

**DEEPROCK MINERALS INC.**

Financial Statements

Years Ended November 30, 2020 and 2019

(Expressed in Canadian dollars)

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of DeepRock Minerals Inc.

We have audited the financial statements of DeepRock Minerals Inc. (the "Company"), which comprise the statement of financial position as at November 30, 2020, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has not generated any revenues incurred negative cash flow of \$41,825 from operations during the year ended November 30, 2020 and, as of that date, the Company has a working capital deficit of \$497,518 and an accumulated deficit of \$1,632,984. As stated in Note 1 of the financial statements, these events or conditions along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Henry Chow.

### **Other Matter**

The financial statements of the Company for the year ended November 30, 2019 were audited by another firm who expressed an unmodified conclusion on those financial statements on March 10, 2020.



Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

March 30, 2021

**DEEPROCK MINERALS INC.**Statements of Financial Position  
(Expressed in Canadian dollars)

	November 30, 2020 \$	November 30, 2019 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	29,574	43,799
Amounts receivable	10,672	30,689
Prepaid expenses	–	325
<b>Total current assets</b>	<b>40,246</b>	<b>74,813</b>
<b>Non-current assets</b>		
Exploration and evaluation assets (Note 3)	153,000	131,000
<b>Total assets</b>	<b>193,246</b>	<b>205,813</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 8)	529,114	314,440
Loan payable (Note 4)	8,650	8,650
<b>Total liabilities</b>	<b>537,764</b>	<b>323,090</b>
<b>Shareholders' deficit</b>		
Share capital (Note 5)	1,310,772	1,088,772
Equity reserves	150,194	150,194
Share subscriptions receivable (Note 5)	(172,500)	–
Deficit	(1,632,984)	(1,356,243)
<b>Total shareholders' deficit</b>	<b>(344,518)</b>	<b>(117,277)</b>
<b>Total liabilities and shareholders' deficit</b>	<b>193,246</b>	<b>205,813</b>

Nature of business and continuing operations (Note 1)  
Subsequent events (Note 13)

Approved and authorized for issuance on behalf of the Board of Directors on March 30, 2021:

/s/ "Andrew Lee"

Andrew Lee, Director

/s/ "Richard Shatto"

Richard Shatto, Director

(The accompanying notes are an integral part of these financial statements)

**DEEPROCK MINERALS INC.**Statements of Operations and Comprehensive Loss  
(Expressed in Canadian dollars)

	Year ended November 30, 2020 \$	Year ended November 30, 2019 \$
Expenses		
Consulting fees (Note 8)	134,722	361,203
Exploration expenditures (Note 3)	32,301	349,555
Office and miscellaneous	6,810	7,634
Professional fees	79,241	53,526
Project investigation costs	—	5,024
Rent	3,743	6,815
Transfer agent fees and filing fees	19,924	26,800
Travel and promotion	—	1,667
Total expenses	276,741	812,224
Net loss and comprehensive loss	(276,741)	(812,224)
Loss per share, basic and diluted	(0.01)	(0.04)
Weighted average number of common shares outstanding	25,228,640	19,470,064

(The accompanying notes are an integral part of these financial statements)

**DEEPROCK MINERALS INC.**Statements of Changes in Equity  
(Expressed in Canadian dollars)

	Share capital		Equity reserves \$	Share subscriptions receivable \$	Deficit \$	Total shareholders' equity (deficit) \$
	Number of shares	Amount \$				
Balance, November 30, 2018	14,509,380	704,291	41,900	–	(544,019)	202,172
Shares issued for cash	9,011,000	359,530	91,040	–	–	450,570
Share issuance costs	–	(45,055)	–	–	–	(45,055)
Fair value of agent's warrants issued	–	(18,000)	18,000	–	–	–
Shares issued for exercise of agent's options	25,200	2,006	(746)	–	–	1,260
Shares issued for exploration and evaluation assets	1,200,000	86,000	–	–	–	86,000
Net loss for the year	–	–	–	–	(812,224)	(812,224)
Balance, November 30, 2019	24,745,580	1,088,772	150,194	–	(1,356,243)	(117,277)
Shares issued for cash	7,000,000	210,000	–	(172,500)	–	37,500
Shares issued for exploration and evaluation assets	800,000	12,000	–	–	–	12,000
Net loss for the year	–	–	–	–	(276,741)	(276,741)
Balance, November 30, 2020	32,545,580	1,310,772	150,194	(172,500)	(1,632,984)	(344,518)

