



## **CONSOLIDATED FINANCIAL STATEMENTS**

**Three Months Ended**

**March 31, 2023**

**(EXPRESSED IN CANADIAN DOLLARS)**

**(UNAUDITED)**

### **Notice to Reader**

The accompanying unaudited condensed interim consolidated financial statements of GPM Metals Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2023 have not been reviewed by the Company's auditors.

## GPM METALS INC.

### Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	As at March 31, 2023	As at December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 229,995	\$ 227,136
Short-term investments (note 5)	34	29
Accounts receivable and other assets (note 7)	45,758	82,430
<b>Total current assets</b>	<b>275,788</b>	<b>309,595</b>
<b>Total assets</b>	<b>\$ 275,788</b>	<b>\$ 309,595</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities	\$ 49,025	\$ 38,375
<b>Total current liabilities</b>	<b>\$ 49,025</b>	<b>\$ 38,375</b>
<b>Total Liabilities</b>	<b>\$ 49,025</b>	<b>\$ 38,375</b>
<b>Capital, reserves and deficit</b>		
Share capital (note 9)	24,991,216	24,991,216
Capital surplus	15,621,915	15,621,915
Warrant reserve (note 11)	326,004	326,004
Deficit	(40,667,915)	(40,667,915)
Net Income	(44,457)	-
<b>Total capital, reserves and deficit</b>	<b>226,763</b>	<b>271,220</b>
<b>Total liabilities and equity</b>	<b>\$ 275,788</b>	<b>\$ 309,595</b>

Nature of operations and going concern (note 1)

Subsequent events (note 16)

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**GPM METALS INC.****Consolidated Statements of Profit and Comprehensive Loss****(Expressed in Canadian Dollars)**

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	<b>Three Months Ended March 31, 2023</b>	<b>Three Months Ended March 31, 2022</b>
<b>Operating Expenses</b>		
General and Administrative (note 13)	\$ 46,359	\$ 35,071
Foreign exchange (gain/loss)	369	(36)
Exploration and evaluation expenditures (note 15)	166	1,986
<b>Operating Loss</b>	<b>(46,894)</b>	<b>(37,021)</b>
Interest income	2,432	100
FV adjustment on short-term investments (note 5)	5	13
<b>Net loss and comprehensive loss for the period</b>	<b>(44,457)</b>	<b>(36,908)</b>
<b>Basic and diluted net loss per common share (note 12)</b>	<b>\$ (0.001)</b>	<b>\$ (0.001)</b>
<b>Weighted average number of common shares (note 12)</b>	<b>76,029,059</b>	<b>71,116,559</b>

# GPM Metals Inc.

## Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

	Three Months Ended, March 31 2023	Three Months Ended, March 31 2022
<b>Operating Activities</b>		
Net loss for the period	\$ (44,457)	\$ (36,908)
Adjustments for:		
Depreciation	-	6,667
Unrealized (gain) loss on marketable securities (note 5)	(5)	(13)
Share-based compensation (note 10)	-	5,501
Accretion expense	-	916
Changes in non-cash working capital items:		
Amounts receivable and other assets	36,672	8,478
Accounts payable and other liabilities	(10,650)	(16,830)
<b>Net cash used in operating activities</b>	<b>2,860</b>	<b>(32,189)</b>
<b>Investing activities</b>		
<b>Net cash used in investing activities</b>	-	-
<b>Financing activities</b>		
Lease obligation payment	-	(14,408)
<b>Net cash provided by financing activities</b>	-	(14,408)
<b>Net change in cash</b>	<b>2,860</b>	<b>(46,596)</b>
<b>Cash, beginning of period</b>	<b>227,136</b>	<b>221,725</b>
<b>Effect of foreign exchange rate on cash held</b>	-	-
<b>Cash, end of period</b>	<b>\$ 229,995</b>	<b>\$ 175,129</b>

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

	<b>Reserves</b>					<b>Total</b>
	<b>Share Capital (Note 9)</b>	<b>Capital Surplus</b>	<b>Warrant Reserve (Note 11)</b>	<b>Deficits</b>		
<b>Balance, December 31, 2021</b>	<b>\$ 24,691,225</b>	<b>15,055,424</b>	<b>789,401</b>	<b>(40,338,101)</b>	<b>\$ 197,949</b>	
Warrant expired on February 23 2022	300,790		(300,790)		-	
Stock-based compensation		5,501			5,501	
Net loss and comprehensive loss for Q1, 2022				(46,047)	(46,047)	
<b>Balance, March 31, 2022</b>	<b>\$ 24,992,015</b>	<b>15,060,925</b>	<b>488,611</b>	<b>(40,375,009)</b>	<b>\$ 166,542</b>	

