

DeepMarket Corp.
Condensed Consolidated Interim Financial Statements
for the three and nine months ended September 30, 2020
(Unaudited)
(Expressed in Canadian Dollars)

DeepMarket Corp.
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September 30, 2020
(Unaudited)
(Expressed in Canadian Dollars)

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NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the unaudited condensed interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Deepmarket Corp. (the “Company”) 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of unaudited condensed interim financial statements by an entity’s auditor.

DeepMarkit Corp.
Condensed Consolidated Interim Statements of Financial Position

(Unaudited)
(Expressed in Canadian Dollars)

As at	September 30, 2020	December 31, 2019
Assets		
Current		
Cash and cash equivalents	\$ 157,858	\$ 241,953
Accounts receivable	2,241	101,170
	160,099	343,123
Property and equipment (Note 5)	9,301	12,001
	\$ 169,400	\$ 355,124
Liabilities		
Current		
Accounts payable and accrued liabilities (Notes 6 & 8)	\$ 610,970	\$ 347,351
Debenture payable (Note 6)	2,000,000	2,000,000
	2,610,970	2,347,351
Shareholders' Equity (Deficiency)		
Share capital (Note 7)	13,926,489	13,926,489
Contributed surplus	2,023,294	2,033,445
Accumulated deficit	(18,391,353)	(17,952,161)
	(2,441,570)	(1,992,227)
	\$ 169,400	\$ 355,124

Going concern (Note 2)

Subsequent events (Note 12)

Approved by the Board:

(signed) "Darold H. Parken", Director

(signed) "Paul McKenzie", Director

DeepMarket Corp.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited)
(Expressed in Canadian Dollars)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2020	2019	2020	2019
Revenue	\$ 1,136	\$ 1,672	\$ 4,786	\$ 4,077
Expenses				
Wages and benefits (Note 8)	38,655	30,955	168,043	127,883
General and administrative (Note 8)	10,958	60,947	45,579	206,150
Stock-based compensation (Notes 7 & 8)	-	1,023	(10,151)	(2,535)
Professional fees (Note 8)	7,441	7,500	17,442	24,940
Listing and filing fees	1,590	23,366	12,352	35,374
Amortization (Note 5)	900	1,273	2,700	3,818
Finance costs (Notes 6 & 8)	74,632	62,446	208,855	181,917
Loss (gain) on foreign exchange	1	158	(1)	484
Interest income	(198)	(305)	(841)	(1,975)
	133,979	187,363	443,978	576,056
Net Loss and Comprehensive Loss	\$ (132,843)	\$ (185,691)	\$ (439,192)	\$ (571,979)
Loss per share - basic and diluted	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.05)
Weighted average number of shares outstanding (Note 7)	17,745,967	11,482,773	17,745,967	11,482,773

DeepMarket Corp.
Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited)
(Expressed in Canadian Dollars)

	Share capital	Contributed surplus	Accumulated deficit	Total equity (deficiency)
Balance - January 1, 2019	\$ 13,499,261	\$ 2,034,957	\$ (17,267,370)	\$ (1,733,152)
Stock-based compensation (Notes 7 & 8)	-	(2,535)	-	(2,535)
Net loss and comprehensive loss	-	-	(569,692)	(569,692)
Balance - September 30, 2019	\$ 13,499,261	\$ 2,032,422	\$ (17,837,062)	\$ (2,305,379)
Balance - January 1, 2020	\$ 13,926,489	\$ 2,033,445	\$ (17,952,161)	\$ (1,992,227)
Stock-based compensation (Notes 7 & 8)	-	(10,151)	-	(10,151)
Net loss and comprehensive loss	-	-	(439,192)	(439,192)
Balance - September 30, 2020	\$ 13,926,489	\$ 2,023,294	\$ (18,391,353)	\$ (2,441,570)

DeepMarket Corp.
Condensed Consolidated Interim Statements of Cash Flows

(Unaudited)
(Expressed in Canadian Dollars)

