



**Gelum Resources Ltd. (formerly Gelum Capital Ltd.)**  
**Condensed Interim Financial Statements**  
**For the nine months ended**  
**January 31, 2022**  
**Unaudited – Prepared by Management**  
**(Expressed in Canadian Dollars)**

**NOTICE OF NO AUDITOR REVIEW**

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Gelum Resources Ltd. (formerly Gelum Capital Ltd.) (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

March 29, 2022

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**Gelum Resources Ltd. (formerly Gelum Capital Ltd.)****Condensed Interim Statements of Financial Position****Unaudited – Prepared by Management**

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**As at January 31, 2022 and April 30, 2021**

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	Note	January 31, 2022 \$	April 30, 2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash		971,007	4,799
Receivables	3	44,561	10,463
Prepays		15,718	-
		<b>1,031,286</b>	15,262
<b>Non-current assets</b>			
Prepaid exploration expenditures	4	22,000	4,000
Exploration and evaluation assets	4	855,053	70,000
		<b>877,053</b>	74,000
<b>Total assets</b>		<b>1,908,339</b>	89,262
<b>Liabilities and shareholders' equity (deficit)</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		142,088	73,839
Accounts payable to related parties	8	9,023	32,738
Loan payable	10	-	32,076
Flow-through premium liability	12	148,571	-
		<b>299,682</b>	138,653
<b>Non-current liabilities</b>			
Convertible note	5,8	-	263,651
<b>Total liabilities</b>		<b>299,682</b>	402,304
<b>Shareholders' equity (deficit)</b>			
Share capital	6	10,111,378	7,800,194
Shares to be issued	6,8	29,200	34,200
Reserves	6	5,960,664	5,607,766
Equity portion of convertible note	5	-	75,459
Deficit		(14,492,585)	(13,830,661)
<b>Total shareholders' equity (deficit)</b>		<b>1,608,657</b>	(313,042)
<b>Total liabilities and shareholders' equity (deficit)</b>		<b>1,908,339</b>	89,262
<b>Nature of operations and going concern</b>	1		
<b>Commitment</b>	12		
<b>Events after the reporting period</b>	13		

Approved on behalf of the Board of Directors on March 29, 2022:

“Robert Kopple”

Director

“Hendrik Van Alphen”

Director

**Gelum Resources Ltd. (formerly Gelum Capital Ltd.)**  
**Condensed Interim Statements of Changes in Shareholders' Equity (Deficit)**  
**Unaudited – Prepared by Management**

**For the nine months ended January 31, 2022 and January 31, 2021**

	Number of shares #	Share capital \$	Shares to be issued \$	Reserves \$	Equity portion of convertible note \$	Deficit \$	Total shareholders' equity (deficit) \$
May 1, 2020	4,727,433	7,245,232	29,200	5,588,580	75,459	(13,665,033)	(726,562)
Loss and comprehensive loss for the period	-	-	-	-	-	(91,541)	(91,541)
January 31, 2021	4,727,433	7,245,232	29,200	5,588,580	75,459	(13,756,574)	(818,103)
May 1, 2021	10,277,054	7,800,194	34,200	5,607,766	75,459	(13,830,661)	(313,042)
Common share units - convertible note	5,380,274	269,014	-	80,507	(75,459)	-	274,062
Private placement - non-flow-through units	11,220,000	1,372,500	(5,000)	-	-	-	1,367,500
Private placement - flow-through common shares	1,485,714	520,000	-	-	-	-	520,000
Flow-through premium	-	(148,571)	-	-	-	-	(148,571)
Share issuance costs - cash	-	(94,675)	-	-	-	-	(94,675)
Share issuance costs - finders' warrants	-	(27,084)	-	27,084	-	-	-
Common shares issued - exploration & evaluation assets	4,200,000	420,000	-	-	-	-	420,000
Share-based compensation	-	-	-	245,307	-	-	245,307
Loss and comprehensive loss for the period	-	-	-	-	-	(661,924)	(661,924)
<b>January 31, 2022</b>	<b>32,563,042</b>	<b>10,111,378</b>	<b>29,200</b>	<b>5,960,664</b>	<b>-</b>	<b>(14,492,585)</b>	<b>1,608,657</b>

