

**DEEPROCK MINERALS INC.**

Condensed Interim Financial Statements

For the nine months ended August 31, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements.

**DEEPROCK MINERALS INC.**

Condensed Interim Statements of Financial Position

August 31, 2020 and November 30, 2019

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	August 31, 2020 \$	November 30, 2019 \$
<b>Assets</b>		
Current		
Cash	48,653	43,799
GST receivable	9,602	30,689
Prepaid expenses (Note 9)	-	325
	58,255	74,813
Exploration and evaluation asset (Note 4)	143,000	131,000
<b>Total Assets</b>	<b>201,255</b>	<b>205,813</b>
<b>Liabilities</b>		
Current		
Accounts payable (Note 9)	396,024	220,640
Accrued liabilities (Note 9)	13,769	93,800
Loan payable (Note 7)	8,650	8,650
	418,443	323,090
<b>Shareholders' Equity</b>		
Share capital (Note 5)	1,100,772	1,088,772
Reserve	150,194	150,194
Deficit	(1,468,154)	(1,356,243)
	(217,188)	(117,277)
<b>Total Liabilities and Shareholders' Equity</b>	<b>201,255</b>	<b>205,813</b>

**Nature and Continuance of Operations (Note 1)****Commitments (Notes 4 and 5)****Approved and authorized for issue by the Board of Directors on October , 2020:***"Richard Shatto"*

Richard Shatto, Director

*"Matthew Reams"*

Matthew Reams, Director

The accompanying notes are an integral part of these Condensed Interim Financial Statements

**DEEPROCK MINERALS INC.**

Condensed Interim Statements of Loss and Comprehensive Loss

For the three and nine months ended August 31, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	For the three months ended August 31,		For the nine months ended August 31,	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Expenses</b>				
Bank charges and interest	700	680	1,095	983
Consulting fees (Note 9)	30,000	68,151	114,000	221,890
Exploration and evaluation (recovery)	(101,035)	163,231	(70,142)	237,181
Office and miscellaneous	1,655	6,835	5,795	13,492
Professional fees	25,301	3,786	46,052	38,135
Transfer agent and filing fees	3,326	4,460	15,111	22,970
	(40,053)	247,143	111,911	534,651
<b>Net income (loss) and comprehensive income (loss) for the period</b>	40,053	(247,143)	(111,911)	(534,651)
<b>Basic and diluted income (loss) per common share</b>	0.00	(0.01)	(0.00)	(0.03)
<b>Weighted average number of common shares outstanding</b>	22,703,971	22,703,971	25,123,762	17,717,977

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**DEEPROCK MINERALS INC.**

Condensed Interim Statements of Changes in Shareholders' Equity (Deficit)

For the nine months ended August 31, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	<b>Number of Shares #</b>	<b>Share Capital \$</b>	<b>Reserve \$</b>	<b>Deficit \$</b>	<b>Total \$</b>
<b>Balance, November 30, 2018</b>	14,509,380	704,291	41,900	(544,019)	202,172
<b>Cash</b>					
Agent's shares issued	25,200	2,006	(746)	-	1,260
Private placement	9,011,000	359,530	91,040	-	450,570
Share issue cost	-	(45,055)	-	-	(45,055)
Agent's warrants issued	-	(18,000)	18,000	-	-
<b>Shares issued pursuant to mineral property agreement</b>	600,000	60,000	-	-	60,000
<b>Shares issued pursuant to mineral property agreement</b>	400,000	20,000	-	-	20,000
<b>Shares issued pursuant to mineral property agreement</b>	200,000	6,000	-	-	6,000
<b>Net loss and comprehensive loss for the period</b>	-	-	-	(534,651)	(534,651)
<b>Balance, August 31, 2019</b>	24,745,580	1,088,772	150,194	(1,078,670)	160,296
<b>Balance, November 30, 2019</b>	24,745,580	1,088,772	150,194	(1,356,243)	(117,277)
<b>Shares issued pursuant to mineral property agreement</b>	800,000	12,000	-	-	12,000
<b>Net loss and comprehensive loss for the period</b>	-	-	-	(111,911)	(111,911)
<b>Balance, August 31, 2020</b>	25,545,580	1,100,772	150,194	(1,468,154)	(217,188)

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**DEEPROCK MINERALS INC.**

Condensed Interim Statements of Cash Flows  
For the nine months ended August 31, 2020 and 2019  
(Expressed in Canadian dollars)  
(Unaudited – Prepared by Management)

