

Deeprock Minerals Inc. Announces Arrangement Agreement, Information Circular and Technical Reports for Spin-Off and Reverse Takeover with Allied Critical Metals Corp.

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[DeepRock Minerals Inc.](#) (the "Company" or "Deeprock")(CSE Symbol: DEEP), is pleased to announce that further to its news release dated June 14, 2024 it has entered into the definitive agreement signed October 23, 2024 with effect as of September 30, 2024 (the "Arrangement Agreement") with Allied Critical Metals Corp. ("ACM" or "Allied Critical Metals"). In addition, the Company has also (1) obtained an interim court order (the "Interim Court Order") for approval of the plan of arrangement (the "Arrangement") under the Arrangement Agreement; (2) called an annual general and special meeting of shareholders on Thursday November 21, 2024 at 10:00am (Pacific Time) (the "Meeting") to approve the Arrangement and other annual general and special business as more particularly set out in the Company's management information circular dated October 23, 2024 (the "Circular"); and (3) publicly filed the technical reports in respect of ACM's two tungsten mineral properties, including the maiden mineral resource estimate for the Borralha Tungsten Project.

Highlights

- Arrangement Agreement signed for Deeprock's consolidation and name change, spin-out, reverse takeover amalgamation, and continuation to Cayman.
- Interim Court Order obtained on October 21, 2024.
- Meeting called on November 21, 2024 at 10:00 am (Pacific Time) to approve Arrangement and other annual general and special business.
- Circular describing the Arrangement and business of the Meeting being delivered to Deeprock security holders.
- Filed technical reports for ACM's two tungsten properties, including the maiden mineral resource estimate of the Borralha Tungsten Project.

The Arrangement Agreement provides the general terms and conditions of the spin-out transaction of Deeprock and subsequent reverse takeover of the Company by ACM (the "Transaction") under the Arrangement, pursuant to the policies of the Canadian Securities Exchange (the "Exchange") and applicable securities laws. The Company received its Interim Order of the British Columbia Supreme Court (the "Court") in respect of the Arrangement on October 21, 2024. Assuming approval of the Arrangement at the Meeting on November 21, 2024, the Company will seek a final order of the Court for approval of the Arrangement on November 27, 2024 which would allow for completion of the Transactions on or after November 27, 2024. Trading in the common shares of Deeprock will remain halted until completion of the Transaction.

The Circular is being delivered to shareholders and warrant holders of the Company of record on the record date of October 1, 2024. The particulars of the matters to be considered at the Meeting are described in the Circular which is publicly available under the Company's profile on SEDAR+ at www.sedarplus.ca.

In addition, the Company is also pleased to announce that it has publicly filed the technical report for the maiden mineral resource estimate of ACM's Borralha Tungsten Project ("Borralha") entitled "Technical Report on the Borralha Property, Parish of Salto, District of Vila Real, Portugal" dated effective July 31, 2024 signed October 1, 2024 (the "Borralha Technical Report"). The Company also publicly filed the technical report for ACM's Vila Verde Tungsten Project ("Vila Verde") entitled, "Technical Report on the Vila Verde Property, District of Vila Real, Portugal" dated effective July 30, 2024 and signed October 1, 2024 (the "Vila Verde Technical Report"). The Borralha Technical Report and the Vila Verde Technical Report (collectively,

the "Technical Reports") were prepared and authored by J. Douglas Blanchflower, P.Geo. (PTP No. 1002071), in accordance with National Instrument 43-101-Standards for Disclosure of Mineral Projects ("NI 43-101") and are publicly available under the Company's profile on SEDAR+ at www.sedarplus.ca.

As described in the Borralha Technical Report, Borralha includes estimated mineral resources based on a cut-off grade of 0.10% WO₃ having reasonable prospects for eventual economic extraction (RPEEE) with a 0.1% WO₃ grade-volume shell with less than 5,000 m³ volume excluded, as follows:

- Indicated resources comprised of 4.4 million tonnes grading 0.22% WO₃, 99 ppm tin, 809 ppm copper and 5.1 ppm silver; and
- Inferred resources comprised of 6.0 million tonnes grading 0.20% WO₃, 83 ppm tin, 681 ppm copper and 4.7 ppm silver.

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; and the Vila Verde Tungsten Project. 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.

ACM has raised approximately \$3.5 million in equity financing over the past 18 months of which over \$3.25 million has been spent on 3,685m drilling and other exploration and the acquisition of the Tungsten Projects, which includes a recent aggregate investment of approximately \$480,000 strategic investment by [Majestic Gold Corp.](https://majesticgold.com) (TSXV: MJS) ("Majestic") (see <https://majesticgold.com>) and some of its significant shareholders. 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.

