



Gelum Resources Ltd. (formerly Gelum Capital Ltd.)

Condensed Interim Financial Statements

For the three months ended

July 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.

September 29, 2022

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

As at July 31, 2022 and April 30, 2022

	Note	July 31, 2022 \$	April 30, 2022 \$
Assets			
Current assets			
Cash		701,464	677,379
Receivables	3	53,472	42,144
Prepaid		18,280	13,843
		773,216	733,366
Non-current assets			
Prepaid exploration expenditures	4	11,232	15,232
Exploration and evaluation assets	4	1,464,568	1,217,657
		1,475,800	1,232,889
Total assets		2,249,016	1,966,255
Liabilities and shareholders' equity (deficit)			
Current liabilities			
Accounts payable and accrued liabilities		76,376	76,954
Accounts payable to related parties	8	15,424	11,715
Flow-through premium liability	6	96,380	124,612
		188,180	213,281
Total liabilities		188,180	213,281
Shareholders' equity (deficit)			
Share capital	6	10,779,795	10,358,878
Shares to be issued	8	29,200	29,200
Reserves	6	5,960,664	5,960,664
Deficit		(14,708,823)	(14,595,768)
Total shareholders' equity (deficit)		2,060,836	1,752,974
Total liabilities and shareholders' equity (deficit)		2,249,016	1,966,255
Nature of operations and going concern	1		
Events after the reporting period	13		

Approved on behalf of the Board of Directors on September 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 three months ended July 31, 2022 and July 31, 2021

	Number of shares #	Share capital \$	Shares to be issued \$	Reserves \$	Equity portion of convertible note \$	Deficit \$	Total shareholders' equity (deficit) \$
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 units issued	8,450,000	845,000	(5,000)	-	-	-	840,000
Share issuance costs - cash	-	(21,700)	-	-	-	-	(21,700)
Share issuance costs - finders' warrants	-	(6,646)	-	6,646	-	-	-
Loss and comprehensive loss for the period	-	-	-	-	-	(116,723)	(116,723)
July 31, 2021	24,107,328	8,885,862	29,200	5,694,919	-	(13,947,384)	662,597
May 1, 2022	33,838,042	10,358,878	29,200	5,960,664	-	(14,595,768)	1,752,974
Common shares issued - exploration & evaluation assets	420,000	98,100	-	-	-	-	98,100
Warrants exercised	5,380,274	322,817	-	-	-	-	322,817
Loss and comprehensive loss for the period	-	-	-	-	-	(113,055)	(113,055)
July 31, 2022	39,638,316	10,779,795	29,200	5,960,664	-	(14,708,823)	2,060,836

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

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

For the three months ended July 31, 2022 and July 31, 2021

	Note	July 31, 2022 \$	July 31, 2021 \$
Expenses			
Accretion expense	5,10	-	11,192
Consulting expense	8	47,000	30,000
General and administrative expenses		45,811	12,108
Office expenses	8	2,470	4,056
Property investigation		-	6,344
Professional fees	8	38,597	38,018
Transfer agent and filing fees		7,409	9,679
Loss from operating expenses		(141,287)	(111,397)
Other income on settlement of flow-through premium liability	6	28,232	-
Interest expense	5	-	(5,326)
Loss and comprehensive loss for the year		(113,055)	(116,723)
Loss per share			
Weighted average number of common shares outstanding			
- Basic #	7	35,257,012	13,908,521
- Diluted #	7	35,257,012	13,908,521
Basic loss per share \$	7	(0.00)	(0.01)
Diluted loss per share \$	7	(0.00)	(0.01)

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

For the three months ended July 31, 2022 and July 31, 2021

	Note	July 31, 2022 \$	July 31, 2021 \$
Operating activities			
Loss and comprehensive loss for the period		(113,055)	(116,723)
Adjustments for:			
Accretion expense		-	11,192
Accrued interest on loan payable		-	1,271
Accrued interest on convertible note		-	4,055
Other income on settlement of flow-through premium liability		(28,232)	-
Net change in non-cash working capital items	9	(11,277)	20,634
		(152,564)	(79,571)
Financing activities			
Private placement proceeds, net share issuance costs		-	818,300
Exercise of warrants		322,817	-
		322,817	818,300
Investing activities			
Exploration and evaluation assets - acquisition		(50,000)	-
Prepaid exploration expenditures		-	(39,117)
Deferred exploration and evaluation expenditures		(96,168)	-
		(146,168)	(39,117)
Decrease in cash		24,085	699,612
Cash, beginning of period		677,379	4,799
Cash, end of period		701,464	704,411

Supplemental cash flow information

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Gelum Resources Ltd. (formerly Gelum Capital Ltd.)