	August 31, 2020 \$	August 31, 2019 \$
<b>Cash (used in) /provided by:</b>		
<b>Operating activities</b>		
Net loss for the period	(111,911)	(534,651)
Change in non-cash working capital components		
GST receivable	21,087	(9,060)
Prepaid expenses	325	(13,854)
Accounts payable and accrued liabilities	95,353	117,483
Due to related parties	-	(52,337)
<b>Net cash provided by (used in) operating activities</b>	<b>4,854</b>	<b>(492,419)</b>
<b>Financing activities</b>		
Loans payable - advanced	-	-
Loans payable - repaid	-	(6,975)
Shares issued for cash	-	451,830
Share issue cost	-	(45,055)
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>399,800</b>
<b>Cash flows from investing activities:</b>		
Exploration and evaluation assets	-	(15,000)
Due from related party	-	(2,363)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(17,363)</b>
<b>Change in cash</b>	<b>4,854</b>	<b>(109,982)</b>
<b>Cash, beginning of the period</b>	<b>43,799</b>	<b>313,058</b>
<b>Cash, end of the period</b>	<b>48,653</b>	<b>203,076</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
<b>Cash paid during the period:</b>		
Interest expense	-	-
Income taxes	-	-
<b>Noncash transactions</b>		
Due from related party	-	-
Exploration and evaluation asset	<b>12,000</b>	<b>86,000</b>
Share capital	<b>12,000</b>	<b>86,000</b>

The accompanying notes are an integral part of these Condensed Interim Financial Statements

## DEEPROCK MINERALS INC.

Notes to the Condensed Interim Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

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### 1. NATURE AND CONTINUANCE OF OPERATIONS

Deeprrock Minerals Inc. (the “Company”) is a mining property exploration company whose common shares trade on the Canadian Securities Exchange (“CSE”). On March 6, 2017, the Company changed its name to Deeprrock Minerals Inc. 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”. The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on December 1, 2014.

The head office and principal office of the Company is located at Suite 500, Park Place 666 Burrard Street; Vancouver, BC V6C 3P6.

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 August 31, 2020, the Company has not achieved profitable operations, has accumulated losses of \$1,468,154 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.

There was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company’s operations.

### 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”) applicable to the preparation of interim financial statements, including the International Accounting Standard (“IAS”) 34 – Interim Financial Reporting.

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.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company’s accounting policies. The areas involving higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements. The most significant is the assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.

**DEEPROCK MINERALS INC.**

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

**3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies used in the preparation of these financial statements set out below have been applied consistently with those used in the preparation of the audited financial statements as at November 30, 2019.

Accounting standards issued adopted during the period

The following new standard and interpretation adopted December 1, 2019.

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.

The adoption of this standard did not have a material effect on the Company’s condensed interim financial statements.

**4. EXPLORATION AND EVALUATION ASSETS**

The following table summarizes the Company’s mineral property assets as at August 31, 2020 and November 30, 2019 and the changes for the nine months ended August 31, 2020 and for the year ended November 30, 2019 and exploration expenditures for the nine months ended August 31, 2020 and for the year ended November 30, 2019.

	Ralleau Property	Golden Gate Property	Total
Deferred costs			
Balance, November 30, 2018	\$ 30,000	\$ -	\$ 30,000
Shares issued (600,000 x \$0.10)	60,000	-	60,000
Shares issued (400,000 x \$0.05)	20,000	-	20,000
Paid in cash	15,000	-	15,000
Shares issued (200,000 x \$0.03)	-	6,000	6,000
Balance, November 30, 2019	125,000	6,000	131,000
Shares issued (800,000 x \$0.015)	12,000	-	12,000
Balance, August 31, 2020	\$ 137,000	\$ 6,000	\$ 143,000



**DEEPROCK MINERALS INC.**

Notes to the Financial Statements

August 31, 2020

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(Unaudited – Prepared by Management)

