

DeepMarket Corp.

**Condensed Interim Consolidated Financial Statements
As at and for the three months ended September 30, 2024
(Unaudited)
(In Canadian dollars)**

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited condensed interim consolidated financial statements as at and for the three months ended September 30, 2024.

DeepMarkit Corp.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited)
(In Canadian dollars)

As at	Note	September 30 2024	June 30 2024
Assets			
Current assets			
Cash and cash equivalents		\$ 169,354	\$ 254,176
Harmonized tax receivable		8,104	–
Prepaid expenses		19,586	3,310
Total current assets		197,044	257,486
Equipment		1,460	1,578
Total assets		\$ 198,504	\$ 259,064
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	\$ 566,527	\$ 625,179
CEBA loan	3	44,724	43,283
Total liabilities		611,251	668,462
Shareholders' deficit			
Share capital	4	33,347,873	33,299,802
Contributed surplus		6,136,088	6,122,088
Deficit		(39,896,708)	(39,831,288)
Total shareholders' deficit		(412,747)	(409,398)
Total liabilities and shareholders' deficit		\$ 198,504	\$ 259,064

Going concern (Note 1)

Approved on behalf of the Board of Directors:

{Signed}

Steve Vanry, Director

{Signed}

Paul McKenzie, Director

DeepMarket Corp.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited)
(In Canadian dollars)

For the three months ended September 30			2024	2023
	Note			
Expenses (recoveries)				
Wages and benefits		\$	24,882	\$ 24,484
General and administrative	10		53,486	76,982
Professional fees	10		16,967	14,370
Listing and filing fees			8,274	7,101
Amortization			118	169
Share-based payments	6		–	238,082
Net finance expense (income)	7		2,067	(73)
Foreign exchange loss (gain)			326	(83)
Recovery of harmonized tax receivable	8		(40,700)	–
Total expenses			65,420	361,032
Loss and comprehensive loss		\$	(65,420)	\$ (361,032)
Loss per share – basic and diluted	9	\$	(0.01)	\$ (0.09)

DeepMarket Corp.
Condensed Interim Consolidated Statements of Changes in Shareholders' Deficit
(Unaudited)
(In Canadian dollars)

	Note	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Deficit
Balance, June 30, 2024		\$ 33,299,802	\$ 6,122,088	\$ (39,831,288)	\$ (409,398)
Unit private placement	4	48,071	14,000	–	62,071
Loss for the period		–	–	(65,420)	(65,420)
Balance, September 30, 2024		\$ 33,347,873	\$ 6,136,088	\$ (39,896,708)	\$ (412,747)

	Note	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Deficit
Balance, June 30, 2023		\$ 32,799,296	\$ 5,870,356	\$ (39,032,052)	\$ (362,400)
Share-based payments	6	–	238,082	–	238,082
Loss for the period		–	–	(361,032)	(361,032)
Balance, September 30, 2023		\$ 32,799,296	\$ 6,108,438	\$ (39,393,084)	\$ (485,350)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

DeepMarket Corp.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)
(In Canadian dollars)

For the three months ended September 30	Note	2024	2023
Operating activities			
Loss for the period		\$ (65,420)	\$ (361,032)
Items not affecting cash:			
Amortization		118	169
Share-based payments	6	–	238,082
Finance expense	7	2,195	–
Change in non-cash working capital:			
Harmonized sales tax receivable		(8,104)	45,372
Prepaid expenses		(16,276)	(15,098)
Accounts payable and accrued liabilities		(59,406)	55,343
Net cash used in operating activities		(146,893)	(37,164)
Financing activities			
Private placement proceeds	4	70,000	–
Share issue costs	4	(7,929)	–
Net cash provided by financing activities		62,071	–
Change in cash and cash equivalents		(84,822)	(37,164)
Cash and cash equivalents, beginning of year		254,176	88,944
Cash and cash equivalents, end of year		\$ 169,354	\$ 51,780
Cash and cash equivalents are comprised of:			
Cash		\$ 147,803	\$ 31,780
Redeemable term deposit		21,551	20,000
		\$ 169,354	\$ 51,780

