DEEPROCK MINERALS INC.

Financial Statements

For the years ended November 30, 2018 and 2017

(Expressed in Canadian dollars)

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Adam Kim
ADAM SUNG KIM LTD.
CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
DeepRock Minerals Inc.

I have audited the accompanying financial statements of DeepRock Minerals Inc. (the "Company"), which comprise the statements of financial position as at November 30, 2018 and November 30, 2017, and the statements of loss and comprehensive loss, statements of cash flows and statement of changes in equity for the years ended November 30, 2018 and November 30, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2018 and November 30, 2017, and its financial performance and its cash flow for the years ended November 30, 2018 and November 30, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"Adam Sung Kim Ltd."
Chartered Professional Accountant

Burnaby, British Columbia
March 29, 2019

DEEPROCK MINERALS INC.
Statements of Financial Position
November 30, 2018 and 2017
(Expressed in Canadian dollars)

	November 30, 2018 $	November 30, 2017 $
Assets		
Current		
Cash and cash equivalents	313,058	8,079
GST receivable	10,293	10,987
Note receivable (Note 7)	-	25,500
Due from related party (Note 9)	-	12,888
Prepaid expenses (Note 9)	-	50,596
	323,351	108,050
Exploration and evaluation asset (Note 4)	30,000	5,000
Total Assets	353,351	113,050
Liabilities		
Current		
Accounts payable (Note 9)	124,054	78,797
Accrued liabilities	11,500	12,000
Loan payable (Note 7)	15,625	18,350
	151,179	109,147
Shareholders' Equity		
Share capital (Note 5)	704,291	256,841
Reserve (Note 5)	41,900	18,800
Deficit	(544,019)	(271,738)
	202,172	3,903
Total Liabilities and Shareholders' Equity	353,351	113,050

Nature and Continuance of Operations (Note 1)
Initial Public Offering (Note 12)

Approved and authorized for issue by the Board of Directors on March 29, 2019:

"Richard Shatto"	*"Matthew Reams"*
Richard Shatto, Director	Matthew Reams, Director

The accompanying notes are an integral part of these Financial Statements

DEEPROCK MINERALS INC.
Statements of Loss and Comprehensive Loss
For the years ended November 30, 2018 and 2017
(Expressed in Canadian dollars)

	November 30, 2018 $	November 30, 2017 $
Expenses		
Bank charges	106	134
Consulting fees (Note 9)	141,191	109,196
Exploration (Note 4)	26,982	75,977
Property investigation cost (Note 9)	-	25,000
Office expense	366	7
Professional fees	59,693	18,570
Stock based compensation	5,600	17,500
Transfer agent and filing fees	38,373	7,449
	(272,311)	(253,833)
Other income		
Interest income	30	-
Net loss and total comprehensive loss for the year	(272,281)	(253,833)
Basic and diluted loss per common share	(0.03)	(0.05)
Weighted average number of common shares outstanding	9,408,524	4,933,655

The accompanying notes are an integral part of these Financial Statements

DEEPROCK MINERALS INC.
Statements of Changes in Shareholders' Equity
For the years ended November 30, 2018 and 2017
(Expressed in Canadian dollars)

	Number of Shares #	Share Capital $	Reserve $	Deficit $	Total $
Balance, November 30, 2016	2,501,834	25,500	-	(17,905)	7,595
Cash					
Shares issued for cash	2,511,716	94,190	-	-	94,190
Share issue cost	-	(12,799)	-	-	(12,799)
Agent's warrants issued	-	(1,300)	1,300	-	-
Debt settlement	4,033,330	151,250	-	-	151,250
Stock based compensation	-	-	17,500	-	17,500
Net loss and comprehensive loss for the year	-	-	-	(253,833)	(253,833)
Balance, November 30, 2017	9,046,880	256,841	18,800	(271,738)	3,903
Cash					
Initial public offering	5,000,000	500,000	-	-	500,000
Share issue cost	-	(56,300)	-	-	(56,300)
Agent's shares issued	262,500	26,250	-	-	26,250
Share issue cost Agent's shares		(25,000)	-	-	(25,000)
Agent's warrants issued	-	(17,500)	17,500	-	-
Shares issued pursuant to mineral property agreement	200,000	20,000	-	-	20,000
Stock based compensation	-	-	5,600	-	5,600
Net loss and comprehensive loss for the year	-	-	-	(272,281)	(272,281)
Balance, November 30, 2018	14,509,380	704,291	41,900	(544,019)	202,172