**4. EXPLORATION AND EVALUATION ASSETS (continued)**

	Total cumulative expenditure to November 30, 2018	Exploration Expenditures November 30, 2019	Total cumulative expenditure to November 30, 2019	Exploration Expenditures to August 31, 2020	Total cumulative expenditure to August 31, 2020
<b><u>Ralleau Property</u></b>					
Exploration expenditures					
Assays	\$ -	\$ 20,005	\$ 20,005	\$ -	\$ 20,005
Drilling	-	97,132	97,132	-	97,132
Field and miscellaneous	-	1,650	1,650	1,408	3,058
Geological	87,111	130,211	217,322	16,900	234,222
Geological report	3,958	-	3,958	-	3,958
Maintenance payment	11,890	8,896	20,786	993	21,779
Surveying	-	11,510	11,510	-	11,510
Quebec mining tax credit	-	-	-	(102,443)	(102,443)
	102,959	269,404	372,363	(83,142)	289,221
<b><u>Golden Gate Property</u></b>					
Exploration expenditures					
Geological report	-	80,151	80,151	13,000	93,151
	-	80,151	80,151	13,000	93,151
<b>Other</b>					
Project investigation	-	5,024	5,024	-	5,024
<b>Total</b>	<b>\$ 102,959</b>	<b>\$ 354,579</b>	<b>\$ 457,538</b>	<b>\$ (70,142)</b>	<b>\$ 387,396</b>

**Ralleau Property**

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 (paid) and 400,000 common shares (issued) 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.

**DEEPROCK MINERALS INC.**

Notes to the Condensed Interim Financial Statements

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**4. EXPLORATION AND EVALUATION ASSETS (continued)**

**Ralleau Property (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 (incurred);
- (v) \$120,000 on or before the third anniversary date of this agreement, April 5, 2020 (incurred).

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.

On April 20, 2020, the Company entered into an amended agreement to extend the \$75,000 payment due on April 5, 2020 to December 31, 2020 and the issuance of 500,000 common shares to on or before April 23, 2020 (issued). In consideration for the extension the Company will issue 300,000 common shares due on or before April 23, 2020. (issued)

**Golden Gate Project**

On June 24, 2019, the Company entered into an option agreement with George Willett (“Optionor”) to acquire 100% interest in 13 mineral claims situated in Gloucester Count, Bathurst Mining Division, New Brunswick. (“Golden Gate Project”) In order to acquire the 100% interest, the Company is required to pay \$170,000 in cash, issue 200,000 common shares of the Company and incur \$220,000 in exploration expenditures on or before the 4<sup>th</sup> anniversary date as follows:

Cash and share payments are as follows:

- a) Issue 200,000 common shares within 15 days of the approval of the agreement (issued);
- b) Pay \$30,000 in cash on or before August 22, 2020;
- c) Pay \$40,000 in cash on or before August 22, 2021;
- d) Pay \$50,000 in cash on or before August 22, 2022; and
- e) Pay \$50,000 in cash on or before August 22, 2023.

At the Company’s discretion 50% of the cash payments can be paid out in shares based on the average share price of the last 10 trading days prior to the day the payment is made.

Exploration work commitment schedule:

- a) \$40,000 in accumulated exploration expenditure on or before August 22, 2020;
- b) \$90,000 in accumulated exploration expenditure on or before August 22, 2021;
- c) \$150,000 in accumulated exploration expenditure on or before August 22, 2022; and
- d) \$220,000 in accumulated exploration expenditure on or before August 22, 2023.

The Company is in the process of and intends to re-negotiate new terms for the option agreement.

## DEEPROCK MINERALS INC.

Notes to the Condensed Interim Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

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### 5. SHARE CAPITAL

a. Authorized

Unlimited Common shares without par value

b. Issued share capital

For the nine months ended August 31, 2020:

On April 23, 2020, the Company issued 800,000 common shares pursuant to the amended agreement with Megastar fair valued at \$12,000 (Note 4).

For the year ended November 30, 2019:

On December 11, 2018, the Company issued 25,200 common shares pursuant to the exercise of 25,200 agent's options at \$0.05 per share for total proceeds of \$1,260.

On January 29, 2019, the Company issued 600,000 common shares pursuant to an option agreement with Megastar fair valued at \$60,000 (Note 4).

On April 5, 2019, the Company issued 400,000 common shares pursuant to an option agreement with Megastar fair valued at \$20,000 (Note 4).

