultants to characterize the material, plan the project and identify the sales market. Management is now aggressively marketing 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 is working very closely with a sales agent and meeting with buyers, even in advance of potential closing of the transaction.

### **Approval**

The Board of Directors of Rogue has approved the contents of this Management's Discussion and Analysis on August 28, 2020.

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

### **Rogue Stone:**

#### **Bobcaygeon Property**

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**

Detailed above under *Transactions*.

#### **Orillia Property**

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 Licence 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.

#### **Acquisition Costs**

Detailed above under *Transactions*.

## **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.

Exploration on the Silicon Ridge Project began in September 2014 for the purpose of obtaining quartzite samples, determining the overall quartzite unit strike distance, and to submit a NI 43-101 compliant Technical Report.

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. Based on the report, Rogue summarized the following table (Table 1) of the range of products that can potentially be produced from the Silicon Ridge quartzite, which include silicon metals, ferrosilicon, glasses, ceramics and fillers.

Table 1- Range of products that can potentially be produced from the Silicon Ridge quartzite

<b>Ferrosilicon and Silicon Metal</b>	<b>High Value Applications of Silicon Ridge drill core samples and optical sorting reject fraction after full processing</b>								<b>Fillers (paint, coatings, sealants, silicone rubber and epoxy)</b>
	Container Glass (coloured & clear), Float Glass (window, automotive)	Fibreglass (insulation & fabrics)	Borosilicate Glass, Pyrex	White Float Glass, Opal Glass, Crystal Glass	Solar Glass, Borofloat	Quartz Powder & Engineered Stone	Silicon Carbide, Fused Silica, Sodium/Potassium Silicate	Ceramics (body & glazes)	
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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. SNC-Lavalin is responsible for completing the project application form for the certificate of authorization as required by the Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques under Section 22 of the Québec Environment Quality Act for quarrying operations.

The Company commissioned Thermoroc Inc. of Salaberry de Valleyfield, Quebec 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 Quebec City, Quebec 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. The re-interpretation used the block model previously developed for the Resource Estimate announced in June 2016 (details below) and included the modification of the wireframes used to define the differing geological units.

### ***Resource Estimate***

The mineral resource estimate completed by Met-Chem 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>.

The resource estimate includes resources from 3 zones referred to as the South West, North East and Centre North zones, as summarized in the following table (Table 2). A significant portion of the estimate is derived from the South West Zone. All zones are open along strike and down dip and have potential for expansion.

The mineral resource for the Silicon Ridge Project incorporates assay results from 71 diamond drill holes totaling 11,822 m and from 510 m of surface channel samples. 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.

<b>Table 2- Silicon Ridge Pit-Constrained Resource Estimate</b>					
<b>ALL ZONES</b>					
	<b>Tonnes (Mt)</b>	<b>SiO<sub>2</sub> (%)</b>	<b>TiO<sub>2</sub> (%)</b>	<b>Al<sub>2</sub>O<sub>3</sub> (%)</b>	<b>Fe<sub>2</sub>O<sub>3</sub> (%)</b>
Measured	3.2	98.61	0.061	0.556	0.101
Indicated	6.5	98.60	0.062	0.564	0.122
<b>Measured + Indicated</b>	<b>9.7</b>	<b>98.60</b>	<b>0.062</b>	<b>0.561</b>	<b>0.115</b>
Inferred	4.6	98.64	0.062	0.532	0.131

<b>SOUTH WEST ZONE</b>					
	<b>Tonnes (Mt)</b>	<b>SiO<sub>2</sub> (%)</b>	<b>TiO<sub>2</sub> (%)</b>	<b>Al<sub>2</sub>O<sub>3</sub> (%)</b>	<b>Fe<sub>2</sub>O<sub>3</sub> (%)</b>
Measured	2.4	98.60	0.061	0.560	0.101
Indicated	3.9	98.60	0.062	0.576	0.109
<b>Measured + Indicated</b>	<b>6.3</b>	<b>98.60</b>	<b>0.061</b>	<b>0.570</b>	<b>0.106</b>
Inferred	2.5	98.70	0.061	0.544	0.096