(The accompanying notes are an integral part of these financial statements)

**DEEPROCK MINERALS INC.**Statements of Cash Flows  
(Expressed in Canadian dollars)

	Year ended November 30, 2020 \$	Year ended November 30, 2019 \$
Operating activities		
Net loss	(276,741)	(812,224)
Changes in non-cash operating working capital:		
Amounts receivable	20,017	(20,396)
Prepaid expenses	325	(325)
Accounts payable and accrued liabilities	214,674	178,886
Net cash used in operating activities	(41,725)	(654,059)
Investing activities		
Exploration and evaluation asset costs	(10,000)	(15,000)
Net cash used in investing activities	(10,000)	(15,000)
Financing activities		
Repayment of loan payable	–	(6,975)
Proceeds from issuance of shares	37,500	451,830
Share issuance costs	–	(45,055)
Net cash provided by financing activities	37,500	399,800
Change in cash	(14,225)	(269,259)
Cash, beginning of year	43,799	313,058
Cash, end of year	29,574	43,799
Non-cash investing and financing activities:		
Fair value of agents' warrants	–	18,000
Shares issued for exploration and evaluation assets	12,000	86,000

(The accompanying notes are an integral part of these financial statements)

# DEEPROCK MINERALS INC.

Notes to the Financial Statements  
Years Ended November 30, 2020 and 2019  
(Expressed in Canadian dollars)

## 1. Nature of Business and Continuing Operations

1020647 B.C. Ltd. (the "Company") was incorporated on December 1, 2014 in the province of British Columbia pursuant to the British Columbia Business Corporations Act. On March 6, 2017, the Company changed its name to DeepRock Minerals Inc. On November 14, 2018, the Company completed its initial public offering and commenced trading on the Canadian Securities Exchange on November 16, 2018 under the symbol "DEEP". The Company is a mineral exploration company. The head office and principal office of the Company is located at Suite 500, Park Place 666 Burrard Street; Vancouver, BC V6C 3P6.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended November 30, 2020, the Company has not generated any revenues and has incurred negative cash flow of \$41,725 from operations. As at November 30, 2020, the Company has a working capital deficit of \$497,518 and an accumulated deficit of \$1,632,984. The Company's ability to continue as a going concern is dependent upon its ability to generate and maintain future profitable operations or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast doubt on the ability of the Company to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

## 2. Significant Accounting Policies

### (a) Statement of compliance and basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

### (b) Use of estimates and judgments

The preparation of these 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 reported amounts of expenses during the reporting year. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions, and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes could differ from these estimates.

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets and unrecognized deferred income tax assets.

The Company's assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.



## DEEPROCK MINERALS INC.

Notes to the Financial Statements  
Years Ended November 30, 2020 and 2019  
(Expressed in Canadian dollars)

### 2. Significant Accounting Policies (continued)

#### (b) Use of estimates and judgments (continued)

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

#### (c) Application of New IFRS

##### *IFRS 16, Leases*

On December 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less), leases with certain variable lease payments, and leases of low-value assets.

The Company adopted IFRS 16 with no significant impact on the Company's financial statements.

#### (d) Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amount of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

#### (e) Exploration and evaluation expenditures

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold, or management has determined there to be an impairment in value. These costs will be depleted using the unit-of-production method based on the estimated proven and probable reserves available on the related property following commencement of production.