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

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**Gelum Resources Ltd. (formerly Gelum Capital Ltd.)****Condensed Interim Statements of Loss and Comprehensive Loss****Unaudited – Prepared by Management**

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**For the three and nine months ended January 31, 2022 and January 31, 2021**

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	Note	Three months ended		Nine months ended	
		January 31, 2022	January 31, 2021	January 31, 2022	January 31, 2021
		\$	\$	\$	\$
<b>Expenses</b>					
Accretion expense	5,10	5,974	5,248	22,002	15,744
Consulting expense	8	45,850	-	115,270	-
General and administrative expenses	8	84,167	28,978	116,371	60,674
Office expenses	8	23,744	-	29,429	-
Property investigation	8	-	-	6,344	-
Professional fees	8	21,529	-	79,364	-
Share-based payments	6,8	245,307	-	245,307	-
Transfer agent and filing fees		5,125	-	38,347	-
<b>Loss from operating expenses</b>		<b>(431,696)</b>	<b>(34,226)</b>	<b>(652,434)</b>	<b>(76,418)</b>
Interest expense	5	(3,156)	(5,096)	(9,490)	(15,123)
<b>Loss and comprehensive loss for the period</b>		<b>(434,852)</b>	<b>(39,322)</b>	<b>(661,924)</b>	<b>(91,541)</b>
<b>Loss per share</b>					
<b>Weighted average number of common shares outstanding</b>					
- Basic #	7	<b>29,742,954</b>	4,727,433	<b>24,242,265</b>	4,727,433
- Diluted #	7	<b>29,742,954</b>	4,727,433	<b>24,242,265</b>	4,727,433
<b>Basic loss per share \$</b>	7	<b>(0.01)</b>	(0.01)	<b>(0.03)</b>	(0.02)
<b>Diluted loss per share \$</b>	7	<b>(0.01)</b>	(0.01)	<b>(0.03)</b>	(0.02)

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

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**Gelum Resources Ltd. (formerly Gelum Capital Ltd.)****Condensed Interim Statements of Cash Flows****Unaudited – Prepared by Management****For the nine months ended January 31, 2022 and January 31, 2021**

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	Note	January 31, 2022 \$	January 31 2021 \$
<b>Operating activities</b>			
Loss for the period		(661,924)	(91,541)
Adjustments for:			
Accretion expense		22,002	15,744
Accrued interest on loan payable		5,435	-
Accrued interest on convertible note		4,055	15,123
Share-based payments		245,307	-
Net change in non-cash working capital items	9	(87,360)	6,261
		<b>(472,485)</b>	<b>(54,413)</b>
<b>Financing activities</b>			
Private placement proceeds, net share issuance costs		1,792,825	-
Repayment of loan payable		(53,156)	-
Advances from related parties		-	49,684
		<b>1,739,669</b>	<b>49,684</b>
<b>Investing activities</b>			
Exploration and evaluation assets - acquisition		(50,000)	-
Exploration and evaluation assets - expenses		(250,976)	-
		<b>(300,976)</b>	<b>-</b>
<b>Change in cash</b>		<b>966,208</b>	<b>(4,729)</b>
<b>Cash, beginning of period</b>		<b>4,799</b>	<b>9,288</b>
<b>Cash, end of period</b>		<b>971,007</b>	<b>4,559</b>

Supplemental cash flow information

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# Gelum Resources Ltd. (formerly Gelum Capital Ltd.)

## Notes to the Condensed Interim Financial Statements

### Unaudited – Prepared by Management

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For the nine months ended January 31, 2022

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#### 1. Nature of operations and going concern

Gelum Resources Ltd. (formerly Gelum Capital Ltd.) (the “Company”) was incorporated under the laws of the province of British Columbia on June 8, 1987. The principal address and registered and records office is located at Suite, 400 – 725 Granville Street, Vancouver, BC, V7Y 1G5. The Company trades under the symbol “GMR” on the Canadian Securities Exchange (“CSE”). Effective September 24, 2021, the Company changed its name to Gelum Resources Ltd.

