

**DEEPROCK MINERALS INC.**

Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2022 and 2021

(Expressed in Canadian dollars)

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

Under National Instrument 51-102, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim financial statements

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

	August 31 2022 \$	November 30 2021 \$
<b>Assets</b>		
Current		
Cash	16,220	11,869
Amounts receivable	38,787	31,493
<b>Total Current Assets</b>	<b>55,007</b>	<b>43,362</b>
Exploration and evaluation assets (Note 3)	1,906,000	1,876,000
<b>Total Assets</b>	<b>1,961,007</b>	<b>1,919,362</b>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (Note 8)	375,046	237,149
Loan payable (Note 4)	8,650	8,650
<b>Total Liabilities</b>	<b>383,696</b>	<b>245,799</b>
<b>Shareholders' Equity</b>		
Share capital (Note 5)	3,855,455	3,729,780
Share-based payment reserve (Note 5)	532,231	532,231
Share subscriptions received (Note 5)	53,000	-
Deficit	(2,863,375)	(2,588,448)
<b>Total Shareholders' Equity</b>	<b>1,577,311</b>	<b>1,673,563</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,961,007</b>	<b>1,919,362</b>

**Nature and Continuing Operations (Note 1)**  
**Commitments (Note 3)**  
**Subsequent Events (Note 13)**

**Approved and authorized for issue by the Board of Directors on October 28, 2022:**

“Andrew Lee”  
Andrew Lee, Director

“Richard Shatto”  
Richard Shatto, Director

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

	<i>For the three months ended</i>		<i>For the nine months ended</i>	
	<i>August 31,</i>		<i>August 31,</i>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Expenses</b>				
Consulting fees (Note 8)	60,513	84,871	175,101	149,201
Exploration expenditures (Note 3)	15,554	110,639	15,554	278,701
Investor relations	15,663	21,449	45,685	21,449
Office and miscellaneous	333	646	1,618	2,335
Professional fees	6,000	—	12,153	20,205
Rent	3,000	2,000	9,000	2,000
Share-based compensation	—	404,971	—	404,971
Transfer agent and filing fees	5,126	4,414	15,816	19,664
Travel	—	7,250	—	7,250
<b>Total expenses</b>	<b>106,189</b>	<b>636,240</b>	<b>274,927</b>	<b>905,776</b>
<b>Net loss and comprehensive loss</b>	<b>(106,189)</b>	<b>(636,240)</b>	<b>(274,927)</b>	<b>(905,776)</b>
<b>Basic and diluted net loss</b>				
<b>per common share</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.00)</b>	<b>(0.02)</b>
<b>Weighted average number of</b>				
<b>common shares outstanding</b>	<b>77,130,580</b>	<b>69,292,319</b>	<b>76,872,058</b>	<b>57,770,033</b>

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

**DEEPROCK MINERALS INC.**  
**Condensed Interim 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) \$
<b>Balance, November 30, 2020</b>	32,545,580	1,310,772	150,194	(172,500)	(1,632,984)	(344,518)
Shares issued for cash	27,100,000	1,375,000	—	172,500	—	1,547,500
Shares issued for exploration and evaluation assets	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
Share-based compensation	—	—	404,971	—	—	404,971
Net loss for the nine-month period	—	—	—	—	(905,776)	(905,776)
<b>Balance, August 31, 2021</b>	<b>74,845,580</b>	<b>3,749,780</b>	<b>555,157</b>	<b>—</b>	<b>(2,538,760)</b>	<b>1,762,177</b>
<b>Balance, November 30, 2021</b>	74,845,580	3,729,780	532,231	—	(2,588,448)	1,673,563
Subscriptions received	—	—	—	53,000	—	53,000
Shares issued for cash	2,285,000	125,675	—	—	—	125,675
Net loss for the nine-month period	—	—	—	—	(274,927)	(274,927)
<b>Balance, August 31, 2022</b>	<b>77,130,580</b>	<b>3,855,455</b>	<b>532,231</b>	<b>53,000</b>	<b>(2,863,375)</b>	<b>1,577,311</b>

