
**GPM METALS INC.
CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2014 AND 2013
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of GPM Metals Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2014 and 2013 have not been reviewed by the Company's auditors.

GPM METALS INC.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

| | As at September 30, 2014 | As at December 31, 2013 |
|---|--------------------------------|-------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 2,650,552 | \$ 4,658,065 |
| Short-term investments (note 4) | 27,500 | 40,000 |
| Accounts receivable and other assets (note 5) | 85,130 | 57,433 |
| Total current assets | 2,763,182 | 4,755,498 |
| Non-current assets | | |
| Restricted cash | 16,812 | 15,954 |
| Property and equipment (note 6) | 203,809 | 262,914 |
| Total assets | \$ 2,983,803 | \$ 5,034,366 |
| LIABILITIES AND EQUITY | | |
| Current liabilities | | |
| Amounts payable and other liabilities | \$ 933,453 | \$ 828,040 |
| Capital and reserves | | |
| Share capital (note 7) | 23,165,127 | 23,165,127 |
| Capital surplus (note 8) | 8,014,631 | 7,874,743 |
| Warrant reserve (note 10) | 4,563,401 | 4,563,401 |
| Deficit | (33,692,809) | (31,396,945) |
| Total capital and reserves | 2,050,350 | 4,206,326 |
| Total liabilities and equity | \$ 2,983,803 | \$ 5,034,366 |

Nature of operations (note 1)

Approved on behalf of the Board:

(Signed) "J. Patrick Sheridan" , Director

(Signed) "Alan Ferry" , Director

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

GPM METALS INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|---------------------|------------------------------------|---------------------|
| | 2014 | 2013 | 2014 | 2013 |
| Operating expenses | | | | |
| General and administrative (note 11) | \$ 234,854 | \$ 210,935 | \$ 622,388 | \$ 629,126 |
| Foreign exchange (gain) loss | (16,651) | 45,209 | (94,116) | (80,733) |
| Exploration and evaluation expenditures (note 13) | 383,462 | 60,362 | 1,712,108 | 235,595 |
| Amortization | 19,701 | 28,140 | 59,105 | 84,417 |
| Operating loss | (621,366) | (344,646) | (2,299,485) | (868,405) |
| Interest income | 5,166 | 4,900 | 16,121 | 16,127 |
| Unrealized gain (loss) on short-term investments | 2,500 | (27,500) | (12,500) | (20,000) |
| Net loss and comprehensive loss for the period | \$ (613,700) | \$ (367,246) | \$ (2,295,864) | \$ (872,278) |
| Basic and diluted net loss per common share (note 9) | \$ (0.01) | \$ (0.00) | \$ (0.02) | \$ (0.01) |
| Weighted average number of common shares outstanding (note 9) | 110,514,513 | 100,011,773 | 110,514,513 | 94,546,933 |

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

GPM METALS INC.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

Nine Months Ended
September 30,
2014 2013

Operating activities

| | | |
|--|--------------------|------------------|
| Net loss for the period | \$ (2,295,864) | \$ (872,278) |
| Adjustments for: | | |
| Amortization | 59,105 | 84,417 |
| Unrealized foreign exchange gain | (94,116) | (80,733) |
| Unrealized loss on short-term investments | 12,500 | 20,000 |
| Share based payments (note 8) | 139,888 | 163,633 |
| Non-cash working capital items: | | |
| Accounts receivable and other assets | (27,697) | (859) |
| Amounts payable and other liabilities | 105,413 | 83,923 |
| Net cash used in operating activities | (2,100,771) | (601,897) |

Financing activities

| | | |
|--|----------|----------------|
| Acquisition of DPG Resources Inc. (note 3) | - | 820,303 |
| Transaction costs (note 3) | - | (100,637) |
| Net cash provided by financing activities | - | 719,666 |

| | | |
|---|---------------------|---------------------|
| Net change in cash | (2,100,771) | 117,769 |
| Cash, beginning of period | 4,658,065 | 4,684,910 |
| Effect of foreign exchange rate fluctuation on cash held | 93,258 | 80,231 |
| Cash, end of period | \$ 2,650,552 | \$ 4,882,910 |

