

**DEEPROCK MINERALS INC.**

Condensed Interim Financial Statements

For the nine months ended August 31, 2021 and 2020

(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.****Statements of Financial Position**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	August 31, 2021 \$	November 30, 2020 \$
<b>Assets</b>		
Current		
Cash	53,156	29,574
Sundry taxes receivable	8,044	10,672
Total Current Assets	61,200	40,246
Exploration and evaluation assets (Note 3)	826,000	153,000
<b>Total Assets</b>	<b>887,200</b>	<b>193,246</b>
<b>Liabilities</b>		
Current		
Accounts payable	119,551	500,671
Accrued liabilities	46,822	28,443
Loan payable	8,650	8,650
Total Current Liabilities	175,023	537,764
<b>Shareholders' Equity</b>		
Share capital (Note 4)	2,695,772	1,310,772
Reserve (Note 4)	555,165	150,194
Share subscriptions	-	(172,500)
Deficit	(2,538,760)	(1,632,984)
Total Shareholders' Equity	712,177	(344,518)
<b>Total Liabilities and Shareholders' Equity</b>	<b>887,200</b>	<b>193,246</b>

**Nature and Continuing Operations (Note 1)****Approved and authorized for issue by the Board of Directors on October 28, 2021:***"Andrew Lee"*

Andrew Lee, Director

*"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)  
(Unaudited – Prepared by Management)

	<i>For the three months ended</i>		<i>For the nine months ended</i>	
	<i>August 31,</i>		<i>August 31,</i>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Expenses</b>				
<i>Consulting fees (Note 5)</i>	84,871	30,000	129,201	114,000
<i>Corporate Development</i>	21,449	-	21,449	-
<i>Exploration and evaluation</i>	110,639	(101,035)	298,701	(70,142)
<i>Office expense</i>	646	2,355	1,384	6,890
<i>Professional fees</i>	-	25,301	20,205	46,052
<i>Rent</i>	2,000	-	2,951	-
<i>Share-based compensation (Note 4)</i>	404,971	-	404,971	-
<i>Transfer agent and filing fees</i>	4,414	3,326	19,664	15,111
<i>Travel</i>	7,250	-	7,250	-
<b><i>Net loss and comprehensive loss for the period</i></b>	<b>(636,240)</b>	<b>40,053</b>	<b>(905,776)</b>	<b>(111,911)</b>
<b><i>Basic and diluted loss per common share</i></b>	<b>(0.01)</b>	<b>(0.00)</b>	<b>(0.02)</b>	<b>(0.01)</b>
<b><i>Weighted average number of common shares outstanding</i></b>	<b>69,292,319</b>	<b>22,703,971</b>	<b>57,770,033</b>	<b>25,123,762</b>

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

**DEEPROCK MINERALS INC.**  
**Statements of Cash Flows**  
(Expressed in Canadian dollars)  
(Unaudited – Prepared by Management)

	Number of Shares #	Share Capital \$	Reserve \$	Share Subscription s Payable \$	Deficit \$	Total \$
<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>	-	-	-	-	(151,964)	(151,964)
<b>Balance, August 31, 2020</b>	25,545,580	1,100,772	150,194	-	(1,508,207)	(257,241)
<b>Balance, November 30, 2020</b>	32,545,580	1,310,772	150,194	(172,500)	(1,632,984)	(344,518)
<b>Shares issued pursuant to private placement</b>	27,100,000	1,375,000	-	172,500	-	1,547,500
<b>Shares issued pursuant to mineral property agreement</b>	15,000,000	-	-	-	-	-
<b>Agent's warrants exercised</b>	200,000	10,000	-	-	-	10,000
<b>Share-based compensation</b>	-	-	404,971	-	-	404,971
<b>Net loss and comprehensive loss for the period</b>	-	-	-	-	(905,776)	(905,776)
<b>Balance, August 31, 2021</b>	74,845,580	2,695,772	555,165	-	(2,538,760)	712,177

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

**DEEPROCK MINERALS INC.**  
**Statements of Cash Flows**  
(Expressed in Canadian dollars)  
(Unaudited – Prepared by Management)