The amounts shown for mineral properties represent costs, net of write-offs, option proceeds and recoveries, and do not necessarily reflect present or future value. Recoverability of these amounts will depend upon the existence of economically recoverable reserves, the ability of the Company to obtain financing necessary to complete development, and future profitable production. The Company reviews the carrying values of mineral properties when there are any events or change in circumstances that may indicate impairment. Where estimates of future cash flows are available, an impairment charge is recorded if the estimated undiscounted future net cash flows expected to be generated by the property is less than the carrying amount. An impairment charge is recognized by the amount by which the carrying amount of the property exceeds the fair value of the property.

#### (f) Mineral exploration and development costs

Exploration costs are charged to operations as incurred. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

## DEEPROCK MINERALS INC.

Notes to the Financial Statements  
Years Ended November 30, 2020 and 2019  
(Expressed in Canadian dollars)

### 2. Significant Accounting Policies (continued)

#### (g) Reclamation and remediation provisions

The Company recognizes a provision for statutory, contractual, constructive, or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant, and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in exploration and evaluation assets. These costs are depleted using either the unit of production or straight-line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the statement of operations.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases, changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

#### (h) Financial instruments

##### Classification and measurement – initial recognition

On initial recognition, all financial assets and liabilities are classified and recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss ("FVTPL").

##### Classification and measurement – subsequent to initial recognition

Subsequent measurement of financial assets and liabilities depends on their classification and measurement basis.

##### *Financial Assets*

Subsequent to initial recognition, financial assets are measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss, depending on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## DEEPROCK MINERALS INC.

Notes to the Financial Statements  
Years Ended November 30, 2020 and 2019  
(Expressed in Canadian dollars)

### 2. Significant Accounting Policies (continued)

#### (h) Financial instruments (continued)

##### *Financial Assets (continued)*

Financial assets that do not meet the above conditions are classified as fair value through profit or loss. The Company's cash is measured at amortized cost.

##### *Financial Liabilities*

Subsequent to initial recognition, financial liabilities are measured at amortized cost, unless designated as fair value through profit or loss. The Company's accounts payable and accrued liabilities and loan payable are measured at amortized cost.

##### Impairment of Financial Assets

The Company applies the ECL model to its financial assets measured at amortized cost. Under the ECL model, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Upon recognition of a financial asset, 12-month ECLs are recognized in the statement of operations and a loss allowance is established. At each reporting date, if the credit risk associated with a financial asset has increased significantly and is not considered low, lifetime ECLs are recognized in the statement of operations.

#### (i) Income taxes

##### *Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### *Deferred income tax*

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

#### (j) Foreign currency translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

## DEEPROCK MINERALS INC.

Notes to the Financial Statements  
Years Ended November 30, 2020 and 2019  
(Expressed in Canadian dollars)

### 2. Significant Accounting Policies (continued)

#### (k) Share-based payments

The grant date fair value of share-based payment awards granted to employees is recognized as share-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

#### (k) Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the deferred income tax liability associated with the renounced tax deductions is recognized through the statement of operations with a pro-rata portion of the deferred premium.

#### (l) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. As at November 30, 2020, the Company had no potentially dilutive shares outstanding.

#### (m) Comprehensive loss

Comprehensive loss is the total non-owner change in equity for a reporting period. This change encompasses all changes in equity other than transactions from shareholders. For the years ended November 30, 2020 and 2019, the Company did not have any items impacting comprehensive loss.

#### (n) Reclassifications

Certain of the prior year figures were reclassified to conform to the current year's presentation.

#### (o) Accounting standards issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended November 30, 2020, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## DEEPROCK MINERALS INC.