The Company’s principal business activity is the acquisition, exploration and evaluation of mineral properties. The Company will be exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company’s continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral properties are based on costs incurred to date, and do not necessarily represent present or future values.

The Company’s condensed interim financial statements (the “financial statements”) as at and for the three and nine months ended January 31, 2022 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The Company has a net and comprehensive loss of \$661,924 for the nine months ended January 31, 2022 and has a working capital surplus of \$731,604 at January 31, 2022.

As at January 31, 2022, the Company had cash of \$971,007 to settle current liabilities of \$299,682. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures or cease operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

#### 2. Significant accounting policies

##### (a) Basis of presentation

These financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company’s annual audited financial statements for the year ended April 30, 2021, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). It is suggested that these financial statements be read in conjunction with the annual audited consolidated financial statements.

These financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss (“FVTPL”). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on these financial statements are presented in Canadian dollars which is the functional currency of the Company.

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**Gelum Resources Ltd. (formerly Gelum Capital Ltd.)****Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended January 31, 2022**

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**2. Significant accounting policies (continued)****(b) Significant accounting policies**

The accounting policies, estimates and critical judgments, methods of computation and presentation applied in these financial statements are consistent with those of the most recent annual audited consolidated financial statements and are those the Company expects to adopt in its annual financial statements for the year ended April 30, 2022.

**3. Receivables**

Receivable consist of the following:

	<b>January 31, 2022</b>	April 30, 2021
	<b>\$</b>	\$
Sales tax recoverable	44,561	10,463
	<b>44,561</b>	10,463

**4. Exploration and evaluation assets**

Exploration and evaluation assets consist of the following:

	<b>April 30, 2021</b>	<b>Acquisition and assessments</b>	<b>Exploration and evaluation</b>	<b>January 31, 2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Eldorado	70,000	70,000	315,053	455,053
Eldorado - Roxey Claims	-	400,000	-	400,000
	<b>70,000</b>	<b>470,000</b>	<b>315,053</b>	<b>855,053</b>

Deferred exploration costs consisted of the following:

	<b>April 30, 2021</b>	<b>Eldorado Property</b>	<b>January 31, 2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Assay	-	28,573	28,573
Geological & consulting	-	81,470	81,470
Geophysical	-	174,976	174,976
Supplies	-	365	365
Travel	-	29,669	29,669
	-	<b>315,053</b>	<b>315,053</b>

**Eldorado project**

The Eldorado Gold Property (the "Property") is located within the Bralorne-Bridge River Gold District in south-central British Columbia. On March 24, 2021 (the "Effective Date") the Company entered into an option agreement to acquire 50% ownership interest in and to the Property and form a joint venture with the optionor in respect of the Property, with the ability of the Company to acquire an additional 30% interest in the Property.

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**Gelum Resources Ltd. (formerly Gelum Capital Ltd.)****Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended January 31, 2022**

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**4. Exploration and evaluation assets (continued)****Eldorado project (continued)**

The Company can earn the 50% options by making the following cash payments and share issuances:

- a) \$50,000 and 200,000 common shares within five days of the Effective Date (completed);
- b) \$50,000 and 200,000 common shares within six months of the Effective Date (paid and common shares issued at a fair value of \$20,000 (note 6));
- c) \$75,000 and 400,000 common shares on the first anniversary of the Effective Date (paid and common shares issued (note 13));
- d) \$125,000 and 800,000 common shares on the second anniversary of the Effective Date; and
- e) \$300,000 and 1,200,000 common shares on the third anniversary of the Effective Date.

The Company was required to perform exploration activities on the Property and incur the following minimum qualified expenditures per year:

- a) \$500,000 minimum qualified expenditures by the first anniversary of the Effective Date;
- b) \$750,000 minimum qualified expenditures by the second anniversary of the Effective Date; and
- c) \$1,000,000 minimum qualified expenditures by the third anniversary of the Effective Date.

On October 18, 2021, the Company and the optionor amended the required exploration activities on the Property and the Company shall incur the following minimum qualified expenditures per year:

- d) \$300,000 minimum qualified expenditures by the first anniversary of the Effective Date (completed);
- e) \$950,000 minimum qualified expenditures by the second anniversary of the Effective Date; and
- f) \$1,000,000 minimum qualified expenditures by the third anniversary of the Effective Date.