	<b>Reserves</b>					<b>Total</b>
	<b>Share Capital (Note 9)</b>	<b>Capital Surplus</b>	<b>Warrant Reserve (Note 11)</b>	<b>Deficits</b>		
<b>Balance, December 31, 2022</b>	<b>\$ 24,991,216</b>	<b>15,621,915</b>	<b>326,004</b>	<b>(40,667,915)</b>	<b>\$ 271,220</b>	
Net loss and comprehensive loss for Q1, 2023				(44,457)	(44,457)	
<b>Balance, March 31, 2023</b>	<b>\$ 24,991,216</b>	<b>15,621,915</b>	<b>326,004</b>	<b>(40,712,372)</b>	<b>\$ 226,763</b>	

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

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# **GPM METALS INC.**

## **Notes to Consolidated Financial Statements Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars)**

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### **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 is entirely dependent on the Company's ability to obtain the necessary permits to operate and secure the required financing to complete the 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, 2022. On March 31, 2023, the Company had not yet achieved profitable operations, had an accumulated deficit of \$40.71 million since inception (December 31, 2022, \$40.67 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 may 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.

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## **GPM METALS INC.**

### **Notes to Consolidated Financial Statements Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars)**

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## **2. Significant accounting policies**

### (a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, and do not include all the information required for full annual financial statements by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"). These interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the three months ended March 31, 2022, including the information necessary to understand the Company's business and financial statement presentation. In particular, the Company's significant accounting policies are presented as Note 2 in the audited consolidated financial statements for the three months ended March 31, 2023, and have been consistently applied in the preparation of these interim condensed consolidated financial statements.

The policies applied in these consolidated financial statements are based on IFRS issued and effective as of March 31, 2023. The Board of Directors approved the statements on May 24, 2023.

### (b) Recent accounting pronouncements

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 on the Company and have been excluded from the list below.

IFRS 16-Leases ("IFRS 16") were issued by the IASB, replacing IAS 17 - Leases. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations.

The Company elected the modified retrospective transition approach, which provides lessees a method for recording existing leases at adoption with no restatement of prior period financial information. Under this approach, a lease liability was recognized on January 1, 2019, in respect of leases previously classified as operating leases, measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at transition. The associated right-of-use assets were measured at amounts equal to the respective lease liabilities, subject to certain adjustments allowed under IFRS 16.

In addition, the Company elected to utilize practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Company to apply a single discount rate to a portfolio of leases with reasonably similar characteristics, and rely on its assessment as to whether leases are onerous applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review. Adoption of the new standard on January 1, 2019, resulted in the recognition of a right-of-use asset and lease liability of \$208,890 related to office space. On initial recognition, the right-of-use asset was offset by a sublease held with a related party resulting in the recognition of a lease receivable of \$104,445 and an immediate derecognition of half the value of the right-of-use asset. All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low-value assets; and
- Leases with a duration of twelve months or less.

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## **GPM METALS INC.**

### **Notes to Consolidated Financial Statements Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars)**

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#### **2. Significant accounting policies continued**

##### (b) Recent accounting pronouncements continued

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonably certain to assess that option;
- Any penalties are payable for terminating the lease if the term of the lease has been estimated on the basis of the termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before the commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the Company is contractually required to dismantle, remove, or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

##### (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 statement of income and comprehensive income from the date that control commences until it ceases, as appropriate. All intercompany transactions, balances, income, and expenses are eliminated upon consolidation.



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## GPM METALS INC.