On May 22, 2019, the Company issued 2,482,000 flow-through units at a price of \$0.05 and 334,000 non-flow-through units at a price of \$0.05 per unit for total proceeds of \$140,800. Each flow-through unit consists of one flow-through share and one-half of one transferable non-flow-through common share purchase exercisable at a price of \$0.10 per share expiring on November 22, 2020. Each non-flow-through unit consists of one non-flow-through common share and one-half of one transferable non-flow-through common share purchase warrant, exercisable at a price of \$0.10 per share expiring on November 21, 2020. On July 19, 2019, 93,000 non-flow-through units were cancelled. The Company uses the residual method of valuing its warrants and have allocated \$28,160. There was no flow-through premium on the private placement. The Company issued 272,300 agents' warrants at an exercise price of \$0.05 per share for up to 18 months expiring on November 22, 2020. The agents' warrants were fair valued at \$5,400 using the Black-Scholes model based on the following assumptions: stock price of \$0.04; risk-free rate – 1.53%; expected dividend – nil; expected life – 1.5 years; expected volatility – 100%. The Company entered into flow-through shares subscription agreement, whereby it was committed to incur \$124,075 of qualifying Canadian Exploration Expenses ("CEE") as described in the Income Tax Act of Canada of which all were incurred by November 30, 2019.

## DEEPROCK MINERALS INC.

Notes to the Condensed Interim Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

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### 5. SHARE CAPITAL (continued)

#### a. Issued share capital (continued)

For the year ended November 30, 2019: (continued)

On June 28, 2019, the Company issued 5,529,000 flow-through units at a price of \$0.05 and 759,000 non-flow-through units at a price of \$0.05 per unit for total proceeds of \$314,400. Each flow-through unit consists of one flow-through share and one-half of one transferable non-flow-through common share purchase exercisable at a price of \$0.10 per share expiring on December 27, 2020. Each non-flow-through unit consists of one non-flow-through common share and one-half of one transferable non-flow-through common share purchase warrant, exercisable at a price of \$0.10 per share expiring on December 21, 2020. The Company uses the residual method of valuing its warrants and have allocated \$62,880. There was no flow-through premium on the private placement. The Company paid a cash finders fee of \$45,055 and issued 628,800 agents' warrants at an exercise price of \$0.05 per share for up to 18 months expiring on December 27, 2020. The agents' warrants were fair valued at \$12,600 using the Black-Scholes model based on the following assumptions: stock price of \$0.04; risk-free rate – 1.46%; expected dividend – nil; expected life – 1.5 years; expected volatility – 100%. The Company entered into flow-through shares subscription agreement, whereby it was committed to incur \$276,395 of qualifying CEE as described in the Income Tax Act of Canada of which \$225,257 was incurred by November 30, 2019.

On August 22, 2019, the Company issued 200,000 common shares pursuant to an option agreement to the Optionor on the Golden Gate project fair valued at \$6,000 (Note 4).

#### b. 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 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

There were no stock options granted during the nine months ended August 31, 2020 and during the year ended November 30, 2019.

**DEEPROCK MINERALS INC.**

Notes to the Condensed Interim Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

**5. SHARE CAPITAL (continued)**

Stock options outstanding are as follows:

	<b>Number of Stock Options</b>	<b>Weighted Average Exercise Price</b>
Balance, November 30, 2018	875,000	\$0.10
Forfeited/cancelled	(500,000)	\$0.10
Balance, November 30, 2019	375,000	\$0.10
Forfeited/cancelled	(125,000)	\$0.10
Balance, August 31, 2020	250,000	\$0.10

The following stock options are outstanding and exercisable as at August 31, 2020 are as follows:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of Shares</b>	<b>Remaining Contractual Life (Years)</b>
November 14, 2023	\$0.10	250,000	3.21
Total		250,000	
Weighted average remaining life of options outstanding as at August 31, 2020			3.21

## c. Share purchase warrants:

Share purchase warrants for the nine months ended August 31, 2020 and for the year ended November 30, 2019 are as follows:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
Balance, November 30, 2018	-	-
Issued	4,552,000	\$0.10
Cancelled	(46,500)	\$0.10
Balance, November 30, 2019 and August 31, 2020	4,505,500	\$0.10

**DEEPROCK MINERALS INC.**

Notes to the Condensed Interim Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

**5. SHARE CAPITAL (continued)**

## c. Share purchase warrants: (continued)

The following Share purchase warrants are outstanding as at August 31, 2020 are as follows:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of Shares</b>	<b>Remaining Contractual Life (Years)</b>
November 22, 2020	\$0.10	1,361,500	0.22
December 27, 2020	\$0.10	3,144,000	0.32
<b>Total</b>		<b>4,505,500</b>	
<b>Weighted average remaining life of warrants outstanding as at August 31, 2020</b>			<b>0.29</b>

