GPM Metals

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended

December 31, 2018 and 2017

(Expressed in Canadian dollars)

Management`s Responsibility for Consolidated Financial Statements

The accompanying audited consolidated financial statements of GPM Metals Inc. (the `Company` or `GPM`) are the responsibility of management and the Board of Directors.

The audited consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the audited consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the audited consolidated financial statements have been prepared within acceptable limits of materiality and are in compliance with all applicable International Financial Reporting Standards.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the audited consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the audited consolidated financial statements and (ii) the audited consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the audited consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the audited consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the audited consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the audited consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company`s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) Peter Mullens
Peter Mullens
Chief Executive Officer

(signed) Yajian Wang
Yajian Wang
Chief Financial Officer

Toronto Canada
April 30, 2019

Independent Auditor's Report

To the Shareholders of GPM Metals Inc.:

Opinion

We have audited the consolidated financial statements of GPM Metals Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company had an accumulated deficit of $38,927,074 during the year ended December 31, 2018. As stated in Note 1, this event or condition, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of the Company for the year ended December 31, 2017 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on April 26, 2018.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Brock Stroud.

MNP LLP

Toronto, Ontario
April 30, 2019

Chartered Professional Accountants
Licensed Public Accountants

MNP

GPM METALS INC.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

		As at December 31, 2018		As at December 31, 2017
ASSETS				
Current assets				
Cash	**$**	**399,674**	$	231,889
Short-term investments (note 5)		**13,503**		21,853
Accounts receivable and other assets (note 7)		**36,071**		66,189
Total current assets		**449,248**		319,931
Equipment (note 6)		**5,479**		-
Total assets	**$**	**454,727**	$	319,931
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (note 13)	**$**	**159,741**	$	313,826
Capital, reserves and deficit				
Share capital (note 8)		**24,193,983**		23,439,480
Capital surplus (note 9)		**14,797,549**		14,738,742
Warrant reserve (note 10)		**230,528**		-
Deficit		**(38,927,074)**		(38,172,117)
Total capital, reserves and deficit		**294,986**		6,105
Total liabilities and equity	**$**	**454,727**	$	319,931

Nature of operations and going concern (note 1)
Commitments (note 16)

Approved on behalf of the Board:

(Signed) Daniel Noone , Director

(Signed) Bruce Rosenberg , Director

The notes to the consolidated financial statements are an integral part of these statements.

GPM METALS INC.
Consolidated Statements of Loss & Comprehensive loss
(Expressed in Canadian Dollars)

		Year Ended December 31, 2018		2017
Operating expenses				
General and administrative (note 12, 13)	**$**	**472,673**	$	1,060,939
Foreign exchange loss		**37,669**		32,397
Exploration and evaluation expenditures (note 13, 14)		**242,346**		1,064,029
Operating loss		**(752,688)**		(2,157,365)
Interest income		**6,081**		6,240
FV adjustment on short-term investments (note 5)		**(8,350)**		(3,147)
Net loss and comprehensive loss for the year	**$**	**(754,957)**	$	(2,154,272)
Basic and diluted net loss per common share (note 11)	**$**	**(0.01)**	$	(0.02)
Weighted average number of common shares outstanding (note 11)		**103,702,570**		90,233,118

The notes to the consolidated financial statements are an integral part of these statements

GPM METALS INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2018	2017
Operating activities		
Net loss for the year	**$ (754,957)**	$ (2,154,272)
Adjustment for non-cash items:		
Stock-based compensation (note 9)	**58,807**	665,539
Unrealized loss on short-term investments (note 5)	**8,350**	3,147
Depreciation	**1,160**	-
Changes in non-cash working capital items:		
Accounts receivable and other assets	**30,118**	44,634
Accounts payable and accrued liabilities	**(154,085)**	(154,552)
Net cash used in operating activities	**(810,607)**	(1,595,504)
Investing activities		
Purchase of property, plant, and equipment (note 6)	**(6,639)**	-
Net cash used in investing activities	**(6,639)**	-
Financing activities		
Private placements (note 8)	**1,000,000**	-
Share issuance costs (note 8)	**(14,969)**	-
Net cash provided by financing activities	**985,031**	-
Net change in cash	**167,785**	(1,595,504)
Cash, beginning of year	**231,889**	1,827,393
Cash, end of year	**399,674**	231,889

The notes to the consolidated financial statements are an integral part of these statements