### Notes to Consolidated Financial Statements Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars)

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#### 2. Significant accounting policies continued

(d) Basis of consolidation continued

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.	Canada	Holding Company
DPG Resources Australia Pty Ltd <sup>(1)</sup>	Australia	Exploration company
Guyana Precious Metals (Barbados) Inc. <sup>(2)</sup>	Barbados	Holding Company

<sup>(1)</sup> On August 21, 2013, the Company completed the Acquisition of 100% common shares of DPG Resources Inc. ("DPG"), a company incorporated under the laws of the Province of Ontario on June 16, 2009. Upon closing of the Acquisition, an aggregate of 18,700,000 common shares and 18,700,000 share purchase warrants (each, a "Warrant") of GPM were issued to the former shareholders of DPG in exchange for the common shares of DPG held by such shareholders, being one common share of GPM and Warrant for each common share of DPG outstanding. There were no convertible securities of DPG outstanding immediately pre-closing. Each Warrant entitles the Holder thereof to acquire one additional common share of GPM at an exercise price of \$0.10 until August 21, 2015.

<sup>(2)</sup> On October 5, 2009, Guyana Precious Metals (Barbados) Inc., a wholly-owned subsidiary, was incorporated.

(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.

Below is a summary showing the classification and measurement bases of the Company's financial instruments.

Classification	IFRS 9
Cash	FVTPL
Short-term investments	FVTPL
Accounts receivable	Amortized cost
Amounts payable and other liabilities	Amortized cost

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## **GPM METALS INC.**

**Notes to Consolidated Financial Statements**  
**Three Months Ended March 31, 2023 and 2022**  
**(Expressed in Canadian Dollars)**

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### **2. Significant accounting policies continued**

(f) Financial instruments continued

#### 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 is classified as financial assets measured at FVTPL.

ii. Investments recorded at fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI, whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis.

iii. 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."

#### Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or amortized costs. 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 other 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.

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## **GPM METALS INC.**

**Notes to Consolidated Financial Statements**  
**Three Months Ended March 31, 2023 and 2022**  
**(Expressed in Canadian Dollars)**

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### **2. Significant accounting policies continued**

(f) Financial instruments continued

#### 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, canceled, 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 the 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 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.

#### 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 data (unobservable inputs).

As of March 31, 2023, cash and short-term investment (note 5) are recorded at fair value and are considered Level 1 financial instruments. As of March 31, 2023, short-term investments held a fair value of \$34. (March 31, 2022 – \$31)

(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.

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## **GPM METALS INC.**

**Notes to Consolidated Financial Statements**  
**Three Months Ended March 31, 2023 and 2022**  
**(Expressed in Canadian Dollars)**

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### **2. Significant accounting policies continued**

#### (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, consideration is reflected as a gain on disposition.

#### (i) Cash

Cash in the statements of financial position comprises cash 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 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 on March 31, 2023, and March 31, 2022.

#### (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.

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## **GPM METALS INC.**

**Notes to Consolidated Financial Statements**  
**Three Months Ended March 31, 2023 and 2022**  
**(Expressed in Canadian Dollars)**

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### **2. Significant accounting policies continued**

#### (l) Share-based payment transactions continued

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 warrants' expiration date.

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

#### (n) Income taxes

Tax expense comprises current and deferred Tax. Current Tax and deferred Tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current Tax is the expected Tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to Tax payable in respect of previous years.

Deferred Tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred Tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred Tax is not recognized for temporary taxable differences arising from the initial recognition of goodwill. Deferred Tax is measured at the tax rates that are expected to be applied to temporary differences when they are realized or settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits, and temporary deductible differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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## **GPM METALS INC.**

**Notes to Consolidated Financial Statements**  
**Three Months Ended March 31, 2023 and 2022**  
**(Expressed in Canadian Dollars)**

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### **2. Significant accounting policies continued**

#### (o) Restoration, rehabilitation, and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation, and environmental costs may arise when the environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. Such costs arising from the decommissioning of the 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 pre-tax 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 the amount or timing of the underlying cash flows needed to settle the obligation. Costs for the 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.

On March 31, 2023, and March 31, 2022, the Company has no material restoration, rehabilitation, and environmental costs as the disturbance to date are minimal.

#### (p) Interest income

Interest income is recognized on an 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 income/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 because of share split or consolidation, the calculation of basic and diluted income/ loss per share for all periods presented is adjusted retrospectively.

#### (r) Property, plant, and equipment

Property, plant, 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 four years for computer equipment and two and a half 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 of and the related accumulated depreciation are eliminated from these accounts.

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## **GPM METALS INC.**

### **Notes to Consolidated Financial Statements Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars)**

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#### **2. Significant accounting policies continued**

##### (s) Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability, except for leases of low-value assets and lease with a duration of twelve months or less. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on the commencement of the lease used. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic Life of the asset if this is judged to be shorter than the lease term.