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

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

	For the nine months ended August 31,	
	2022	2021
	\$	\$
<b>Operating activities</b>		
Net loss	(274,927)	(905,776)
Adjustments for non-cash items		
Share- based compensation	—	404,971
Change in non-cash working capital components:		
Accounts receivable	(7,294)	2,628
Accounts payable and accrued liabilities	137,897	(362,741)
<b>Net cash used in operating activities</b>	<b>(144,324)</b>	<b>(860,918)</b>
<b>Investing activities:</b>		
Exploration and evaluation asset costs	(30,000)	(673,000)
<b>Net cash used in investing activities</b>	<b>(30,000)</b>	<b>(673,000)</b>
<b>Financing activities</b>		
Proceeds from exercise of agent's warrants	—	10,000
Share subscriptions received	53,000	—
Proceeds from issuance of shares	125,675	1,547,500
<b>Net cash provided by financing activities</b>	<b>178,675</b>	<b>1,557,500</b>
<b>Change in cash</b>	<b>4,351</b>	<b>23,582</b>
<b>Cash, beginning of the period</b>	<b>11,869</b>	<b>29,574</b>
<b>Cash, end of the period</b>	<b>16,220</b>	<b>53,156</b>

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

## **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. Since inception the Company has not generated any revenues from its primary business and during the period ended August 31, 2022, has incurred negative cash flow of \$144,324 from operations. As at August 31, 2022, the Company has a working capital deficit of \$328,689 and an accumulated deficit of \$2,863,375. 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 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. These financial statements were approved and authorized for issuance by the Company’s Board of Directors on October 28, 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.

**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) Recent Accounting Pronouncements

The Company has reviewed the impact of new and amended standards that are effective for annual periods beginning on or after September 1, 2022. It does not expect the impact on the financial statements to be material, although additional disclosure may be required.



**DEEPROCK MINERALS INC.**  
**Notes to the Condensed Interim Financial Statements**  
 Nine months ended August 31, 2022  
 (Expressed in Canadian dollars)

**3. Exploration and Evaluation Assets**

	Ralleau Property \$	Golden Gate Property \$	Romanium Property \$	Dragon Valley Property \$	Lugar Property \$	Total \$
Acquisition costs:						
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
Additions	–	20,000	–	–	10,000	30,000
Balance, August 31, 2022	187,000	79,000	1,350,000	275,000	15,000	1,906,000

Exploration expenditures

	Ralleau Property \$	Golden Gate Property \$	Romanium Property \$	Total \$
Balance, November 30, 2020	391,664	93,151	–	484,815
Assays	–	–	8,282	8,282
Geological expenditures	735	26,093	1,520	28,348
Balance, November 30, 2021	392,399	119,244	9,802	521,445
Geological expenditures	–	15,554	–	15,554
Balance, August 31, 2022	392,399	134,798	9,802	536,999

**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 Madoro Metals Corp (formerly Megastar Development Corp.) (“Madoro”), whereby Madoro 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 Madoro.

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:

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

**Ralleau Property (continued)**

- \$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 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 (\$20,000 paid fiscal 2021 and \$20,000 paid in January 2022);
- Pay \$50,000 on or before August 22, 2022; (\$10,000 paid in August 2022 and \$40,000 paid in September 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 10<sup>th</sup> business day following the closing of an equity financing of at least \$250,000 in gross proceeds (paid).

**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 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.

**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 August 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 (paid) and incur minimum expenditures of \$25,000 (paid) 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 August 31, 2022, 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 authorized during the nine months ended August 31, 2022:

**DEEPROCK MINERALS INC.**  
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 Nine months ended August 31, 2022  
 (Expressed in Canadian dollars)

**5. Share Capital (continued)**

On December 31, 2021, the Company issued 2,285,000 flow through units of the Company at \$0.055 each, raising gross proceeds of \$125,675. Each flow-through unit consists of one flow-through common share and one warrant which entitles the holder to purchase an additional (non-flow-through) common share at \$0.07 during the two years following the warrant's issuance. No fees were paid in connection with this private placement.