The accompanying notes are an integral part of these Financial Statements

DEEPROCK MINERALS INC.
Statements of Cash Flows
For the years ended November 30, 2018 and 2017
(Expressed in Canadian dollars)

	November 30, 2018 $	November 30, 2017 $
Cash (used in) /provided by:		
Operating activities		
Net loss for the year	(272,281)	(253,833)
Items not affecting cash		
Consulting fees	50,596	70,833
Stock based compensation	5,600	17,500
	(216,085)	(165,500)
Change in non-cash working capital components		
GST receivable	1,944	(10,828)
Accounts payable	56,145	105,215
Accrued liabilities	(500)	6,000
Net cash provided by (used in) operating activities	(158,496)	(65,113)
Financing activities		
Loans payable	(2,725)	8,138
Shares issued for cash	500,000	94,190
Shares issue costs - cash	(56,300)	(12,799)
Net cash provided by financing activities	440,975	89,529
Cash flows from investing activities:		
Note receivable	25,500	-
Exploration and evaluation assets	(5,000)	(5,000)
Due from related parties	2,000	(11,538)
Net cash used in investing activities	22,500	(16,538)
Change in cash	304,979	7,878
Cash, beginning of the year	8,079	201
Cash, end of the year	313,058	8,079
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year:		
Interest expense	-	-
Income taxes	-	-
Non-cash transactions:		
GST receivable	1,250	-
Exploration and evaluation asset	20,000	-
Accounts payable	-	151,250
Share capital	21,250	151,250

The accompanying notes are an integral part of these Financial Statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Deeprock Minerals Inc. (the "Company") is a mining property exploration company whose common shares trade on the Canadian Securities Exchange ("CSE"). On November 14, 2018, the Company completed its initial public offering ("IPO") dated July 24, 2018 and became a reporting issuer. On November 16, 2018, the Company commenced trading under the trading symbol "DEEP".

Deeprock Minerals Inc. (formerly, 1020647 B.C. Ltd.) was incorporated on December 1, 2014 and, pursuant to a plan of arrangement (the "Arrangement") between the Company and Azema Sciences Inc. (formerly Go Green Capital Corp. ("Azema" or "Go Green") dated December 4, 2014, it would acquire the letter of intent signed between Go Green and Euroex Ventures Ltd. ("Euroex") (the "Euroex LOI") and $25,500 in cash from Go Green as part of the arrangement agreement (the "Arrangement Agreement"). As consideration for this asset, the Company would issue 10,147,334 (5,073,667 pre-split) common shares, multiplied by the Conversion Factor, as defined in the Arrangement Agreement, which shares would be distributed to the Go Green shareholders who hold Go Green shares on the share distribution record date. Go Green completed the Arrangement in May of 2015 and issued a note payable in the amount of $25,500 and assigned the Euroex LOI to the Company.

On March 6, 2017, the Company terminated its Euroex LOI and entered into an option agreement with Megastar Development Corp. and changed its name from 1020647 B.C. Ltd. to Deeprock Minerals Inc. (See Note 4)

The head office and principal office of the Company is located at #13 – 7179 - 201st Street Langley BC V2Y 2Y9.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At November 30, 2018, the Company has not achieved profitable operations, has accumulated losses of $544,019 since inception and expects to incur further losses in the development of its business. The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its operations, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

2. BASIS OF PRESENTATION

These financial statements are prepared in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency. These financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements set out below have been applied consistently in all material respects.

a. Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require judgement and estimates are as follows:

Going concern

The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.