##### (t) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments, and assumptions that affect 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.

##### (u) 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:

##### i. Critical judgments:

- assessment of the going concern assumption as detailed in Note 1 to the consolidated financial statements;
- management's determination of the functional currency of GPM Metals Inc. and its subsidiaries as Canadian dollars;
- management assumption of no material restoration, rehabilitation, and environmental obligations, based on the fact and circumstances that existed during the year;
- management's position that there is no income tax asset recognized within these consolidated financial statements;

##### ii. Use of estimation uncertainty:

- the inputs used in accounting for share-based payment transactions and in the valuation of warrants issued in unit financing;
- the incremental borrowing rate used to obtain an asset of similar value to the right-of-use asset.

##### (u) Future changes in accounting policy not yet effective as of March 31, 2023

At the date of the authorization of these consolidated financial statements, the following revised IFRS standards, which are applicable to GPM Metals Inc., were issued but not effective yet.

- i. Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) - effective for year ends beginning on or after January 1, 2023. The amendments specify how companies should account for deferred Tax on transactions such as leases and decommissioning obligations and clarify that the initial recognition exception does not apply to transactions where both an asset and a liability are recognized in a single transaction. Accordingly, deferred Tax is required to be recognized on such transactions.

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## **GPM METALS INC.**

### **Notes to Consolidated Financial Statements Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars)**

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#### **2. Significant accounting policies continued**

- (u) Future changes in accounting policy not yet effective as of March 31, 2023, continued
- ii. Definition of Accounting Estimates (Amendments to IAS 8) - effective for year ends beginning on or after January 1, 2023. The amendments introduce the definition of accounting estimates and include other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies.
- iii. Materiality of Accounting Policy Disclosure (Amendments to IAS 1) - effective for year ends beginning on or after January 1, 2023. The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies.

The Company is currently assessing the impact of these standards on its 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 the 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, shares to be issued, reserves, and deficit, which on March 31, 2023, is \$226,763 (March 31, 2022 - \$166,542).

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 period March 31, 2023.

#### **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 with select major Canadian, Peruvian, Barbadian, and Australian chartered banks, from which management believes the risk of loss to be minimal.



# GPM METALS INC.

## Notes to Consolidated Financial Statements Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars)

### 4. Financial risk management continued

#### (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 of March 31, 2023, the Company had cash of \$229,995 (March 31, 2022 – \$175,129) to settle current liabilities of \$49,025 (March 31, 2022 – \$94,275). 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 the 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.

##### a) Foreign currency risk

The Company's functional and presentation currency is the Canadian dollar, and major purchases are transacted in Canadian dollars. As of March 31, 2023, the Company funds certain operations, exploration, and administrative expenses in Barbados on a cash call basis using US dollar currency, and in Australia using the Canadian dollar its Canadian dollar bank accounts held in Canada. The Company maintains US dollar bank accounts in Canada and Barbados and Australian dollar bank accounts in Australia. The Company is subject to gains and losses from fluctuations in the US dollar and the Australian dollar 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 activities in the level of the stock market.

### 5. Short-term Investment

	Number of Shares	As of March 31, 2023	As of December 31, 2022
G2 Goldfields Inc.	42	\$ 34	\$ 29
		\$ 34	\$ 29

### 6. Property, plant, and equipment

		Right-of-use asset	Total
Balance as of December 31, 2021	\$	24,444	\$ 24,444
Depreciation		6,667	6,667
Balance as of March 31, 2022	\$	17,777	\$ 17,777
Balance as of December 31, 2022	\$	-	\$ -
Depreciation		-	-
Balance as of March 31, 2023	\$	-	\$ -

## GPM METALS INC.

Notes to Consolidated Financial Statements  
Three Months Ended March 31, 2023 and 2022  
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### 7. Accounts receivable and other assets

	As at March 31, 2023	As at December 31, 2022
Harmonized sales tax recoverable	\$ 1,881	\$ 5,373
Sales tax recoverable (Australia)	36,164	35,345
Prepaid expenses	7,714	10,684
Other receivables	-	31,028
<b>Total Account Receivable and other Assets</b>	<b>\$ 45,758</b>	<b>\$ 82,430</b>

### 8. Lease Liability

On December 1, 2017, the Company entered into a 60-month lease agreement to lease office space. During the 2018 fiscal year, the Company entered into a sublease agreement with a related party. Half of the office lease space has been allocated to the related party, and the Company is reimbursed for half of the monthly lease payments for the remaining term of the lease, terminating on November 30, 2023.