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

DeepMarkit Corp.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended September 30, 2024
(Unaudited)
(In Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

DeepMarkit Corp. (the “Company” or “DeepMarkit”) was incorporated in Canada under the Business Corporations Act (Alberta) on November 20, 2007 under the name Challenger Deep Resources Corp. The Company changed its name to DeepMarkit Corp. on October 30, 2015. The Company is a Technology Issuer whose shares trade on the TSX Venture Exchange under the symbol “MKT.V”, on the OTCQB Venture Market under the symbol “MKTDF” and the Frankfurt Stock Exchange under the symbol “DEP”. To date, the Company has not generated significant revenues from operations. The Company’s registered office of record is Suite 202, 615 – 15th Avenue S.W., Calgary, Alberta, Canada, T2R 0R4.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has not achieved profitable operations since its inception and to date has had limited sources of revenue. As at September 30, 2024, the Company had an accumulated deficit of \$39,896,708 (June 30, 2024 – \$39,831,288) and working capital deficit of \$369,483 (June 30, 2024 – \$367,693). Whether and when the Company can attain profitability and positive cash flows from operations is uncertain. The factors above give rise to material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern.

While management believes the Company has cash resources to discharge its obligations in the normal course of operations for the short-term, future operations will continue to be dependent upon successful development of the Company’s business plan, 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 consolidated financial statements.

While the Company has been successful to date in obtaining financing, there is no assurance that it will be able to do so in the future or that such financing will be on terms acceptable to the Company. Global events, such as the war in Ukraine, have created uncertainties resulting in significant market volatility and a general restriction on the access to capital. There is a significant risk that additional debt and equity financing may not be attainable, in which event, the Company would not be able to continue its business operations. These factors give rise to material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern.

These unaudited condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and their classifications. Such adjustments, if required, could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These unaudited condensed interim consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on October 28, 2024.

DeepMarkit Corp.
Notes to the Condensed Interim Consolidated Financial Statements
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(b) Basis of consolidation

These consolidated financial statements include the accounts of the following entities:

<u>Name</u>	<u>Place of Business</u>	<u>Ownership</u>
DeepMarkit Corp. (“DeepMarkit”)	Canada	Parent company
DeepMarkit Digital Corp. (“Digital”)	Canada (inactive)	100% owned subsidiary of DeepMarkit
First Carbon Corp. (“First Carbon”)	Canada	100% owned subsidiary of DeepMarkit
DeepMarkit AI Corp.	Canada	100% owned subsidiary of DeepMarkit

(c) Adoption of amended accounting standards

The Company adopted the following amendments to IFRS that are mandatorily effective for the Company’s accounting periods beginning on or after July 1, 2024. Their adoption has not had a material impact on disclosures or amounts reported in these consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements

Effective for the Company on July 1, 2024, amendments to IAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability as current or non-current.

3. CEBA LOAN

The Company received a \$60,000 Canadian Emergency Business Account (“CEBA”) loan bearing interest at 5% per annum payable monthly, with full principal repayment due on December 31, 2026.

As at September 30, 2024, the amortized cost of the CEBA loan was \$44,724 (June 30, 2024 – \$43,283). Accounts payable and accrued liabilities as at September 30, 2024 include \$2,090 (June 30, 2024 – \$1,336) of interest on the CEBA loan.

4. SHARE CAPITAL

	Number of common shares		Amount
Balance, June 30, 2024	11,653,068	\$	33,299,802
Unit private placement	700,000		56,000
Share issue costs	–		(7,929)
Balance, September 30, 2024	12,353,068	\$	33,347,873

On July 26, 2024, the Company closed the second tranche of a non-brokered private placement, issuing 700,000 units at a price of \$0.10 per unit for gross proceeds of \$70,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.20 for a period of two years from the date of issuance of the units. Using the residual value method and an \$0.08 market price of the Company’s shares on the closing date, \$56,000 of the gross proceeds were allocated to the common shares with a residual amount of \$14,000 allocated to the common share purchase warrants.