Condensed Interim Statements of Cash Flows

Unaudited – Prepared by Management

For the three months ended July 31, 2022 and July 31, 2021

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 for the period ended July 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 comprehensive loss of \$113,055 for the period ended July 31, 2022 and has a working capital surplus of \$585,036 at July 31, 2022.

The Company had cash of \$701,464 as at July 31, 2022. 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, 2022, 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.

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

For the three months ended July 31, 2022 and July 31, 2021

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

Except as set out below, 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 financial statements for the year ended July 31, 2022. Accordingly, these financial statements should be read in conjunction with the Company's most recent annual audited financial statements.

3. Receivables

Receivable consist of the following:

	July 31, 2022	April 30, 2022
	\$	\$
Sales tax recoverable	53,472	42,144
	53,472	42,144

4. Exploration and evaluation assets

Exploration and evaluation assets consist of the following:

	April 30, 2021	Acquisition and assessments	Exploration and evaluation	April 30, 2022
	\$	\$	\$	\$
Eldorado	70,000	245,000	376,135	691,135
Eldorado - Roxey Claims	-	400,000	-	400,000
ML Project	-	122,500	4,022	126,522
	70,000	767,500	380,157	1,217,657

	April 30, 2022	Acquisition and assessments	Exploration and evaluation	July 31, 2022
	\$	\$	\$	\$
Eldorado	691,135	-	126,411	817,546
Eldorado - Roxey Claims	400,000	-	-	400,000
Eldorado - Robson Claims	-	120,500	-	120,500
ML Project	126,522	-	-	126,522
	1,217,657	120,500	126,411	1,464,568

Deferred exploration costs consisted of the following:

	April 30, 2022	Eldorado Property	ML Project	July 31, 2022
	\$	\$	\$	\$
Assay	32,484	-	-	32,484
Geological & consulting	98,552	45,763	-	144,315
Geophysical	218,976	42,006	-	260,982
Supplies	476	36,653	-	37,129
Travel	29,669	1,989	-	31,658
	380,157	126,411	-	506,568

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

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

For the three months ended July 31, 2022 and July 31, 2021

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

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 with a fair value of \$100,000 (note 6));
- 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).

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

For the three months ended July 31, 2022 and July 31, 2021

5. Exploration and evaluation assets (continued)*Robson Claims*

On May 24, 2022, the Company entered into an agreement under which the Company may earn a 100% interest in the Robson claim, which is within the Eldorado gold property currently under option. The Eldorado gold property is located within the Bralorne-Bridge River gold district in south-central British Columbia.

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 \$1,000,000 cash and issue 3,000,000 shares over the life of the option (\$50,000 paid and 300,000 common shares issued with a fair value of \$70,500 (note 6)).

Date	Terms	Cash	Shares
Effective Date	Mandatory	\$ 50,000	300,000
First anniversary	Optional	\$ 50,000	300,000
Second anniversary	Optional	\$ 150,000	600,000
Third anniversary	Optional	\$ 250,000	600,000
Fourth anniversary	Optional	\$ 500,000	1,200,000
Total		\$ 1,000,000	3,000,000

The Company also agrees to carry out work on the property and file such work as assessment as follows:

- (committed) \$50,000 of work on or before May 31, 2023;
- (optional, but mandatory in order for the optionee to continue its right to exercise the option) \$50,000 of work on or before May 31, 2024;
- (optional, but mandatory in order for the optionee to continue its right to exercise the option) \$50,000 of work on or before May 31, 2025;
- (optional, but mandatory in order for the optionee to continue its right to exercise the option) \$50,000 of work on or before May 31, 2026.