## d. Agent's Warrants:

Agent's warrant transactions for the nine months ended August 31, 2020 and for the year ended November 30, 2019 are as follows:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
Balance, November 30, 2018	393,890	\$0.09
Issued	901,100	\$0.05
Exercised	(25,200)	\$0.05
Expired	(18,690)	\$0.05
<b>Balance, November 30, 2019 and August 31, 2020</b>	<b>1,251,100</b>	<b>\$0.07</b>

The following Agent's warrants are outstanding as at August 31, 2020 are as follows:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of Shares</b>	<b>Remaining Contractual Life (Years)</b>
November 14, 2020	\$0.10	350,000	0.21
November 22, 2020	\$0.05	272,300	0.22
December 27, 2020	\$0.05	628,800	0.32
<b>Total</b>		<b>1,251,100</b>	
<b>Weighted average remaining life of warrants outstanding as at August 31, 2020</b>			<b>0.27</b>

## **DEEPROCK MINERALS INC.**

Notes to the Condensed Interim Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

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### **5. SHARE CAPITAL (continued)**

e. 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 August 31, 2020, there were 1,951,799 (November 30, 2019 – 2,602,397) common shares held in escrow. The next escrow release will be on November 14, 2020.

### **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 period ended August 31, 2020.

### **7. LOANS PAYABLE**

As at August 31, 2020, external parties had temporarily advanced \$8,650 (November 30, 2019: \$8,650) to the Company in order to finance its short-term operating expenses. These loans are non-interest bearing and have no fixed terms of repayment.

### **8. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, due to related party and loan payable. The fair values of cash, accounts payable, accrued liabilities, due to related party and loan 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.

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 August 31, 2020, the Company had cash balance of \$48,653 and current liabilities of \$412,143. 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.

**DEEPROCK MINERALS INC.**

Notes to the Condensed Interim Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

**8. FINANCIAL INSTRUMENTS (continued)**

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**

Name	Relationship	August 31, 2020	November 30, 2019
		\$	\$
<u>Accounts payable</u>			
Faith & Grace Capital Inc.	A company controlled by the common-law spouse of the former CEO	45,000	45,000
Marjerrison Financial Management	Controlled by Paul Marjerrison, former CFO	5,250	5,250
Point Nexus	Controlled by Richard Shatto, President	140,625	23,325
Matthew Reams	Director, CFO	8,000	5,000
Rockstar Capital Corp	Company controlled by Pat O'Brien, former CEO	131,523	80,073
		330,398	158,648
<u>Accrued liabilities</u>			
Marjerrison Financial Management	Controlled by Paul Marjerrison, former CFO	10,000	10,000
Matthew Reams	Director, CFO	1,000	-
Point Nexus	Controlled by Richard Shatto, President	-	45,000
Rockstar Capital Corp.	Company controlled by Pat O'Brien, former CEO	-	25,000
		11,000	80,000
		341,398	238,648
<u>Loans payable</u>			
Continental Agro Trade Corp.	Common former directors	8,650	8,650
		8,650	8,650



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**9. RELATED PARTY TRANSACTIONS (continued)*****Key management compensation***

The Company considers its Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and its Directors to be key management. During the nine months ended August 31, 2020 and 2019 the Company had the following charges to its key management.

<b>Name</b>	<b>Relationship</b>	<b>August 31, 2020</b>	<b>August 31, 2019</b>
		<b>\$</b>	<b>\$</b>
<u>Consulting fees</u>			
0999650 B.C. Ltd.	Controlled by Rodney Gelineau, a shareholder with significant influence	-	12,000
Matthew Reams	Director and CFO	9,000	8,000
Brooklyn Pacific Capital Corp.	Controlled by Matthew Reams	-	9,048
Point Nexus	Controlled by Richard Shatto, Director	81,000	53,550
Marjerrison Financial Management	Controlled by Paul Marjerrison, CFO	-	26,667
Geoff Balderson	Former CFO	-	1,000
Harmony Corporate Services	Controlled by Geoff Balderson	-	1,000
Rockstar Capital Corp	Controlled by Pat O’Brien, CEO	24,000	60,000
		<b>114,000</b>	<b>174,264</b>

During the nine months ended August 31, 2019, the Company was charged \$6,000 for office rent by 1011705 BC Ltd., a company related by a common officer.

Included in prepaid expenses at August 31, 2020 is \$Nil (November 30, 2019 - \$325) paid to the President of the Company for advances on 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 nine months ended August 31, 2020, the Company had one reportable operating segment, being the acquiring, exploration and development of mineral properties in Canada.