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

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

| | <u>Reserves</u> | | | | |
|--|----------------------|--------------------------------|---------------------------------|------------------------|---------------------|
| | Share capital | Capital surplus (note 8) | Warrant reserve (note 10) | Deficit | Total |
| Balance, December 31, 2012 | \$ 22,704,875 | \$ 7,694,892 | \$ 4,303,987 | \$ (30,163,954) | \$ 4,539,800 |
| Acquisition of DPG Resources Inc., net of issue costs (note 3) | 460,252 | - | 259,414 | - | 719,666 |
| Share based payments (note 8) | - | 163,633 | - | - | 163,633 |
| Net loss and comprehensive loss for the period | - | - | - | (872,278) | (872,278) |
| Balance, September 30, 2013 | \$ 23,165,127 | \$ 7,858,525 | \$ 4,563,401 | \$ (31,036,232) | \$ 4,550,821 |

| | <u>Reserves</u> | | | | |
|--|----------------------|--------------------------------|---------------------------------|------------------------|---------------------|
| | Share capital | Capital surplus (note 8) | Warrant reserve (note 10) | Deficit | Total |
| Balance, December 31, 2013 | \$ 23,165,127 | \$ 7,874,743 | \$ 4,563,401 | \$ (31,396,945) | \$ 4,206,326 |
| Share based payments (note 8) | - | 139,888 | - | - | 139,888 |
| Net loss and comprehensive loss for the period | - | - | - | (2,295,864) | (2,295,864) |
| Balance, September 30, 2014 | \$ 23,165,127 | \$ 8,014,631 | \$ 4,563,401 | \$ (33,692,809) | \$ 2,050,350 |

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

GPM METALS INC.

Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended September 30, 2014 and 2013 (Expressed in Canadian Dollars) (Unaudited)

1. Nature of operations

GPM Metals Inc. (the "Company" or "GPM") was incorporated under the Alberta Business Corporation Act on March 16, 1994 under the name of Minera Sierra Madre Inc. Effective December 15, 1999, the Company changed its name to MSA Capital Corp. and, subsequently, on October 28, 2002, changed its name to Coronation Minerals Inc. On April 5, 2004, the Company filed articles of continuance and was continued under the Business Corporations Act (Ontario). On August 17, 2009, the Company announced that it had filed articles of amendment to change its name to Guyana Precious Metals Inc. Effective August 27, 2013, the Company changed its name to GPM Metals Inc. The primary office is located at 141 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 3L5.

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

While the Company has no source of revenue, it expects to fund its corporate costs for the next two years, starting from September 30, 2014, with its existing cash balance. In order to meet exploration costs, the Company will need to raise additional financing. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company.

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

2. Significant accounting policies

(a) Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of November 25, 2014, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2013, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2014 could result in restatement of these unaudited condensed interim consolidated financial statements.

(b) Change in accounting policies

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee ("IFRIC") that are mandatory for accounting periods after December 31, 2013. The following new standards have been adopted:

(i) IAS 32 – Financial instruments: Presentations clarifies some of the requirements for offsetting financial assets and financial liabilities on the consolidated statement of financial position. At January 1, 2014, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

GPM METALS INC.

Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2014 and 2013
(Expressed in Canadian Dollars)
(Unaudited)

2. Significant accounting policies (continued)

(c) Recent accounting pronouncements

IFRS 9 – Financial instruments (“IFRS 9”) was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 replaces the multiple rules in IAS 39 and uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

3. Acquisition of DPG Resources Inc. (“DPG”)

On August 21, 2013, the Company completed the acquisition (the “Acquisition”) of DPG. Upon closing of the Acquisition, an aggregate of 18,700,000 common shares and 18,700,000 share purchase warrants (each, a “Warrant”) of GPM were issued to the former shareholders of DPG in exchange for the common shares of DPG held by such shareholders, being one common share of GPM and one Warrant of GPM for each common share of DPG outstanding. Each Warrant entitles the holder thereof to acquire one additional common share of GPM at an exercise price of \$0.10 until August 21, 2015.