The Company has recorded this lease as a right-of-use asset (note 6) and lease liability in the consolidated statements of financial position as of December 31, 2022. On initial recognition, the lease liability was measured at the present value of the lease payments. The lease payments are discounted using an interest rate of 15%, which is the Company's incremental borrowing rate.

	<b>Lease Liability</b>		
<b>Balance, December 31, 2021</b>	<b>\$</b>		<b>65,575</b>
Accretion expense			1,832
Sublease payments			(18,787)
<b>Balance, March 31, 2022</b>	<b>\$</b>		<b>48,619</b>
<b>Balance, December 31, 2022</b>	<b>\$</b>		<b>-</b>
<b>Balance, March 31, 2023</b>	<b>\$</b>		<b>-</b>
Office lease			
	<b>Under one year</b>	<b>Between 1-2 year</b>	<b>Total</b>
	\$ -	\$ -	\$ -

In connection with the sublease agreement held with a related party, as on January 1, 2019, a lease receivable amount was recognized and measured at the present value of the lease payments that were not received as of that date. The sublease payments are discounted using an interest rate of 15%, identical to the discount rate used for the head lease.

	<b>Lease Receivable</b>	
<b>Balance, December 31, 2021</b>	<b>\$</b>	<b>32,788</b>
Accretion expense		916
Sublease payments		(9,395)
<b>Balance, March 31, 2022</b>	<b>\$</b>	<b>24,310</b>
<b>Balance, December 31, 2022</b>	<b>\$</b>	<b>-</b>
<b>Balance, March 31, 2023</b>	<b>\$</b>	<b>-</b>

On December 1, 2022, the Company entered into a 12-month sublease agreement to sublease office space from G2 Goldfields Inc. The lease expense is \$2,500 per Month, recorded as rent expense in Administrative and general expenses (note 13). No right-of-use asset or lease liability is recorded as the sublease agreement.

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## GPM METALS INC.

Notes to Consolidated Financial Statements  
Three Months Ended March 31, 2023 and 2022  
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### 9. 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

On March 31, 2023, the issued common shares 76,029,059. The changes in issued share capital for the periods were as follows:

	Number of Common Shares		Amount
<b>Balance, December 31, 2021</b>	<b>71,116,559</b>	\$	<b>24,379,264</b>
Warrants expired on February 23, 2022	-		300,790
<b>Balance, March 31, 2022</b>	<b>71,116,559</b>		<b>24,992,015</b>
<hr/>			
<b>Balance, December 31, 2022</b>	<b>76,029,059</b>	\$	<b>24,991,216</b>
<b>Balance, March 31, 2023</b>	<b>76,029,059</b>	\$	<b>24,991,216</b>

- (i) On February 11, 2022, the Company completed a private placement under which it issued an aggregate of 2,000,000 special warrants ("Special Warrants ") at a price of \$0.05 per Special Warrant and 3,000,000 units ("Units") at a price of \$0.05 to raise gross aggregate proceeds of \$250,000.00. Each Unit consists of one common share of the Company (a "Share") and one share purchase warrant (a "Warrant"), with each Warrant entitling the Holder thereof to acquire one additional share at an exercise price of \$0.10 for a period of 60 months.

In connection with Offering, the Company paid a cash commission of \$1,000 to an eligible registrant.

Rosseau Asset Management purchased the 2,000,000 Special Warrants in the Offering. Each Special Warrant is automatically converted into one Unit without any additional payment or action by the Holder on the date upon which the Company received shareholder approval for Rosseau Asset Management to become "control persons" of the Company (within the meaning of the regulations of the TSX Venture Exchange).

Insiders of the Company subscribed for an aggregate of 2,700,000 Units and 2,000,000 Special Warrants in the Offering.

## GPM METALS INC.

Notes to Consolidated Financial Statements  
Three Months Ended March 31, 2023 and 2022  
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### 10. 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 several estimates, including the risk-free interest rate and 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 the 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 March 31, 2023, and March 31, 2022.

