

DeepMarkit Corp.
Condensed Consolidated Interim Financial Statements
for the three and nine months ended September 30, 2021
(Unaudited)
(Expressed in Canadian Dollars)

DeepMarket Corp.
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September 30, 2021
(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 DeepMarkit 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
September 30, 2021
(Unaudited)
(Expressed in Canadian Dollars)

As at	September 30, 2021	December 31, 2020
Assets		
Current		
Cash and cash equivalents	\$ 708,340	\$ 95,088
Accounts receivable	9,470	7,079
	717,810	102,167
Property and equipment (Note 5)	6,510	8,401
	\$ 724,320	\$ 110,568
Liabilities		
Current		
Accounts payable and accrued liabilities (Notes 6 & 8)	\$ 1,008,746	\$ 710,511
CEBA Loan (Note 12)	33,579	-
Debenture payable (Note 6)	2,000,000	2,000,000
	3,042,325	2,710,511
Shareholders' Equity (Deficiency)		
Share capital (Note 7)	14,617,253	13,926,489
Contributed surplus	2,035,728	2,035,728
Accumulated deficit	(18,970,986)	(18,562,160)
	(2,318,005)	(2,599,943)
	\$ 724,320	\$ 110,568

Going concern (Note 2)

Subsequent events (Note 13)

Approved by the Board:

(signed) "Darold H. Parken", Director

(signed) "Paul McKenzie", Director

DeepMarket Corp.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
September 30, 2021
(Unaudited)
(Expressed in Canadian Dollars)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2021	2020	2021	2020
Revenue	\$ 599	\$ 1,672	\$ 2,370	\$ 4,786
Expenses				
Wages and benefits (Note 8)	43,306	38,655	119,793	168,043
General and administrative (Note 8)	10,589	10,958	38,924	45,579
Stock-based compensation (Notes 7 & 8)	-	-	-	(10,151)
Professional fees (Note 8)	5,001	7,441	19,483	17,442
Listing and filing fees	4,906	1,590	27,105	12,352
Amortization (Note 5)	631	900	1,891	2,700
Finance costs (Notes 6, 8 & 12)	81,055	74,632	203,815	208,855
Loss (gain) on foreign exchange	305	1	305	(1)
Interest income	(12)	(198)	(120)	(841)
	145,781	133,979	411,196	443,978
Net Loss and Comprehensive Loss	\$ (145,182)	\$ (132,843)	\$ (408,826)	\$ (439,192)
Loss per share - basic and diluted	\$ (0.04)	\$ (0.05)	\$ (0.12)	\$ (0.10)
Weighted average number of shares outstanding (Note 7)	3,549,193	3,549,193	3,549,193	3,549,193

DeepMarket Corp.
Condensed Consolidated Interim Statements of Changes in Equity
Nine Months ended September 30, 2021
(Unaudited)
(Expressed in Canadian Dollars)

	Share capital	Contributed surplus	Accumulated deficit	Total equity (deficiency)
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)
Balance - January 1, 2021	\$ 13,926,489	\$ 2,035,728	\$ (18,562,160)	\$ (2,599,943)
Shares issued in private placements (Note 8)	690,764	-	-	690,764
Net loss and comprehensive loss	-	-	(408,826)	(408,826)
Balance – September 30, 2021	\$ 14,617,253	\$ 2,035,728	\$ (18,970,986)	\$ (2,318,005)

DeepMarket Corp.
Condensed Consolidated Interim Statements of Cash Flows
Nine Months ended September 30, 2021
(Unaudited)
(Expressed in Canadian Dollars)

For the nine months ended September 30, 2021 September 30, 2020

Cash provided by (used in):

Operating activities

Net loss	\$ (408,826)	\$ (439,192)
Non cash items		
Amortization (Note 5)	1,891	2,700
Gain on CEBA loan (Note 12)	(26,421)	-
Stock-based compensation (Notes 7 & 8)	-	(10,151)
	(433,356)	(446,643)
Change in accounts receivable	(2,391)	98,929
Change in accounts payable and accrued liabilities	298,235	263,619
	(137,512)	(84,095)

Investing activities

- -

Financing activities

Issuance of common shares and warrants, net of issue costs (Note x)	690,764	-
CEBA loan (Note 12)	60,000	-
Increase (decrease) in cash	613,252	(84,095)
Cash and cash equivalents, beginning of periods	95,088	241,953
Cash and cash equivalents, end of periods	\$ 708,340	\$ 157,858

Cash and cash equivalents consist of:

Cash	\$ 688,340	\$ 137,858
Redeemable term deposit	20,000	20,000
	\$ 708,340	\$ 157,858

Supplemental disclosure of cash flow information:

Interest paid	\$ -	\$ -
Interest income received	\$ 79	\$ 841

See accompanying notes

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

DeepMarket 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 DeepMarket 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, 2021, the Company had cash of \$708,340 (December 31, 2020 - \$95,088) and a working capital deficit of \$2,324,515 (December 31, 2020 – \$2,608,344).