This transaction has been accounted for as an issuance of units and an acquisition of an asset, rather than a business combination, as cash was the only asset acquired and DPG does not meet the definition of a business in accordance with IFRS 3: Business Combinations. Each Unit consisted of one common share of the Company and one Warrant. The fair value of the cash acquired, net of transaction costs, has been allocated between the common shares and warrants issued to the former shareholders of DPG, based on the relative fair value of each common share and warrant. Total transaction costs of \$100,637 have been recognized on the acquisition of DPG and were allocated between the common shares and warrants on a pro rata basis.

The following summarizes the consideration transferred and the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration:

| | | |
|---------------|-----------|----------------|
| Common shares | \$ | 460,252 |
| Warrants | | 259,414 |
| Total | \$ | 719,666 |

Identified net assets acquired:

| | | |
|-------------------|-----------|----------------|
| Cash | \$ | 820,303 |
| Transaction costs | | (100,637) |
| Total | \$ | 719,666 |

4. Short-term investments

| | As at September 30, 2014 | As at December 31, 2013 |
|-----------------------------------|--------------------------------|-------------------------------|
| Prophecy Coal Corp. common shares | \$ 27,500 | \$ 40,000 |

GPM METALS INC.

Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2014 and 2013
(Expressed in Canadian Dollars)
(Unaudited)

5. Accounts receivable and other assets

| | As at September 30, 2014 | As at December 31, 2013 |
|---|--------------------------------|-------------------------------|
| Harmonized sales tax recoverable - (Canada) | \$ 18,519 | \$ 26,558 |
| Sales tax recoverable - (Australia) | 11,622 | - |
| Accounts receivable | 41,868 | 1,771 |
| Prepaid expenses | 13,121 | 29,104 |
| | \$ 85,130 | \$ 57,433 |

6. Property and equipment

| Cost | Vehicle | Excavation equipment | Total |
|---|-----------|-------------------------|------------|
| Balance, December 31, 2013 and September 30, 2014 | \$ 47,398 | \$ 552,058 | \$ 599,456 |

| Accumulated Amortization | Vehicle | Excavation equipment | Total |
|-----------------------------|-----------|-------------------------|------------|
| Balance, December 31, 2013 | \$ 37,298 | \$ 299,244 | \$ 336,542 |
| Change during the period | 2,273 | 56,832 | 59,105 |
| Balance, September 30, 2014 | \$ 39,571 | \$ 356,076 | \$ 395,647 |

| Carrying Value | Vehicle | Excavation equipment | Total |
|-----------------------------|-----------|-------------------------|------------|
| Balance, December 31, 2013 | \$ 10,100 | \$ 252,814 | \$ 262,914 |
| Balance, September 30, 2014 | \$ 7,827 | \$ 195,982 | \$ 203,809 |

7. Share capital

a) Authorized share capital

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

b) Common shares issued

At September 30, 2014, the issued share capital amounted to \$23,165,127. The changes in issued share capital for the periods were as follows:

| | Number of common shares | Amount |
|---|-------------------------------|----------------------|
| Balance, December 31, 2012 and September 30, 2013 | 91,814,513 | \$ 22,704,875 |
| Acquisition of DPG, net of issue costs (i) | 18,700,000 | 460,252 |
| Balance, December 31, 2013 and September 30, 2014 | 110,514,513 | \$ 23,165,127 |

(i) Pursuant to the completion of the Acquisition of DPG on August 21, 2013, the Company issued 18,700,000 common shares (see note 3).

GPM METALS INC.

Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2014 and 2013
(Expressed in Canadian Dollars)
(Unaudited)

8. Stock options

The following tables reflect the continuity of stock options for the periods ended September 30, 2014 and 2013:

| | Number of stock options | Weighted average exercise price (\$) |
|--|----------------------------|---|
| Balance, December 31, 2012 | 8,725,000 | 0.27 |
| Expired | (875,000) | 0.45 |
| Balance, September 30, 2013 | 7,850,000 | 0.25 |
| Weighted average exercise price for vested options | | 0.28 |

| | Number of stock options | Weighted average exercise price (\$) |
|--|----------------------------|---|
| Balance, December 31, 2013 | 7,850,000 | 0.25 |
| Granted | 3,150,000 | 0.10 |
| Expired and cancelled | (1,562,500) | 0.26 |
| Forfeited | (112,500) | 0.17 |
| Balance, September 30, 2014 | 9,325,000 | 0.20 |
| Weighted average exercise price for vested options | | 0.22 |

The following table reflects the actual stock options issued and outstanding as of September 30, 2014:

| Expiry date | Exercise price (\$) | Weighted average remaining contractual life (years) | Number of options outstanding | Number of options vested (exercisable) | Number of options unvested |
|-----------------------|------------------------|--|-------------------------------------|---|----------------------------------|
| August 22, 2015 (iii) | 0.10 | 0.89 | 1,000,000 | 1,000,000 | - |
| October 12, 2015 (iv) | 0.17 | 1.03 | 1,800,000 | 1,800,000 | - |
| January 28, 2016 | 0.36 | 1.33 | 2,625,000 | 2,625,000 | - |
| April 28, 2016 | 0.48 | 1.58 | 250,000 | 250,000 | - |
| November 7, 2016 (i) | 0.28 | 2.11 | 250,000 | 250,000 | - |
| February 17, 2017 (v) | 0.10 | 2.39 | 3,150,000 | 1,575,000 | 1,575,000 |
| June 26, 2017 (ii) | 0.10 | 2.74 | 250,000 | 250,000 | - |
| | | 1.65 | 9,325,000 | 7,750,000 | 1,575,000 |

GPM METALS INC.

Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended September 30, 2014 and 2013 (Expressed in Canadian Dollars) (Unaudited)

8. Stock options (continued)

(i) On November 7, 2011, the Company granted 1,550,000 options to a director and consultants of the Company at a price of \$0.28 per share for services rendered. Of the options granted, 250,000 remained outstanding at September 30, 2014. The fair value of these options at the date of grant of \$0.2519 was estimated using the Black-Scholes valuation model with the following assumptions: a five year expected term; a 145% expected volatility based on historical trends; risk free interest rate of 1.5%; share price at the date of grant of \$0.28; and an expected dividend yield of 0%. The grant date fair value assigned to these options was \$390,445. These options, which will vest by 25% upon date of grant and by 25% on each of the 6, 12 and 18 month anniversaries of the date of grant, will expire on November 7, 2016. For the three and nine months ended September 30, 2014, the impact on salaries and benefits (note 11) was \$nil (three and nine months ended September 30, 2013 - \$nil and \$3,633, respectively). For the three and nine months ended September 30, 2014, the impact on consulting fees (note 11) was \$nil (three and nine months ended September 30, 2013 - \$nil and \$17,439, respectively).

(ii) On June 26, 2012, the Company granted 250,000 options to a director of the Company at a price of \$0.10 per share. The fair value of these options at the date of grant of \$0.079 was estimated using the Black-Scholes valuation model with the following assumptions: a five year expected term; a 139% expected volatility based on historical trends; risk free interest rate of 1.21%; share price at the date of grant of \$0.09; and an expected dividend yield of 0%. The grant date fair value assigned to these options was \$19,750. These options, which will vest by 25% upon date of grant and by 25% on each of the 6, 12 and 18 month anniversaries of the date of grant, will expire on June 26, 2017. For the three and nine months ended September 30, 2014, the impact on salaries and benefits (note 11) was \$nil (three and nine months ended September 30, 2013 - \$829 and \$4,854, respectively).