On April 6, 2022, the Company announced a non-brokered private placement financing of up to 20,000,000 units of the Company at a price of \$0.05 per unit for aggregate gross proceeds of up to \$1,000,000, which may be increased if the financing is oversubscribed. Each unit will consist of 1 common share and 1 common share purchase warrant. Each warrant will allow the holder to acquire 1 additional common share at a price of \$0.10 for a period of 2 years from the date of the closing.

As at August 31, 2022, \$53,000 had been received on the private placement financing and a further \$475,000 was received in September and October. Refer to Note 13.

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 Romanian 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.
- (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.

**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, 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
Issued	2,285,000	0.07
Balance, August 31, 2022	29,385,000	0.06

As at August 31, 2022, the following share purchase warrants were outstanding:

Number of warrants	Exercise price	Expiry date
14,000,000	\$0.06	February 4, 2023
13,100,000	\$0.06	July 9, 2023
2,285,000	\$0.07	December 31, 2023
29,385,000		

**DEEPROCK MINERALS INC.**  
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**6. Warrants** (continued)

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, 2020	628,800	0.05
Exercised	(200,000)	0.05
Expired	(428,800)	0.05
Balance, November 30, 2021 and August 31, 2022	-	-

**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 2 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 August 31, 2022 is as follows:

	Number of options	Weighted average exercise price \$
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
Cancelled	(125,000)	0.10
Outstanding August 31, 2022	4,875,000	0.10

**DEEPROCK MINERALS INC.**  
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**7. Stock Options** (continued)

Additional information regarding stock options outstanding as at August 31, 2022, is as follows:

Outstanding and exercisable			
Range of exercise prices \$	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.10	4,875,000	0.8	0.10

**8. Related Party Transactions**

- (a) During the nine months ended August 31, 2022, the Company incurred \$45,000 (2021 - \$46,000) of consulting fees and \$9,000 (2021 - \$2,000) of rent to a company controlled by the Chief Executive Officer ("CEO") of the Company. As at August 31, 2022, the Company owes \$55,000 (2021 - \$nil) to a company controlled by the CEO of the Company.
- (b) During the nine months ended August 31, 2022, the Company incurred \$30,000 of consulting fees to the Chief Financial Officer ("CFO") of the Company. As at August 31, 2022, the Company owes \$24,000 to the CFO of the Company.
- (c) During the nine months ended August 31, 2021, the Company incurred \$20,100 of consulting fees to two former CFOs of the Company. As at August 31, 2021, the Company owed - \$12,500 to a former CFO of the Company.
- (d) During the nine months ended August 31, 2022, the Company incurred \$5,250 (2021 - \$13,500) of consulting fees to a company controlled by a director of the Company. As at August 31 2022, the Company owed \$3,750 (2021 - \$nil) to a company controlled by a director of the Company.

As at August 31, 2022, the total amounts due to related parties that was included in accounts payable was \$82,750 (2021 - \$12,500).

**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, 2021.

## **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.

### 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.

**DEEPROCK MINERALS INC.**  
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Nine months ended August 31, 2022  
(Expressed in Canadian dollars)

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**11. Segmented Information**

The Company operates in the mineral exploration and development industry in two geographic regions.

August 31, 2022

	Canada \$	Romania \$	Total \$
Exploration and evaluation assets	281,000	1,625,000	1,906,000

November 30, 2021

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

**12. Prior year's financial presentation**

Certain items previously shown in the issued financial statements for the nine months ended August 31, 2021 have been adjusted to agree with changes made in the presentation of the financial statements for the year ended November 30, 2021. Those changes include:

- Moving \$20,000 from Exploration expenses to Consulting fees.
- Recording a value of \$1,050,000 for shares issued for Exploration costs.
- Recording the original option value of \$4,008 for 200,000 options exercised as Share capital value and removing them as a Share-based value reserve.

**13. Subsequent events**

Subsequent to August 31, 2022, the following events occurred:

- \$475,000 in share subscriptions were received, and
- \$40,000 option payment was made on the Golden Gate Property.