The Transaction

The Company intends to complete the Transaction pursuant to a plan of arrangement (the "Arrangement") under the Arrangement Agreement, which will include the following steps:

1. Consolidation and Name Change - 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 Inc. or such other name as may be determined by ACM which is acceptable to the Exchange (the Name Change");
2. Spin-Out - 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 Deeprock shareholders pro rata in proportion to their ownership of Deeprock (the "Spin-Out");
3. Concurrent Financing - ACM shall complete a concurrent private placement equity financing of units (the Units") at a price of \$0.40 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-half 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 \$0.60 per share; and

4. RTO Amalgamation - 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"), as a reverse takeover of the post-Consolidation Company and the business of ACM shall become the business of the Resulting Issuer; and
5. Continuation to Cayman - the Resulting Issuer will vertically amalgamate with its wholly owned Amalco after it has continued its existence from Ontario to British Columbia, and then the amalgamated Resulting Issuer shall continue its existence from British Columbia to the Cayman Islands, 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 \$1,500,000 at \$0.40 per Unit, the Resulting Issuer will have approximately 78,898,790 common shares issued and outstanding, as well as 2,494,525 Warrants, a number of brokers warrants exercisable at \$0.40, and no options. The 2,494,525 Warrants are comprised of 197,400 warrants exercisable at \$0.10 until May 15, 2025 to February 15, 2026, 422,125 Warrants at \$2.40 until January 19, 2025 to June 13, 2026, and 1,875,000 Warrants at the Listing Price until 24 months after Listing.

Assuming completion of the Transaction with a maximum concurrent Financing of \$7,500,000 at \$0.40 per Unit, the Resulting Issuer will have approximately 93,898,790 common shares issued and outstanding, as well as 9,994,525 Warrants, a number of brokers warrants exercisable at \$0.40, and no options. The 9,994,525 Warrants are comprised of 197,400 warrants exercisable at \$0.10 until May 15, 2025 to February 15, 2026, 422,125 Warrants at \$2.40 until January 19, 2025 to June 13, 2026, and 9,375,000 Warrants at the Listing Price until 24 months after Listing.

Escrow Conditions

RI Shares issued pursuant to the Amalgamation shall be subject to resale restrictions pursuant to the policies of the Exchange, RI Shares issued to insiders of the Resulting Issuer shall be subject to escrow in accordance with the policies of the Exchange, and RI Shares issued to certain other investors in ACM shall be subject to other resale restrictions. 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"):

1. (a) 25,500,000 common shares of the Resulting Issuer held by principals and other founders 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
2. (b) 11,173,125 common shares of the Resulting Issuer held by prior owners of the Tungsten Properties are expected to 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 \$0.40 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 \$0.60 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, as more particularly described in the Circular.

Commissions and 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 cash commissions on the gross proceeds of from purchasers under the Concurrent Financing introduced by finders and a number of common share purchase warrants (the "Brokers Warrants") equal to a percentage of the number of Units issued to purchasers under the Concurrent Financing introduced by finders. 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

As described in the Company's news release dated June 14, 2024, 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 common director (Andrew Lee) and two common officers (Andrew Lee and Keith Margetson). 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 at the Meeting pursuant to the 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. absence of any material adverse effect on the financial or operational condition of the assets or business of each of the parties to the Arrangement Agreement;
2. completion and delivery to Deeprock of the title opinion in respect of the Tungsten Projects;
3. representations and warranties of each of the ACM and Deeprock contained in the Arrangement Agreement being true and correct as of the Closing Date, and there being no material breach of ACM or Deeprock of the representations, warranties and covenants in the Arrangement Agreement;
4. ACM and Deeprock shall be satisfied, acting reasonably, that the Tungsten Projects and ACM's interests therein satisfies the Exchange's initial listing requirements;
5. receipt of all required regulatory, corporate and third party approvals, including Deeprock shareholder approval, Exchange approval, and compliance with all applicable regulatory requirements and conditions necessary to complete the Transaction;
6. delivery of standard completion documentation, including but not limited to, legal opinions, officers' certificates, and certificates of good standing or compliance; and

7.
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 Deeprrock nominating one member. On Closing, all of the directors of Deeprrock will resign other than Andrew Lee, and Roy Bonnell, Sean O'Neill (as Non-Executive Chairman), Joao Barros, Michael Galego, and Colin Padget will be appointed as directors of the Resulting Issuer. Roy Bonnell will be appointed as Chief Executive Officer, Joao Barros as President and Chief Operating Officer, Keith Margetson as Chief Financial Officer, and Andrew Lee as Corporate Secretary. Additional information about its proposed new directors, officers and insiders is provided in the Company's Circular which is filed under the Company's profile on SEDAR+ as the principal disclosure document 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.

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