<b>NORTH EAST ZONE</b>					
	<b>Tonnes (Mt)</b>	<b>SiO<sub>2</sub> (%)</b>	<b>TiO<sub>2</sub> (%)</b>	<b>Al<sub>2</sub>O<sub>3</sub> (%)</b>	<b>Fe<sub>2</sub>O<sub>3</sub> (%)</b>
Measured	0.8	98.66	0.063	0.544	0.102
Indicated	1.4	98.63	0.066	0.556	0.123
<b>Measured + Indicated</b>	<b>2.2</b>	<b>98.64</b>	<b>0.065</b>	<b>0.552</b>	<b>0.116</b>
Inferred	0.5	98.56	0.069	0.641	0.136

<b>CENTRE NORTH ZONE</b>					
	<b>Tonnes (Mt)</b>	<b>SiO<sub>2</sub> (%)</b>	<b>TiO<sub>2</sub> (%)</b>	<b>Al<sub>2</sub>O<sub>3</sub> (%)</b>	<b>Fe<sub>2</sub>O<sub>3</sub> (%)</b>
Measured	0.001	98.31	0.047	0.589	0.150
Indicated	1.2	98.56	0.061	0.535	0.163
<b>Measured + Indicated</b>	<b>1.2</b>	<b>98.56</b>	<b>0.061</b>	<b>0.535</b>	<b>0.163</b>
Inferred	1.6	98.56	0.060	0.479	0.183

Notes:

- 1) CIM Definitions (May 10, 2014) were followed for classification of Mineral Resources.
- 2) Cut-off grades of 98.1% SiO<sub>2</sub>, 0.8% Al<sub>2</sub>O<sub>3</sub>, 0.075% TiO<sub>2</sub> and 0.24% Fe<sub>2</sub>O<sub>3</sub>.
- 3) Density of 2.65 g/cm<sup>3</sup>.
- 4) The resources are constrained by a Lersch Grossman (LG) optimized pit shell using MineSight software.
- 5) LG pit shell defined using the following constraints:
  - i. 50 degree slope
  - ii. Offset of 85m from lakes and wetlands
  - iii. Product sales price of \$200/t and \$100/t for high value and ferrosilicon, respectively
  - iv. Processing cost of \$45.84/t and \$16.84/t of feed for high value and ferrosilicon, respectively
  - v. Mining cost of \$6.73/t and a G&A cost of \$2/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) Numbers may not add due to rounding.

**Preliminary Economic Assessment**

The PEA, prepared by Met-Chem, demonstrates 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>, a resource estimate developed by Met-Chem and previously announced by the Company on June 7, 2016 and supported by a National Instrument 43-101 technical report filed on SEDAR.com on July 20, 2016 titled "NI 43-101 Technical Report on the Silicon Ridge Minerals Resources Quebec – Canada" effective date June 7, 2016. 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%. The technical report supporting this PEA was filed on SEDAR on October 26, 2016.

A summary of the PEA Study is presented in the following tables:

<b>Economic Model Output</b>		
	<b>Pre-Tax</b>	<b>After-Tax</b>
Net Present Value <sub>10%</sub>	\$36.5M	\$23.8M
Internal Rate of Return	40%	33.9%
	Payback (After-Tax)	3.1 yrs



<b>Production Highlights</b>		
Total Resource Mined, from South West and Central North Zones	4,000,000	tonnes
Mining Rate	200,000	tonnes / year
Modeled Operating Life	20	years
Total Saleable Product ( <i>across all end use products</i> )	3,287,932	tonnes sold
Average Stripping Ratio	2.6:1	

<b>Economic Model Highlights</b>	
Pre-production Capital Costs Including Directs, Indirects and Contingency	\$13.1M
Total Life of Mine Revenue	\$291.9M
Blended Average Revenue of Quartzite Sold ( <i>across all end use products</i> )	\$88.80 / tonne sold
Total Operating Costs Over Life of Mine	\$149.9M
Average Total Operating Cost ( <i>mining + processing + G&amp;A + royalty</i> )	\$45.59 / tonne sold
Operating Profit	\$142.1M
Free Cash Flow (Pre-Tax)	\$124.6M
Free Cash Flow (After-Tax)	\$81.3M

A sensitivity analysis reveals that the Project's viability will not be significantly vulnerable to variations in capital and operating costs within the margins of error associated with the PEA estimates. However, the Project's viability remains more vulnerable to the larger uncertainty in future market prices.

The economics are preliminary in nature. It incorporates inferred mineral resources that are considered too geologically speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. It should not be considered a prefeasibility or feasibility study. There can be no certainty that the estimates contained in this report will be realized. In addition, mineral resources that are not mineral reserves do not have demonstrated economic viability.

The results of the economic analysis are forward-looking information that is subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here.