GPM METALS INC.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Capital surplus	Reserves: Contributed surplus	Reserves: Warrant reserve	Accumulated deficit	Total
Balance at January 1, 2017	**$ 23,439,480**	**$ 13,554,655**	**$ 518,549**	**$ (36,017,845)**	**$ 1,494,839**
Share-based compensation (note 9, 13)	-	665,538	-	-	665,538
Warrants expired/cancelled	-	518,549	(518,549)	-	-
Net loss for the year	-	-	-	(2,154,272)	(2,154,272)
Balance, December 31 , 2017	**$ 23,439,480**	**$ 14,738,742**	**$ -**	**$ (38,172,117)**	**$ 6,105**

	Capital surplus	Reserves: Contributed surplus	Reserves: Warrant reserve	Accumulated deficit	Total
Balance at January 1, 2018	**$ 23,439,480**	**$ 14,738,742**	**$ -**	**$ (38,172,117)**	**$ 6,105**
Units issued in private placement	1,000,000	-	-	-	1,000,000
Share issuance costs	(14,969)	-	-	-	(14,969)
Warrants issued in private placements	(230,528)	-	230,528	-	-
Stock-based compensation (note 9, 13)	-	58,807	-	-	58,807
Net loss for the year	-	-	-	(754,957)	(754,957)
Balance, December 31 2018	**$ 24,193,983**	**$ 14,797,549**	**$ 230,528**	**$ (38,927,074)**	**$ 294,986**

The notes to the consolidated financial statements are an integral part of these statements

1. Nature of operations and going concern

GPM Metals Inc. (the "Company" or "GPM") was incorporated under the Alberta Business Corporation Act on March 16, 1994 under the name of Minera Sierra Madre Inc. Effective December 15, 1999, the Company changed its name to MSA Capital Corp. and, subsequently, on October 28, 2002, changed its name to Coronation Minerals Inc. On April 5, 2004, the Company filed articles of continuance and was continued under the Business Corporations Act (Ontario). On August 17, 2009, the Company announced that it had filed articles of amendment to change its name to Guyana Precious Metals Inc. Effective August 27, 2013, the Company changed its name to GPM Metals Inc. The primary office is located at 141 Adelaide Street West, Suite 1101, Toronto, Ontario, M5H 3L5.

The Company is a development stage entity that does not generate operating revenues and has limited financial resources. The Company is subject to risks and challenges similar to companies in a comparable stage of development. These risks include the availability of capital and risks inherent in the mining industry related to development, exploration and operations as well as global economic risks and commodity price volatility. The underlying value of the Company’s mineral properties are entirely dependent on the Company’s ability to obtain the necessary permits to operate and secure the required financing to complete development of and establish future profitable production from its mineral assets, or the proceeds from the disposition of its mineral properties.

These consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board on a going concern basis, which assumes the Company will be able to meet its obligations and continue its operations for the next twelve months from December 31, 2018. At December 31, 2018, the Company had not yet achieved profitable operations, had an accumulated deficit of $38.9 million since inception (December 31, 2017, $38.2 million) and expects to incur further losses in the development of its business.

The Company’s ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its ongoing corporate overhead expenditures as well as advance the exploration of its claims and development of its projects. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to do so in the future or that such arrangements will be on terms advantageous to the Company. These material uncertainties cast significant doubt upon the Company’s ability to realize its assets and discharge its liabilities in the normal course of business and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and noncompliance with regulatory and environmental requirements.

2. Significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee.

The policies applied in these consolidated financial statements are based on IFRS issued and effective as of December 31, 2018. The Board of Directors approved the statements on April 30, 2019.

2. Significant accounting policies (continued)

(b) Recent accounting pronouncements

Adopted accounting pronouncements:

IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. A new hedge accounting model is introduced and represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. The new standard is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company adopted this standard on January 1, 2018 and it did not have a material impact on the financial statements.

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") was issued by the IASB in May 2014. The new standard provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively with early adoption permitted. The Company adopted this standard on January 1, 2018 and it did not have a material impact on the financial statements as the Company is currently not generating operating revenues.

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after January 1, 2019 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the list below.

Future accounting pronouncements:

IFRS 16-Leases ("IFRS 16") supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. It eliminates the distinction between operating and finance leases from the perspective of the lessee. All contracts that meet the definition of a lease will be recorded in the statement of financial position with a "right of use" asset and a corresponding liability. The asset is subsequently accounted for as property, plant and equipment or investment property and the liability is unwound using the interest rate inherent in the lease.

The date of initial application of IFRS 16 is January 1, 2019. The Company has elected to adopt IFRS 16 using the modified retrospective approach. Under this approach, the Company will not restate its comparative figures but will recognize the cumulative effect of adopting IFRS 16 as an adjustment to opening retained earnings at the beginning of the 2019 fiscal year.