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 2021 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, 2020 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 29, 2021.

(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

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, 2020.

5. Property and equipment

The Company expended the following amounts on equipment during 2020 and the nine months ended September 30, 2021:

Cost	<u>Office equipment</u>
Balance, December 31, 2019	\$ 47,858
Balance, December 31, 2020	47,858
Balance, September 30, 2021	\$ 47,858
Accumulated amortization	
Balance, December 31, 2019	(35,857)
Amortization for the year	(3,600)
Balance, December 31, 2020	(39,457)
Amortization for the period	(1,891)
Balance, September 30, 2021	(41,348)
Net Book Value	
Balance, December 31, 2020	\$ 8,401
Balance, September 30, 2021	\$ 6,510

DeepMarket Corp.**Notes to the Condensed Consolidated Interim Financial Statements****September 30, 2021****(Unaudited)****(Expressed in Canadian Dollars)**

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 a company controlled 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 was due beginning June 28, 2019. Total unpaid interest amounts to \$694,826 and is included in accounts payable and accrued liabilities. The debenture are due and the Company has been 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 the settlement of the liability with the debenture holders.

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, 2021		December 31, 2020	
	Number	Amount	Number	Amount
Balance, beginning of periods	3,549,193	\$ 13,926,489	3,549,193	\$ 13,926,489
Issued:				
On private placement	3,414,635	700,000	-	-
Share issue costs	-	(9,236)	-	-
Balance, end of periods	6,963,828	\$ 14,617,253	3,549,193	\$ 13,926,489

(i) 2021 transactions

On April 16, 2021 the Company completed the consolidation of its Common Shares on the basis of one (1) post-consolidation common Share for every five (5) pre-consolidation Common Shares (the

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"Consolidation"). After the Consolidation, the Company had 3,549,193 Common Shares outstanding.

On September 29, 2021, the Company closed a non-brokered private placement consisting of 3,414,635 units (each a "Unit") of the Company, at a subscription price of \$0.205 per Unit for gross proceeds of \$700,000. Each Unit consists of one 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 \$0.75 for a period of two years from the date of issuance of the Units. Using the residual value method, the fair value assigned to the warrants was \$nil.

b) Warrants

	September 30, 2021		December 31, 2020	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Balance, beginning of periods	-	\$ -	1,252,639	\$ 0.50
Issued:				
On private placement	3,414,635	0.75	-	-
Expired	-	-	(1,252,639)	\$ 0.50
Balance, end of periods	3,414,635	0.75	-	\$ -

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 March 1, 2021.

Total stock-based compensation recognized during the three and nine months ended September 30, 2021 was \$nil (2020 – \$nil and (\$10,151) respectively).

Details as to the stock options outstanding are as follows:

	September 30, 2021		December 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of periods	-	\$ -	122,000	\$ 5.50
Expired	-	-	-	-
Cancelled	-	-	(122,000)	5.50
Forfeitures	-	-	-	-
Balance, end of periods	-	\$ -	-	\$ -

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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, 2021</u>	<u>September 30, 2020</u>
Weighted average number of common shares outstanding	6,963,828	3,549,193

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, 2021, the Company incurred \$30,000 and \$90,000 respectively for wages, benefits and consulting fees (2020 - \$25,000 and \$75,000 respectively), charged by directors, officers and key management personnel of the Company.

During the three and nine months ended September 30, 2021, the Company incurred \$6,000 and \$19,500 for rental fees (2020 - \$3,750 and \$22,500 respectively), paid to a company in which a director and officer of the Company is the principal or a significant shareholder.

At September 30, 2021, \$2,000,000 in debentures payable were owing to a private company controlled by a director and officer. (December 31, 2020 - \$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, 2021, the Company incurred \$79,893 and \$230,237 (2020 - \$70,900 and 198,412 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 \$694,826 remains unpaid (2020 - \$376,952). See Note 6. - Debenture payable, for detailed information regarding the debentures.