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

An optimized PEA focusing on a direct ship option ("DSO"), was prepared by SNC-Lavalin, 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 new DSO resource estimate includes resources from 3 zones referred to as the South West, North East and Centre North zones, as summarized in the following tables.

<b>ALL ZONES</b>	<b>Tonnes (Mt)</b>	<b>SiO2 (%)</b>	<b>TiO2 (%)</b>	<b>Al2O3 (%)</b>	<b>Fe2O3 (%)</b>
Measured	2.5	98.62	0.061	0.543	0.097
Indicated	5.3	98.62	0.061	0.537	0.117
<b>Measured + Indicated</b>	7.7	98.62	0.061	0.539	0.110
<b>Inferred</b>	2.1	98.66	0.059	0.508	0.131

<b>SOUTH WEST ZONE</b>	<b>Tonnes (Mt)</b>	<b>SiO2 (%)</b>	<b>TiO2 (%)</b>	<b>Al2O3 (%)</b>	<b>Fe2O3 (%)</b>
Measured	2.0	98.62	0.060	0.540	0.096
Indicated	3.1	98.62	0.060	0.545	0.104
<b>Measured + Indicated</b>	5.0	98.62	0.060	0.543	0.101
<b>Inferred</b>	0.9	98.69	0.059	0.519	0.097

<b>NORTH EAST ZONE</b>	<b>Tonnes (Mt)</b>	<b>SiO2 (%)</b>	<b>TiO2 (%)</b>	<b>Al2O3 (%)</b>	<b>Fe2O3 (%)</b>
Measured	0.5	98.62	0.063	0.555	0.099
Indicated	1.1	98.62	0.065	0.533	0.118
<b>Measured + Indicated</b>	1.6	98.62	0.064	0.540	0.112
<b>Inferred</b>	0.2	98.63	0.063	0.561	0.124

<b>CENTRE NORTH ZONE</b>	<b>Tonnes (Mt)</b>	<b>SiO2 (%)</b>	<b>TiO2 (%)</b>	<b>Al2O3 (%)</b>	<b>Fe2O3 (%)</b>
Measured	n/a	n/a	n/a	n/a	n/a
Indicated	1.1	98.60	0.058	0.520	0.150
<b>Measured + Indicated</b>	1.1	98.60	0.058	0.520	0.150
<b>Inferred</b>	1.0	98.64	0.059	0.486	0.164

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.

A summary of the Optimized PEA Study is presented in the following tables:

	<b>Optimized PEA- Base Case</b>		<b>Q3 2016 PEA</b> <i>(for comparison)</i>
Pre-production Capital	<b>\$3.5M</b>		\$13.1M
	<b>Pre-Tax</b>	<b>After-Tax</b>	After-Tax
Net Present Value <sub>e10%</sub>	<b>\$33.8M</b>	<b>\$23.4M</b>	\$23.8M
Internal Rate of Return	<b>157%</b>	<b>132%</b>	33.9%
	Payback (After-Tax)	<b>&lt;1 year</b>	3.1 years

<b>Production Highlights</b>		
Total Resource Mined, from South West and North East Zones	4,000,000	Tonnes
Mining Rate	200,000	tonnes / year
Modeled Operating Life	20	Years
Total Saleable Product ( <i>across all end use products</i> )	3,420,000	tonnes sold
Average Stripping Ratio	2.0:1	

<b>Economic Model Highlights</b>	
Pre-production Capital Costs Including Directs, Indirects and Contingency	\$3.5M
Total Life of Mine Revenue	\$171M
Blended Average Revenue of Quartzite Sold (" <i>Commodity</i> " only- see below)	\$50 / tonne sold
Total Operating Costs Over Life of Mine	\$89M
Average Total Operating Cost ( <i>mining + processing + owners cost + royalty</i> )	\$26.02 / tonne sold
Operating Profit	\$82M
Free Cash Flow (Pre-Tax)	\$78.3M
Free Cash Flow (After-Tax)	\$51.8M

A sensitivity analysis reveals that the Project's viability will not be vulnerable to variations in capital and operating costs within the margins of error associated with the PEA estimates. However, the Project's viability remains more vulnerable to the larger uncertainty in future market prices.

The economics are preliminary in nature. It incorporates inferred mineral resources that are considered too geologically speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. It should not be considered a prefeasibility or feasibility study. There can be no certainty that the estimates contained in this report will be realized. In addition, mineral resources that are not mineral reserves do not have demonstrated economic viability.

