

DEEPROCK MINERALS INC.

Financial Statements

For the Years Ended November 30, 2021 and 2020

(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, 2021 and 2020, and the statements of operations and comprehensive loss, changes in shareholders' equity (deficit), and cash flows for the years 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, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits 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 and incurred negative cash flow of \$867,205 from operations during the year ended November 30, 2021 and, as of that date, the Company has a working capital deficit of \$202,437 and an accumulated deficit of \$2,588,448. 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.



Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

March 30, 2022

DEEPROCK MINERALS INC.**Statements of Financial Position**

(Expressed in Canadian dollars)

	November 30, 2021 \$	November 30, 2020 \$
Assets		
Current		
Cash	11,869	29,574
Amounts receivable	31,493	10,672
Total Current Assets	43,362	40,246
Exploration and evaluation assets (Note 3)	1,876,000	153,000
Total Assets	1,919,362	193,246
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 8)	237,149	529,114
Loan payable (Note 4)	8,650	8,650
Total Liabilities	245,799	537,764
Shareholders' Equity (Deficit)		
Share capital (Note 5)	3,729,780	1,310,772
Share-based payment reserve (Note 5)	532,231	150,194
Share subscriptions receivable (Note 5)	-	(172,500)
Deficit	(2,588,448)	(1,632,984)
Total Shareholders' Equity (Deficit)	1,673,563	(344,518)
Total Liabilities and Shareholders' Equity (Deficit)	1,919,362	193,246

Nature and Continuing Operations (Note 1)**Commitments (Note 3)****Subsequent Events (Note 13)****Approved and authorized for issue by the Board of Directors on March 30, 2022:**"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)

	<i>For the year ended</i>	
	<i>November 30,</i>	<i>November 30,</i>
	2021	2020
	\$	\$
Expenses		
Consulting fees (Note 8)	431,751	134,722
Exploration expenditures (Note 3)	36,630	32,301
Investor relations	42,449	—
Office and miscellaneous	2,216	6,810
Professional fees	11,576	79,241
Rent (Note 8)	11,952	3,743
Share-based compensation (Note 7)	386,045	—
Transfer agent and filing fees	23,359	19,924
Travel	9,486	—
Total expenses	955,464	276,741
Net loss and comprehensive loss	(955,464)	(276,741)
Basic and diluted net loss per common share	(0.02)	(0.01)
Weighted average number of common shares outstanding	62,027,224	25,228,640

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

DEEPROCK MINERALS INC.
Statements of Changes in Shareholders' Equity (Deficit)
(Expressed in Canadian dollars)

	Number of Shares #	Share Capital \$	Share - based payment reserve \$	Share Subscriptions Receivable \$	Deficit \$	Total Shareholders' Equity (Deficit) \$
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	—	(1,632,984)	(344,518)
Share subscriptions received	—	—	—	172,500	—	172,500
Shares issued for cash	26,800,000	1,340,000	—	—	—	1,340,000
Shares issued for exploration and evaluation asset	15,000,000	1,050,000	—	—	—	1,050,000
Shares issued pursuant to exercise of agent's warrants	200,000	14,008	(4,008)	—	—	10,000
Shares issued for services	300,000	15,000	—	—	—	15,000
Share-based compensation	—	—	386,045	—	—	386,045
Net loss for the year	—	—	—	—	(955,464)	(955,464)
Balance, November 30, 2021	74,845,580	3,729,780	532,231	—	(2,588,448)	1,673,563

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

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

	For the year ended November 30,	
	2021	2020
	\$	\$
Operating activities		
Net loss	(955,464)	(276,741)
Adjustment for non-cash items:		
Share-based compensation	386,045	—
Shares issued for services	15,000	—
Change in non-cash working capital components:		
Amounts receivable	(20,821)	20,017
Prepaid expenses	—	325
Accounts payable and accrued liabilities	(291,965)	214,674
Net cash used in operating activities	(867,205)	(41,725)
Investing activities:		
Exploration and evaluation asset costs	(673,000)	(10,000)
Net cash used in investing activities	(673,000)	(10,000)
Financing activities		
Proceeds from exercise of agent's warrants	10,000	—
Proceeds from issuance of shares	1,512,500	37,500
Net cash provided by financing activities	1,522,500	37,500
Change in cash	(17,705)	(14,225)
Cash, beginning of the year	29,574	43,799
Cash, end of the year	11,869	29,574
Non-cash investing and financing activities:		
Shares issued for exploration and evaluation assets	1,050,000	12,000
Transfer of fair value of warrants to share capital upon exercise	4,008	—

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

DEEPROCK MINERALS INC.

Notes to the Financial Statements

Years Ended November 30, 2021 and 2020

(Expressed in Canadian dollars)

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 year ended November 30, 2021, the Company has not generated any revenues and has incurred negative cash flow of \$867,205 from operations. As at November 30, 2021, the Company has a working capital deficit of \$202,437 and an accumulated deficit of \$2,588,448. 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 significant 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.