Notes to the Financial Statements  
Years Ended November 30, 2020 and 2019  
(Expressed in Canadian dollars)

### 3. Exploration and Evaluation Assets

Exploration and evaluation assets consist of the following:

	Ralleau Property \$	Golden Gate Property \$	Romanium Property \$	Total \$
Acquisition costs:				
Balance, November 30, 2018	–	–	–	–
Additions	125,000	6,000	–	131,000
Balance, November 30, 2019	125,000	6,000	–	131,000
Additions	12,000	–	10,000	22,000
Balance, November 30, 2020	137,000	6,000	10,000	153,000

Exploration expenditures consist of the following:

	Ralleau Property \$	Golden Gate Property \$	Total \$
Exploration expenditures:			
Cumulative balance, November 30, 2018	102,959	–	102,959
Assays	20,005	–	20,005
Drilling	97,132	–	97,132
Field and miscellaneous	1,650	–	1,650
Geological and geological reports	130,211	80,151	210,362
Maintenance	8,896	–	8,896
Surveying	11,510	–	11,510
Exploration expenditures for the year	269,404	80,151	349,555
Cumulative balance, November 30, 2019	372,363	80,151	452,514
Field and miscellaneous	2,401	–	2,401
Geological and geological reports	16,900	13,000	29,900
Exploration expenditures for the year	19,301	13,000	32,301
Cumulative balance, November 30, 2020	391,664	93,151	484,815

#### Ralleau Property

On April 5, 2017 (as amended on March 15, 2018, June 30, 2018, and April 20, 2020), 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. On April 20, 2020, the agreement was amended to defer the \$75,000 payment due on April 5, 2020 to December 31, 2020. As compensation for the extension, the Company issued 300,000 common shares to Megastar.

In order to acquire the 50% interest in the Ralleau Property, the Company shall pay \$100,000 and issue 1,700,000 common shares of the Company as follows:

- \$5,000 on or before the execution of this agreement (paid);
- \$5,000 and issue 600,000 common shares on the earlier of the exchange listing date or August 31, 2018 (paid and issued);
- \$5,000 and issue 200,000 common shares on or before April 5, 2018 (paid and issued);
- \$10,000 and issue 400,000 common shares on or before April 5, 2019 (paid and issued);
- Issue 500,000 common shares on or before April 5, 2020 (issued); and
- \$75,000 on or before December 31, 2020.

## DEEPROCK MINERALS INC.

Notes to the Financial Statements  
Years Ended November 30, 2020 and 2019  
(Expressed in Canadian dollars)

### 3. Exploration and Evaluation Assets (continued)

#### Ralleau Property (continued)

In addition, the Company is required to incur a minimum of \$250,000 of exploration expenditures on the Ralleau Property as follows:

- \$40,000 on or before May 30, 2017 (incurred);
- \$15,000 on or before July 31, 2017 (incurred);
- \$25,000 on or before October 31, 2018 (incurred);
- \$50,000 on or before April 5, 2019 (incurred); and
- \$120,000 on or before April 5, 2020 (incurred).

#### Golden Gate Property

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

Cash and share payments:

- Issue 200,000 common shares within 15 days of the approval of the agreement (issued);
- Pay \$30,000 in cash on or before August 22, 2020 (paid subsequently – referred to Note 13);
- Pay \$40,000 in cash on or before August 22, 2021;
- Pay \$50,000 in cash on or before August 22, 2022; and
- 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:

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

On December 22, 2020, the Company and the Optionor agreed to restructure the payment originally due on August 22, 2020 for \$33,000, of which \$11,000 is due prior to December 31, 2020 (paid), \$11,000 due on or before January 31, 2021 (paid), and \$11,000 due on or before March 1, 2021 (paid).

The option agreement is subject to a 2% net smelter return (“NSR”), of which the Company can purchase 1% of NSR for \$500,000.