For the nine months ended	September 30, 2020	September 30, 2019
Cash provided by (used in):		
Operating activities		
Net loss	\$ (439,192)	\$ (569,692)
Non cash items		
Amortization (Note 5)	2,700	3,818
Stock-based compensation (Notes 7 & 8)	(10,151)	(2,535)
	(446,643)	(568,409)
Change in accounts receivable	98,929	(466)
Change in prepaids expenses	-	29,222
Change in accounts payable and accrued liabilities	263,619	113,326
	(84,095)	(426,327)
Investing activities		
Proceeds on disposal of property and equipment	-	400
Financing activities		
Issuance of common shares and warrants, net of issue costs (Note 7)	-	100,000
Increase (decrease) in cash	(84,095)	(325,927)
Cash and cash equivalents, beginning of periods	241,953	392,790
Cash and cash equivalents, end of periods	\$ 157,858	\$ 66,863
Cash and cash equivalents consists of:		
Cash	\$ 137,858	\$ 64,091
Redeemable term deposit	20,000	41,373
	\$ 157,858	\$ 105,464
Supplemental disclosure of cash flow information:		
Interest paid	\$ -	\$ 58,422
Interest income received	\$ 841	\$ 1,975

See accompanying notes

DeepMarkit Corp.
Notes to the Condensed Consolidated Interim Financial Statements
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1. Nature of operations

DeepMarkit Corp. (the “Corporation” or the “Company”) was incorporated in Canada under the Business Corporation Act (Alberta) on November 20, 2007 under the name Challenger Deep Resources Corp. On October 30, 2015, the Company changed its name to DeepMarkit Corp. The Company trades on the TSX-V under the symbol MKT and traded on the OTCQB under the symbol MKTDF until March 31, 2019 and is a Technology Issuer. To date the Company has not generated significant revenues from operations. The registered address of the Company is Suite 202, 615 15th Avenue SW Calgary, Alberta T2R 0R4.

2. Going concern

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations.

The Company’s ability to maintain its current level of operations is dependent on its ability to generate sufficient cash to fund its business plan. To date, the Company has limited sources of revenue. At September 30, 2020, the Company had cash of \$157,858 (December 31, 2019 - \$241,953) and a working capital deficit of \$2,450,871 (December 31, 2019 – \$2,004,228).

While Management believes the Company has sufficient cash to discharge its obligations in the normal course of operations for the short-term, future operations will continue to be dependent upon the successful development of the Company’s business plan and raising of sufficient capital to execute on that plan, and the corresponding generation of future cash flows. Management believes the going concern assumption is appropriate for these condensed consolidated financial statements. The Company’s ability to continue as a going concern on a near, medium and longer term basis depends on its ability to successfully raise additional financing for further activity and development and achieve profitable operations. In order to fund the Company’s 2020 capital and operating budget, additional financing will be required.

While the Company has been successful to date in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. Because the Company has been unsuccessful in generating significant income from its business, there is significant risk that additional financing may not be attainable in which event the Company would not be able to continue its business operations. If the going concern assumption were not appropriate for these consolidated financial statements, material adjustments might be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the consolidated statement of financial position classifications used.

DeepMarket Corp.
Notes to the Condensed Consolidated Interim Financial Statements
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3. Basis of presentation

(a) Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Specifically, they have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. The unaudited condensed consolidated interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2019 which have been prepared in accordance with IFRS.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 17, 2020.

(b) Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except as otherwise noted. The condensed consolidated interim financial statements are presented in Canadian dollars.

(c) Use of estimates and judgments

The preparation of the condensed consolidated interim financial statements requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results may differ from these estimates. The more significant areas requiring the use of Management estimates and assumptions are discussed below. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Estimate of recoverability for non-financial assets

Events or changes in circumstances, may give rise to significant impairment charges or reversals of impairment in a particular year. In accordance with the Company's accounting policy, each non-financial asset or cash generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed, and an impairment loss recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or cash generating unit is measured at the higher of fair value less costs to sell and value in use. Impairment testing is also performed annually for goodwill, if any. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties, and is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal. Value in use is also generally determined as the present value of the estimated future cash flows, but only those expected to arise from the continued use of the asset in its present form and its eventual disposal. Present values are determined using a risk-adjusted pre-tax discount rate appropriate to the risks inherent in the asset. Future cash flow estimates are based on expected sales volumes, operating costs and future capital expenditure. This policy requires Management to

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3. Basis of presentation, continued

make these estimates and assumptions which are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be impaired and the impairment would be charged to the condensed consolidated interim statement of loss and comprehensive loss.