	<b>August 31, 2021 \$</b>	<b>August 31, 2020 \$</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss and comprehensive loss for the period	(905,776)	(111,911)
Adjustment for non-cash items		
Share-based compensation	404,971	-
Change in non-cash working capital components:		
GST receivable	2,628	21,087
Prepaid expense	-	325
Accounts payable	(382,120)	175,384
Accrued liabilities	18,379	(80,031)
<b>Net cash provided by (used in) operating activities</b>	<b>(860,918)</b>	<b>4,854</b>
<b>Financing activities</b>		
Agent's warrants exercised	10,000	-
Shares issued for private equity placement	1,547,500	-
<b>Net cash provided by financing activities</b>	<b>1,557,500</b>	<b>-</b>
<b>Cash flows from investing activities:</b>		
Exploration and evaluation assets	(673,000)	-
<b>Net cash used in investing activities</b>	<b>(673,000)</b>	<b>-</b>
<b>Change in cash</b>	<b>23,582</b>	<b>4,854</b>
<b>Cash, beginning of the period</b>	<b>29,574</b>	<b>43,799</b>
<b>Cash, end of the period</b>	<b>53,156</b>	<b>48,653</b>

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

# DEEPROCK MINERALS INC.

## Notes to the Financial Statements

Nine Months Ended August 31, 2021 and 2020

(Expressed in Canadian dollars)

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### 1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

1020647 B.C. Ltd. (the “Company” or “DeepRock”) 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 and development company. The head office and principal office of the Company is located at Suite 1518, 800 West Pender Street; Vancouver, BC V6C 2V6.

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 nine months ended August 31, 2021, the Company has not generated any revenues and has incurred negative cash flow of \$860,918 from operations. As at August 31, 2021, the Company has a working capital deficit of \$113,823 and an accumulated deficit of \$2,538,760. 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 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. 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 period. 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.

## DEEPROCK MINERALS INC.

### Notes to the Financial Statements

Nine Months Ended August 31, 2021 and 2020

(Expressed in Canadian dollars)

#### 2. Significant Accounting Policies (continued)

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 evaluate 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.

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) New Standards, amendments and interpretations not yet adopted or effective

The Company has reviewed the impact of new and amended standards that are effective for annual periods beginning on or after December 1, 2021. It does not expect the impact on the financial statements to be material, although additional disclosure may be required.

#### 3. Exploration and Evaluation Assets

	Ralleau Property \$	Golden Gate Property \$	Romanium Property \$	Dragon Valley Property \$	Lugar Property \$	Total \$
Acquisition costs:						
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
Additions	50,000	53,000	290,000	275,000	5,000	673,000
Balance, August 31, 2021	187,000	59,000	300,000	275,000	5,000	826,000



**DEEPROCK MINERALS INC.****Notes to the Financial Statements**

Nine Months Ended August 31, 2021 and 2020

(Expressed in Canadian dollars)

## Exploration costs

	Ralleau Property \$	Golden Gate Property \$	Romanium Property \$	Dragon Valley Property \$	Lugar Property \$	Total \$
Balance, November 30, 2019	372,363	80,151	-	-	-	452,514
Expenditures for the year						
Field and miscellaneous	2,401	-	-	-	-	2,401
Geological	16,900	13,000	-	-	-	29,900
Total for year	19,301	13,000	-	-	-	32,301
Balance, November 30, 2020	391,664	93,151	-	-	-	484,815
Expenditures for the period						
Assays	-	-	68,202	-	-	68,202
Geological	734	1,060	99,000	-	-	100,794
Other	-	(8,000)	137,705	-	-	129,705
Total for period	734	(6,940)	304,907	-	-	298,701
Balance, August 31, 2021	392,398	86,211	304,907	-	-	783,516

**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 is required to pay \$100,000 and issue 1,700,000 common shares of the Company as follows:

- (i) \$5,000 on or before the execution of this agreement (paid);
- (ii) \$5,000 and issue 600,000 common shares on the earlier of the exchange listing date or August 31, 2018 (paid and issued);
- (iii) \$5,000 and issue 200,000 common shares on or before April 5, 2018 (paid and issued);
- (iv) \$10,000 and issue 400,000 common shares on or before April 5, 2019 (paid and issued);
- (v) Issue 500,000 common shares on or before April 5, 2020 (issued); and
- (vi) \$75,000 on or before December 31, 2020; the cash payment was reduced to \$50,000 and extended to March 31, 2021 (paid).

In addition, the Company is required to incur a minimum of \$250,000 of exploration expenditures on the Ralleau 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 April 5, 2019 (incurred); and
- (v) \$120,000 on or before April 5, 2020 (incurred).

