

## Deeprrock Minerals Inc.

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### DEEPROCK MINERALS INC. SIGNS LETTER AGREEMENT FOR SPIN-OFF AND REVERSE TAKEOVER WITH ALLIED CRITICAL METALS CORP.

**Vancouver, British Columbia – June 14, 2024 – Deeprrock Minerals Inc.** (the "**Company**" or "**Deep**") (CSE Symbol: "DEEP"), is pleased to announce that it has signed a letter agreement (the "**Letter Agreement**") dated June 14, 2024 with Allied Critical Metals Corp. ("**ACM**" or "**Allied Critical Metals**"), which provides the general terms and conditions of the spin-out transaction of Deep and subsequent reverse takeover of the Company by Allied Critical Metals (the "**Transaction**"), pursuant to the policies of the Canadian Securities Exchange (the "**Exchange**") and applicable securities laws.

Allied Critical Metals is a private company incorporated under the laws of Ontario, Canada, having a registered office in Toronto, Ontario, which is engaged in the acquisition, exploration, and potential development of tungsten projects in Portugal. ACM owns, through its wholly owned Portuguese subsidiary, ACM Tungsten Unipessoal Lda. ("**PortCo**"), a Portuguese company named Pan Metals Unipessoal Lda. ("**Pan Metals**"), which beneficially owns 90% of the two historical and established Portuguese tungsten projects (the "**Tungsten Projects**"): the Borralha Tungsten Project ("**Borralha**"); and the Vila Verde Tungsten Project ("**Vila Verde**"), and ACM has the right to purchase the remaining 10% of the Tungsten Properties at a discount. Borralha is comprised of a Mining License that allows for production of up to 150,000 tonnes per year of mineralized material covering an area of 382.5 hectares (3.8 sq. km). Vila Verde is comprised of an Experimental Exploration License area covering 1,400 hectares (14 sq. km). Both properties were past producing mines which have excellent infrastructure including paved and gravel roads, electricity, water, nearby skilled labour and the ability to use existing waste dumps.

The Company and ACM are presently preparing the required technical reports (the "**Technical Reports**") in accordance with National Instrument 43-101—*Standards for Disclosure of Mineral Projects* ("**NI 43-101**") for each of the Tungsten Projects, which will be filed under the Company's profile on SEDAR+ as a condition to closing the Transaction. Further details of the Tungsten Projects will be provided in the Technical Reports and a subsequent news release to be disseminated prior to the closing of the Transaction.

ACM has raised approximately \$2.15 million in equity financing over the past 12 months of which over \$1.8 million has been spent on drilling over 3,680m and other exploration and development the Tungsten Projects, which includes a recent \$250,000 strategic investment by Majestic Gold Corp. (TSXV: MJS) ("**Majestic**") (see <https://majesticgold.com>). Majestic has over 13 years' experience itself in building and operating underground and open pit mines. ACM believes its relationship with Majestic will be helpful as ACM progresses its projects through exploration and development towards the goal of eventual production.

In addition, ACM and the Company are pleased to announce that ACM has entered into an agency engagement with Fund Box Sociedade de Capital de Risco, S.A. ("**FundBox**") (see [www.fundbox.pt](http://www.fundbox.pt)), an international fund management and investment firm based in Lisbon, Portugal to arrange for initial long-term debt financing on a best efforts basis of up to €11,000,000 (the "**Debt Financing**") for ACM and its wholly-owned Portuguese subsidiary, Pan Metals. The Debt Financing is comprised of convertible debentures (the "**Debentures**") to be subscribed for and purchased by a fund ("**Fund**") established by FundBox closing in one or more tranches over a period of 24 months from May 31, 2024. The Debentures will have a terms of 5 years and bear interest at a rate of 5% per year, payable semi-annually. The principal

and any unpaid interest of the Debentures may be converted at the end of the term, at the election of the Fund, into RI Shares (as defined below) at the conversion price equal to the then applicable 20-day volume weighted average price, subject to the policies of the Exchange. Since 2004, FundBox has raised more than €550 million. ACM believes its long-term Debt Financing will be key in providing funding for both exploration and development expenses as well as capital costs such as its intended Q4 2024 pilot plant (the “**Pilot Plant**”) at Vila Verde that is capable of processing up to 150,000 tonnes per year of mineralized material.