(iii) On August 22, 2012, the Company granted 1,000,000 options to an officer of the Company at a price of \$0.10 per share. The fair value of these options at the date of grant of \$0.061 was estimated using the Black-Scholes valuation model with the following assumptions: a three year expected term; a 116% expected volatility based on historical trends; risk free interest rate of 1.23%; share price at the date of grant of \$0.09; and an expected dividend yield of 0%. The grant date fair value assigned to these options was \$61,000. These options, which will vest by 25% upon date of grant and by 25% on each of the 6, 12 and 18 month anniversaries of the date of grant, will expire on August 22, 2015. For the three and nine months ended September 30, 2014, the impact on salaries and benefits (note 11) was \$nil and \$1,447, respectively (three and nine months ended September 30, 2013 - \$4,775 and 21,708, respectively).

(iv) On October 12, 2012, the Company granted 2,250,000 options to certain directors, officers and consultants of the Company at a price of \$0.17 per share. Of the options granted, 1,800,000 remained outstanding at September 30, 2014. The fair value of these options at the date of grant of \$0.114 was estimated using the Black-Scholes valuation model with the following assumptions: a three year expected term; a 118% expected volatility based on historical trends; risk free interest rate of 1.22%; share price at the date of grant of \$0.165; and an expected dividend yield of 0%. The grant date fair value assigned to these options was \$256,500. These options, which will vest by 25% upon date of grant and by 25% on each of the 6, 12 and 18 month anniversaries of the date of grant, will expire on October 12, 2015. For the three and nine months ended September 30, 2014, the impact on salaries and benefits (note 11) was \$nil and \$2,678, respectively (three and nine months ended September 30, 2013 - \$5,984 and \$25,778, respectively). For the three and nine months ended September 30, 2014, the impact on consulting fees (note 11) was \$nil and (\$3,450) (three and nine months ended September 30, 2013 - \$20,944 and \$90,221, respectively).

(v) On February 17, 2014, the Company granted 3,150,000 options to certain directors, officers and consultants of the Company at a price of \$0.10 per share. The fair value of these options at the date of grant of \$0.0584 was estimated using the Black-Scholes valuation model with the following assumptions: a three year expected term; a 134% expected volatility based on historical trends; risk free interest rate of 1.21%; share price at the date of grant of \$0.08; and an expected dividend yield of 0%. The grant date fair value assigned to these options was \$183,960. These options, which will vest by 25% upon date of grant and by 25% on each of the 6, 12 and 18 month anniversaries of the date of grant, will expire on February 17, 2017. For the three and nine months ended September 30, 2014, the impact on salaries and benefits (note 11) was \$21,759 and \$95,019, respectively. For the three and nine months ended September 30, 2014, the impact on consulting fees (note 11) was \$10,120 and \$44,194, respectively.

GPM METALS INC.

Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended September 30, 2014 and 2013 (Expressed in Canadian Dollars) (Unaudited)

9. Net loss per common share

The calculation of basic and diluted loss per share for the three and nine months ended September 30, 2014 was based on the loss attributable to common shareholders of \$613,700 and \$2,295,864, respectively (three and nine months ended September 30, 2013 - loss of \$367,246 and \$872,278, respectively) and the weighted average number of common shares outstanding of 110,514,513 (three and nine months ended September 30, 2013 - 100,011,773 and 94,546,933, respectively). Diluted loss per share did not include the effect of 9,325,000 stock options (September 30, 2013 - 7,850,000 stock options) and 18,700,000 warrants (September 30, 2013 - 53,700,000) as they are anti-dilutive.