The company leases its head office building. The Company's current office lease extends to November 30, 2022. The company expects to record a right of use asset and corresponding lease liability for this lease on January 1, 2019. On transition to IFRS 16, the Company will elect to apply the practical expedient to grandfather the assessment of which transactions are leases and apply IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 Leases will not be reassessed for whether a lease exists. The Company will elect to not recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less and for leases of low-value assets. The Company will also account for leases for which the lease term ends within 12 months of the date of initial application as short-term leases.

2. Significant accounting policies (continued)

(c) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial assets to fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates. Of significance are the estimates and assumptions used in the recognition and measurement of items included in note 2.

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.
The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statements of loss and comprehensive loss from the date that control commences until it ceases, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The following companies have been consolidated within the consolidated financial statements:

Corporation	Country of Incorporation	Principle activity
GPM Metals Inc.	Canada	Parent company
1901743 Ontario Inc.[1]	Canada	Holding company
DPG Resources Australia Pty Ltd. [2]	Australia	Exploration company
Guyana Precious Metals (Barbados) Inc.[1]	Barbados	Holding company
Chaska Resources SAC[3]	Peru	Exploration company

(1) 100% owned by GPM Metals Inc.
(2) 100% owned by 1901743 Ontario Inc.
(3) 100% owned by Guyana Precious Metals (Barbados) Inc.

(e) Foreign currencies

The functional currency for the Company and its subsidiaries, as determined by management, is the Canadian Dollar. For the purpose of the consolidated financial statements, the results of operations and financial position are expressed in Canadian Dollars.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the yearend exchange rates are recognized in the consolidated statement of loss and comprehensive loss.

(f) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

2. Significant accounting policies (continued)

(f) Financial instruments (continued)

Effective January 1, 2018, the Company adopted IFRS 9 - Financial Instruments ("IFRS 9"). In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes lAS 39 - Financial Instruments: recognition and measurement ("lAS 39"). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company has adopted IFRS 9 on a retrospective basis, however, this guidance had no impact to the Company's consolidated financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

The new hedge accounting guidance aligns hedge accounting more closely with an entity's risk management objectives and strategies. IFRS 9 does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however, it allows more hedging strategies used for risk management to qualify for hedge accounting and introduces more judgement to assess the effectiveness of a hedging relationship, primarily from a qualitative standpoint.

Below is a summary showing the classification and measurement bases of our financial instruments as at January 1, 2018 as a result of adopting IFRS 9 (along with comparison to lAS 39).

Classification	IAS 39	IFRS 9
Cash	FVTPL	FVTPL
Short-term investments	FVTPL	FVTPL
Accounts receivable and other assets	Other financial liabilities	Amortized Cost
Accounts payable and other liabilities	Other financial liabilities	Amortized Cost

As a result of the adoption of IFRS 9, the accounting policy for financial instruments as disclosed in the Company's December 31, 2017 consolidated financial statements has been updated as follows:

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. The Company's cash and short-term investments are classified as financial assets measured at FVTPL.

ii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Company's accounts receivable are classified as financial assets measured at amortized cost.

2. Significant accounting policies (continued)

(f) Financial instruments (continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable and accrued liabilities do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's consolidated financial statements.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic

2. Significant accounting policies (continued)

prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(f) Financial instruments (continued)

Financial instruments at fair value through profit and loss

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices): and
- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market date (unobservable inputs).

As at December 31, 2018 and December 31, 2017, the fair value of the financial liabilities approximates the carrying value, due to the short-term nature of the instruments.

As at December 31, 2018, and December 31, 2017, cash and the Company`s investment in Prophecy Coal Corp. (“Prophecy Coal”) (note 5) are recorded at fair value and are considered as Level 1 financial instruments. As at December 31, 2018, Prophecy Coal common shares are carried at a fair value of $13,503. (December 31, 2017 – $21,853)

(g) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. The recoverable amount is the higher of an asset`s fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

(h) Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activities.

Once a project has been established as commercially viable and technically feasible, related development expenditure will be capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, except for development costs that give rise to a future benefit.
If an exploration property is disposed of any, consideration is reflected as a gain on disposition.

(i) Cash

Cash in the statements of financial position comprise cash deposits held at banks and on hand.

(j) Provisions

A provision is recognized when the Company has a present legal or constructive obligation because of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation

2. Significant accounting policies (continued)

(j) Provisions (continued)

can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions or onerous contracts at December 31, 2018 and December 31, 2017.