Income taxes

The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

Stock based compensation

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 5.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Exploration and evaluation assets

The Company charges all exploration and evaluation expenses incurred prior to the determination of economically recoverable reserves to operations. These costs would also include periodic fees such as license and maintenance fees.

The Company capitalizes direct mineral property acquisition costs and those expenditures incurred following the determination that the property has economically recoverable reserves. Mineral property acquisition costs include cash consideration, option payment under an earn-in arrangement and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement. These costs are amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned, or when impairment in value has been determined to have occurred. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The Company may occasionally enter into option-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would otherwise be undertaken by the Company. The Company does not record any expenditures made by the optionee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted as a gain on disposal.

c. Provision for decommissioning and restoration

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. As at November 30, 2018, the Company has no known restoration, rehabilitation or environmental liabilities related to its mineral properties.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Impairment

The Company assesses at the end of each reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

An impairment loss in respect of a financial asset carried at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted using the instrument's original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset that was previously recognized in profit or loss, is removed from equity and recognized in the income statement.

All impairment losses are recognized in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. Impairment losses recognized for equity securities are not reversed.

e. Shared-based payments

Pursuant to the Company's option plan ("Option Plan"), the Company may grant stock options to directors, officers and employees for the purchase of the capital stock of the Company. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Deferred income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

g. Financial instruments

Financial instruments are defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Financial instruments at fair value through profit or loss (FVTPL).

Financial instruments are classified as FVTPL when they are held for trading. A financial instrument is held for trading if it was acquired for the purpose of selling in the near term. Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for the period.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, these financial assets are recorded at amortized cost using the effective interest method less any impairment.

Available-for-sale financial assets

Available-for-sale are non-derivative financial assets that are designated as available-for-sale or that are not classified in any other financial asset categories. Subsequent to initial recognition, changes in fair value, other than impairment losses, are recognized in other comprehensive income (loss) and presented in the fair value reserve in shareholders' equity. When the financial assets are sold or an impairment write-down is required, losses accumulated in the fair value reserve recognized in shareholders' equity are included in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial instruments (continued)

Financial liabilities

Financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Company's accounts payable, accrued liabilities and due to related parties are classified as financial liabilities.

Transaction costs incurred on initial recognition of financial instruments classified as loans and receivables and other financial liabilities are included in the initial fair value amount.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire. Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled or they expire.

The Company has classified its financial instruments as follows:

Financial Instrument	Classification
Due from related party	Loans and receivable
Note receivable	Loans and receivable
Accounts payable	Other liabilities
Accrued liabilities	Other liabilities
Loan payable	Other liabilities

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

h. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average share outstanding is increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Accounting standards, interpretations and amendments to existing standards that have been recently adopted and that are not yet effective.

<u>Accounting standards issued but not yet applied</u>

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of these new and revised accounting pronouncements.

IFRS 2, *Share-based Payments* amendment which clarifies how to account for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature and a modification to the terms and conditions that changes the classification of the transactions. The effective date for the amendment is effective for annual reporting periods beginning on or after January 1, 2018. This standard is effective for the Company's annual period beginning December 1, 2018. The Company anticipates that there will be no material changes to the financial statements other than additional disclosures in the notes to the financial statement.

IFRS 9, *Financial Instruments* introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39. This standard is effective for reporting periods beginning on or after January 1, 2018. This standard is effective for the Company's annual period beginning December 1, 2018. The Company anticipates that there will be no material changes to the financial statements other than additional disclosures in the notes to the financial statement.

IFRS 15 *Revenue from Contracts with Customers* provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2018. This standard is effective for the Company's annual period beginning December 1, 2018. The Company anticipates that there will be no material changes to the financial statements other than additional disclosures in the notes to the financial statement.