#### Romanium Property

On November 18, 2020, the Company entered into a purchase and sale agreement with S.C. Romanium Metal SRL (“Seller”) a Romanian company to acquire the 100% interest in 7.641 square kilometre land package situated in the Apuseni mountains of western Romania’s Bihor county (“Romanium Property”). In order to acquire the 100% interest, the Company is required to pay \$300,000 in cash, issue 15,000,000 common shares of the Company and pay a 2% Net Smelter Returns royalty, (“NSR”) to the Seller as follows:

Cash payment as follows:

- \$150,000 within 10 days of the agreement (\$10,000 paid on or before November 30, 2020 and balance of \$140,000 was paid subsequent to November 30, 2020. Refer to Note 13);
- Issue 15,000,000 common shares upon execution of this agreement (subsequently issued);
- The balance of \$150,000 in cash by the 10<sup>th</sup> business day following the closing of an equity financing of at least \$250,000 in gross proceeds.

## DEEPROCK MINERALS INC.

Notes to the Financial Statements  
Years Ended November 30, 2020 and 2019  
(Expressed in Canadian dollars)

### 3. Exploration and Evaluation Assets (continued)

#### Romanium Property (continued)

In the event that the Company is able to establish or prove, in accordance with the National Instrument 43-101, one million tonnes of mineral resources in the "Inferred" category in the Romanium Property, the Company will issue an additional 10,000,000 common shares to the Seller.

The agreement is subject to a 2% NSR royalty with the option of the Company to purchase half of the NSR royalty from the Seller for \$1,000,000.

### 4. Loan Payable

As at November 30, 2020, the Company owes \$8,650 (2019 - \$8,650) to a non-related party which is non-interest bearing, unsecured, and due on demand.

### 5. Share Capital

Authorized: 500,000,000 common shares without par value.

Shares issued during the year ended November 30, 2020:

- (a) On April 23, 2020, the Company issued 800,000 common shares with a fair value of \$12,000 pursuant to an option payment on the Ralleau Property. Refer to Note 3.
- (b) On November 24, 2020, the Company issued 7,000,000 common shares at \$0.03 per share for proceeds of \$210,000, of which \$172,500 was receivable as at November 30, 2020. Included in this issuance was 500,000 common shares to a director of the Company for proceeds of \$15,000, which was receivable at November 30, 2020.

Shares issued during the year ended November 30, 2019:

- (c) On December 11, 2018, the Company issued 25,200 common shares for proceeds of \$1,260 pursuant to the exercise of agent's warrants. The fair value of agent's warrants exercised of \$746 was reclassified from share-based reserve to share capital.
- (d) On January 29, 2019, the Company issued 600,000 common shares with a fair value of \$60,000 pursuant to an option payment on the Ralleau Property. Refer to Note 3.
- (e) On April 5, 2019, the Company issued 400,000 common shares with a fair value of \$20,000 pursuant to an option payment on the Ralleau Property. Refer to Note 3.
- (f) On May 22, 2019, the Company issued 2,482,000 flow-through units at \$0.05 per share and 334,000 non flow-through units at \$0.05 per unit for proceeds of \$140,800. Each flow-through unit consisted of one common share and one-half of one transferable share purchase warrant where each share purchase warrant is exercisable at \$0.10 per common share until expiring on November 22, 2020. Each non flow-through unit consisted of one common share and one-half of one transferable share purchase warrant where each whole share purchase warrant is exercisable at \$0.10 per common share expiring on November 22, 2020. On July 19, 2019, 93,000 non-flow-through units were cancelled. The Company uses the residual method for valuing its warrants and have allocated \$28,160. As part of the issuance, the Company issued 272,300 agent's warrants exercisable at \$0.05 per share until November 22, 2020. The fair value of the agent's warrants was \$5,400 and calculated using the Black-Scholes option pricing model assuming a share price of \$0.04, risk free rate of 1.53%, expected life of 1.5 years, volatility of 100%, and no expected forfeitures or dividends.