(k) Common shares (share capital) and subscriber warrants

Common shares are classified as share capital. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects. Subscriber warrants are classified within warrant reserve. Where common shares and subscriber warrants are offered together (as a “unit”) the Corporation allocates the consideration received per unit, net of any issuance costs, to the common shares and subscriber warrants based on their relative fair values. The fair value of warrants is measured using a Black-Scholes option pricing model.

(l) Share based payment transactions

Share based payments to employees:

The company measures share based payments to employees at the fair value of the options at the grant date. The fair value of share options granted to employees is recognized as an expense over the vesting or service period with a corresponding increase in equity. The fair value of the options granted is measured using the Black-Scholes valuation model, considering the terms and conditions upon which the options were granted.

At each financial reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services like those performed by a direct employee, including directors of the Company.

Share based payments to non-employees:

The Company measures share based payments to non-employees at the fair value of the goods or services received at the date of receipt of the goods or services. The fair value of share options granted to non-employees is recognized as an expense over the period the services have been provided. If the fair value of the goods or services cannot be measured reliably, the fair value of the options granted will be used, measured using the Black-Scholes option-pricing model.

(m) Warrants

Special warrants give the holders’ the right to purchase a set number of shares for a fixed price on or before the warrant’s expiration date.

Warrants are cancelled on their given expiration date. Expired warrants are cancelled to contributed surplus.

(n) Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

2. Significant accounting policies (continued)

(n) Income taxes (continued)

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(o) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related assets, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate and amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

At December 31, 2018 and December 31, 2017, the Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

(p) Interest income

Interest income is recognized on the accrual basis using the effective interest method.

(q) Loss per share

The Company presents basic loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. The dilutive effect of outstanding stock options and warrants on earnings per share is calculated by determining the proceeds for the exercise of such securities which are then assumed to be used to purchase common shares of the Company. If the number of common shares outstanding increases or decreases

2. Significant accounting policies (continued)

q) Loss per share (continued)

because of share split or consolidation, the calculation of basic and diluted loss per share for all periods presented, is adjusted retrospectively.

(r) Equipment

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is recognized based on the cost of an item of property and equipment, less its estimated residual value, over a period of 4 years for computer equipment and 2.5 years for specialized software.

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

In the year of disposal, the resulting gain or loss is included in the statements of operations and comprehensive loss and the cost of the equipment retired or otherwise disposed and the related accumulated depreciation are eliminated from these accounts.

(s) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(t) Critical accounting estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, if actual results differ from assumptions made, relate to, but are not limited to, the following:

- the inputs used in accounting for share-based payment transactions and in valuation of warrants issued in unit financing;
- management assumption of no material restoration, rehabilitation and environmental obligations, based on the fact and circumstances that existed during the period;
- management’s position that there is no income tax asset recognized within these consolidated financial statements;
- management’s determination of the functional currency of GPM Metals Inc. and its subsidiaries as Canadian dollars; and
- assessment of the going concern assumption as detailed in Note 1 to the consolidated financial statements.

3. Capital risk management

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and adjusts according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which comprises share capital, reserves and deficit, which at December 31, 2018 is $294,986 (December 31,2017 – $6,105).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2018.

4. Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable. Cash is held within select major Canadian, Peruvian, Barbadian and Australian chartered banks. Management believes that the credit risk concentration with respect to financial instruments included in cash and other receivables is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital markets is hindered, whether because of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2018, the Company had cash of $399,674 (December 31, 2017 – $231,889) to settle current liabilities of $159,741 (December 31, 2017 – $313,826). Some of the Company's financial liabilities have maturities longer than 90 days and are not subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity prices.

4. Financial risk management (continued)

(iii) Market risk (continued)

a) Foreign currency risk

The Company's functional and presentation currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As at December 31, 2018, the Company funds certain operations, exploration and administrative expenses in Peru and Barbados on a cash call basis using US dollar currency, and in Australia using the Australian dollar currency. The Company maintains US dollar bank accounts in Canada, Peru and Barbados, and also maintains Australian dollar bank accounts in Australia. The Company is subject to gains and losses from fluctuations in the US dollar, Australian dollar, and the Peruvian sol against the Canadian dollar.

b) Equity price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company's investment in the common shares of Prophecy Coal Corp. ("Prophecy Coal") (note 5) are subject to fair value fluctuations arising from changes in the equity market.