10. Warrants

The following table reflects the continuity of warrants for the periods ended September 30, 2014 and 2013:

| | Number of warrants | Weighted average exercise price (\$) |
|-----------------------------|--------------------|--------------------------------------|
| Balance, December 31, 2012 | 35,000,000 | 0.45 |
| Issued (note 3) | 18,700,000 | 0.10 |
| Balance, September 30, 2013 | 53,700,000 | 0.33 |

| | Number of warrants | Weighted average exercise price (\$) |
|---|--------------------|--------------------------------------|
| Balance, December 31, 2013 and September 30, 2014 | 18,700,000 | 0.10 |

The following table reflects the actual warrants issued and outstanding as of September 30, 2014:

| Number of warrants outstanding | Fair value | Exercise price | Expiry date |
|--------------------------------|------------|----------------|-----------------|
| 18,700,000 | \$ 259,414 | \$0.10 | August 21, 2015 |

11. General and administrative

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--------------------------------|-------------------------------------|------------|------------------------------------|------------|
| | 2014 | 2013 | 2014 | 2013 |
| Salaries and benefits (note 8) | \$ 36,758 | \$ 26,588 | \$ 144,144 | \$ 100,971 |
| Consulting fees (note 8) | 54,994 | 96,944 | 153,618 | 253,662 |
| Administrative and general | 31,946 | 41,412 | 98,179 | 116,099 |
| Reporting issuer costs | 9,200 | 17,642 | 40,016 | 55,684 |
| Accounting fees | 21,014 | 5,000 | 62,169 | 17,854 |
| Professional fees | 74,315 | 16,550 | 104,267 | 64,412 |
| Insurance | 6,627 | 6,799 | 19,995 | 20,444 |
| | \$ 234,854 | \$ 210,935 | \$ 622,388 | \$ 629,126 |

12. Related party balances and transactions

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

GPM METALS INC.

Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2014 and 2013
(Expressed in Canadian Dollars)
(Unaudited)

12. Related party balances and transactions (continued)

(a) GPM entered into the following transactions with related parties:

| | Notes | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------|-------------------------------------|-----------|------------------------------------|-----------|
| | | 2014 | 2013 | 2014 | 2013 |
| Bruce Rosenberg | (i) | \$ 26,274 | \$ 32,742 | \$ 32,274 | \$ 38,742 |
| 1140301 Ontario Ltd. | (ii) | 3,000 | 3,000 | 9,000 | 9,000 |
| Lewis Downey Tornosky Lassaline & Timpano | (iii) | 3,000 | 3,000 | 9,000 | 9,000 |
| Alexander Po | (iv) | 7,000 | 7,400 | 21,800 | 21,400 |
| Harry Burgess | (v) | 3,000 | 3,000 | 9,000 | 9,000 |
| J. Patrick Sheridan | (vi) | 30,000 | 30,000 | 90,000 | 90,000 |
| Guyana Goldfields Inc. ("GGI") | (vii) | 35,354 | 44,656 | 123,098 | 131,008 |

(i) Bruce Rosenberg is a director of the Company. Fees related to legal services provided by Mr. Rosenberg and director's fees. Director fees were paid to a company controlled by Mr. Rosenberg. As at September 30, 2014, his company was owed \$11,994 (December 31, 2013 - \$3,000) and these amounts were included in amounts payable and other liabilities.

(ii) Director fees paid to companies controlled by directors of the Company. As at September 30, 2014, these companies were owed \$15,000 (December 31, 2013 - \$15,390) and these amounts were included in amounts payable and other liabilities.

(iii) Director fees paid to a firm in which a director of the Company is a partner. As at September 30, 2014, this firm was owed \$3,000 (December 31, 2013 - \$3,000) and these amounts were included in amounts payable and other liabilities.

(iv) Director and consulting fees paid to a director of the Company.

(v) Director fees paid to a director of the Company. As at September 30, 2014, this director was owed \$3,000 (December 31, 2013 - \$3,000) and these amounts were included in amounts payable and other liabilities.

(vi) Chief Executive Officer ("CEO") fees.

(vii) GGI and GPM have common management and directors. During the three and nine months ended September 30, 2014, the Company transferred \$35,354 and \$123,098, respectively (three and nine months ended September 30, 2013 - \$44,656 and \$131,008, respectively) to GGI to be held in trust and used for expenditures on the Peter's property. As at September 30, 2014, a balance of \$23,868 (December 31, 2013 - \$18,565) was held in trust by GGI and is included in cash. As at September 30, 2014, amounts payable and other liabilities includes \$20,838 (December 31, 2013 - \$19,721) payable to GGI.