Roy Bonnell, CEO of Allied Critical Metals commented, *“We are very excited to be accelerating the advancement of these near-term, low-cost Portuguese Tungsten Projects in the heart of the European Union where demand is sharply increasing as a strategic military metal and critical mineral. The Tungsten Projects are brownfield historical production sites located in northern Portugal with excellent infrastructure and access to inexpensive water, power and skilled labour and an existing road network. The projects are located approximately 100 km northeast of the ocean port city of Porto for excellent access to EU and North American markets. Borralha presently has a 25-year mining license and Vila Verde has an experimental mining license that provide a clear path for further development.”*

The Letter Agreement for the Transaction is in addition and further to the Vila Verde net profits stream in respect of ACM’s intended Pilot Plant pursuant to a letter agreement between ACM and Deep dated March 19, 2024 (the “**NPS Agreement**”) announced by the Company in its news release dated March 20, 2024.

Independent director of Deep, Tom Christoff added, *“We are excited to expand the potential of the NPS Agreement and unlock shareholder value in our proposed spin-out with the additional opportunity presented by ACM for near-term commercialization of its tungsten properties, where tungsten has been declared a “critical mineral” by Canada, the USA, and the EU facing significant supply chain shortages as a strategic military metal with almost 90% of world supply dominated by China and Russia.”*

### **The Transaction**

The Company intends to complete the Transaction pursuant to a plan of arrangement (the “**Arrangement**”), which will include the following steps:

1. the Company will incorporate a wholly-owned subsidiary (“**Sub1**”) and transfer all of its assets to Sub1 and then transfer all of its common shares of Sub 1 to the Deep shareholders pro rata in proportion to their ownership of Deep (the “**Spin-Out**”);
2. the Company will consolidate all of its issued and outstanding common shares on a 40-to-1 basis (the “**Consolidation**”) and change its name to “*Allied Critical Metals Corp.*” or such other name as may be determined by ACM which is acceptable to the Exchange (the “**Name Change**”);
3. ACM shall complete a concurrent private placement equity financing of units (the “**Units**”) at a price of \$0.60 per Unit to raise gross proceeds of up to \$7,500,000 (the “**Concurrent Financing**”), and each Unit will be comprised of one common share of ACM and one common share purchase warrant of ACM (each whole warrant a “**Warrant**”) wherein each Warrant will be exercisable for a period of 24 months from the date of issuance at a price of \$1.00 per share; and
4. ACM will amalgamate (the “**Amalgamation**”) as a three-cornered amalgamation with a second newly incorporated wholly-owned subsidiary of the Company (“**Sub2**”) to form an amalgamated

company ("**Amalco**") as a wholly-owned subsidiary of the Company, named "*ACM Holdings Ltd.*" Or such other name as determined by ACM, and the shareholders of ACM will transfer all of their common shares of ACM (the "**ACM Shares**") to the Company in consideration for post-Consolidation common shares of the Company as the resulting issuer (the "**Resulting Issuer**") on a **1-for-1 basis** (the "**Share Exchange Ratio**"), and the business of ACM shall become the business of the Resulting Issuer, and the common shares of the Resulting Issuer (the "**RI Shares**") will be listed and posted for trading on the Exchange as a mining issuer.

#### *Resulting Issuer Capital Structure*

Assuming completion of the Transaction with a minimum concurrent Financing of \$2,000,000 at \$0.60 per Unit, the Resulting Issuer will have approximately 74,230,000 common shares issued and outstanding, as well as 1,666,667 Warrants exercisable at \$1.00 per share, 927,500 warrants exercisable at \$2.40 to \$2.80, 266,666 brokers warrants exercisable at \$0.60, and no options.