The option to earn an additional 30% will require the following cash payments, share issuances and minimum qualified expenditures as follows:

- a) \$400,000 cash payment, 1,400,000 shares and further \$1,000,000 in qualified expenditures by the fourth anniversary of the Effective Date; and
- b) \$400,000 cash payment, 1,000,000 shares and further \$1,000,000 in qualified expenditures by the fifth anniversary of the Effective Date.

Upon the optionor reducing its interest in the Property to below 15%, the optionor will be converted to a 4.0% net smelter returns royalty ("NSR"). The Company will retain the right to buy back up to 3.0% NSR by payment of \$1,000,000 per each 1.0%.

**Roxey Claims**

On July 29, 2021, the Company entered into a purchase agreement to acquire the Roxey claims. The claims are contiguous to the Eldorado Gold Property within the Bralorne-Bridge River Gold District in south-central British Columbia. In order to acquire a 100% right, title and interest in and to the mineral claims, the Company issued 4,000,000 common shares (issued at a fair value of \$400,000) (note 6).

**5. Convertible note**

On October 14, 2017, the Company issued a convertible note with a principal face value of \$200,000 to two Directors of the Company. The convertible note bears interest at the rate of 10% per annum, payable annually and has a maturity date of five years from the date of issuance. When the Company consolidated its share capital on a 20:1 basis effective July 30, 2018 the conversion price of the notes became \$1.00 and the exercise price of any warrants issuable on conversion of the notes became \$1.20.

On August 31, 2019, the Company amended the terms of the convertible note such that the principal amount of the notes was convertible into units of the Company at \$0.05 per unit, with each unit comprised of one common share and one share purchase warrant exercisable into a further share at \$0.06 per common share (for one year from the date of issuance of the warrant, subject to the latest exercise date being the maturity date).

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**Gelum Resources Ltd. (formerly Gelum Capital Ltd.)****Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended January 31, 2022**

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**5. Convertible note (continued)**

The Company's convertible note is broken down as follows:

	January 31, 2022	April 30, 2021
	\$	\$
Proceeds received, net of transaction costs	195,045	195,045
Allocated to equity portion	(75,459)	(75,459)
Allocated to liability portion	119,586	119,586
Liability portion, beginning	263,261	215,852
Accretion expense for the period/year	6,357	27,077
Accrued interest for the period/year	4,055	20,992
Liability portion, ending	273,673	263,261
Conversion	(273,673)	-
Ending balance period/year	-	263,261

On July 13, 2021, the Company issued 5,380,274 units on conversion of \$200,000 principal and \$69,014 of accrued interest of the convertible note. Each unit consists of one common share of the Company and one share purchase warrant exercisable at \$0.06 for one year from the date of conversion.

**6. Share capital**

The authorized share capital of the Company consists of unlimited common shares without par value and unlimited preferred shares without par value. All issued shares are fully paid.

**Transactions for the issue of share capital during the nine months ended January 31, 2022:**

- a) On September 20, 2021, the Company issued 200,000 common shares at a fair value of \$20,000 (\$0.10 per share) pursuant to the option agreement on the Eldorado project (note 4).
- b) On August 31, 2021, the Company completed a non-brokered private placement offering of 1,100,000 units at a price of \$0.10 per unit raising aggregate gross proceeds of \$110,000. Each unit consists of one Common Share and two separate one-half (1/2) of one common share purchase warrants (a "1/2 Warrant A" and a "1/2 Warrant B" and, respectively, each whole warrant, a "Warrant A" and a "Warrant B", and collectively the "Warrants"). Each whole Warrant A entitles the holder to purchase one Common Share at an exercise price of \$0.25 per share for a period of 24 months from issuance, and each whole Warrant B entitles the holder to purchase one Common Share at an exercise price of \$0.50 per share for a period of 24 months from issuance.