(iv) Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period:

(i) The Company holds balances in foreign currencies which could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in each of the applicable foreign exchange rates against the Canadian dollar would affect the reported loss and comprehensive loss for the year ended December 31, 2018 by approximately $12,510 (December 31, 2017 – $18,690).

(ii) The Company's investment in the common shares of Prophecy Development Corp. (note 5) is subject to fair value fluctuations. As at December 31, 2018, sensitivity to a plus or minus 10% change in the quoted market price of Prophecy Development Corp. common shares, with all other variables held constant, would affect reported loss and comprehensive loss for the year ended December 31, 2018 by approximately $1,350 (December 31, 2017 – $2,185).

5. Short-term investments

	Number of Shares		As at December 31, 2018		As at December 31, 2017
Common shares of Prophecy Development Corp.	50,000	**$**	**13,503**	$	21,853

The Company recognized an unrealized loss relating to fair value fluctuations of $8,350 (2017 – $3,147). During the December 31, 2018 fiscal year, Prophecy Development Corp. completed a 10:1 stock split resulting in an additional 45,000 common shares acquired.

(Expressed in Canadian Dollars)

6. Equipment

		Equipment
Cost		
Balance as at January 1, 2018	$	-
Additions		6,639
Balance as at December 31, 2018	**$**	**6,639**
Accumulated Amortization		
Balance as at January 1, 2018	$	-
Depreciation		1,160
Balance as at December 31, 2018	**$**	**1,160**
Net Book Value		
Balance as at December 31, 2018	**$**	**5,479**

7. Accounts receivable and other assets

		As at December 31, 2018		As at December 31, 2017
Harmonized sales tax recoverable (Canada)	**$**	3,217	$	16,906
Sales tax recoverable (Australia)		14,530		10,584
Pacific Consulting (Australia)		-		962
Adrian Buer (Australia)				4,901
Prepaid expenses		10,482		18,071
Miscellaneous		7,842		14,765
Total Account Receivable and other Assets	**$**	**36,071**	$	66,189

8. Share capital

a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

At December 31, 2018, the issued share capital amounted to $24,193,983 (2017-$23,439,480). The changes in issued share capital for the years ended December 31, 2018 and December 31, 2017 were as follows:

	Number of Common Shares		Amount
Balance, December 31, 2016 and December 31, 2017	**90,233,118**	**$**	**23,439,480**
Issued in February 2018 private placement (1)	10,000,000		318,526
Issued in July 5, 2018 private placement (2)	10,000,000		450,946
Share issuance costs	-		(14,969)
Balance, December 31, 2018	**110,233,118**	**$**	**24,193,983**

8. Share capital (continued)

b) Common shares issued (continued)

(1) In February 2018, the Company announced it had closed its previously announced non-brokered private placement, pursuant to which it has issued an aggregate of 10,000,000 units at a price of $0.05 per Unit to raise gross proceeds of $500,000. Each Unit consists of one common share of the Company and one share purchase warrant with such warrant exercisable to acquire one additional common share at an exercise price of $0.10 for a period of 24 months from the closing of the Offering. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.075, expected dividend yield of 0%, risk-free interest rate of 1.84%, volatility of $124%, and an expected life of two years. The value assigned to these warrants using a proportional allocation method is $181,474.

(2) In July 2018, the Company announced it had closed its previously announced non-brokered private placement, pursuant to which it has issued an aggregate of 10,000,000 units at a price of $0.05 per Unit to raise gross proceeds of $500,000. Each Unit consists of one common share of the Company and one-half of one share purchase warrant with such warrant exercisable to acquire one additional common share at an exercise price of $0.10 for a period of 24 months from the closing of the Offering. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.055, expected dividend yield of 0%, risk-free interest rate of 1.91%, volatility of $120%, and an expected life of two years. The value assigned to these warrants using a proportional allocation method is $49,054.

9. Stock options

The Company adopted a stock option plan for employees, consultants, officers and directors on April 24, 1995. The number of common shares reserved for issue under the stock option plan may not exceed 10% of the issued and outstanding capital of the Company at any given time. The term of options granted under the stock option plan may not exceed five years from the date of the grant and the option price, which may be determined by the directors of the Company, may not be less than the market price for the common shares at the grant date, less an approved discount.

The Company records a charge to the statements of loss and comprehensive loss using the Black-Scholes valuation model. For options granted to non-employees, the valuation is based on services provided if reliably measurable. The Black-Scholes valuation is dependent on a number of estimates, including the risk-free interest rate, the level of stock volatility together with an estimate of the level of forfeiture. The level of stock volatility is calculated with reference to the historic traded daily closing share price of the Company at the date of issue.

