

Rogue Stone Update: Closing First Tranche of Financing, Acquiring Bobcaygeon Quarry Resuming Operations Immediately

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- *Closing First Tranche of \$401,600 of the Private Placement*
- *Received conditional TSXV approval of the acquisition of the fully permitted Bobcaygeon quarry*
- *Acquisition remains subject only to the transfer of the permit and final approval of the TSXV*

TORONTO, ON / ACCESSWIRE / October 25, 2019 / Rogue Resources Inc. (TSXV:RRS) ("Rogue" or the "Company") is pleased to announce the closing of an initial tranche of its previously announced private placement and the TSX Venture Exchange's ("TSXV") conditional approval of Rogue's agreement to acquire an 85% interest in the Bobcaygeon limestone quarry (the "Bobcaygeon Acquisition") (see the August 12, 2019 press release).

"I'm excited to close this part of the financing, insiders bought in for this tranche, alongside new and existing shareholders who believe in the fundamentals of the Rogue Stone business", said Sean Samson, President and CEO of Rogue, "Buyers are looking for this stone in the Ontario market and we are excited to get moving with Rogue's Bobcaygeon Acquisition. We expect to have an additional update on Orillia and the continued financing in November."

Closing Tranche 1 of the Private Placement

Rogue is pleased to announce closing (the "Closing") of the first tranche of its previously announced non-brokered private placement (the "Offering"). At Closing the Company received aggregate gross proceeds of \$401,600 from the Offering, at a price of \$0.10 per unit ("Unit") from the issuance of 4,016,000 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 \$0.20 until October 25, 2021. The proceeds from the sale of Units will be used for project acquisition expenses and general corporate purposes. The Common Shares and Warrants issued at Closing are subject to approval of the TSXV and to resale restrictions in accordance with applicable securities laws.

In connection with Closing, the Company has paid finders' fees of \$1,974 and has also issued 19,740 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 \$0.20 for a period of 24 months from the closing date of the Private Placement.

Final Terms for Rogue's Bobcaygeon Acquisition, also known as "Johnston Farm Quarry"

The consideration payable by Rogue for the Bobcaygeon Acquisition consists of:

- An immediate cash payment of \$200,000;

- The issuance of 1,620,000 Rogue Common Shares;
- A \$700,000 Vendor mortgage secured against the property (the "Vendor Mortgage Principal Amount") 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 an additional \$100,000 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 fee will be calculated using a 2.5% annualized rate of the principal of the additional mortgage.
- For potential sales into the higher value Architectural and Block Export markets, a capped Premium Market Net Profit Royalty, calculated as:
 - 10% of Net Profit for tonnes with Net Profit between \$100 and \$200 per tonne, up to \$1.5M; and
 - 20% of Net Profit for tonnes with >\$200 Net Profit per tonne, up to \$1.5M.

The Acquisition remains subject only to the transfer of the permit and final approval of the TSXV.

Details of the Bobcaygeon Quarry

The Bobcaygeon Acquisition 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 permit covers an area of approximately 12.3 hectares (123 km²) 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.

Rogue has secured Intent to Purchase Agreements with stone buyers for production from the Bobcaygeon Quarry to eight of the largest landscape stone buyers in Ontario and the US Midwest (see the August 26, 2019 and September 2, 2019 press releases).

The Company intends to restart operations on the Bobcaygeon Quarry immediately which will include the acquisition of certain heavy equipment, hiring of a quarry team and sales of the existing inventory available at the site. Additional equipment and employees will be retained as new limestone products are extracted from the quarry for sale into the limestone markets.

The work completed on the Bobcaygeon Quarry at this stage is 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 development decision to proceed with the Bobcaygeon Acquisition or development of or production from the Bobcaygeon Quarry. This potential decision would be based on past production performance, the results of negotiated cost estimates as well as the securing of supply contracts for the Bobcaygeon limestone products. Among the risks associated the Bobcaygeon Acquisition and with any development decision to proceed into production 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 that can withstand all stages of the commodity price cycle. The Company remains focused on advancing its silica/quartz business with the Snow White Project in Ontario and the Silicon Ridge Project in Québec, plus identifying, acquiring, advancing and eventually operating additional projects or mines that meet its criteria.

For more information visit 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

For additional information regarding this news release please contact:

Sean Samson
+1-647-243-6581
info@rogueresources.ca

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", "estimates", "projects", "continue", "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: the Bobcaygeon Acquisition; the Offering; updates on the Corporation's previously announced Orillia acquisition and the Offering; the use of proceeds from the Offering; and operations at the Bobcaygeon Quarry.

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. 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 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 TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

SOURCE: Rogue Resources Inc.