The Company paid finders' fees of \$7,350 and issued 76,650 finder's warrants with each such warrant entitling the holder thereof to purchase one Common Share at an exercise price of \$0.25 per share for a period of 24 months. The fair value of the finders' warrants was determined to be \$2,251 using the Black-Scholes option pricing model with the following inputs: i) exercise price: \$0.25; ii) share price: \$0.10; iii) term: 2 years; iv) volatility: 100%; v) discount rate: 0.43%.

- c) On August 12, 2021, the Company issued 4,000,000 common shares at a fair value of \$400,000 (\$0.10 per share) pursuant to the option agreement on the Eldorado project – Roxey claims (note 4).
- d) On July 22, 2021, the Company closed a non-brokered private placement of 8,450,000 units at \$0.10 per unit (the "Offering") for gross proceeds of \$845,000. Each unit consisted of one common share in the capital of the Company and two separate one-half (1/2) of one common share purchase warrants (a "1/2 Warrant A" and a "1/2 Warrant B") and, respectively, each whole warrant, a "Warrant A" and a "Warrant B", and collectively the "Warrants".

Each whole Warrant A entitles the holder to purchase one common share in the capital of the Company at an exercise price of \$0.25 per share for a period of 24 months from issuance and, each whole Warrant B entitles the holder to purchase one common share in the capital of the Company at an exercise price of \$0.50 per share for a period of 24 months from issuance. No value was attributed to the warrant component of the units issued.

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**Gelum Resources Ltd. (formerly Gelum Capital Ltd.)****Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended January 31, 2022**

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**6. Share capital (continued)**

The Offering closed in three separate tranches, issuing 3,350,000 units on June 28, 2021, 5,000,000 units on July 6, 2021 and 100,000 units on July 14, 2021. The Company paid finders' fees of \$21,700 and issued 217,000 finders' warrants exercisable at a price of \$0.25 until June 28, 2021. The fair value of the finders' warrants was determined to be \$6,646 using the Black-Scholes option pricing model with the following inputs: i) exercise price: \$0.25; ii) share price: \$0.10; iii) term: 2 years; iv) volatility: 100%; v) discount rate: 0.44%.

- e) On July 13, 2021, the Company completed the conversion of convertible notes (note 5) by issuing 5,380,274 units. Each unit consists of one common share of the Company and one share purchase warrant exercisable at \$0.06 for one year from the date of conversion. No value was attributed to the warrant component of the units issued. No gain or loss was recognized on conversion.
- f) On December 30, 2021 and January 4, 2022, the Company closed a flow-through non-brokered private placement and the first tranche of a non-flow-through non-brokered private placement. The Company issued 1,485,714 flow-through shares at a price of \$0.35 per share (the "FT Shares") and, 1,670,000 non-flow through units ("NFT Units") at a price of \$0.25 per NFT Unit for aggregate proceeds of \$937,500.

The FT Shares were issued at a premium to the trading value of the Company's common shares, which reflects the value of the income tax write-offs that the Company will renounce to the flow-through shareholders. The premium was determined to be \$148,571 and has been recorded as a reduction of share capital. An equivalent flow-through share premium liability has been recorded, which is being reversed pro-rata as the required exploration expenditures are incurred (see note 12).

Each NFT Unit consists of one common share of the Company and one-half of one common share purchase warrant, each whole warrant entitles the holder to purchase an additional common share of the Company at a price of \$0.45 per share for a period of 18 months from the closing of the Offering. No value was attributed to the warrant component of the units issued.

The Company paid finders' fees of \$65,625 and issued 116,900 finders' warrants exercisable at a price of \$0.25 until July 4, 2023. The fair value of the finders' warrants was determined to be \$18,187 using the Black-Scholes option pricing model with the following inputs: i) exercise price: \$0.25; ii) share price: \$0.27; iii) term: 1.5 years; iv) volatility: 125%; v) discount rate: 0.98%.

**Transactions for the issue of share capital during the nine months January 31, 2021:**

There were no transactions for the issue of share capital during the nine months ended January 31, 2021.