## **DEEPROCK MINERALS INC.**

### **Notes to the Financial Statements**

Nine Months Ended August 31, 2021 and 2020

(Expressed in Canadian dollars)

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#### **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 County, 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:

- a) Issue 200,000 common shares within 15 days of the approval of the agreement (issued);
- b) Pay \$30,000 on or before August 22, 2020 (paid);
- c) Pay \$40,000 on or before August 22, 2021;
- d) Pay \$50,000 on or before August 22, 2022; and
- e) Pay \$50,000 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 (incurred);
- b) \$90,000 in accumulated exploration expenditure on or before August 22, 2021 (incurred);
- 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.

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 was due prior to December 31, 2020 (paid), \$11,000 was due on or before January 31, 2021 (paid), and \$11,000 was 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 a 100% interest in a 7.641 square kilometers 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 payments as follows:

- \$150,000 within 10 days of the agreement (\$10,000 was paid on or before November 30, 2020 and the balance of \$140,000 was paid subsequent to November 30, 2020.;
- Issue 15,000,000 common shares upon execution of the agreement (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 (paid).

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.

## **DEEPROCK MINERALS INC.**

### **Notes to the Financial Statements**

Nine Months Ended August 31, 2021 and 2020

(Expressed in Canadian dollars)

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#### **Dragon Valley Property**

On August 31, 2021 the Company entered into an agreement with Augustine Trading Professionals SRL to acquire 100% interest in a prospective exploration property located in Romania's northern Apuseni Mountains, approximately 5 km NE from the Company's Romanium property.

Terms of the purchase include:

- Cash payment of \$275,000 CAD on signing (paid);
- Issuance of 9 million common shares to the Vendor when the exploration license is granted to DeepRock or its subsidiary;
- Bonus shares - issuance of an additional 9 million common shares to the Vendor upon the acceptance for filing of an independent resource estimate of no less than one million ounces of gold with a minimum cut-off grade of 1 gpt in accordance with NI 43-101; and,
- 2% Net Smelter Royalty ("NSR") payable to the Vendor whereby the Company can purchase or buy back each half (or 1%) of NSR for one million CAD.

#### **Lugar Property**

On July 22, 2021 the Company entered into an option agreement with Gerard Roy and Rose Hannan to acquire a 100% interest in the Lugar Property, 2,800 hectare mineral claim package comprising 112 contiguous claim blocks that adjoin and surround the northern border of the Company's Golden Gate Project.

DeepRock's option to acquire a 100% right, title and ownership interest in the Property over a 4 year period consist of \$120,000 in total cash payments, and an accumulative expenditure of \$225,000 in exploration work, and including a retained 1.25% Net Smelter Royalty ("NSR") in accordance with the following schedule:

- \$5,000 cash payment to the Vendor within 5 days of the agreement's execution date (paid),
- Before the 1st Anniversary - \$10,000 cash payment to the Vendor and \$25,000 minimum work,
- Before the 2nd Anniversary - \$25,000 cash payment to Vendor and \$25,000 minimum work,
- Before the 3rd Anniversary - \$35,000 cash payment to Vendor and \$75,000 minimum work, and
- Before the 4th Anniversary - \$45,000 cash payment to the vendor and \$100,000 minimum work.

The Company has the right to purchase 0.5% of the NSR for \$1,000,000 and the remaining 0.75% of NSR under terms to be negotiated with the Optionor.

#### **4. Share Capital**

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

Shares issued during the nine months ended August 31, 2021:

- (a) On December 23, 2020, the Company issued 200,000 common shares at \$0.05 per share for proceeds of \$10,000 from Agent's warrants exercised.
- (b) On January 26, 2021, the Company issued 15,000,000 common shares pursuant to the property agreement on the Romanium property (Refer to Note 3).
- (c) On February 4, 2021, pursuant to a private equity placement, the Company issued 14,000,000 units at \$0.05 per unit for proceeds of \$700. Each unit is comprised of one common share and one common share purchase warrant with an exercise price of \$0.06 per share with a term of 24 months. The Company uses the residual method for valuing its warrants and no value was allocated to the warrants.

## DEEPROCK MINERALS INC.

### Notes to the Financial Statements

Nine Months Ended August 31, 2021 and 2020

(Expressed in Canadian dollars)

- (d) On July 9, 2021, pursuant to an equity private placement, the Company issued 13,100,000 units at \$0.05 per unit for proceeds of \$655,000. Each unit is comprised of one common share and one common share purchase warrant with an exercise price of \$0.06 per share with a term of 24 months. The Company uses the residual method for valuing its warrants and no value was allocated to the warrants.

Shares issued during the year ended November 30, 2020:

- (e) 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).
- (f) On November 24, 2020, the Company issued 7,000,000 common shares pursuant to a private equity placement at \$0.03 per share for proceeds of \$210,000.