These financial statements were approved and authorized for issuance by the Company’s Board of Directors on March 30, 2022.

(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.

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets, fair value of share-based payments, and unrecognized deferred income tax assets.

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

Years ended November 30, 2021 and 2020

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

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) 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 exceeds the fair value of the property.

(d) 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.

(e) 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.

DEEPROCK MINERALS INC.

Notes to the Financial Statements

Years ended November 30, 2021 and 2020

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

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.

(f) 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.

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

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

Years ended November 30, 2021 and 2020

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

- 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.

(g) 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.

(h) 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.

(i) 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

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

Years ended November 30, 2021 and 2020

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

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.

(j) 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.

(k) 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, 2021, the Company had 32,350,000 (2020 – 4,022,800) potentially dilutive shares outstanding.

(l) 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, 2021 and 2020, the Company did not have any items impacting comprehensive loss.

(m) Recent Accounting Pronouncements

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.

2. 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	1,340,000	275,000	5,000	1,723,000
Balance, November 30, 2021	187,000	59,000	1,350,000	275,000	5,000	1,876,000

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

Years ended November 30, 2021 and 2020

(Expressed in Canadian dollars)

3. Exploration and Evaluation Assets (continued)

Exploration expenditures

	Ralleau Property \$	Golden Gate Property \$	Romanium Property \$	Total \$
Balance, November 30, 2019	372,363	80,151	–	452,514
Field and miscellaneous	2,401	–	–	2,401
Geological	16,900	13,000	–	29,900
Exploration expenditures for the year	19,301	13,000	–	32,301
Balance, November 30, 2020	391,664	93,151	–	484,815
Assays	–	–	8,282	8,282
Geological	735	26,093	1,520	28,348
Exploration expenditures for the year	735	26,093	9,802	36,630
Balance, November 30, 2021	392,399	119,244	9,802	521,445

Ralleau Property

On April 5, 2017 (as amended on March 15, 2018, June 30, 2018, April 20, 2020, and March 12, 2021), the Company entered into an option agreement with Madero Metals Corp (formerly Megastar Development Corp.) (“Madero”), whereby Madero 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 Madero.

In order to acquire the 50% interest in the Ralleau Property, the Company is required to pay \$75,000 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 23, 2020 (issued); and
- \$50,000 on or before 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:

- \$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).

DEEPROCK MINERALS INC.

Notes to the Financial Statements

Years ended November 30, 2021 and 2020

(Expressed in Canadian dollars)

3. Exploration and Evaluation Assets (continued)

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:

- Issue 200,000 common shares within 15 days of the approval of the agreement (issued);
- Pay \$30,000 on or before August 22, 2020 (paid);
- Pay \$40,000 on or before August 22, 2021 (paid \$20,000, remaining \$20,000 paid subsequently);
- Pay \$50,000 on or before August 22, 2022; and
- 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:

- \$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 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 (“Romanium Metal”) a Romanian company to acquire a 100% interest in a 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 Romanium Metals 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 10th 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 Romanium Metals.

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

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Years ended November 30, 2021 and 2020

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

The Company is required to:

- Make a cash payment of \$275,000 on signing (paid); and
- Issue 9,000,000 common shares to the Vendor when the exploration license is granted to the Company.

The Company will issue an additional 9,000,000 common shares to the vendor upon the acceptance for filing of an independent resource estimate of no less than 1,000,000 ounces of gold with a minimum cut-off grade of 1 gpt in accordance with NI 43-101.

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

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, a mineral claim package comprising 112 contiguous claim blocks that adjoin and surround the northern border of the Company's Golden Gate Project.

The Company's option to acquire a 100% right, title and ownership interest in the Property over a 4-year period consist of cash payments of \$120,000, and minimum accumulative expenditures of \$225,000 in exploration work in accordance with the following schedule:

- Pay \$5,000 within 5 days of the agreement's execution date (paid);
- Pay \$10,000 and incur minimum expenditures of \$25,000 by the first anniversary;
- Pay \$25,000 and incur minimum expenditures of \$25,000 by the second anniversary;
- Pay \$35,000 and incur minimum expenditures of \$75,000 by the third anniversary; and
- Pay \$45,000 and incur minimum expenditures of \$100,000 by the fourth anniversary.

The vendor retains a 1.25% NSR and the Company has an option to purchase 0.5% of the NSR for \$1,000,000. The Company has the option to purchase the remaining 0.75% of NSR at any time from the vendor at an agreed upon price.

4. Loan Payable

As at November 30, 2021, the Company owes \$8,650 (2020 - \$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, 2021:

- (a) On December 23, 2020, the Company issued 200,000 common shares at \$0.05 per share for proceeds of \$10,000 pursuant to the exercise of agent's warrants.
- (b) On January 26, 2021, the Company issued 15,000,000 common shares with a fair value of \$1,050,000 pursuant to the acquisition of the Romanium Property. Refer to Note 3.
- (c) On February 4, 2021, the Company issued 14,000,000 units pursuant to a private placement at \$0.05 per unit for proceeds of \$700,000. Each unit was comprised of one common share and one common share purchase warrant with an exercise price of \$0.06 per share until February 4, 2023.