In addition to the above amounts held in trust, the title to the Peter's and Aremu property is held by GGI in trust for use by GPM.

(b) Remuneration of Directors and key management personnel of the Company was as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|-----------|------------------------------------|------------|
| | 2014 | 2013 | 2014 | 2013 |
| Total salaries and benefits ⁽¹⁾ | \$ 45,000 | \$ 45,000 | \$ 135,000 | \$ 135,000 |
| Total share based payments | \$ 21,758 | \$ 11,591 | \$ 99,144 | \$ 55,974 |

GPM METALS INC.

**Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2014 and 2013
(Expressed in Canadian Dollars)
(Unaudited)**

12. Related party balances and transactions (continued)

(b) Remuneration of Directors and key management personnel of the Company was as follows (continued):

(1) Salaries and benefits include director fees. The board of directors and select officers do not have employment or services contracts with the Company. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

As at September 30, 2014, the President and CEO of the Company controls 19,090,250 common shares of GPM or approximately 17% of the total common shares outstanding.

As at September 30, 2014, an investor of the Company controls 19,000,000 common shares of GPM or approximately 17% of the total common shares outstanding.

As at September 30, 2014, directors and officers with control of less than 10% of the common shares of GPM collectively control 5,504,944 common shares of GPM or approximately 5% of the total common shares outstanding.

13. Exploration and evaluation expenditures

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

(a) Coppermine River Project

The Company has a 100% interest in mining lease number 2797 located in the Coronation Gulf area, west of the Coppermine River (Coppermine River Property), approximately 60-75 km southwest of Kugluktuk, Nunavut, Canada. The Company intends to retain its ownership rights in the project by making any required payments to retain the property on a care and maintenance basis. For the three and nine months ended September 30, 2014, the Company accrued royalty fees on the project of \$25,000 and \$75,000, respectively (three and nine months ended September 30, 2013 - \$25,000 and \$75,000, respectively).

(b) Rory Group

The Company has a 100% interest in the Rory Group consisting of 265 staked claims located in the Yukon Territory, Canada.

(c) Peters and Aremu properties

The Peters Mine Property is located approximately 80km west-southwest of Bartica, a town in north-central Guyana in which the Essequibo, Mazaruni, and Cuyuni rivers meet, and approximately 140km southwest of Georgetown, the capital and largest city of Guyana, located in the Demerara-Mahaica region. The Aremu property comprises ten mining permits located about 60km west of Bartica and south of the Aremu River. At September 30, 2014, the Company holds a bond for US\$15,000, held in trust for potential future restoration, rehabilitation and environmental obligations on the properties.

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Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended September 30, 2014 and 2013 (Expressed in Canadian Dollars) (Unaudited)

13. Exploration and evaluation expenditures (continued)

(c) Peters and Aremu properties (continued)

On June 13, 2014, GPM announced that it has entered into a non-binding letter agreement (the "Letter Agreement") dated June 13, 2014 for the sale of its properties in Guyana, together with the interest of GPM in all property, assets and rights ancillary to the properties, to Bartica Investments Ltd. (the "Purchaser") for an aggregate cash payment to the Company of \$650,000 (the "Sale Transaction"). The cash consideration shall be paid to GPM as follows:

- (a) \$350,000 to be paid on the closing date of the Sale Transaction; and
- (b) \$300,000 to be paid on or prior to the first anniversary of the closing date of the Sale Transaction.

The Sale Transaction constitutes a "related party transaction" because the Purchaser is a company in which Patrick Sheridan, an officer, director and significant shareholder of the company, holds an interest.

On July 17, 2014, the shareholders of the Company approved the Sale Transaction at the Company's annual general meeting. The completion of the Sale Transaction is subject to the satisfaction of certain conditions, including among other things, execution of a definitive agreement and the approval of the TSXV.