On January 13, 2016, the IASB issued IFRS 16 *Leases* which requires entities to recognize lease assets and lease obligations on the balance sheet. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead leases are “capitalized” by recognizing the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognizes a financial liability representing its obligations to make future lease payments. This standard is effective for reporting periods beginning on or after January 1, 2019. This standard is effective for the Company's annual period beginning December 1, 2019. The Company is currently evaluating the potential impacts of this standard.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

The following table summarizes the Company's mineral property assets as at November 30, 2018 and 2017 and the changes for the years then ended, and exploration expenditures for the years ended November 30, 2018 and 2017.

	Ralleau Property	Total
Deferred costs		
Balance, November 30, 2016	$ -	$ -
Paid in cash	5,000	5,000
Balance November 30, 2017	$ 5,000	$ 5,000
Shares issued (200,000 x $0.10)	20,000	20,000
Paid in cash	5,000	5,000
	$ 30,000	$ 30,000

Ralleau Property	Total Cumulative expenditure to November 30, 2017	Current period Exploration Expenditures to November 30, 2018	Total cumulative expenditure to November 30, 2018
Exploration expenditures			
Geological	$ 73,157	$ 13,954	$ 87,111
Geological report	2,820	1,138	3,958
Maintenance payment	-	11,890	11,890
	$ 75,977	$ 26,982	$ 102,959

On April 5, 2017 and amended on March 15, 2018 and June 30, 2018, the Company entered into an option agreement with Megastar Development Corp. ("Megastar"), whereby Megastar granted the Company the right to acquire a 50% interest in and to the Ralleau Property located in the Quevillon area of Quebec. In order to acquire the 50% interest in the Ralleau Property the Company shall pay $100,000 in cash, issue 1,700,000 common shares of the Company and incur $250,000 in eligible exploration work as follows:

(a) Cash payment of $100,000 and issuance of 1,700,000 common shares as follows:

- (i) $5,000 on or before the execution of this agreement (paid);
- (ii) $5,000 and 600,000 common shares on the earlier of the exchange listing date or August 31, 2018; (issued and paid subsequent to November 30, 2018)
- (iii) $5,000 (paid) and 200,000 common shares (issued) on or before the first anniversary date of this agreement, April 5, 2018;
- (iv) $10,000 and 400,000 common shares on or before the second anniversary date of this agreement, April 5, 2019;
- (v) $75,000 and 500,000 common shares on or before the third anniversary date of this agreement, April 5, 2020.

4. EXPLORATION AND EVALUATION ASSETS (continued)

(b) Exploration expenditures of $250,000 on the Property as follows:

(i) $40,000 on or before May 30, 2017 (incurred);
(ii) $15,000 on or before July 31, 2017 (incurred);
(iii) $25,000 on or before October 31, 2018 (incurred);
(iv) $50,000 on or before the second anniversary date of this agreement, April 5, 2019;
(v) $120,000 on or before the third anniversary date of this agreement, April 5, 2020.

If the exploration expenditures incurred are less than the amount of the exploration expenditures required to be incurred in any period, the Company may at its option pay the deficiency to Megastar within sixty days after the end of such period in order to maintain the Option in good standing.

5. SHARE CAPITAL

a. Authorized

Unlimited Common shares without par value

b. Issued share capital

For the year ended November 30, 2018:

On November 14, 2018, the Company completed its IPO of 5,000,000 common shares of the Company at $0.10 per share for gross proceeds of up to $500,000. The Company paid the Agent a cash commission of 7% of the gross proceeds from the IPO totalling $35,000 and $21,300 in out of pocket cost. The Company also pay the Agent a Work Fee of $25,000 plus GST, which were paid by the issuance of 262,500 common shares of the Company at a price of $0.10 per share. The Company issued 350,000 agents' warrants at an exercise price of $0.10 per share for up to 24 months from the date of closing of the IPO. The agents' warrants were fair valued at $17,500 using the Black-Scholes model based on the following assumptions: risk-free rate - $2.21%; expected dividend – nil; expected life – 2 years; expected volatility – 100%.