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5. Share Capital (continued)

(d) On July 9, 2021, the Company issued 12,800,000 units at \$0.05 per unit pursuant to a private placement for proceeds of \$640,000 and 300,000 units at \$0.05 per unit for services with a fair value of \$15,000. Each unit was comprised of one common share and one common share purchase warrant with an exercise price of \$0.06 per share until July 9, 2023.

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, of which \$172,500 was recorded as share subscriptions receivable as at November 30, 2020.

6. WarrantsShare 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, November 30, 2021	27,100,000	0.06

As at November 30, 2021, the following share purchase warrants were outstanding:

Number of warrants	Exercise price	Expiry date
14,000,000	\$0.06	February 23, 2023
13,100,000	\$0.06	July 9, 2023
<u>27,100,000</u>		

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
Expired	(622,300)	0.06
Balance, November 30, 2020	628,800	0.05
Exercised	(200,000)	0.05
Expired	(428,800)	0.05
Balance, November 30, 2021	–	–

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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.

On June 18, 2021, the Company granted 5,000,000 options to officers 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 fair value of the stock options granted was \$386,045 and 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. The weighted average fair value of options granted was \$0.08 (2020 - \$nil).

A recap of outstanding options as at November 30, 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	5,000,000	0.10
Cancelled	(250,000)	0.10
Outstanding, November 30, 2021	5,000,000	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	5,000,000	1.6	0.10

8. Related Party Transactions

- (a) During the year ended November 30, 2021, the Company incurred \$46,000 (2020 - \$nil) of consulting fees and \$11,000 (2020 - \$nil) of rent to a company controlled by the Chief Executive Officer ("CEO") of the Company. As at November 30, 2021, the Company owes \$18,100 (2020 - \$nil) to a company controlled by the CEO of the Company.
- (b) During the year ended November 30, 2021, the Company incurred \$15,000 (2020 - \$12,000) of consulting fees to the former Chief Financial Officer ("CFO") of the Company. As at November 30, 2021, the Company owes \$nil (2020 - \$8,109) to the former CFO of the Company.
- (c) During the year ended November 30, 2021, the Company incurred \$6,000 (2020 - nil) of consulting fees to the Chief Financial Officer ("CFO") of the Company. As at November 30, 2021, the Company owes \$6,300 (2020 - \$nil) to the CFO of the Company.

DEEPROCK MINERALS INC.

Notes to the Financial Statements

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8. Related Party Transactions (continued)

- (d) During the year ended November 30, 2021, the Company incurred \$15,000 (2020 - \$84,000) of consulting fees to a company controlled by a director of the Company. As at November 30, 2021, the Company owed \$nil (2020 - \$134,325) to a company controlled by a director of the Company.
- (e) During the year ended November 30, 2021, the Company incurred \$nil (2020 - \$24,000) of consulting fees to a company controlled by the former CEO of the Company.
- (f) As at November 30, 2021, the Company owed \$nil (2020 - \$45,000) to a company controlled by the common law spouse of the former CEO of the Company.
- (g) As at November 30, 2021, the Company owed \$nil (2020 - \$131,523) to a company controlled by the former CEO 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, 2020.

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 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.

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10. Financial Instruments and Risk Management (continued)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.

11. Segmented Information

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

November 30, 2021

	Canada \$	Romania \$	Total \$
Exploration and evaluation assets	251,000	1,625,000	1,876,000

November 30, 2020

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

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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:

	2021 \$	2020 \$
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(258,000)	(75,000)
Tax effect of:		
Permanent differences	104,000	9,000
True up of prior year differences	(71,000)	96,000
Change in unrecognized deferred income tax assets	225,000	(30,000)
Income tax provision	–	–

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

	2021 \$	2020 \$
Deferred income tax assets		
Non-capital losses carried forward	444,000	315,000
Share issuance costs	9,000	17,000
Exploration and evaluation assets	139,000	35,000
Total gross deferred income tax assets	592,000	367,000
Unrecognized deferred income tax assets	(592,000)	(367,000)
Net deferred income tax asset	–	–

As at November 30, 2021, the Company has non-capital losses carried forward of \$1,645,820 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	244,440
2041	504,958
	1,645,820

The Company also has available mineral resource related expenditure pools totalling \$2,397,077, which may be deducted against future taxable income on a discretionary basis.

13. Subsequent Events

(a) On December 31, 2021, the Company closed a private placement and issued 2,285,000 flow-through units of the Company as \$0.055 each for proceeds of \$125,675. Each flow-through unit consisted of one flow-through common share and one warrant which entitles the hold to purchase an additional (non flow-through) common share at \$0.07 during the two years following the warrant's issuance.

(b) In January 2022, the Company made a \$20,000 option payment for the Golden Gate Property.