

November 21, 2019

TSX-V: RRS

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## **Rogue Stone Update: Finalized Purchase Terms for the Orillia Quarry, Bobcaygeon Received Final Approval and Sales Continue**

- The Orillia Quarry is permitted to produce 20,000 tonnes per year and has been in continuous operation for more than 25 years. A \$25K advance deposit will be held in escrow from December, with anticipated closing in early March.
- Acquisition remains subject only to the transfer of the permit, payment of the remainder of the Purchase Price and final approval of the TSXV.
- Rogue has completed the Permit Transfer and received Final Approval from the TSXV for the Bobcaygeon Quarry
- Mobilization of equipment, staffing and operations continue at Bobcaygeon Quarry with ongoing sales.

**TORONTO, ON** – Rogue Resources Inc. (TSX-V: RRS) (“Rogue” or the “Company”) is pleased to announce it has now finalized acquisition terms (the “Agreement”) to acquire 100% of the Speiran Quarry (east of Orillia, Ontario), also referred to as the “Orillia Quarry”, which was first announced in an August 12, 2019 press release from several Ontario-based private companies (the “Sellers”). This will be Rogue’s second operating asset in its Limestone business, referred to as “Rogue Stone”.

The Sellers shutdown 2019 operations at the Orillia Quarry last week, to prepare for the winter season. Based on the Agreement, Rogue expects to close the acquisition March 2, 2020 (the “Closing”), and Rogue Stone plans to immediately reopen operations for the spring 2020 landscape stone season. Based on existing client relationships (see August 26, 2019 press release) Rogue Stone plans to ramp up operations quickly and soon target the annual permitted volume of 20,000 tonnes per year.

*“Finalizing terms on Orillia and locking us in to be selling that stone for next spring is an exciting next step for Rogue and helps as we develop this new business. Rogue expects this acquisition will allow us to tap into sources of less dilutive financing”,* said Sean Samson, President and CEO of Rogue. *“I am pleased with our progress at Rogue’s Bobcaygeon Quarry and operations over our first couple weeks, sales continue to go well there and I expect to have an additional update on Rogue’s continued financing efforts over the upcoming weeks.”*

### **Final Terms for Rogue’s Acquisition of the Orillia Quarry**

Rogue anticipates completing a final inspection of the Orillia Quarry before November 30, 2019.

The consideration payable to the Sellers by Rogue for the Orillia Quarry acquisition consists of:

- \$25,000 deposit to be paid into escrow within 15 days of the final inspection
- Cash payment at closing (the “Closing”) of \$1,355,000.

This consideration includes all inventory at the Orillia Quarry and on-site equipment. Separately, Rogue is acquiring ~\$240,000 of heavy equipment from one of the Sellers.

Rogue's acquisition of the Orillia Quarry remains subject to the transfer of the permit and final approval of the TSX Venture Exchange (the "TSXV").

### **Project Financing for the Acquisition**

As previously announced, Rogue has secured a term loan (the "Term Facility") with a major Canadian bank ("Bank"), secured against the Orillia Quarry (see August 12, 2019 press release). The Term Facility is for 50% of the consideration (including equipment) repayable monthly over a 60-month term. It is subject to an existing general security agreement with the bank and a debt service coverage ratio covenant to be measured on an annual basis, based on a ratio of a measure of earnings to interest expense and scheduled principal payments. The Term Facility carries a fixed interest rate of 5.25%, payable monthly based on the proportional amount outstanding. The full amount will be drawn at Closing and the initial monthly payment will be due 30 days from drawdown. Rogue is also exploring options for further debt, potentially through a mezzanine facility (potentially secured with a secondary security against the Bobcaygeon Quarry or against one of the other assets in the Company's portfolio).

The final structure for financing will be subject to the approval of the TSXV.

### **Private Placement Extension**

The Company is also pleased to announce that the TSXV has granted Rogue an extension until December 20, 2019 to close additional tranches of its private placement, if any.

### **Details of the Orillia Quarry**

The Orillia Quarry consists of privately owned parcels representing approximately 81 hectares, located approximately 20 km east of the town of Orillia and 140 km northeast of Toronto. The quarry currently has a Class B Aggregate License to extract up to 20,000 tonnes of Natural Stone per year and produces Armour Stone, Steps and Flagstone. The quarry permit 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 7 m from the current quarry floor. The Orillia Quarry has been in continuous operation for more than 25 years and Rogue has conducted extensive due diligence, including the review of financial data from the Seller's audit firm.