**Stock options**

On December 19, 2016, the Company adopted a formal Stock Option Plan (the "Option Plan"). Under the Option Plan, the exercise price of each option must not be less than the greater of the closing market price of the underlying securities on (a) the trading day prior to the date of grant and (b) the date of the grant of the stock options. The options can be granted for a maximum term of five years. The maximum number of options that can be issued may not exceed 10% of the issued and outstanding common share capital. The options vest at the discretion of the Board of Directors. The terms of the existing stock options remain in accordance with the stock option plan in place at the time the options were granted.

A summary of the status of the Company's stock options as at January 31, 2022 and April 30, 2021, and changes during the period/year then ended is as follows:

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**Gelum Resources Ltd. (formerly Gelum Capital Ltd.)****Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended January 31, 2022**

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**6. Share capital (continued)****Stock options (continued)**

	Period ended January 31, 2022		Year ended April 30, 2021	
	Options #	Weighted average exercise price \$	Options #	Weighted average exercise price \$
Options outstanding, beginning of period/year	250,000	1.00	250,000	1.00
Granted	2,500,000	0.15	-	-
Cancelled	(100,000)	1.00	-	-
<b>Options outstanding, end of period/year</b>	<b>2,650,000</b>	<b>0.20</b>	250,000	1.00

As at January 31, 2022, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price \$	Expiry date
150,000	150,000	1.00	June 9, 2022
2,500,000	2,500,000	0.15	November 12, 2023
<b>2,650,000</b>	<b>2,650,000</b>		

The following table summarizes information about the stock options outstanding as at January 31, 2022:

Number of Options Outstanding #	Weighted average remaining life (years)	Weighted average exercise price \$
2,650,000	1.70	0.20

On November 12, 2021, the Company granted 2,500,000 stock options with an exercise price of \$0.15 and a term of two years expiring on November 12, 2023. These options granted had a fair value of \$245,307 using the Black Scholes option pricing model with the following inputs: i) exercise price: \$0.15; ii) share price: \$0.155; iii) term: 2 years; iv) expected volatility: 125%; v) discount rate: 0.98%.

No stock options were granted during the nine months ended January 31, 2021

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**Gelum Resources Ltd. (formerly Gelum Capital Ltd.)****Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended January 31, 2022**

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**6. Share capital (continued)****Warrants**

A summary of the status of the Company's warrants as at January 31, 2022 and April 30, 2021, and changes during the period/year then ended is as follows:

	Period ended January 31, 2022		Year ended April 30, 2021	
	Warrants #	Weighted average exercise price \$	Warrants #	Weighted average exercise price \$
Warrants outstanding, beginning of period/year	-	-	-	-
Issued	16,672,680	0.27	-	-
<b>Warrants outstanding, end of period/year</b>	<b>16,672,680</b>	<b>0.27</b>	-	-

As at January 31, 2022, the Company has warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price \$	Expiry date
500,000	500,000	0.10	April 6, 2022
5,380,274	5,380,274	0.06	July 13, 2022
1,675,000	1,675,000	0.25	June 25, 2023
1,675,000	1,675,000	0.50	June 25, 2023
2,500,003	2,500,003	0.25	July 6, 2023
2,500,003	2,500,003	0.50	July 6, 2023
50,000	50,000	0.25	July 14, 2023
50,000	50,000	0.50	July 14, 2023
217,000	217,000	0.25	June 25, 2023
550,000	550,000	0.25	August 31, 2023
550,000	550,000	0.50	August 31, 2023
73,500	73,500	0.25	August 31, 2023
835,000	835,000	0.45	July 4, 2023
116,900	116,900	0.45	July 4, 2023
<b>16,672,680</b>	<b>16,672,680</b>		

The following table summarizes information about the warrants outstanding as at January 31, 2022:

Number of Warrants Outstanding #	Weighted average remaining life (years)	Weighted average exercise price \$
16,672,680	1.08	0.27

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**Gelum Resources Ltd. (formerly Gelum Capital Ltd.)****Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended January 31, 2022**

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**7. Loss per share**

The calculation of basic and diluted loss per share for the nine months ended January 31, 2022 was based on the loss attributable to common shareholders of \$661,924 (2021 - \$91,541) and a weighted average number of common shares outstanding of 24,242,265 (2021 – 4,727,433).