On April 5, 2018, the Company issued 200,000 common shares pursuant to an option agreement with Megastar (Note 4).

For the year ended November 30, 2017:

On May 1, 2017, the Company issued 793,332 common shares at a price of $0.0375 per share for total proceeds of $29,750. The Company paid cash of $10,000 in legal fees and $2,082 in finder's fees and issued 25,200 agent's warrants at an exercise price of $0.05 per share expiring two years from the issue date. The agent's warrants were fair valued at $746 using the Black-Scholes model based on the following assumptions: risk free rate - 1.00%; expected dividend - nil; expected life – 2 years; expected volatility – 100%.

5. SHARE CAPITAL (continued)

b. Issued share capital (continued)

For the year ended November 30, 2017: (continued)

On May 30, 2017, the Company issued 273,000 common shares at a price of $0.0375 per share for total proceeds of $10,238. The Company paid cash of $717 in finder's fees and issued 18,690 agent's warrants at an exercise price of $0.05 per share and expiring two years from the issue date. The agent's warrants were fair valued at $554 using the Black-Scholes model based on the following assumptions: risk free rate - 1.00%; expected dividend - nil; expected life – 2 years; expected volatility – 100%.

On July 31, 2017, the Company issued 1,445,384 common shares at a price of $0.0375 per share for total proceeds of $54,202.

On July 31, 2017, the Company issued 4,033,330 common shares at a price of $0.0375 per share to settle an aggregate of $151,250 in unpaid consulting fees with an officer of the Company, two companies each controlled by a director and officer of the Company, respectively, and a company controlled by an individual with significant influence.

On August 1, 2017, the shareholders of the Company approved a common share forward stock split on the basis of one old common share for two new common shares of the Company. The forward stock split was made effective on September 11, 2017. All references to the number of shares and per share amounts have been retroactively restated as if the forward stock split had occurred December 1, 2015.

c. Stock Options:

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

On September 19, 2017, the Company granted 875,000 stock options to consultants, directors and an officer of the Company at a price of $0.10 per share expiring five years from the date on which the shares of the Company are first listed and called for trading on a Canadian stock exchange. The Company has recorded a fair value of $17,500 or $0.02 per option which was determined using the Black Scholes option pricing model with the following assumptions: $0.0275 per share on grant date, 0.85% risk free rate, 0% dividend yield, 100% expected annualized volatility; 5 years expected stock option life and 0% forfeiture rate. Excepted annualized volatility was estimated based on reference to volatility of comparable companies. The Company recorded a stock based compensation charge of $5,600 on November 14, 2018, date of listing. This transaction was recorded as a modification of stock options utilizing the Black-Scholes option pricing model with the following assumptions – $0.10 per share on grant date, 2.27% risk-free rate, 0% dividend yield, 100% expected annualized volatility; 5 years expected stock option life and 0% forfeiture rate.

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

d. Stock Options: (continued)

	Number of Stock Options	Weighted Average Exercise Price
Balance, November 30, 2016	875,000	$0.10
Granted	-	-
Balance, November 30, 2017 and 2018	875,000	$0.10

As at November 30, 2018, the Company has outstanding 875,000 stock options to consultants, directors and an officer of the Company at a price of $0.10 per share expiring on November 14, 2023. As at November 30, 2018 the weighted average remaining life of the stock option was 4.96 years.

e. Agent's Warrants:

Agent's warrant transactions for the year ended November 30, 2018 and 2017 are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2016	43,890	$0.05
Issued	-	-
Balance, November 30, 2017	43,890	$0.05
Issued	350,000	$0.10
Balance, November 30, 2018	393,890	$0.09

The following Agent's warrants are outstanding as at November 30, 2018:

Expiry Date	Exercise Price	Number of Shares	Remaining Contractual Life (Years)
April 26, 2019	$0.05	25,200	0.40
May 29, 2019	$0.05	18,690	0.49
November 14, 2020	$0.10	350,000	1.96
Total		393,890	
Weighted average remaining life of warrants outstanding as at November 30, 2018			1.79

5. SHARE CAPITAL (continued)

f. Escrow:

Pursuant to an escrow agreement dated September 18, 2017, 4,337,330 common shares were placed into escrow to be released as to 10% on the Listing Date with the remaining 90% to be released in equal tranches at six-month intervals over the 36 months following the Listing Date. On November 14, 2018, 10% of the escrow was released.

As at November 30, 2018, there were 4,049,630 common shares held in escrow. The next escrow release will be on May 14, 2019.

6. CAPITAL DISCLOSURES

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to pay for general administrative costs, the Company will raise additional amounts as needed. The Company is not subject to any capital requirements imposed by a regulator. There has been no change in the Company's approach to capital management during the year ended November 30, 2018.

7. NOTE RECEIVABLE/LOANS PAYABLE

As at November 30, 2018, external parties had temporarily advanced $15,625 (2017: $18,350) to the Company in order to finance its short term operating expenses of which $3,100 is from the former CFO. These loans are non-interest bearing and have no fixed terms of repayment.

The Company also received a note receivable in the amount of $25,500 from Azema Sciences Inc. (formerly Go Green Capital Corp.) ("Azema") and, in exchange, for issuance of 2,501,834 common shares of the Company to the shareholders of Azema. This note is non-interest bearing and has no fixed terms of repayment. On May 29, 2018, the Company received the $25,500.

8. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, note receivable, due from related party, accounts payable and accrued liabilities and loans payable. Cash is stated at fair value and classified within Level 1 of the fair value hierarchy. The fair values of note receivable, accounts payable, accrued liabilities and loans payable approximate their carrying values due to their short-term nature of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

The Company's credit risk was primarily attributable to bank balances. The Company limits its credit exposure on cash held in bank accounts firstly by holding its key transactional bank accounts with banks of international financial institutions.

8. FINANCIAL INSTRUMENTS (continued)

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2018, the Company had cash balance of $313,058 and current liabilities of $151,179. All of the Company's financial liabilities are subject to normal trade terms. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company short term cash requirement.

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollar. Accrued liabilities are denominated in Canadian currency. Therefore, the Company's exposure to currency risk is minimal.

9. RELATED PARTY TRANSACTIONS

The Company received a note receivable in the amount of $25,500 instead of cash and, in exchange, for issuance of 2,501,834 common shares of the Company to the shareholders of Azema.

The amount due from related party is non-interest bearing, unsecured and due on demand.

Name	Relationship	November 30, 2018	November 30, 2017
		$	$
Due from related parties			
0999650 B.C. Ltd.	Controlled by Rodney Gelineau a shareholder with significant influence	-	12,888
		-	12,888

Name	Relationship	November 30, 2018	November 30, 2017
		$	$
Accounts payable			
0999650 B.C. Ltd.	Controlled by Rodney Gelineau a shareholder with significant influence	19,487	375
Geoff Balderson	CFO	21,075	8,400
Harmony Corporate Services	Controlled by Geoff Balderson	26,727	13,590
Point Nexus	Controlled by Richard Shatto, a director of the Company	17,325	3,675
		84,614	26,040

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS (continued)

Name	Relationship	November 30, 2018	November 30, 2017
Loans payable			
Point Nexus	Controlled by Richard Shatto	100	100
Geoff Balderson	CFO	3,100	3,100
Continental Agro Trade Corp.	Common directors	8,650	8,650
1011705 B.C. Ltd.	Common director Richard Shatto	525	6,500
		12,375	18,350

Key management compensation

The Company considers its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") and its directors to be key management. During the years ended November 30, 2018 and 2017 the Company had the following charges to its key management.