(ii) Share-based payments

The Company provides compensation benefits to employees, directors and officers through a stock option plan. The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model. Expected volatility is based on historical volatility of the Company's share price. Historical data is utilized to estimate option exercises and forfeiture behaviour within the valuation model. The risk-free rate for the expected term of the option is based on the Government of Canada yield curve in effect at the time of the grant.

(iii) Fair value of financial instruments, including embedded derivatives

Where the fair value of financial assets and financial liabilities recorded in the condensed consolidated interim statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(iv) Taxation

The Company's accounting policy for taxation requires Management's judgment in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the condensed consolidated interim statement of financial position. Deferred tax assets, including those arising from tax loss carry-forwards, capital losses and temporary differences are recognized only where it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on Management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgments are also required about the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the condensed consolidated interim statement of financial position and the amount of other tax losses and temporary differences not yet recognized. In such circumstances, some or all of the carrying amount of recognized deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the condensed consolidated interim statement of loss and comprehensive loss.

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4. Summary of significant accounting policies

The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as compared with the most recent audited annual consolidated financial statements for the year ended December 31, 2019.

5. Property and equipment

The Company expended the following amounts on equipment during 2019 and the nine months ended September 30, 2020:

Cost	<u>Office equipment</u>
Balance, December 31, 2018	\$ 48,666
Disposals	<u>(808)</u>
Balance, December 31, 2019	<u>47,858</u>
Balance, September 30, 2020	<u>\$ 47,858</u>
Accumulated amortization	
Balance, December 31, 2018	(31,297)
Disposals	408
Amortization for the year	<u>(4,968)</u>
Balance, December 31, 2019	(35,857)
Amortization for the period	<u>(2,700)</u>
Balance, September 30, 2020	<u>38,557</u>
Net Book Value	
Balance, December 31, 2019	\$ 12,001
Balance, September 30, 2020	<u>\$ 9,301</u>

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6. Debenture payable

During the fiscal year ended December 31, 2016, the Company entered into secured participating debenture financing (the "Participating Debentures") with various arm's length and non-arm's length investors. Under this financing, the debenture holders have advanced \$2,000,000 in long-term capital. The majority of the Debentures are owned by one director of the Company.

The Participating Debentures bear both basic and participating interest. Basic interest on the Participating Debentures accrues and is payable at the rate of twelve percent (12%) per annum calculated and paid quarterly. Participation interest will be calculated on the basis of twelve percent (12%) of gross promotion campaign sales, if any, and will be paid quarterly, one quarter in arrears. The Participating Debentures have a term of four (4) years and matured in July 2020.

The Participating debentures are secured by a fixed and floating first charge on all of the assets of the Company. As additional security, debenture holders have been granted a nonexclusive, unrestricted license to use the promotion platform software in the event of a default in payment of any amounts due under the Participating Debentures or in the event that the Company ceases, for any reason, to diligently pursue the promotion campaigns. The license will terminate on payment of all amounts owing under the Participating Debentures, in accordance with the provisions thereof.

In the event of default of any amounts, including interest and principal, or violation of any covenants under the debenture agreements, such as dissolution, liquidation or bankruptcy proceedings by the Company, the holders of the debentures can effect an accelerated maturity of the instruments whereby any and all amounts owing become due on demand. The Company did not pay the basic interest that were due beginning June 28, 2019. Total unpaid interest amounts to \$396,786 and is included in accounts payable and accrued liabilities. Subsequent to September 30, 2020, the debenture became due and the Company was unable to repay the balance of \$2,000,000 plus accrued interest and is in default. The amount continues to accrue interest subsequent to the non-payment at 12% per annum. The Company is in the process of renegotiating with the debenture holders.

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7. Share capital

a) **Authorized**

Unlimited number of common shares

Unlimited number of preferred shares, issuable in series

Issued and outstanding common shares:

	September 30, 2020		December 31, 2019	
	Number	Amount	Number	Amount
Balance, beginning of periods	17,745,967	\$ 13,926,489	11,482,773	\$ 13,499,261
Issued:				
On private placement	-	-	6,263,194	469,740
Share issue costs	-	-	-	(42,512)
Balance, end of periods	17,745,967	\$ 13,926,489	17,745,967	\$ 13,926,489

(i) 2019 transactions

On October 3, 2019, the Company completed the consolidation of its Common Shares on the basis of one (1) post-consolidation common Share for every ten (10) pre-consolidation Common Shares (the "Consolidation"). After the Consolidation, the Company had 11,482,773 Common Shares outstanding.