On September 14, 2021, the Company entered into an agreement with 1323552 BC Ltd., a private company controlled by Ranjeet Sundher, a director and founder of the company, to convert up to \$2,700,000 of 12% Secured Participating Debentures (including accrued interest of up to \$700,000) at a conversion price of \$0.205 per common share, resulting in the issuance of up to 13,170,731 common shares (the "Debenture Conversion"). In addition, the Company has entered into an agreement with Ranjeet Sundher to convert up to \$40,000 of debt owed personally to Mr. Sundher at the same conversion price resulting in up to an additional 195,121 common shares (together with the Debenture Conversion, the "Debt Conversion"). The Debt Conversion constitutes a related-party transaction under MI 61-101 and received minority shareholder approval, as well as approval from the Exchange subsequent to the quarter end. The debt conversions lead to the creation of a new control person which was also approved. See "Subsequent Events"

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, 2021, \$288,281 (December 31, 2020 - \$217,708) 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, 2021	December 31, 2020
Debenture payable	\$ 2,000,000	\$ 2,000,000
Shareholders' Equity (Deficiency)	(2,318,005)	(2,599,943)
Total	\$ (318,005)	\$ (599,943)

10. Financial instruments

As at September 30, 2021 and 2020, 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, 2021 and 2020, if interest rates had been 1% higher, total interest income received would have been higher by approximately \$654 and \$1,945 on an annualized basis. If interest rate had been 1% lower, total interest income would have been lower by approximately \$654 and \$1,945 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 \$Nil (2020 - \$Nil).

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 \$107,299 are current and \$901,448 are past due. The past due accounts payable and accrued liabilities are primarily with directors and officers of the Corporation, 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. Canadian Emergency Business Account ("CEBA") Loan

Balance, December 31, 2020	\$	-
Loan grant		60,000
Gain on grant of loan		(26,421)
<hr/>		
Balance, September 30, 2021	\$	33,579

In 2021, the Company received a \$60,000 Canada Emergency Business Account ("CEBA") loan from the Canadian federal government as a COVID-19 support measure. Interest will accrue on the outstanding balance of the CEBA loan at a rate of 5% per annum commencing January 1, 2023. The outstanding balance of the CEBA loan plus accrued interest is payable on or before December 31, 2025. \$20,000 of the CEBA loan amount shall be forgiven if the remaining \$40,000 of the loan is repaid on or before December 31, 2022.

The carrying amount of the \$40,000 repayable portion of the CEBA loan as at September 30, 2021 is \$33,579 (December 31, 2020 - \$Nil) based on the present value of the \$40,000 being repaid on December 31, 2020 and a fair value annual interest rate of 15%.

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13. Subsequent events

The COVID 19 pandemic continues to have a significant negative effect on the business of 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.

On October 18, 2021, the Company closed a non-brokered private placement consisting of 243,902 units (each a "Unit") of the Company, at a subscription price of \$0.205 per Unit for gross proceeds of \$49,999.91. Each Unit consists of one 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 \$0.75 for a period of two years from the date of issuance of the Units. Using the residual value method, the fair value assigned to the warrants was \$nil. Aggregate finder's fees were \$3,499.99.

On November 8, 2021, the Company converted the \$2,000,000 debenture, the \$700,000 of accrued interest and \$39,000 of unpaid management fees into 13,360,974 common shares.

The Common Shares issued pursuant to the Debenture Conversion were issued to 1323552 B.C. Ltd., a private company owned and controlled by Ranjeet Sunder, a director and founder of the Company.

On November 23, 2021, entered into a non-binding letter of intent to acquire all of the issued and outstanding shares of First Carbon Corp. ("FCC"). The LOI sets forth the general terms and conditions of the Acquisition, pursuant to which shareholders of FCC will receive an aggregate of approximately 15,000,000 common shares of DeepMarkit issued at a deemed price of \$0.50 per common share, for deemed consideration of approximately \$7,500,000.

Furthermore, it intends to raise \$2,000,000 through the issuance of 4,000,000 units at a price of \$0.50 per Unit. Each Unit comprises one Common Share and one Common Share purchase warrant. Each warrant will entitle the holder to purchase one additional Common Share of DeepMarkit at an exercise price of \$1.25 for a period of three (3) years from the date of the issuance of the Units.