Name	Relationship	November 30, 2018	November 30, 2017
		$	$
Consulting fees			
0999650 B.C. Ltd.	Controlled by Rodney Gelineau	57,938	40,088
Darrel Woronchak	Former President	20,831	29,169
Point Nexus	Controlled by Richard Shatto	32,422	21,888
Geoff Balderson	Former CFO	12,000	8,500
Harmony Corporate Services	Controlled by Geoff Balderson	12,000	8,300
		135,191	107,945
Property investigation cost			
Harmony Corporate Services	Controlled by Geoff Balderson	-	25,000
		-	25,000
Stock based compensation			
Rodney Gelineau	Shareholder with significant influence	800	-
Richard Shatto	Director	800	-
Matt Reams	Director	800	-
Craig Watters	Director	800	-
Geoff Balderson	Former CFO	800	-
Darrel Woronchak	Former President	800	-
		4,800	-
		139,991	132,945

On July 31, 2017, the Company issued 4,033,330 common shares at a price of $0.0375 per share to settle an aggregate of $151,250 in unpaid consulting fees with an officer of the Company, two companies each controlled by a director and officer of the Company, respectively, and a company controlled by an individual with significant influence.

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS (continued)

Consulting contracts

On May 1, 2017, the Company entered into an independent contractor agreement with 0999650 B.C. Ltd. for consulting services for a period of one year totalling $50,000 commencing on May 15, 2017. As at November 30, 2018, $Nil (2017: $19,893) in consulting fees are included in prepaid expenses.

On May 4, 2017, the Company entered into an independent contractor agreement with Point Nexus Consulting Inc. for consulting services for a period of one year totalling $25,000. As at November 30, 2018, $Nil (2017: $9,922) in consulting fees are included in prepaid expenses.

On May 8, 2017, the Company entered into an independent contractor agreement with Darrel Woronchak for consulting services for a period of one year totalling $50,000. As at November 30, 2018 $NIl (2017: $20,831) in consulting fees are included in prepaid expenses.

These transactions above are in the normal course of operations and are measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

10. SEGMENTED INFORMATION

During the year ended November 30, 2018 and 2017, the Company had one reportable operating segment, being the acquiring, exploration and development of mineral properties in Canada.

11. INCOME TAXES

The Company has accumulated non-capital losses. Tax attributes are subject to revision and potential adjustment by tax authorities.

A reconciliation of income taxes at statutory rates is as follows:

	November 30, 2018	November 30, 2017
	$	$
Loss for the period before income taxes	(272,281)	(253,833)
Expected income tax recovery at 27%	(73,500)	(66,000)
Tax effects of:		
Permanent difference and change in tax rate	1,500	(1,500)
Current tax attributes not recognized	72,000	67,500
	-	-

(Expressed in Canadian dollars)

11. INCOME TAXES (Continued)

The significant components of the Company's deferred tax assets are as follows:

	November 30, 2018	November 30, 2017
	$	$
Substantively enacted tax rate	27%	27%
Deferred income tax assets:		
Non-capital losses	111,900	42,100
Share issue cost	19,600	2,800
Exploration and evaluation asset	34,500	27,300
	166,000	72,200
Less: Unrecognized deferred tax assets	(166,000)	(72,200)
	-	–

As at November 30, 2018, the Company has exploration and development expenses of approximately $158,000 (2017: $106,000) and non-capital losses of $414,400 (2017: $155,900) for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years, and if not utilized, expire as summarized below:

Year of Expiry	$
2035	7,000
2036	11,000
2037	137,900
2038	258,500
Total	414,400

At November 30, 2018, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

12 SUBSEQUENT EVENTS: (Note 4)

On December 2018, the Company issued 25,200 common shares at $0.05 per share for total proceeds of $1,260 pursuant to the exercise of agent's warrants.

On January 29, 2019, the Company issued 600,000 common shares of the Company and paid cash of $5,000 pursuant to an option agreement with Megastar (Note 4).