Options pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

The following tables reflect the continuity of stock options for the years ended December 31, 2018 and December 31, 2017.

(Expressed in Canadian Dollars)

9. Stock options (continued)

	Number of stock options	Weighted average exercise price ($)
Balance, January 1, 2016	5,900,000	0.36
Expired and Cancelled	(1,575,000)	0.10
Granted (ii)	3,350,000	0.07
Balance, December 31, 2017	7,675,000	0.32
Weighted average exercise price for vested options		0.35
Balance, January 1, 2018	7,675,000	0.35
Cancelled (July 26, 2019 expiry) (i)	(200,000)	0.50
Cancelled (March 2, 2020 expiry) (ii)	(100,000)	0.15
Granted on December 12, 2018 (iii)	1,700,000	0.10
Balance, December 31, 2018	**9,075,000**	**0.28**
Weighted average exercise price for vested options		**0.31**

The following table reflects the stock options issued and outstanding remaining life as of December 31, 2018:

Expiry date	Exercise price ($)	Weighted average remining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
July 26, 2019 (i)	0.50	0.57	3,625,000	3,625,000	-
March 2, 2020 (ii)	0.15	1.17	3,250,000	3,250,000	-
September 7, 2020	0.115	1.69	500,000	500,000	-
December 12, 2021 (iii)	0.10	2.95	1,700,000	425,000	1,275,000
		1.29	**9,075,000**	**7,800,000**	**1,275,000**

(i) On July 26, 2016, the Company granted 3,825,000 options to certain directors, officers, and consultants of the company at a price of $0.50 per share. The options have an exercise price of $0.50 per share and an expiry date of July 26, 2019. The options vest at a rate of 25% on the date of grant and 25% on each of the 6, 12- and 18-month anniversaries of the date of grant. The fair value of the options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.49, expected dividend yield of 0%, risk-free interest rate of 0.58%, volatility of 134%, and an expected life of 2.76 years. The fair value assigned to these options was $1,391,153. For the year ended December 31, 2018, the impact on the consolidated statement of loss and comprehensive loss is $16,471 (2017-$477,607). 200,000 of these options were cancelled during the year ended December 31, 2018.

(ii) On March 2, 2017 the Company granted 3,350,000 options to certain directors, officers and consultants of the Company. The options have an exercise price of $0.15 per share and an expiry date of March 2, 2020. The options vest at a rate of 25% on the date of grant and 25% on each of the 6, 12- and 18-month anniversaries of the date of grant. The fair value of the options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.095, expected dividend yield of 0%, risk-free interest rate of 0.77%, volatility of 130%, and an expected life of 2.72 years. The fair value assigned to these options was $220,095. For the year ended December 31, 2018, the impact on the consolidated statement of loss and comprehensive loss is $32,108 (2017-$186,432). 100,000 of these options were cancelled during the year ended December 31, 2018.

(Expressed in Canadian Dollars)

9. Stock options (continued)

(iii) On December 12, 2018, the Company granted 1,700,000 options to certain directors, officers and consultants of the Company. The options have an exercise price of $0.10 per share and an expiry date of December 12, 2021. The options vest at a rate of 25% on the date of grant and 25% on each of the 6, 12- and 18-month anniversaries of the date of grant. The fair value of the options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.040, expected dividend yield of 0%, risk-free interest rate of 2.06%, volatility of 115%, and an expected life of 3 years. The fair value assigned to these options was $37,332. For the year ended December 31, 2018, the impact on the consolidated statement of loss and comprehensive loss is $10,228 (2017-nil).

10. Warrants

The following table reflects the continuity of warrants for the periods ended December 31, 2018 and December 31, 2017:

	Number of Warrants	Weighted average exercise price ($)
Balance, January 1, 2016	3,604,072	0.26
Expired May 24, 2017	(604,072)	0.15
Expired May 27, 2017	(3,000,000)	0.28
Balance, December 31, 2017	-	-
Issued February 21, 2018	10,000,000	0.1
Issued July 05, 2018	5,000,000	0.1
Balance, December 31, 2018	**15,000,000**	**0.1**

The following table reflects the warrants issued and outstanding as of December 31, 2018:

Expiry date	Exercise price ($)	Fair Value ($)	Number of warrants outstanding
February 21, 2020	0.10	181,474	10,000,000
July 05, 2020	0.10	49,054	5,000,000
Total, December 31 2018	**0.10**	**230,528**	**15,000,000**

11. Net loss per common share

The calculation of basic and diluted loss per share for the year ended December 31, 2018 were based on the loss attributable to common shareholders of $754,957 (December 31, 2017 – $2,154,272) and the basic weighted average number of common shares outstanding of 103,702,570 (December 31, 2017- 90,233,118). Diluted loss per share did not include the effect of outstanding options or warrants as they are anti-dilutive and not in the money.