	Number of stock options	Weighted-average exercise price (\$)
Balance, December 31, 2021	3,900,000	0.10
Canceled on March 31, 2022	(250,000)	0.10
Balance, March 31, 2022	3,650,000	0.10
Balance, December 31, 2022	1,300,000	0.10
	-	-
Balance, March 31, 2023	1,300,000	0.10

The following table reflects the stock options issued and outstanding remaining Life as of March 31, 2023:

Expiry Date	Exercise Prices	Weighted Ave Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Number of Options Unvested
01-Jun-2024	0.10	1.17	1,300,000	1,000,000	300,000
<b>Total March/31/2023</b>		<b>1.17</b>	<b>1,300,000</b>	<b>1,000,000</b>	<b>300,000</b>

- (i) On June 1, 2021, the Company granted Peter Walsh 1,300,000 options exercisable at a price of \$0.10 per share until June 1, 2024. The options vest as to 250,000 options on each of September 1, 2021, December 1, 2021, March 1, 2022, and June 1, 2022, and 300,000 options upon the grant of certain exploration licenses. The fair value of the options was estimated on the date of the grant using the Black-Scholes option-pricing model with the following assumptions: the share price of \$0.10, expected dividend yield of 0%, risk-free interest rate of 1.22%, the volatility of 128.8%, and an expected life of 3 years. The fair value assigned to these options was \$74,100.

For the quarter that ended March 31, 2023, stock-based compensation totaling nil (March 31, 2022 - \$5,501) was recognized in the consolidated statement of loss and comprehensive loss in connection with the vesting of options.

## GPM METALS INC.

Notes to Consolidated Financial Statements  
Three Months Ended March 31, 2023 and 2022  
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### 11. Warrants

The following table reflects the continuity of warrants for the periods ended March 31, 2023, and March 31, 2022:

	Number of Warrants		Weighted Exercise Price
<b>Balance, December 31, 2021</b>	<b>21,109,800</b>	<b>\$</b>	<b>0.13</b>
Warrants expired February 23, 2023 (note v)	(5,000,000)		0.20
<b>Balance, March 31, 2022</b>	<b>16,109,800</b>	<b>\$</b>	<b>0.11</b>
<b>Balance December 31, 2022</b>	<b>10,456,250</b>	<b>\$</b>	<b>0.11</b>
	-		-
<b>Balance March 31, 2023</b>	<b>10,456,250</b>	<b>\$</b>	<b>0.11</b>

The following table reflects the warrants issued and outstanding as of March 31, 2023:

Expiry Date	Number of warrants outstanding	Fair value (\$)	Exercise price (\$)	Weighted Remaining Life
November 5, 2024 (note iii)	3,000,000	122,660	0.15	1.60
February 10, 2026 (note i)	3,000,000	66,323	0.10	2.81
February 10, 2026 (note ii)	2,000,000	44,882	0.10	2.81
July 26, 2025 (note iv)	2,456,250	92,139	0.10	2.32
<b>Total Balance March 31, 2023</b>	<b>10,456,250</b>	<b>326,004</b>	<b>0.11</b>	<b>2.35</b>

- (i) On February 11, 2022, the Company issued 2,000,000 Special Warrants to Rosseau Asset Management at a price of \$0.05 per Special Warrant. Each Special Warrant is automatically converted into one Unit without any additional payment or action by the Holder on the date upon which the Company received shareholder approval for Rosseau Asset Management and associates to become "control persons" of the Company (within the meaning of the regulations of the TSX Venture Exchange). Pursuant to the conversion, the Company issued 2,000,000 warrants exercisable at a price of \$0.10 for a period of 5 years.
- (ii) On February 11, 2022, the Company issued 3,000,000 warrants at an exercise price of \$0.10 for five (5) years, expiring on February 11, 2026. The fair value of the warrants was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: the share price of \$0.07, expected dividend yield of 0%, risk-free interest rate of 0.41%, the volatility of 125.40%, and an expected life of 5 years. The fair value assigned to these warrants was \$67,323.
- (iii) On November 5, 2022, the Company issued 3,000,000 warrants at an exercise price of \$0.15 for three (3) years, expiring on November 5, 2024. The fair value of the warrants was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: the share price of \$0.12, expected dividend yield of 0%, risk-free interest rate of 1.17%, the volatility of 124.8%, and an expected life of 3 years. The fair value assigned to these options was \$122,660.