On completion of the option obligations in full the Company will issue a NSR (net smelter return) royalty on the property in favour of the optionor. The NSR royalty will be for 3 per cent and will have a buydown right whereby the Company can reduce the NSR to 2 per cent by payment of \$1,333,000.

On April 8, 2022, the Company entered into an agreement (the "Agreement") with Bridge River Indian Band ("Xwisten") as compensation for impacts of exploration on Xwisten indigenous title and rights and traditional territory and the provision of assistance to be provided by Xwisten. The Company shall provide to Xwisten the following as compensation for impacts from the exploration activities:

- Issue 120,000 common shares on or prior to the fifth business day after the date of signing of this Agreement (issued with a fair value of \$27,600 (note 6));
- Issue and annual payment of \$25,000 commencing on the first anniversary of the Agreement date; and
- Commencing on the fourth anniversary of the Agreement date, and on each subsequent anniversary thereafter, the annual payments of \$25,000 shall be subject to the Company having spent not less than \$100,000 in exploration expenditures.

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

For the three months ended July 31, 2022 and July 31, 2021

4. Exploration and evaluation assets (continued)**ML Copper-Gold Property**

On January 31, 2022 (the "Option Date"), the Company entered into an Option Agreement (the "Option") under which the Company may earn a 100% interest in 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 (accrued \$25,000 through accounts payable as a firm commitment and common shares issued at a fair value of \$0.26 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.

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).

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

	July 31, 2021
	\$
Proceeds received, net of transaction costs	195,045
Allocated to equity portion	(75,459)
Allocated to liability portion	119,586
Liability portion, beginning	263,261
Accretion expense for the period	6,357
Accrued interest	4,055
Liability portion, ending	273,673

On July 13, 2021, the Company completed the conversion of convertible notes (note 6) by issuing units at a value of \$269,014.

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

For the three months ended July 31, 2022 and July 31, 2021

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 three months ended July 31, 2022:

- a) On May 11, 2022, the Company issued 120,000 common shares at a fair value of \$27,600 pursuant to the Agreement with Bridge River Indian Band (note 4).
- b) On May 30, 2022, the Company issued 300,000 common shares at a fair value of \$70,500 pursuant to the option agreement on the Eldorado project – Robson claims (note 4).
- c) On July 12, 2022, the Company issued 5,380,274 common shares on the exercise of warrants for proceeds of \$322,817.

Transactions for the issue of share capital during the three months ended July 31, 2021:

- a) 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.

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, 2023. 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%.

- b) 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.

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 July 31, 2022 and April 30, 2022, and changes during the period/year then ended is as follows:

	Period ended July 31, 2022		Year ended April 30, 2022	
	Options #	Weighted average exercise price \$	Options #	Weighted average exercise price \$
Options outstanding, beginning of period/year	2,650,000	0.20	250,000	1.00
Granted	-	-	2,500,000	0.15
Cancelled/Expired	(150,000)	-	(100,000)	1.00
Options outstanding, end of period/year	2,500,000	0.15	2,650,000	0.20

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

For the three months ended July 31, 2022 and July 31, 2021

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

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

Options outstanding #	Options exercisable #	Exercise price \$	Expiry date
2,500,000	2,500,000	0.15	November 12, 2023
2,500,000	2,500,000		

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

Number of Options Outstanding #	Weighted average remaining life (years)	Weighted average exercise price \$
2,500,000	1.28	0.15

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 three months ended July 31, 2022 and 2021.

Warrants

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

	Year ended April 30, 2022		Year ended April 30, 2022	
	Warrants #	Weighted average exercise price \$	Warrants #	Weighted average exercise price \$
Warrants outstanding, beginning of period/year	16,172,680	0.27	-	-
Issued	-	-	16,672,680	0.27
Exercised	(5,380,274)	0.06	(500,000)	0.10
Warrants outstanding, end of period/year	10,792,406	0.38	16,172,680	0.27

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

For the three months ended July 31, 2022 and July 31, 2021

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

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

Warrants outstanding #	Warrants exercisable #	Exercise price \$	Expiry date
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
10,792,406	10,792,406		

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

Number of Warrants Outstanding #	Weighted average remaining life (years)	Weighted average exercise price \$
10,792,406	0.94	0.38

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 July 31, 2022, approximately \$183,000 of the funds had been spent, \$96,380 is remaining in flow-through liability. 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.