Rogue disclosed on August 12 2019 historical unit economics over the past five years and third-party appraisal (from June 10, 2019). 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.

### **Bobcaygeon Quarry Update**

The Company continues operations on the Bobcaygeon Quarry, has now sold all of the existing inventory available at the site and begun sales of new limestone product, excavated from the quarry floor. Rogue Stone has a team of 3-4 operators at the Bobcaygeon Quarry, working daily on heavy equipment (including excavators and loaders), preparing the site for rampup and also loading flatbed road-trucks with sales almost daily. Payments have been received from clients for the initial sales.

### **Rogue comment regarding "Companion Policy 43-101CP, 4.2(6) – Production Decision"**

The work completed on both the Bobcaygeon and Orillia Quarries is, at this stage, preliminary in nature and the limited drill data and exploration work are too speculative geologically to have economic considerations applied to them that would enable them to be categorized even as Mineral Resources. Rogue does not intend to complete a Pre-feasibility or Feasibility Study of Mineral Reserves demonstrating economic and technical viability before a decision to proceed with further investment into either quarry. Projects that are based on a production decision without a feasibility study of mineral reserves demonstrating economic and technical feasibility have increased uncertainty and economic and technical risks of failure associated with its production decision. This potential decision would be based on past production performance (and readers are warned that [previous results are not an indication of future results](#)), the results of

negotiated cost estimates as well as the securing of supply contracts for the limestone products from either quarry. Among the risks associated with the quarries and with any development decision to proceed into further production and/or restarting production for next season is the possibility that the quarry will not be economically or technically viable and/or that development timetables, cost estimates and production forecasts may not be realized.

### **About Rogue Resources Inc.**

Rogue is a mining company focused on generating positive cash flow. Not tied to any commodity, it looks at rock value and good grade deposits, in good jurisdictions. In addition to Rogue Stone, the Company remains focused on advancing its Quartz business at its Snow White Project in Ontario and the Silicon Ridge Project in Québec, unlocking value from its Timmins assets plus identifying, acquiring, advancing and eventually operating additional projects or mines that meet its criteria.

For more information visit [www.rogueresources.ca](http://www.rogueresources.ca).

### **Qualified Person**

These projects will be under the direct supervision of Paul Davis, P.Geo., VP, Technical and Director of the Company and a Qualified Person (“QP”) as defined by National Instrument 43-101. The QP has approved the scientific and technical content of this release

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### **Cautionary Note Regarding Forward-Looking Statements:**

*This news release contains certain statements or disclosures relating to the Company that are based on the expectations of its management as well as assumptions made by and information currently available to the Company which may constitute forward-looking statements or information (“forward-looking statements”) under applicable securities laws. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “target”, “estimates”, “projects”, “continue”, “possible”, “potential” and similar expressions, or are events or conditions that “will”, “would”, “may”, “could” or “should” occur or be achieved.*

*In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: condition of the Orillia Quarry; closing of acquisition of the Orillia Quarry; securing financing for the Orillia Quarry; sales from the Orillia Quarry; operations at the Bobcaygeon Quarry; sales from the Bobcaygeon Quarry; debt financing.*

*The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of the Company including, without limitation: business strategies and the environment in which the Company will operate in the future; commodity prices; exploration and development costs; mining operations, drilling plans and access to available goods and services and development parameters; regulatory restrictions; the ability of the Company to obtain applicable permits; activities of governmental authorities (including changes in taxation and regulation); currency fluctuations; the global economic climate; and competition.*

*The Company believes that the material factors, expectations and assumptions reflected in the forward-looking statements contained in this news release are reasonable at this time but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The forward-looking statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation, those risks identified in the Company's most recent annual and interim management's discussion and analysis, copies of which are available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Readers are cautioned that the foregoing list of factors is not exhaustive and are cautioned not to place undue reliance on these forward-looking statements.*

*If the closing of the Orillia Quarry acquisition does not occur for any reason, including the receipt of applicable regulatory approvals then there is a specific risk that the market price of the Company's securities will be negatively impacted.*

*The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933 (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration is available.*

*Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.*