## DEEPROCK MINERALS INC.

Notes to the Financial Statements  
Years Ended November 30, 2020 and 2019  
(Expressed in Canadian dollars)

### 5. Share Capital

Shares issued during the year ended November 30, 2019 (continued):

- (g) On June 28, 2019, the Company issued 5,529,000 flow-through units at \$0.05 per share and 759,000 non-flow-through units at \$0.05 per unit for proceeds of \$314,400. Each flow-through unit and non flow-through unit consisted of one common share and one-half of one transferable share purchase warrant where each whole share purchase warrant is exercisable at \$0.10 per common share expiring on December 27, 2020. The Company uses the residual method for valuing its warrants and have allocated \$62,880. As part of the issuance, the Company paid a finder's fees of \$45,055 and issued 628,800 agent's warrants exercisable at \$0.05 per common share until December 27, 2020. The fair value of the agent's warrants was \$12,600 and calculated using the Black-Scholes option pricing model assuming a share price of \$0.04, risk free rate of 1.46%, expected life of 1.5 years, volatility of 100%, and no expected forfeitures or dividends.
- (h) On August 22, 2019, the Company issued 200,000 common shares with a fair value of \$6,000 pursuant to an option payment on the Golden Gate Property. Refer to Note 3.

### 6. Warrants

#### Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, November 30, 2018	—	—
Issued	4,552,000	0.10
Cancelled	(46,500)	0.10
Balance, November 30, 2019	4,505,500	0.10
Expired	(1,361,500)	0.10
Balance, November 30, 2020	3,144,000	0.10

As at November 30, 2020, there were 3,144,000 share purchase warrants exercisable at \$0.10 per share expiring on December 27, 2020 outstanding.

#### Agent's Warrants

The following table summarizes the continuity of the Company's agent's warrants:

	Number of warrants	Weighted average exercise price \$
Balance, November 30, 2018	393,890	0.09
Issued	901,100	0.05
Exercised	(25,200)	0.05
Expired	(18,690)	0.05
Balance, November 30, 2019	1,251,100	0.07
Expired	(622,300)	0.06
Balance, November 30, 2020	628,800	0.05

As at November 30, 2020, there were 628,800 agent's warrants exercisable at \$0.05 per share expiring on December 27, 2020 outstanding.



## DEEPROCK MINERALS INC.

Notes to the Financial Statements  
Years Ended November 30, 2020 and 2019  
(Expressed in Canadian dollars)

### 7. 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.

	Number of options	Weighted average exercise price \$
Outstanding, November 30, 2018	875,000	0.10
Cancelled	(500,000)	0.10
Outstanding, November 30, 2019	375,000	0.10
Cancelled	(125,000)	0.10
Outstanding, November 30, 2020	250,000	0.10

Additional information regarding stock options outstanding as at November 30, 2020, is as follows:

Range of exercise prices \$	Outstanding and exercisable		
	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.10	250,000	2.96	0.10

### 8. Related Party Transactions

- During the year ended November 30, 2020, the Company incurred \$84,000 (2019 - \$80,550) of consulting fees to a company controlled by the President of the Company. As at November 30, 2020, the Company owed \$135,037 (2019 - \$68,325) which is included in accounts payable and accrued liabilities.
- During the year ended November 30, 2020, the Company incurred \$24,000 (2019 - \$121,000) of consulting fees to a company controlled by the former Chief Executive Officer ("CEO") of the Company. As at November 30, 2020, the Company owed \$131,523 (2019 - \$105,073) which is included in accounts payable and accrued liabilities.
- During the year ended November 30, 2020, the Company incurred \$12,000 (2019 - \$11,000) of consulting fees to the Chief Financial Officer ("CFO") of the Company. As at November 30, 2020, the Company owed \$8,109 (2019 - \$5,000) which is included in accounts payable and accrued liabilities.
- During the year ended November 30, 2020, the Company incurred \$nil (2019 - \$26,667) of consulting fees to a company controlled by the former CFO of the Company. As at November 30, 2020, the Company owed \$16,533 (2019 - \$15,250) which is included in accounts payable and accrued liabilities.
- During the year ended November 30, 2020, the Company incurred \$nil (2019 - \$46,150) of consulting fees to a company controlled by the common law spouse of the former CEO of the Company. As at November 30, 2020, the Company owed \$45,000 (2019 - \$45,000) which is included in accounts payable and accrued liabilities.