The Company and HK Datang Investment Holding Group Co. Limited ("HK Datang") entered into an investment agreement (the "Investment Agreement") to provide for a private placement consisting of 10,000,000 units (each a "Unit") of the Company, at a subscription price of \$0.075 per Unit for gross proceeds of \$750,000. Each Unit consists of one (1) common share and one common share purchase warrant (each a "Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.10 for a period of one year from the date of issuance of the Units.

On October 4, 2019, the Company closed the first tranche of a private placement consisting of 6,263,194 Units for gross proceeds of \$469,740. The \$100,000 non-refundable deposit was applied against this tranche. Using the residual value method, the fair value assigned to the warrants was \$nil.

The private placement was to have been provided in two tranches. In addition, HK Datang has agreed to certain voting restrictions which will apply until such time as the Company has repaid one-half (\$1,000,000) of the principal under the existing debentures of the Company. Upon completion of the second tranche closing, HK Datang would have had the right to appoint one (1) nominee to the Company's board of directors. However, the second tranche was not completed.

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b) Warrants

	September 30, 2020		December 31, 2019	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Balance, beginning of periods	6,263,194	\$ 0.10	2,600,000	\$ 1.00
Issued:				
On private placement	-	-	6,263,194	0.10
Expired	-	-	(2,600,000)	1.00
Balance, end of periods	6,263,194	\$ 0.10	6,263,194	\$ 0.10

The remaining warrants expired on October 4, 2020.

c) Stock option plan

The Company has an incentive stock option plan (the "Option Plan") which provides the Board of Directors of the Company from time-to-time, in its discretion and in accordance with the Exchange requirements, the authority to grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to five years from the date of grant. Options have been granted pursuant to the Option Plan which was last approved by the shareholders of the Company at a special meeting held on August 1, 2019.

Total stock-based compensation recognized during the three and nine-months ended September 30, 2020 was \$nil and (\$10,151) respectively (2019 – (\$1,023) and (\$2,535) respectively).

Details as to the stock options outstanding are as follows:

	September 30, 2020		December 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of periods	610,000	\$ 0.12	877,917	\$ 1.50
Expired	-	-	(217,97)	1.10
Cancelled	(610,000)	1.10		
Forfeitures	-	-	(50,000)	1.50
Balance, end of periods	-	-	610,000	\$ 1.10

As of September 30, 2020, all options were canceled, and no options remain outstanding.

As of September 30, 2020, the weighted average remaining contractual life for options outstanding is Nil years (December 31, 2019 - 2.54 years).

As of September 30, 2020, no (December 31, 2019 – 585,000) options are fully exercisable and outstanding at a weighted average exercise price of \$Nil (December 31, 2019 - \$1.10).

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As of September 30, 2020, there was \$Nil (December 31, 2019 - \$2,283) in unvested stock-based compensation expense that will be recorded over the remaining vesting period of the stock options.

d) Earnings (loss) per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period as follows:

	<u>September 30, 2020</u>	<u>September 30, 2019</u>
Weighted average number of common shares outstanding	17,745,967	11,482,773

Options and warrants to purchase common shares were outstanding during the period however they are anti-dilutive in nature.

8. Related party transactions, balances and key management compensation

Included in wages and benefits, general and administrative, professional fees and finance costs are transactions with related parties. Related party transactions are disclosed below, unless they have been disclosed elsewhere in the condensed consolidated interim financial statements.

During the three and nine months ended September 30, 2020, the Company incurred \$30,000 and \$90,000 respectively for wages, benefits and consulting fees (2019 - \$32,500 and \$101,333 respectively), charged by directors, officers and key management personnel of the Company.

During the three and nine months ended September 30, 2020, the Company incurred \$3,750 and \$22,500 respectively for rental fees (2019 - \$17,400 and \$61,800 respectively), paid to two companies in which a director and officer of the Company is the principal or a significant shareholder.