The results of the economic analysis are forward-looking information that is subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here.

In August, 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 Quebec'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 has 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 has 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 has 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.

### **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.

The Company has entered into an agreement to amend the payment terms (the "Amendments") for the Company's previously announced acquisition of the Snow White quartz project, located near Massey, Ontario, Canada ("Snow White" or the "Project"). Under the terms of the Amended Agreement, the Company has agreed to deliver additional cash payments of up to an aggregate of \$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.

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 (Table 3). 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:

- 8) CIM definitions (May 10, 2014) were followed for classification of Mineral Resources.
- 9) 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.
- 10) Density of 2.644 g/cm<sup>3</sup>.
- 11) The resources are constrained by a Lersch Grossman (LG) optimized pit shell using Geovia Whittle™ software.
- 12) LG pit shell defined using the following constraints:
  - vi. 55 degree slope
  - vii. Offset of 30 m from lakes and wetlands
  - viii. Product sales price of CAD \$85.00/t.
  - ix. Processing cost of CAD \$20.20 t.
  - x. 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.)*
- 13) 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").

- 14) There are currently no measured resources at the Snow White Project.
- 15) Numbers may not add due to rounding.
- 16) Effective date of the resource estimate is August 4, 2018.

## **Rogue Timmins:**

### **Radio Hill Property**

The Radio Hill property appears to be on the western extension of the Porcupine-Destor Fault Zone, one of the most productive gold structures in the world. This has been a very active district recently, with Tahoe Resources Inc. (formerly Lake Shore Gold Corp) Timmins West mine 45 km away, plus Tahoe's recent 144 Zone discoveries, Goldcorp Inc.'s acquisition of the Borden Gold project (85 km away) and Probe Metals Inc.'s recent acquisition of the Ivanhoe project located to Pen Gold's west and the West Porcupine and Ross properties to the east. The Radio Hill property represents prospective land for gold exploration and adjoins the Pen Gold property that forms part of the camp consolidation announced by GFG Resources Inc's acquisition of Rapier Gold announced in November 2017 and closed in February 2018.

The Company announced a plan to drill at its Radio Hill property, which comprises a 1,800 hectare land package located 85 km southwest of Timmins, Ontario. The Company plans to drill priority structural targets along the interpreted western extension of the PDFZ, one of the most productive gold structures in the world. This has been a very active district recently with Tahoe Resources (formerly Lakeshore Gold's Timmins West mine, 45 km away, plus the recently discovered 144 Exploration Area), Goldcorp's acquisition of the Borden Gold project (85 km away) and Probe Metals' recent acquisition of the Ivanhoe project located to Radio Hill's west.

A three year exploration permit was received from the MNDM to complete the diamond drilling on the property in November 17, 2017. The Radio Hill drill program has been postponed given the acquisition of the Snow White property until a later date. The Company will initiate an analysis of the high-quality geophysical surveys completed since the acquisition of the Radio Hill property with a focus on identifying favourable geological and structural features that are known to host gold mineralization throughout the Timmins area. Targets will be ranked based upon the analysis and a drill program will be developed to potentially test the prioritized areas with diamond drilling. The Company will continue to monitor the exploration activity on the adjoining properties as part of its ongoing activities on the Radio Hill property.

### **Summary**

The Radio Hill iron ore project comprises banded iron formation; a magnetite rich formation that forms a topographical high and covers an area over two km long with a maximum width of about 500 m. Historical drilling tested the iron to a vertical depth of 400 m with mineralization reported to continue at depth.

In 2008, Geotech Ltd. conducted a combined magnetic-VTEM survey over Radio Hill and the adjacent Timmins West project, a land package totalling 12,160 hectares. The 742 line-km survey covered a 50 km<sup>2</sup> area with 75 m line spacing. A number of electro-magnetic (EM) and magnetic anomalies were identified in the survey area. The Radio Hill iron formation is easily identified in the total field magnetic survey, as is the relatively unexplored Nat River Iron Formation. The airborne survey has been used to identify priority targets along the Nat River formation. In June 2010, the Company commissioned Micon International Inc. to prepare a *Technical Property of Merit Report* on the property.

Following the exploration recommendations of the Property of Merit Report, the Company initiated and completed a 10,500 m drill program and reported the final assays from that campaign on August 2, 2012. The drilling and assay work show the banded iron formation is as thick at 400m and extends to depth beyond the limits of open pit mining, with the grades increasing at depth. Ore characterization and metallurgy indicates the magnetite is fine-grained and requires fine grinding to liberate silica.