(Expressed in Canadian Dollars)

12. General and administrative

	Year Ended December 31, 2018	2017
Salaries and benefits	$ **92,622**	$ 521,142
Consulting fees	**58,007**	288,985
Administrative and general	**204,927**	121,114
Reporting issuer costs	**32,316**	32,108
Professional fees	**72,711**	80,700
Insurance	**12,090**	16,890
Total	$ **472,673**	$ 1,060,939

13. Related party balances and transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The transactions noted below are in the normal course of business and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) GPM entered into the following transactions with current or former related parties, comprised of stock-based compensation, fees, and salaries:

	Notes	Year Ended December 31, 2018	2017
Bruce Rosenberg		$ **9,574**	$ 42,535
Alan Ferry		**1,869**	42,535
Doug Lewis		**4,136**	42,535
Harry Burgess		**2,302**	36,291
J. Patrick Sheridan	(i)	**11,367**	213,088
Dan Noone	(ii)	**5,824**	79,119
Paul Murphy		**4,314**	55,731
Peter Mullens		**165,778**	-
Yajian Wang		**9,104**	-
Total compensation to related parties		$ **214,268**	$ 511,834

(i) At December 31, 2018 $nil was owed to J. Patrick Sheridan (December 31, 2017 - $19,334).
(ii) At December 31, 2018 $40,974 was owed to Dan Noone (December 31, 2017 - $nil).

(Expressed in Canadian Dollars)

13. Related party balances and transactions (continued)

(b) Remuneration of current and former Directors and key management personnel of the company was as follows:

	Year Ended December 31,			
		2018		2017
Total salaries, benefits, and fees	**$**	**35,017**	$	168,000
Total share-based payments		**179,251**		343,834
Total compensation to related parties	**$**	**214,268**	$	511,834

Salaries and benefits include salaries, director fees and fees to related companies controlled by select key management personnel.

14. Exploration and evaluation expenditures

The Company enters into exploration agreements or permits with other companies or foreign governments pursuant to which it may explore or earn interests in mineral properties by issuing common shares and/or making option or rental payments and/or incurring expenditures in varying amounts by varying dates. Failure by the Company to meet such requirements can result in a reduction or loss of the Company's ownership interests or entitlements under the agreements or permits.

(a) Rory Group

The Company has a 100% interest in the Rory Group consisting of 40 staked claims located in the Yukon Territory, Canada.

(b) Walker Gossan Project

On January 27, 2014, the Company, through its wholly owned subsidiary DPG Resources Australia Pty Limited entered into, an Earn-In/Joint Venture Agreement with Rio Tinto Exploration Pty Limited ("Rio Tinto"), a wholly owned subsidiary of Rio Tinto Limited covering base metal exploration and development rights, in relation to certain granted exploration tenements and tenement applications in McArthur Basin Mining District, Northern Territory, Australia (the "Walker Gossan project").

Rio Tinto and GPM have entered into a definitive Two Stage Earn-In/Joint Venture Agreement granting GPM an initial 51% interest under certain conditions that include:

Stage One
1. Payment of Australian Dollar ("AUD") $1,000,000 on signing (paid);
2. Minimum expenditure of AUD$2,000,000 within 3 years of effective date; (met)
3. Combined expenditures of AUD$20,000,000 over a 10-year period; and
4. Milestone payments within the combined expenditures as follows:
   (i) AUD$100,000 upon the grant of licenses to all the properties;
   (ii) AUD$1,000,000 upon the completion of the first drill hole on the Walker Gossan project (paid); and
   (iii) AUD$4,000,000 upon the completion of a resource study that shows an indicated status for minimum 20 million tons of greater than 8% combined lead and zinc, or lead, zinc and silver, within the licensed area or a Decision to Mine being made.

(Expressed in Canadian Dollars)

14. Exploration and evaluation expenditures (continued)

Stage Two
GPM may increase its interest to 75% by completing a Feasibility Study within 3 years of completing Stage One. Rio Tinto may elect to contribute pursuant to its participating share, not contribute and be diluted or convert its interest into a Net Smelter Return (2.5%) royalty. There are rights of first refusal on purchase and sale of interest for both parties at fair market value. GPM will be responsible for all negotiations with the Northern Land Council for consent to issue the exploration license applications and work programs to be conducted by GPM under its sole rights or as operator.