At September 30, 2020, \$1,900,000 (December 31, 2019 - \$1,900,000) in debentures payable were owing to a director and officer and his family members. During the three and nine months ended September 30, 2020, the Company incurred \$70,900 and \$198,412 respectively (2019 - \$59,324 and \$172,237 respectively) for interest in respect of the debenture financing which is included in finance costs on the condensed consolidated interim statement of loss and comprehensive loss. Interest of \$376,952 remains unpaid (2019 - \$178,445). See Note 6. - Debenture payable, for detailed information regarding the debentures.

Related party transactions are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the related parties. As of September 30, 2020, \$177,659 (December 31, 2019 - \$130,792) was due to related parties and included in accounts payable and accrued liabilities with respect to those transactions. The amounts are non-interest bearing, unsecured and have no specific terms of repayment.

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9. Capital management

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern.
- To maintain appropriate cash reserves on hand to meet ongoing development and operating costs.
- To invest cash on hand in highly liquid and highly rated financial instruments.

In the management of capital, the Company includes debenture payable and shareholders' equity in the definition of capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company (upon approval from its Board of Directors, as required) may issue additional capital primarily through equity financing. The Company has no externally imposed capital requirements.

The following table describes the Company's capital structure:

Capital Structure	September 30, 2020	December 31, 2019
Debenture payable	\$ 2,000,000	\$ 2,000,000
Shareholders' Equity (Deficiency)	(2,441,570)	(1,992,227)
Total	\$ (441,570)	\$ 7,773

10. Financial instruments

As at September 30, 2020 and 2019, the Company's financial instruments are cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and debenture payable. The amounts reflected in the condensed consolidated interim statement of financial position are carrying amounts. These financial instruments are classified as follows:

- Cash and cash equivalents – fair value through profit or loss
- Accounts receivable – financial assets at amortized cost
- Accounts payable and accrued liabilities – financial liabilities at amortized cost
- Debenture payable – financial liabilities at amortized cost

The Company does not use derivative instruments or hedges to manage risks because the Company's exposure to credit risk, interest rate risk and currency risk is small.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents is exposed to credit risk; however, the risk is deemed minimal as the counterparty is considered to be a low risk financial institution. Accounts Receivable consists of the amounts due from Canada Revenue Agency in relation to input tax credits arising as a result of the Goods and Services Tax (GST).

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10. Financial instruments, continued

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents are exposed to interest rate risk as the Company invests cash and cash equivalents at floating rates of interest in highly liquid instruments. Fluctuations in interest rates impact the value of cash and cash equivalents. For the nine months ended September 30, 2020 and 2019, if interest rates had been 1% higher, total interest income received would have been higher by approximately \$2,000 and \$2,500 respectively on an annualized basis. If interest rate had been 1% lower, total interest income would have been lower by approximately \$2,000 and \$2,500 respectively on an annualized basis. Pursuant to the terms of the participating debentures, the Company is required to pay additional interest equal to 12% of the revenue generated on qualifying product sales, see Note 6. - Debenture payable.

c) Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company minimizes its currency risk by maintaining the majority of its liquid assets in stable currencies, including Canadian and US currencies. The Company holds US dollars; a 10% change in the exchange rate between the Canadian dollar and the US Dollar would result in the Company incurring a gain or loss of \$300 (2019 - \$1,000).

d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation's accounts payable and accrued liabilities of \$116,104 are current and \$494,866 are past due. The past due accounts payable and accrued liabilities are primarily with directors and officers of the Corporation and the majority of which relates to unpaid interest on the Corporation's unpaid interest on the Company's outstanding Debentures. The Company ensures that it has sufficient capital to meet short term financial obligations after taking into account cash and cash equivalents on hand.

12. Subsequent events

Subsequent to quarter end, all the warrants expired at October 4, 2020.

The COVID 19 pandemic continues to have a significant negative effect on the business of the Company. The largest and controlling shareholder of the Company is a Chinese based company. The new business opportunities being pursued by the Company are all focussed on the Chinese e-commerce and consumer market. Financing opportunities for the Company are primarily focussed in China. As a result of these factors, the impact of the COVID 19 pandemic has been particularly negative for the Company. The extent and duration of the impact of the COVID 19 pandemic is unknown however it has had, and may continue to have, a very negative impact on the ability of the Company to continue or to develop new business opportunities.