#### *Escrow Conditions*

RI Shares issued pursuant to the Amalgamation shall be subject to resale restrictions pursuant to the policies of the Exchange, and RI Shares issued to insiders of the Resulting Issuer shall be subject to escrow in accordance with the policies of the Exchange. However, RI Shares issued in exchange for ACM Shares issued under the Concurrent Financing shall be free trading and not be subject to resale restrictions, escrow or hold periods.

Subject to the policies of the Exchange and applicable securities laws, upon closing of the Transaction (the "**Closing**"):

- (a) 19,600,000 common shares of the Resulting Issuer held by principals of the Resulting Issuer will be subject to escrow wherein 10% of the shares will be released on Closing and 15% will be released every 6 months thereafter over 36 months; and
- (b) 6,332,084 common shares of the Resulting Issuer held by prior owners of the Tungsten Properties will be subject to escrow wherein 10% of the shares will be released on Closing and 15% will be released every 6 months thereafter over 36 months.

#### *Concurrent Financing*

Prior to completion of the Transaction and as a condition precedent to the obligations of the Company, ACM intends to complete a concurrent financing (the "**Concurrent Financing**") to raise aggregate gross proceeds of up to \$7,500,000 CAD by way of a private placement of units (the "**Units**") of ACM at a price of \$0.60 per Unit (the "**Listing Price**"). Each Unit will be comprised of one common share of ACM (each an "**ACM Share**") and one-half common share purchase warrant of ACM (each a "**Warrant**") and each Warrant will entitle the holder to acquire an ACM Share at a price per ACM Share of \$1.00 for a period of 24 months from the date of issuance. On closing of the Transaction (the "**Closing**"). RI Shares issued in exchange for ACM Shares issued under the Concurrent Financing shall be free trading and not be subject to resale restrictions, escrow or hold periods.

ACM and the Company intend to use the net proceeds of the Concurrent Financing to fund the costs of the Transaction, the recommended work programs described in the Technical Reports, and for general working capital expenses of the Resulting Issuer.

### *Finders Fees*

In conjunction with the Concurrent Financing, ACM intends to pay a finder's fee on Closing, subject to the policies of the Exchange, of up to a cash commission equal to up to 8% of the gross proceeds of from purchasers under the Concurrent Financing introduced by the finder and a number of common share purchase warrants (the "**Brokers Warrants**") equal to up to 8% of the number of Units issued to purchasers under the Concurrent Financing introduced by the finder. Each Brokers Warrant will be exercisable into a RI Share for two years from the date of issuance at the Listing Price.

### *Related Party Transaction*

The Transaction is a related party transaction under *Multilateral Instrument 61-101—Protection of Minority Shareholders in Special Transactions* ("**MI 61-101**") because each of the Company and ACM share a same director and officer. However, the Company is exempt under section 5.5(b) of MI 61-101 from the requirement to obtain formal valuation because the Company is not listed on a "specified market". However, the Company does intend to seek majority of the minority shareholder approval and general corporate shareholder approval for the Transaction and will prepare a management information circular (the "**Information Circular**") in respect of the Transaction in accordance with the policies of the Exchange and applicable securities laws.

### *Exchange Listing*

Upon completion of the Transaction, the Resulting Issuer will own 100% of Amalco, which will own 100% of PortCo, which owns 100% of PanMetals, and PanMetals owns 90% of the Tungsten Properties with the right to acquire the remaining 10%. Upon Closing, the Resulting Issuer expects to list on the Exchange as a mining issuer, subject to Exchange approval.