All options and warrants were excluded from the diluted weighted average number of common shares calculation, as their effect would have been anti-dilutive.

**8. Related party payables and transactions**

A number of key management personnel and Directors hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. There were no loans to key management personnel or Directors, or entities over which they have control or significant influence during the nine months ended January 31, 2022 and January 31, 2021.

1,250,000 stock options were granted to related parties during the nine months ended January 31, 2022 with a fair value of \$122,654. No stock options were granted to related parties during the nine months ended January 31, 2021.

The Company transacted with the following related parties:

- (a) Stephen Brohman is the Company's CFO. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA") a firm in which he has significant influence. DBM CPA provide the Company with accounting services.
- (b) Shares to be issued include incentive bonus payable to compensate the former Chief Executive officer payable in 36,500 common shares at a price of \$0.80 per share. The issue has been pending since 2016.
- (c) On October 14, 2017, convertible notes were issued to two directors, Hendrik Van Alphen and Robert Kopple (Note 5).
- (d) Marla Ritchie is the Company's Corporate secretary and Hendrik Van Alphen is the Company's Director. They share control of Marval Office Management Ltd., ("Marval") in which they have significant influence. Marval provides office administration services to the Company on a shared cost basis.
- (e) David Smith is the Company's President and Interim Chief Executive Officer ("CEO"). He is the spouse to the owner of Lucas Investments Ltd. ("Lucas").

The aggregate value of transactions and outstanding balances with key management personnel and Directors and entities over which they have control or significant influence were as follows:

	<b>Transactions 9 months ended January 31, 2022</b>	Transactions 9 months ended January 31, 2021	<b>Balances outstanding January 31, 2022</b>	Balances outstanding April 30, 2021
	\$	\$	\$	\$
DBM CPA	22,000	6,000	2,625	26,700
Marval	89,157	-	6,398	-
Lucas	70,000	-	-	-
Robert Kopple	-	24,684	-	-
Hendrik Van Alphen	-	25,000	-	6,038
Marla Ritchie	22,500	-	-	-
	<b>203,657</b>	55,684	<b>9,023</b>	32,738

All related party balances are unsecured and are due upon demand without interest.

The transactions with the key management personnel and Directors are included in operating expenses as follows:

- (a) Professional fees
  - Includes the accounting services of Company's CFO, Stephen Brohman, charged to the Company by DBM; and
  - Includes the corporate secretary services of Marla Ritchie.

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**Gelum Resources Ltd. (formerly Gelum Capital Ltd.)****Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended January 31, 2022**

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**8. Related party payables and transactions (continued)**

- (b) General and administrative expenses, office expenses and property investigation  
- Includes the administrative services charged to the Company by Marval.
- (c) Consulting expense  
- Includes the CEO services charged to the Company by Lucas.

**9. Supplemental cash flow information**

Changes in non-cash operating working capital during the nine months ended January 31, 2022 and January 31, 2021 were comprised of the following:

	January 31, 2022	January 31, 2021
	\$	\$
Receivables	(34,098)	(2,844)
Accounts payable and accrued liabilities	(62,285)	3,005
Accounts payable to related parties	9,023	6,100
Net change	<b>(87,360)</b>	6,261

The Company incurred non-cash financing and investing activities during the nine months ended January 31, 2022 and January 31, 2021 as follows:

	January 31, 2022	January 31, 2021
	\$	\$
Non-cash financing activities:		
Convertible notes - conversion (reserves)	80,507	-
Convertible notes - conversion (share capital)	(269,014)	-
Share capital reduced by flow-through premium liability	(148,571)	-
Share issuance costs - finders' warrants	27,084	-
	<b>(309,994)</b>	-
Non-cash investing activities:		
Common shares issued for acquisition of exploration and evaluation	(420,000)	-
	<b>(420,000)</b>	-

During the nine months ended January 31, 2022 and January 31, 2021 no amounts were paid on account of interest or income taxes.