#### 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, 2019	4,505,500	0.10
Expired	(1,361,500)	0.10
Balance, November 30, 2020	3,144,000	0.10
Issued	27,100,000	0.06
Expired	(3,144,000)	0.10
Balance, August 31, 2021	27,100,000	0.06

On December 27, 2020, 3,144,000 share purchase warrants expired unexercised.

The average weighted remaining life of the warrants is 1.6 years

#### 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, 2019	1,251,100	0.07
Exercised	-	-
Expired	(622,300)	0.06
Balance, November 30, 2020	628,800	0.05
Exercised	(200,000)	0.05
Expired	(428,800)	0.05
Balance, August 31, 2021	-	-

On December 23, 2020, the Company issued 200,000 common shares at \$0.05 per share for proceeds of \$10,000 from Agent's warrants exercised.

## DEEPROCK MINERALS INC.

### Notes to the Financial Statements

Nine Months Ended August 31, 2021 and 2020

(Expressed in Canadian dollars)

#### 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.

Effective June 18, 2021, the Company granted 5,200,000 options to management and directors. The option grants the holder a 5-year time period in which to exercise the options at a price of \$0.10 per share. The grant was valued using the Black-Scholes option pricing model based a share price of \$0.08 on grant date and using the following parameters, risk free rate of 0.45%, expected life of 2 years, volatility of 303%, and no expected forfeitures or dividends.

A recap of outstanding options as at August 31, 2021 is as follows:

	Number of options	Weighted average exercise price \$
Outstanding, November 30, 2019	375,000	0.10
Cancelled	(125,000)	0.10
Outstanding, November 30, 2020	250,000	0.10
Granted	5,250,000	0.10
Cancelled	(375,000)	0.10
Outstanding, August 31, 2021	5,125,000	0.10

# of options	Exercise price	Expiry date	Remaining life in years
125,000	\$0.10	Nov 14, 2023	2.23
5,000,000	\$0.10	June 18, 2023	1.80
5,125,000			1.81

#### 5. Related Party Transactions

- During the nine months ended August 31, 2021, the Company incurred \$46,000 (2020 - nil) of consulting fees to a company controlled by the Chief Executive Officer ("CEO") of the Company.
- During the nine months ended August 31, 2021, the Company incurred \$12,500 (2020 - nil) of consulting fees to the Chief Financial Officer ("CFO") of the Company and is included in amounts owed to related parties at August 31, 2021.
- During the nine months ended August 31, 2021, the Company incurred \$13,500 (2020 - \$54,000) of consulting fees to a company controlled by a Director of the Company. Also, during the nine months ended August 31, 2021, the Company paid \$135,037 to this aforementioned company which was included in accounts payable at November 30, 2020.

## DEEPROCK MINERALS INC.

### Notes to the Financial Statements

Nine Months Ended August 31, 2021 and 2020

(Expressed in Canadian dollars)

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- (d) During the nine months ended August 31, 2021, the Company incurred nil (2020 - \$24,000) of consulting fees to a company controlled by the former CEO of the Company. Also, during the nine months ended August 31, 2021, the Company paid \$131,523 to this aforementioned company which was included in accounts payable at November 30, 2020.
- (e) During the nine months ended August 31, 2021, the Company incurred \$7,600 (2020 - \$6,000) of consulting fees to the former CFO of the Company. Also, during the nine months ended August 31, 2021, the Company paid \$8,109 to the former CFO which was included in accounts payable at November 30, 2020.
- (f) During the nine months ended August 31, 2021, the Company paid \$16,533 to a company controlled by a former CFO of the Company which was included in accounts payable at November 30, 2020.
- (g) During the nine months ended August 31, 2021, the Company paid \$45,000 to a company controlled by the common law spouse of the former CEO of the Company which was included in accounts payable at November 30, 2020.

## 6. 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, 2020.

## 7. 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, 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 counterparty 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 its exposure to credit risk by only investing cash with high-credit quality financial institutions. The carrying amount of these financial assets represents the maximum credit exposure.

## DEEPROCK MINERALS INC.

### Notes to the Financial Statements

Nine Months Ended August 31, 2021 and 2020

(Expressed in Canadian dollars)

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#### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become 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.

#### 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.

## 8. Segmented Information

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

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#### August 31, 2021

	Canada \$	Romania \$	Total \$
Exploration and evaluation assets	251,000	575,000	826,000

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#### November 30, 2020

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