### *Conditions*

Completion of the Transaction is subject to customary conditions precedent, including:

1. ACM and Deep shall have executed a definitive agreement for the Arrangement (the "**Definitive Agreement**"), which will contain the applicable terms and conditions set forth therein and the representations, warranties, covenants, and terms and conditions customarily found in such agreements;
2. satisfactory completion of due diligence by each of ACM and Deep and their respective counsel of each other and their respective subsidiaries, business and assets;
3. absence of any material adverse effect on the financial or operational condition of the assets or business of each of the parties to the Definitive Agreement;
4. completion of the Technical Report for Borralha in accordance with NI 43-101 and filing thereof under Deep's profile on SEDAR+;
5. completion and delivery to Deep of the title opinion in respect of the Tungsten Projects;
6. representations and warranties of each of the ACM and Deep contained in the Definitive Agreement being true and correct as of the Closing Date, and there being no material breach of ACM or Deep of the representations, warranties and covenants in the Letter Agreement or Definitive Agreement;

7. Deep shall have advanced at least \$200,000 to \$1,000,000 to ACM under the NPS Agreement, and Deep shall have working capital of at least \$100,000 as at Closing Date, excluding liabilities of up to \$50,000 for reasonable costs and expenses incurred in the ordinary course of business;
8. ACM and Deep shall be satisfied, acting reasonably, that the Tungsten Projects and ACM's interests therein satisfies the Exchange's initial listing requirements;
9. receipt of all required regulatory, corporate and third party approvals, including Deep shareholder approval, Exchange approval, and compliance with all applicable regulatory requirements and conditions necessary to complete the Transaction;
10. delivery of standard completion documentation, including but not limited to, legal opinions, officers' certificates, and certificates of good standing or compliance; and
11. other mutual conditions precedent customary for a transaction such as the Transaction.

#### **Directors, Officers and Other Insiders**

On completion of the Transaction, it is anticipated that the board of the Resulting Issuer will consist of five members, with ACM nominating four members and Deep nominating one member. On Closing, all of the directors of Deep will resign other than Andrew Lee, and Roy Bonnell, Sean O'Neill (as Non-Executive Chairman), Joao Barros, and Colin Padget will be appointed as directors of the Resulting Issuer. Roy Bonnell will be appointed as President and Chief Executive Officer, Keith Margetson as Chief Financial Officer, and Andrew Lee as Corporate Secretary. The Company will provide additional information about its proposed new directors, officers and insiders in a subsequent news release and an Information Circular and a Listing Statement that will be prepared and filed under the Company's profile on SEDAR+ as the principal disclosure documents in respect of the Transaction.

#### **Qualified Person**

Douglas Blanchflower, B.Sc. (Hons.), P.Geo., is an independent Qualified Person for the purposes of NI 43-101 and has reviewed and approved the scientific and technical information in this news release.

#### **Further Information**

More details will follow in the Company's Information Circular and the Resulting Issuer's Listing Statement to be prepared in accordance with the listing requirements of the CSE Policies.

***This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. The securities to be issued in connection with the Transaction have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.***

***Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.***

***There can be no assurance that the Transaction will be completed as proposed, or at all. Investors are cautioned that, except as disclosed in the Listing Statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.***

For further information concerning this press release, please contact the respective representatives of Solid and ACM as follows:

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***The Canadian Securities Exchange has in no way passed on the merits of the Transaction and has neither approved nor disapproved the contents of this news release.***

#### **Cautionary Statement and Forward-Looking Information**

*All information contained in this news release with respect to the Company and ACM was supplied by the parties, respectively, for inclusion herein, and each such party has relied on the other party for any information concerning such party.*

*Certain statements contained in this press release constitute forward-looking information, including statements regarding the expected issuance of approval of the Company's shareholders and the Exchange and the expected commencement of trading of the common shares of the Resulting Issuer on the Exchange. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the parties' current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. The business of the Company is subject to a number of material risks and uncertainties. Please refer to SEDAR+ filings for further details. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the parties. The material factors and assumptions include the parties being able to obtain the necessary corporate, regulatory and other third parties approvals. The forward looking information contained in this release is made as of the date hereof and the parties are not obligated to update or revise any forward looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward looking information. The foregoing statements expressly qualify any forward looking information contained herein.*

**Not for dissemination in the United States of America.**