**10. Loan Payable**

On April 6, 2021 (the "Loan Date"), the Company entered into an unsecured Promissory Note (the "Loan") with an arm's length party, whereby the Company received an amount of \$50,000. The Loan bears interest at 8% annually and is due on April 6, 2022 (the "Maturity Date"). As further consideration for providing the loan, the Company issued 500,000 common share purchase warrants (the "Bonus Warrants") on April 6, 2021. Each Bonus Warrant is exercisable into one common share at a price equal to \$0.10 per share for a period of 12 months from the Loan Date. The fair value of the Bonus Warrants was determined to be \$19,186 using the Black-Scholes option pricing model with the following inputs: i) exercise price: \$0.10; ii) share price: \$0.10; iii) term: 1 year; iv) volatility: 100%; v) discount rate: 0.26%. The fair value of the Bonus Warrants will be treated as a transaction costs and accreted to the loan over up to the Maturity Date.

As at January 31, 2022, the Company repaid the Loan in its entirety; recorded \$15,646 (2021 - \$nil) of accretion expense and \$5,435 (2021 - \$nil) of interest expense in connection with the Loan and Bonus Warrants transaction costs.

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**Gelum Resources Ltd. (formerly Gelum Capital Ltd.)****Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended January 31, 2022**

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**11. Financial risk management****Capital management**

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at January 31, 2022 is comprised of shareholders' equity of \$1,608,657.

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to borrow or raise additional financing from equity markets.

**Financial instruments - fair value**

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, accounts payable to related parties.

The carrying value of accounts payable and accrued liabilities and accounts payable to related parties approximates their fair value because of the short-term nature of these instruments.

The loan payable is presented on an amortized cost basis and will be accreted to its face value at their effective interest rates, over the term to maturity.

Financial instruments measured at fair value on the condensed interim statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Financial instruments – risk**

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, and liquidity risk.

**a) Credit risk**

The Company is exposed to credit risk by holding cash and receivables. This risk is minimized by holding the funds in Canadian banks and credit unions or with Canadian governments. The Company has minimal accounts receivable exposure, and its refundable tax credits are due from the Canadian government.

**b) Interest rate risk**

The Company is exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations due to the short term to maturity and no penalty cashable feature of its cash. For the nine months ended January 31, 2022 every 1% fluctuation in interest rates up or down would have an insignificant impact on profit or loss.

**c) Liquidity risk**

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

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**Gelum Resources Ltd. (formerly Gelum Capital Ltd.)****Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

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**For the nine months ended January 31, 2022**

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**12. Commitment**

On December 30, 2021, the Company completed a private placement of flow-through common shares for gross proceeds of \$520,000 and recognized a flow-through liability of \$148,571. The Company is required to spend the funds on qualified exploration programs no later than December 31, 2022. The Company renounced the expenditures and available income tax benefits to the flow-through shareholders effective December 31, 2021. As at January 31, 2022, all funds have remained unspent. The Company will amortize the premium on a pro-rata basis as the flow-through funds are expended and recognized as other income on settlement of the flow-through premium liability.

**13. Events after the reporting period**

- a) On March 8, 2022 (the "Option Date"), the Company announced it has entered into an Option Agreement (the "Option") under which the Company may earn a 100% interest in a 8,736 ha (87 km<sup>2</sup>) ML land position located in south-central British Columbia, Cariboo Mining District.

In consideration of the granting of the Option and to maintain the Option, the Company shall during the Option period issue to the optionors an aggregate of \$450,000 in common shares and make cash payments to the optionors in the amount of \$375,000 as follows:

- a. \$25,000 and \$112,500 worth of common shares within five days of the Option Date (paid and common shares issued at a fair value of \$0.30 representing 375,000 common shares);
- b. \$50,000 and \$112,500 worth of common shares within twelve months of the Option Date;
- c. \$100,000 and \$112,500 worth of common shares within twenty-four months of the Option Date; and
- d. \$200,000 and \$112,500 worth of common shares within thirty-six months of the Option Date.

Where the number of common shares issuable shall be determined by dividing the dollar amount by the market price at the date of issuance. The vendors retain a 2.5% NSR royalty (buyable down to 2%) by payment of \$1,000,000, there are no work commitments on the property.

- b) On March 17, 2022, the Company issued 400,000 common shares pursuant to the option agreement on the Eldorado project (note 4).