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## GPM METALS INC.

### Notes to Consolidated Financial Statements Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars)

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#### 11. Warrants (continued)

- (iv) On July 26, 2022, the Company issued 2,456,250 Warrants at an exercise price of \$0.10, expiring three years on July 26, 2025. Using the Black-Scholes option-pricing model with the following assumptions: the share price of \$0.10, expected dividend yield of 0%, risk-free interest rate of 1.07%, volatility of 181.97%, and an expected life of 3 years. The fair value assigned to these warrants was \$117,900.
- (v) On February 22, 2022, the 5,000,000 previously issued warrants at an exercise price of \$0.10 expired. With this expiration, a change in the fair value of warrants was determined to be \$300,790, which had been recorded directly to share capital removed.

#### 12. Net loss per common share

The calculation of basic and diluted loss per share for the period March 31, 2023, was based on the loss attributable to common shareholders of \$44,457 (March 31, 2022 - \$36,908) and the basic weighted average number of common shares outstanding of 76,029,059 (period March 31, 2022, the basic weighted average number of common shares outstanding of 71,116,559). Diluted loss per share did not include the effect of outstanding options or warrants as they are anti-dilutive.

#### 13. General and administrative

		Three Month Ended March 31,	
		2023	2022
Salaries and benefits	\$	13,863	\$ -
Administrative and general		13,101	7,121
Accretion expense		-	916
Depreciation expense		-	6,667
Shock-based compensation		-	5,501
Reporting issuer costs		6,395	1,711
Professional fees		10,500	10,656
Insurance		2,500	2,500
<b>Total</b>	<b>\$</b>	<b>46,359</b>	<b>\$ 35,071</b>

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## GPM METALS INC.

### Notes to Consolidated Financial Statements Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars)

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#### 14. 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 the course of business.

The remuneration of current and former Directors and key management personnel of the Company was as follows:

	Three Month Ended on March 31,	
	2023	2022
Total salaries and benefits	\$ 24,363	\$ 10,500
Total share-based payments	-	5,501
<b>Total compensation to related parties</b>	<b>\$ 24,363</b>	<b>\$ 16,001</b>

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

#### 15. 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) Walker Gossan Project

On January 27, 2014, the Company, through its wholly-owned subsidiary DPG Resources Australia Pty Limited, entered into, and 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 three 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 are 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 a minimum of 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.

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## GPM METALS INC.

Notes to Consolidated Financial Statements  
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### 15. Exploration and evaluation expenditures continued

(a) Walker Gossan Project continued

#### Stage Two

GPM may increase its interest to 75% by completing a Feasibility Study within three 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 the 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 an operator.

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

		Three Months Ended March 31,	
		2023	2022
<b>Australian</b>			
Assay	\$	-	\$ 1,986
Environmental		<b>166</b>	-
	\$	<b>166</b>	\$ 1,986
<b>Total Exploration Expenditures</b>	\$	<b>166</b>	\$ <b>1,986</b>



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## **GPM METALS INC.**

**Notes to Consolidated Financial Statements**  
**Three Months Ended March 31, 2023 and 2022**  
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### **16. Subsequent event**

(a)

The Northern Land Council has scheduled a Final Consultation community meeting in the week commencing August 14, 2023, in Amhem Land, Northern Territory, Australia. This Final Consultation meeting will include the local Traditional Landowners, GPM Metals' management, and the representatives of the Northern Land Council. The meeting will determine the outcome of an Exploration License Application made in 2021 by GPM Metals for the tenement ELA 30956. ELA 30956 is the tenement that lies immediately west of GPM's previous drilling exploration conducted on the Walker Gossan in 2016.

(b)

On May 12, 2023, the Company announced a non-brokered private placement (the "Offering"), pursuant to which it will issue up to 8,000,000 units (Units) at a price of \$ 0.055 each to raise aggregate gross proceeds up to \$440,000.00.

Each Unit will consist of one common share of the Company (a "Share") and one share purchase warrant (each whole such Warrant, a "Warrant"). Each Warrant will entitle the Holder to purchase one additional Common Share of the Company at a price of \$ 0.10 per Common Share for a period of 60 months from the relevant closing date.

The Offering is currently scheduled to close on or about June 9, 2023, and remains subject to the receipt of all applicable regulatory approvals.