The Company issued 42,000 broker compensation warrants entitling the holder thereof to receive one common share for each warrant at an exercise price of \$0.145 for a period of one year from the date of issuance. The issue date fair value of broker compensation warrants was estimated to be a nominal amount using the Black-Scholes pricing model.

The Company paid \$4,200 of cash finder’s fees and incurred \$3,729 of other cash share issue costs.

DeepMarkit Corp.
Notes to the Condensed Interim Consolidated Financial Statements
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5. WARRANTS

	Number of warrants	Weighted average exercise price
Balance, June 30, 2024	8,088,204	\$ 0.81
Issued (Note 4)	700,000	0.20
Issued (Note 4)	42,000	0.145
Balance, September 30, 2024	8,830,204	\$ 0.76

Information about warrants outstanding as at September 30, 2024 is as follows:

Number of warrants	Weighted average exercise price	Weighted average life remaining (years)
130,082	\$ 0.06	0.59
4,749,597	0.10	1.59
42,000	0.145	0.82
70,000	0.16	0.74
3,380,000	0.20	1.29
458,525	12.09	0.39
8,830,204	\$ 0.76	1.39

6. RESTRICTED SHARE UNITS

As at June 30, 2024 and September 30, 2024, the Company had 395,000 RSUs outstanding which vested on August 19, 2023 and will expire on August 19, 2027. Upon exercise, the Company will issue one common share for each RSU.

During the three months ended September 30, 2024, the Company recognized \$nil (three months ended September 30, 2023 – \$238,082) of share-based payments related to RSUs granted in August 2022 that vested in August 2023.

7. NET FINANCE EXPENSE (INCOME)

For the three months ended September 30	2024	2023
Accretion of CEBA loan (Note 3)	\$ 1,441	\$ –
Interest on CEBA loan (Note 3)	754	–
Interest income	(128)	(73)
	\$ 2,067	\$ (73)

During the three months ended September 30, 2024, the Company paid \$nil (three months ended September 30, 2023 – \$nil) of interest.

8. RECOVERY OF HARMONIZED TAX RECEIVABLE

In 2023, the Company received an unfavorable reassessment of certain HST filings that it continues to appeal. Due to uncertainty of the appeal, the Company impaired the harmonized tax receivable in the years ended June 30, 2024 and 2023.

During the three months ended September 30, 2024, the Company collected \$40,700 of previously impaired HST filings.

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Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended September 30, 2024
(Unaudited)
(In Canadian dollars)

9. LOSS PER SHARE

For the three months ended September 30	2024		2023	
Loss for the period	\$	(65,420)	\$	(361,032)
Basic and diluted ⁽¹⁾ weighted average number of shares		12,155,424		4,246,571
	\$	(0.01)	\$	(0.09)

(1) All warrants and RSUs have been excluded from the diluted per share amounts as their effect is anti-dilutive in loss periods.

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

For the three months ended September 30	2024		2023	
Charged/earned by officers and directors of the Company				
Consulting fees (included in general and administrative expenses)	\$	33,000	\$	67,500
Professional fees		9,551		10,170
Share-based payments		–		49,726
	\$	42,551	\$	127,396

As at September 30, 2024, accounts payable and accrued liabilities included \$199,750 (June 30, 2024 – \$209,250) in respect of key management compensation and a non-interest bearing amount of \$305,834 (June 30, 2024 – \$305,834) in respect of key management compensation owing to a former director of the Company.

11. LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash. As at September 30, 2024, the Company's financial liabilities consist of accounts payable and accrued liabilities and the CEBA loan, a portion of which can be settled through the cash and cash equivalents balance of \$169,354. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. There have been no changes in the Company's strategy with respect to credit/liquidity risk in the period.

The timing of cash outflows relating to the Company's financial liabilities as at September 30, 2024 are as follows:

	Carrying amount	Contractual cash flows	Due within 1 year	Due December 31, 2026
	\$	\$	\$	\$
Accounts payable and accrued liabilities	566,527	566,527	566,527	–
CEBA loan (Note 3)	44,724	60,000	–	60,000
	611,251	626,527	566,527	60,000