## DEEPROCK MINERALS INC.

Notes to the Financial Statements  
Years Ended November 30, 2020 and 2019  
(Expressed in Canadian dollars)

### 8. Related Party Transactions (continued)

- (f) During the year ended November 30, 2020, the Company incurred \$nil (2019 - \$14,363) to a company controlled by a significant shareholder of the Company.
- (g) During the year ended November 30, 2020, the Company incurred \$nil (2019 - \$9,048) of consulting fees to a company controlled by the CFO of the Company.

### 9. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended November 30, 2019.

### 10. Financial Instruments and Risk Management

#### Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of 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).

The fair values of financial instruments, which include cash, accounts payable and accrued liabilities, and loan payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

#### Credit Risk

Credit risk is the risk of potential loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. The carrying amount of these financial assets represents the maximum credit exposure.

#### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

#### Foreign Exchange Rate Risk

The Company is not currently exposed to foreign exchange rate risk.

## DEEPROCK MINERALS INC.

Notes to the Financial Statements  
Years Ended November 30, 2020 and 2019  
(Expressed in Canadian dollars)

### 10. Financial Instruments and Risk Management (continued)

#### Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

#### Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

### 11. Segmented Information

The Company operates in the mineral exploration industry and has two geographic segments, being Canada and Romania.

#### November 30, 2020

	Canada \$	Romania \$	Total \$
Exploration and evaluation assets	143,000	10,000	153,000

#### November 30, 2019

	Canada \$	Romania \$	Total \$
Exploration and evaluation assets	131,000	–	131,000

### 12. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rates) of the significant temporary differences, which comprise of deferred income tax assets and liabilities, are as follows:

	2020 \$	2019 \$
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(74,720)	(191,600)
Tax effect of:		
Permanent differences and other	8,743	–
True up of prior year differences	96,033	–
Change in unrecognized deferred income tax assets	(30,056)	191,600
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2020 \$	2019 \$
Deferred income tax assets		
Non-capital losses carried forward	315,524	242,300
Share issuance costs	16,770	24,300
Exploration and evaluation assets	34,550	130,300
Total gross deferred income tax assets	366,844	396,900
Unrecognized deferred income tax assets	(366,844)	(396,900)
Net deferred income tax asset	–	–

## DEEPROCK MINERALS INC.

Notes to the Financial Statements  
Years Ended November 30, 2020 and 2019  
(Expressed in Canadian dollars)

### 12. Income Taxes (continued)

As at November 30, 2020, the Company has non-capital losses carried forward of \$1,168,609 which are available to offset future years' taxable income. These losses expire as follows:

	\$
2035	6,881
2036	11,024
2037	135,356
2038	258,519
2039	484,642
2040	272,187
	<hr/> 1,168,609

The Company also has available mineral resource related expenditure pools totalling \$280,959, which may be deducted against future taxable income on a discretionary basis.

### 13. Subsequent Events

- (a) On February 4, 2021, the Company issued 14,000,000 units at \$0.05 per unit for proceeds of \$700,000. Each unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share at \$0.06 per share expiring on February 4, 2023.
- (b) In December 2020, the Company paid \$290,000 and issued 15,000,000 common shares as part of the option payments on the Romanium Property. Refer to Note 3.
- (c) Subsequent to November 30, 2020, the Company paid \$30,000 as part of the option payments on the Golden Gate Property. Refer to Note 3.
- (d) In March 2021, the Company paid \$50,000 as part of an amended option agreement and completed its remaining \$75,000 obligation to acquire a 50% interest in the Ralleau Property. Refer to Note 3.
- (e) Subsequent to November 30, 2020, the Company issued 200,000 common shares pursuant to the exercise of share purchase warrants for proceeds of \$10,000.