Further geo-metallurgical work on the iron ore was initiated early in 2015 to better understand the iron ores mineralogy and define a metallurgical process for testing the ores.

A Phase 1 (preliminary) Baseline Environmental Study was also initiated in early 2015. Recent LIDAR survey data covering the Radio Hill iron ore deposit has been purchased.

A three year exploration permit was issued to the Company in November 2017 by the MNDM, to complete up to 2,500 metres of diamond drilling on the Radio Hill property on selected targets.

### **Acquisition Costs and Net Smelter Royalty (NSR)**

In April 2011, and amended in October 2013, the Company completed its option agreement to earn a 100% interest on its Radio Hill Iron Ore property located in the Timmins mining district of Ontario by making a final \$100,000 payment and issuing 2,000 shares. In lieu of an NSR on the iron rights, the agreement requires a \$50,000 annual payment to be paid in perpetuity until commencement of commercial production, at which time a \$7,000,000 payment is required in addition to accrued cost of living increase. On June 16, 2016, the Company executed an amendment to the Radio Hill Option Agreement whereby the Company maintains its option on the iron mineralization, but now at the sole discretion of the Company, can either issue 10,000 shares of the Company or pay \$50,000 to the Optionors on an annual basis. The Company issued 10,000 shares to its Optionors in June 2016 and 10,000 shares to its Optionors in February 2017.

In January 2020, the Company executed an amendment to the Radio Hill Option Agreement whereby the Company purchased full ownership of the iron mineralization less a 1.5% net smelter return royalty on the production of iron ore to the Optionors, in exchange for 100,000 shares of the Company.

### **Infrastructure**

When developing iron ore projects, infrastructure and its costs are paramount. The project's location, in proximity (4 km) to the Canadian National Railway (CN) and to Timmins, together with the associated mining infrastructure in the Timmins area. The Radio Hill iron deposit is connected to Highway 101 by an 8 km long gravel road. This road runs north to south across the deposit and extends from the highway to the CN railroad Kukatush siding at the southern property boundary. During the early 1960s a railroad grade was constructed from this siding to the south edge of the Radio Hill deposit and remains intact for future use. Power lines come within kilometres of the property and potential hydro power generation exists about 20 km to the southwest on the Groundhog River. Natural gas is located in Timmins and could be extended west to the project.

### **Timmins West/Pen South Property Group**

Through staking, the Company acquired a 100% interest in mineral claims known as Timmins West located in Penhorwood, Kenogaming and Keith Townships, Ontario.

In July 2016, a mutually beneficial solution was agreed, which was to provide Rapier a period of exclusivity for the month of July 2016, to acquire 100% of the property. The Company completed the sale of its Pen South property to Rapier for \$325,000 and 1,500,000 Rapier shares. The terms of the agreement include Rapier acquiring 100% of the Pen South property, subject to a 2% NSR. The entire NSR may be purchased for \$3,000,000. Rogue also retains the right to repurchase any individual claim within the property for \$1 if Rapier or any potential successor does not meet the outstanding government exploration work requirement and/or intends to abandon or allow the claim to lapse. In February 2018 Rapier was acquired by GFG Resources Inc., as noted above.

### **Langmuir Nickel Project (includes W4 Deposit)**

#### **Summary**

The Langmuir property is 100% owned (part of which is subject to a 2% NSR) and comprises a large package of ultramafic and mafic flows and sills favorable for hosting nickel, copper and platinum group mineralization. The road-accessible Langmuir property is located approximately 8 km east of the Redstone nickel mill and approximately 35 km south of Xstrata's Kidd Creek Metallurgical site in Timmins, Ontario.

The property is largely covered by overburden or swamp that substantially hampered pre-1990s exploration. Advances in airborne geophysical surveys and soil sampling techniques have allowed the Company to see beneath the overburden and identify potential nickel deposits in bedrock. A VTEM electromagnetic airborne survey system identified more than 20 separate clusters of airborne EM anomalies. In 2007, the Company drilled a number of these targets. A drill hole on the W4 geophysical target intersected 72.5 m of nickel mineralization averaging 1.14% nickel with 0.11 g/t platinum and 0.26 g/t palladium. Subsequent drilling and exploration defined a moderate-sized nickel resource (see below). Sulphide mineralization at Langmuir W4 has been interpreted as three sub-parallel nickel sulphide zones

hosted by komatiitic peridotite flows. These east-west trending komatiite flow units are vertical to steeply dipping and separated by thin graphitic argillite interflow units. The nickel sulphide mineralization consists primarily of pentlandite and pyrrhotite occurring as fine disseminations, fracture fillings and blebs.

