

## Early Warning Report Pursuant to National Instrument 62-103

### *Required Disclosure under the Early Warning Requirements*

TORONTO, September 14, 2021 (GlobeNewswire) -- **EARLY WARNING REPORT REGARDING ACQUISITION OF SECURITIES OF GELUM CAPITAL LTD. BY EQUINOX PARTNERS INVESTMENT MANAGEMENT, LLC**

#### **Item 1 – Security and Reporting Issuer**

##### **1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

This report relates to units (each, a “**Unit**”) of Gelum Capital Ltd. (the “**Issuer**”).

Each Unit consists of one common share (“**Common Share**”) in the capital of the Issuer, one half of a common share purchase warrant of a class designated as “**Warrant A**”, and one half of a common share purchase warrant as a class designated as “**Warrant B**”. The Warrant A warrants and the Warrant B warrants are referred to collectively as the “**Warrants**”. Each full Warrant A will entitle the holder thereof to purchase one Common Share at an exercise price of Cdn. \$0.25 per Common Share for a period of 24 months from the closing of the Offering (as defined below). Each full Warrant B will entitle the holder thereof to purchase one Common Share at an exercise price of Cdn. \$0.50 per Common Share for a period of 24 months from the closing of the Offering. The expiry date of the Warrant A warrants can be accelerated at the discretion of the Issuer if the closing price of the Common Shares on the Canadian Securities Exchange is equal to or greater than Cdn. \$0.35 for a minimum of 10 consecutive trading days (the “**Warrant A Triggering Event**”) and a notice of acceleration is provided in accordance with the terms of the Warrants. The new expiry date of the Warrant A warrants shall be 30 days following the provision of such notice by the Issuer to the holders of the Warrant A warrants of the occurrence of the Warrant A Triggering Event. The expiry date of the Warrant B warrants can be accelerated at the discretion of the Issuer if the closing price of the Common Shares on the Canadian Securities Exchange is equal to or greater than Cdn. \$0.65 for a minimum of 10 consecutive trading days (the “**Warrant B Triggering Event**”) and a notice of acceleration is provided in accordance with the terms of the Warrants. The new expiry date of the Warrant B warrants shall be 30 days following the provision of such notice by the Issuer to the holders of the Warrant B warrants of the occurrence of the Warrant B Triggering Event.

The Issuer's address is:

Gelum Capital Ltd.  
Suite 2710 – 200 Granville Street  
Vancouver, British Columbia  
V6C 1S4

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

The Acquiror (as defined below) acquired 5,000,000 Units on July 6, 2021 (the “**Transaction**”) in connection with the Issuer's non-brokered private placement of an aggregate of 8,450,000 Units at a price of Cdn. \$0.10 per Unit (the “**Offering**”) for gross proceeds of Cdn. \$845,000. The other Units were sold by the Issuer to other investors in the Offering on June 25, 2021 and July 14, 2021.

Equinox Partners (as defined below) is filing this report on behalf of itself and on behalf of certain funds and managed accounts described below.

**Item 2 – Identity of the Acquiror**

**2.1 State the name and address of the acquiror.**

Equinox Partners Investment Management, LLC (“**Equinox Partners**”) acquired the Units as investment manager on behalf of the following funds and accounts managed by it:

- a. Equinox Partners Precious Metals Master Fund, LP (“**Equinox Partners Precious Metals**”);
- b. Equinox Partners, LP (“**Equinox Partners LP**”);
- c. Mason Hill Partners, LP (“**Mason Hill LP**”);
- d. Sapere, 690 Gold Fund LP (“**Sapere 690 LP**”);
- e. Sapere, 690 Gold Fund QP, LP (“**Sapere 690 QP LP**”); and
- f. Stichting LGP (“**Stichting**”).

Stichting acquired 2,994,047 Units in the Transaction, as a result of which it holds 10.25% of the outstanding Common Shares without giving effect to the exercise of any Warrants, and 18.60% of the outstanding Common Shares on a partially diluted basis after giving effect to the exercise of the Warrants beneficially owned by Stichting, without giving effect to the exercise of any other Warrants under the direction or control of Equinox Partners or any other party, or the exercise or conversion of any other outstanding convertible securities of the Issuer.

For the purposes of this report, Equinox Partners and the funds and accounts listed above, including Stichting, are collectively referred to as the “Acquiror”.

The Acquiror’s address is:

c/o Equinox Partners Investment Management, LLC  
Three Stamford Plaza  
301 Tresser Blvd, 13th Fl  
Stamford, Connecticut  
06901

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On July 6, 2021, the Acquiror acquired 5,000,000 Units at a price of Cdn. \$0.10 per Unit, for a total purchase price of Cdn. \$500,000. The Acquiror did not previously hold any securities of the Issuer.

As a result of the Transaction, the Acquiror currently holds or controls, directly or indirectly, 5,000,000 Common Shares, 2,500,000 Warrant A warrants and 2,500,000 Warrant B warrants, which represents 17.12% of the 29,207,328 currently outstanding Common Shares without giving effect to the exercise of any Warrants, and 29.23% of the 34,207,328 outstanding Common Shares on a partially diluted basis after giving effect to the exercise of the Warrants beneficially owned by the Acquiror, without giving effect to the exercise of any other Warrants under the direction or control of the Acquiror or any other party, or the exercise or conversion of any other outstanding convertible security of the Issuer.

**2.3 State the names of any joint actors.**

There are no joint actors of Equinox Partners and Stichting other than the funds identified in Item 2.1.

**Item 3 – Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.**

See Item 2.2.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.**

See Item 2.2.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

See Item 2.2.

**3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

**(a) the acquiror, either alone or together with any joint actors, has ownership and control,**

See Item 2.2.

**(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

**(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

**3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

**3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of**

**the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 – Consideration Paid**

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

See Item 2.2.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See Item 2.2.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

#### **Item 5 – Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**

- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

The Units were acquired for investment purposes. The Acquiror will evaluate its investment in the Issuer from time to time and may, depending on various factors including, without limitation, the Issuer's financial position, the price levels of the Common Shares, conditions in the securities markets and general economic and industry conditions, the Issuer's business or financial condition, and other factors and conditions the Acquiror deems appropriate, increase, decrease or change its beneficial ownership over the common shares or other securities of the Issuer in the future but has no current plans to do so.

Susannah Coille van Alphen, a portfolio manager of the Acquiror, was appointed as a member of the board of directors of the Issuer at the Issuer's annual general meeting held on July 30, 2021. There is no contractual agreement, commitment or understanding between the Issuer and the Acquiror pursuant to which Ms. Van Alphen was entitled to be nominated or appointed as a director, or pursuant to which the Acquiror has any rights with respect to future director nominations or appointments. Ms. Van Alphen is not serving as a director of the Issuer with the intention of or for the purpose of effecting any of

the actions listed in paragraphs (a) through (k) above on behalf of or otherwise for the benefit of the Acquiror.

**Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

Not applicable.

**Item 7 – Change in Material Fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.**

Not applicable.

**Item 8 – Exemption**

**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable.

**Contact Details:**

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