(d) Walker Gossan Project

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

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

Stage One

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

Stage Two

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

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Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2014 and 2013
(Expressed in Canadian Dollars)
(Unaudited)

13. Exploration and evaluation expenditures (continued)

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|------------------------------|-------------------------------------|------------------|------------------------------------|-------------------|
| | 2014 | 2013 | 2014 | 2013 |
| Guyana, South America | | | | |
| Licence renewal fees | \$ 9,029 | \$ (17,246) | \$ 10,195 | \$ 14,553 |
| Supplies | 9,709 | 11,616 | 31,406 | 23,279 |
| General | 7,697 | 5,826 | 67,251 | 19,711 |
| Contractors | 16,260 | 16,527 | 43,090 | 49,391 |
| Feasibility | - | 10,200 | - | 10,200 |
| Geophysical | - | - | - | 12,964 |
| Transportation | 6,826 | 4,691 | 20,919 | 14,219 |
| Wages and salaries | 114 | 3,484 | 3,113 | 11,585 |
| Repairs and maintenance | 985 | 264 | 11,593 | 549 |
| | 50,620 | 35,362 | 187,567 | 156,451 |
| Canada | | | | |
| Advance royalty payments | 25,000 | 25,000 | 75,000 | 75,000 |
| Maintenance costs | 14,588 | - | 14,588 | 4,144 |
| | 39,588 | 25,000 | 89,588 | 79,144 |
| Australia | | | | |
| Access fee | - | - | 1,006,600 | - |
| General | 208,752 | - | 222,023 | - |
| Consulting | 48,996 | - | 158,093 | - |
| | 257,748 | - | 1,386,716 | - |
| Other | | | | |
| General | 35,506 | - | 48,237 | - |
| | 35,506 | - | 48,237 | - |
| | \$ 383,462 | \$ 60,362 | \$ 1,712,108 | \$ 235,595 |

14. Segmented information

As at September 30, 2014, the Company operates primarily in three reportable geographical segments, being the exploration for minerals in Guyana, Canada and Australia. The Company maintains a head office in Toronto, Canada.

Nine months ended September 30, 2014

| | Guyana | Canada | Australia | Total |
|---------------------------------|--------------|--------------|----------------|----------------|
| Revenues | \$ - | \$ 3,537 | \$ 84 | \$ 3,621 |
| Net loss and comprehensive loss | \$ (257,391) | \$ (613,743) | \$ (1,424,730) | \$ (2,295,864) |

Three months ended September 30, 2014

| | Guyana | Canada | Australia | Total |
|---------------------------------|-------------|--------------|--------------|--------------|
| Revenues | \$ - | \$ 7,655 | \$ 11 | \$ 7,666 |
| Net loss and comprehensive loss | \$ (72,154) | \$ (206,740) | \$ (334,806) | \$ (613,700) |

GPM METALS INC.

Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2014 and 2013
(Expressed in Canadian Dollars)
(Unaudited)

14. Segmented information (continued)**Nine months ended September 30, 2013**

| | Guyana | Canada | Australia | Total |
|---------------------------------|---------------|---------------|------------------|--------------|
| Revenues | \$ - | \$ (3,873) | \$ - | \$ (3,873) |
| Net loss and comprehensive loss | \$ (247,556) | \$ (624,722) | \$ - | \$ (872,278) |

Three months ended September 30, 2013

| | Guyana | Canada | Australia | Total |
|---------------------------------|---------------|---------------|------------------|--------------|
| Revenues | \$ - | \$ (22,600) | \$ - | \$ (22,600) |
| Net loss and comprehensive loss | \$ (65,681) | \$ (301,565) | \$ - | \$ (367,246) |

As at September 30, 2014

| | Guyana | Canada | Australia | Total |
|--------------------|---------------|---------------|------------------|--------------|
| Non-current assets | \$ 212,793 | \$ 7,828 | \$ - | \$ 220,621 |

As at December 31, 2013

| | Guyana | Canada | Australia | Total |
|--------------------|---------------|---------------|------------------|--------------|
| Non-current assets | \$ 268,768 | \$ 10,100 | \$ - | \$ 278,868 |