Exploration license EL 30952 was intentionally surrendered in the prior year after consultation with Rio Tinto. It was not significant to the target area.

(c) Pasco Gold Property

On September 15, 2014, the Company, through its wholly owned subsidiary Chaska Resources SAC, entered into a definite agreement to purchase 100% interest in the exploration concession known as Pasco Gold 1, which consists of 1000 hectares of land, located in the district of Huachon, Province of Pasco, in the Republic of Peru (the "Purchase").

On September 3, 2015, the company completed the acquisition of the property with total consideration as follows:

(i) Payment of USD $13,000 (paid); and
(ii) Issuance of 50,000 common shares of GPM (issued).

The claim known as Pasco Gold 10 was not renewed in 2017 as a section of it is inside the urban area of the Municipalidad of Huachon. As well two additional claims were not renewed as the Peruvian Mining Office reduced their area and the Company was no longer interested. These claims are not considered to be material to the project.

As at December 31, 2018, the Company conducts exploration activities in two geographic areas, Australia and Peru. Until July 21, 2016 the Company also engaged in exploration activities in Canada. The Company maintains a head office in Toronto, Canada.

(d) the following is a detailed list of expenditures incurred on the Company's mineral properties:

	Year Ended December 31, 2018	2017
Canada	**$**	$
General	-	-
Travel	-	-
Geologist	-	-
Wages and Salaries	-	-
	$ -	$ -
Australian		
Northern Territory Grant	-	(87,819)
Recovery	(38,145)	(146,986)
Drilling and other expenses	27,654	41,487
Consulting	180,477	169,039
	$ 169,986	$ (24,279)
Peru		
General	72,360	1,088,308

(Expressed in Canadian Dollars)

		-		-
Total Exploration Expenditures	**$**	242,346	$	1,064,029

15. Income taxes

(a) Provision for income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2017 - 26.5%) to the effective tax rate is as follows:

	Year Ended December 31 2018	2017
Loss for the year before income taxes	$ (754,957)	$ (2,154,272)
Expected tax recovery at statutory rates	(200,064)	(571,000)
Increase (decrease) resulting from:		
Rate differential on foreign subsidiaries	(5,507)	(28,000)
Share-based compensation and non-deductible expenses	16,690	181,000
Tax rate changes and other adjustments	33,632	-
Other reconciling items	-	811,000
Change in tax benefits not recognized	155,249	(393,000)
Income tax recovery	**-**	**-**

(b) Deferred tax balances

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized as follows:

	Year Ended December 31 2018	2017
Future tax assets:		
Non-capital tax losses carry-forward – Canada	$ 1,711,611	$ 1,610,000
Non-capital tax losses carry-forward – Barbados	223,650	228,000
Non-capital tax losses carry-forward – Australia	472,459	414,000
Non-capital tax losses carry-forward – Peru	363,761	362,000
Resource expenditure pools	1,563,643	1,564,000
Property, plant, and equipment	7,702	8,000
Unrealized loss on short-term investment	130,711	130,000
Share issuance costs-20(1)(e)	17,712	22,000
Capital loss carried forward	2,286	-
Deferred tax assets not recognized	(4,493,535)	(4,338,000)
Total future tax assets	**$ -**	**$ -**

(Expressed in Canadian Dollars)

15. Income taxes (continued)

The Company has not recognized deferred tax assets because at present it is not probable they will be realized.

(c) Non-capital losses not recognized for financial statement purposes

The Company has accumulated non-capital losses for income tax purposes which can be carried forward to be applied against future taxable income. The right to use these losses expires as follows:

Canada	Year	Tax loss
	2034	317,234
	2035	5,339,737
	2037	291,132
	2038	510,808
		$ 6,458,911

Barbados	Year	Tax Loss
	2019	$ 161,352
	2020	152,332
	2021	140,006
	2022	114,540
	2023	164,691
	2024	155,278
	2025	6,400
		$ 894,599

Australia	Year	Tax Loss
	Indefinite	**$ 1,574,864**

Peru	Year	Tax Loss
	Indefinite	**$ 1,233,088**

The net capital loss carry forward may be carried forward indefinitely, but can only be used to reduce capital gains. Share issuance and financing costs will be fully amortized in 2022. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

16. Commitments

The Company leases its office premises, and its lease expires November 30, 2022. As at December 31, 2018, the remaining commitments under the lease are as follows:

Less than one year:	$	70,225
Between one-four years:	$	223,315
Total:	$	293,540