7. Loss per share

The calculation of basic and diluted loss per share for the three months ended July 31, 2022 was based on the loss attributable to common shareholders of \$113,055 (2021 - \$116,723) and a weighted average number of common shares outstanding of 35,257,012 (2021 – 13,908,521).

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

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8. Related party payables and transactions

A number of key management personnel (Directors and senior officers) 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 entities over which they have control or significant influence during the three months ended July 31, 2022 and July 31, 2021.

No stock options were granted to related parties during the three months ended July 31, 2022. No stock options were granted to related parties during the three months ended July 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:

	Transactions 3 months ended July 31, 2022 \$	Transactions 3 months ended July 31, 2021 \$	Balances outstanding July 31, 2022 \$	Balances outstanding April 30, 2022 \$
DBM CPA	7,500	5,000	2,625	2,625
Marval	14,568	19,548	7,207	3,498
Lucas	15,000	13,500	5,592	5,592
(1) Marla Ritchie	9,000	7,500	-	-
	46,068	45,548	15,424	11,715

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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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 three months ended July 31, 2022 and July 31, 2021 were comprised of the following:

	July 31, 2022	July 31, 2021
	\$	\$
Receivables	(11,328)	(4,888)
Accounts payable and accrued liabilities	779	(27,595)
Prepaid	(4,437)	-
Accounts payable to related parties	3,709	53,117
Net change	(11,277)	20,634

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

	July 31, 2022	July 31, 2021
	\$	\$
Non-cash financing activities:		
Convertible notes - conversion (reserves)	-	80,507
Convertible notes - conversion (share capital)	-	(269,014)
Convertible notes - conversion (equity portion of convertible notes)	-	(75,459)
Share issuance costs - finders' warrants	-	6,646
	-	(257,320)
Non-cash investing activities:		
Common shares issued for acquisition of exploration and evaluation assets	(98,100)	20,000
	(98,100)	20,000

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

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10. Loan payable

On April 6, 2021 ("Effective 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 granted 500,000 common share purchase warrants ("Bonus Warrants") during the year ended April 30, 2022. Each Bonus Warrant is exercisable for one common share in the capital of the Company at a price equal to \$0.10 per share for a period of 12 months from the Effective 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 was recorded in fiscal 2021, and were treated as a transaction cost and accreted to the loan over up to the Maturity Date.

As at April 30, 2022, the Company repaid the Loan in its entirety; recorded \$15,646 (2021 - \$nil) of accretion expense and \$5,435 (2021 - \$1,262) of interest expense in connection with the Loan and Bonus Warrants transaction costs.

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 April 30, 2022 is comprised of shareholders' equity of \$2,060,836 (April 30, 2022 – \$1,727,974).

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, receivables, accounts payable and accrued liabilities, and 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.

Financial instruments measured at fair value on the 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).

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For the three months ended July 31, 2022 and July 31, 2021

11. Financial risk management (continued)**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 three months ended July 31, 2022 every 1% fluctuation in interest rates up or down would have an insignificant impact.

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.

12. Events after the reporting period

On September 20, 2022, the Company announced a non-brokered private placements consisting of a flow-through private placement and non-flow through private placement for which units are currently being allocated. The Company will issue up to 3,333,333 flow-through shares at a price of \$0.30 per share (the "FT Shares") and, up to 2,500,000 non-flow through units (the "NFT Units") at a price of \$0.20 per NFT Unit (collectively, the "Private Placement") for aggregate proceeds of up to \$1,500,000.

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 (the "Warrants") for a period of 18 months from the closing of the Offering. The expiry of the Warrants may be accelerated if the closing price of the Corporation's common shares on the Canadian Securities Exchange is equal to or greater than \$0.60 for a minimum of twenty consecutive trading days and a notice of acceleration is provided in accordance with the terms of the Warrants. The common shares issued pursuant to the FT Shares, will be issued as "flow-through shares".