### Resource Estimate

A mineral resource estimate for this deposit has been reported in accordance with NI 43-101 and was estimated in conformity with generally accepted CIM Definitions. The resource estimate is the result of an extensive diamond drill program (69 drill holes for 22,152 m) in 2007 and 2008.

<b>Mineral Resource Statement*, Langmuir W4 Nickel Project (May 12, 2010)</b>					
<b>Category</b>	<b>Quantity Tonnes</b>	<b>Grade Ni %</b>	<b>Grade Cu %</b>	<b>Metal Nickel lbs. 000's</b>	<b>Metal Copper lbs. 000's</b>
<b>Open Pit**</b>					
Indicated	590,000	0.99	0.06	12,816	840
Inferred	125,000	0.88	0.06	2,437	157
<b>Underground **</b>					
Indicated	87,000	1.04	0.08	1,997	149
Inferred	46,000	0.91	0.05	923	53
<b>Combined</b>					
Indicated	677,000	1.00	0.06	14,813	989
Inferred	171,000	0.89	0.06	3,360	210

\*Mineral resources are reported in relation to optimized pit shells. Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All assays have been capped where appropriate.

\*\* Open pit mineral resources are reported at a cut-off of 0.40 percent nickel inside a conceptual pit shell. Underground mineral resources are reported at 0.70 percent nickel and include resource blocks above cut-off outside the conceptual pit shell. Cut-off grades are based on a nickel price of US\$8 per pound and a metallurgical recovery of eighty-seven percent, without considering revenues from other metals.

The mineral resources are reported at two cut-off grades to reflect the “reasonable prospects” for economic extraction. SRK Consulting Canada Inc. (“SRK”) of Toronto considers most of the mineral resources are amenable for open pit extraction, while the portion below a conceptual pit shell could be extracted using an underground mining method. A complete Technical Report, compiled in accordance to NI 43-101 Guidelines, has been filed on behalf of the Company and is available for viewing at [www.sedar.com](http://www.sedar.com).

Following the resource estimate in late 2010, the Company completed drilling of seven (NQ) holes to test mineralization extensions to the east of the existing mineral resource, and six (HQ) holes to provide material for metallurgical testing. This additional drilling was used to update the resource model. The new drilling has allowed a more confident definition of nickel mineralization for the mining studies and has provided material for low, medium and high grade composite metallurgical samples allowing for a better understanding of the metallurgical properties of the nickel mineralization. From these holes SRK and the Company selected two composites of core material suitable for both flotation testing as well as hardness testing (SAG Design tests). This material was forwarded to the Inspectorate Exploration & Mining Services Laboratories in Richmond, BC where metallurgical test work was conducted. Initial studies show that recoveries are above 70%.

The brief reopening in 2014-15 of the Redstone Nickel Mill adjacent to the Langmuir claims created new interest in the area. In early 2015, the VTEM and magnetic airborne surveys previously conducted on the project were reprocessed and evaluated by a consulting geophysicist to identify new targets. Previous environmental and metallurgical work carried out on the project by the Company was also reviewed as was geo-metallurgy on the nickel mineralized ultramafics, for an improved understand of the mineralogy.

### Exploration Potential

The W4 deposit was one of several promising geophysical targets on the Langmuir property. Several similar targets remain untested and the exploration upside potential at Langmuir remains high. The VTEM geophysical surveys and modeling programs have identified anomalous areas along strike and at depth of the discovery zone that have not been fully tested. In addition, the geological model used for targeting and the eventual discovery of the W4 deposit suggests that the potential for other similar high-grade, moderate-sized deposits exists. This geological model within similar Archean-aged rocks was taken from the Kambalda nickel camp in Western Australia which show nickel deposits clustered within a volcanic flow localized along the flanks of a domal structure. Nickel ore deposits in the Kambalda camp often occur in



groups or clusters; for example, 12 nickel deposits occur within an ultramafic flow unit of approximately 8 km x 4 km in area.

On April 30, 2017, the Company decided to write-down the property's exploration costs to \$Nil to focus on its other properties. \$7,692,491 in exploration costs were written off during the year ended April 30, 2017.