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**CONDENSED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS**

**THREE and NINE MONTHS ENDED  
September 30, 2022**

**(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 nine months ended September 30, 2022, 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 of September 30, 2022	As of December 31, 2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 317,970	\$ 221,725
Short-term investments (note 5)	24	18
Lease receivable (note 8)	(9,472)	32,788
Accounts receivable and other assets (note 7)	34,755	47,035
<b>Total current assets</b>	<b>343,278</b>	<b>301,566</b>
Property, plant, and equipment (note 6)	4,444	24,444
<b>Total long-term assets</b>	<b>4,444</b>	<b>24,444</b>
<b>Total assets</b>	<b>\$ 347,722</b>	<b>\$ 326,010</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities	\$ 26,842	\$ 62,486
Lease liability (note 8)	12,751	65,575
<b>Total current liabilities</b>	<b>\$ 39,594</b>	<b>\$ 128,061</b>
<b>Total liabilities</b>	<b>\$ 39,594</b>	<b>\$ 128,061</b>
<b>Capital, reserves, and deficit</b>		
Share capital (note 7)	24,965,455	24,691,225
Capital surplus	15,621,963	15,055,424
Warrant reserve (note 9)	351,765	789,401
Deficit	(40,338,101)	(40,338,101)
Net income	(292,953)	-
<b>Total capital, reserves, and deficit</b>	<b>308,129</b>	<b>197,949</b>
<b>Total liabilities and equity</b>	<b>\$ 347,722</b>	<b>\$ 326,010</b>

Nature of operations (note 1)

Subsequent events (note 16)

## GPM METALS INC.

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

	Three Months Ended on September 30,		Nine Months Ended on September 30,	
	2022	2021	2022	2021
<b>Operating Expenses</b>				
General and Administrative (note 13)	\$ 67,154	\$ 75,684	\$ 189,302	\$ 179,205
Foreign exchange (gain/loss)	(620)	1,204	92	(27)
Exploration and evaluation expenditures (note 15)	88,556	67,477	105,186	144,459
<b>Operating Loss</b>	<b>(155,089)</b>	<b>(144,365)</b>	<b>(294,580)</b>	<b>(323,637)</b>
Interest income	1,230	25	1,621	107
FV adjustment on short-term investments (note 5)	(1)	10,265	6	(1,734)
<b>Net loss and comprehensive loss for the Q3 2022</b>	<b>(153,860)</b>	<b>(134,075)</b>	<b>(292,953)</b>	<b>(289,660)</b>
<b>Basic and diluted net loss per common share (note 12)</b>	<b>\$ (0.002)</b>	<b>\$ (0.002)</b>	<b>(0.004)</b>	<b>\$ (0.004)</b>
<b>Weighted average number of common shares outstanding basic (note 12)</b>	<b>76,029,059</b>	<b>68,116,559</b>	<b>76,029,059</b>	<b>68,116,559</b>

## GPM METALS INC.

### Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
<b>Operating Activities</b>		
Net income (loss for the period)	\$ (292,953)	\$ (289,660)
Adjustment for non-cash items:		
Amortization	20,000	20,000
FV adjustment on short-term investments (note 5)	(6)	1,734
Share-based payments	11,002	52,483
Lease accretion expense	290	5,317
Changes in Non-cash working capital items:		
Accounts receivable and other assets	12,280	8,432
Amounts payable and other liabilities	(35,644)	(55,747)
Net cash used in operating activities	(285,031)	(257,441)
<b>Investing Activities</b>		
Sale of short-term investment	-	22,765
Net cash used in Investing Activities	-	22,765
<b>Financing activities</b>		
Proceeds from private placement	393,000	250,000
Issue cost	(870)	(1,000)
Lease obligation payment	(10,854)	(25,210)
Net cash provided by financing activities	381,276	223,790
Net change in cash	96,245	(10,885)
Cash, beginning of year	221,725	65,771
Cash, end of the period	\$ 317,970	\$ 54,886

## GPM METALS INC.

Condensed Interim Consolidated Statements of Changes in Equity  
(Expressed in Canadian Dollars)  
(Unaudited)

	<u>Reserves</u>				
	Share Capital (Note 9)	Capital Surplus	Warrant Reserve (Note 11)	Deficits	Total
<b>Balance, December 31, 2020</b>	\$ 24,379,264	14,966,347	555,536	(39,895,955)	\$ 5,192
Warrant issued	(257,924)		257,924		-
Private placement	250,000				250,000
Share issuance cost	(1,000)				(1,000)
Stock-based compensation		52,483			52,483
Net loss and comprehensive loss for the period				(289,660)	(289,660)
<b>Balance, September 30, 2021</b>	\$ 24,370,340	15,018,830	813,460	(40,185,615)	\$ 17,015

	<u>Reserves</u>				
	Share Capital (Note 9)	Capital Surplus	Warrant Reserve (Note 11)	Deficits	Total
<b>Balance, December 31, 2021</b>	\$ 24,691,225	15,055,424	789,401	(40,338,101)	\$ 197,949
The warrant expired on February 23, 2022		300,790	(300,790)		-
The warrant expired on August 9, 2022		254,746	(254,746)		-
Private placement	275,100				275,100
Share issuance cost	(870)				(870)
Warrant issued			117,900		117,900
Stock-based compensation		11,002			11,002
Net loss and comprehensive loss for the period				(292,953)	(292,953)
<b>Balance, September 30, 2022</b>	\$ 24,965,455	15,621,963	351,765	(40,631,054)	\$ 308,129

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# **GPM METALS INC.**

## **Notes to Condensed Interim Consolidated Financial Statements**

**Nine Months Ended September 30, 2022**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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

GPM Metals Inc. (the "Company" or "GPM") was incorporated under the Alberta Business Corporation Act on March 16, 1994, under the name of Minera Sierra Madre Inc. Effective December 15, 1999, the Company changed its name to MSA Capital Corp. and, subsequently, on October 28, 2002, changed its name to Coronation Minerals Inc. On April 5, 2004, the Company filed articles of continuance and was continued under the Business Corporations Act (Ontario). On August 17, 2009, the Company announced that it had filed articles of amendment to change its name to Guyana Precious Metals Inc. Effective August 27, 2013, the Company changed its name to GPM Metals Inc. The primary office is at 141 Adelaide Street West, Suite 1101, Toronto, Ontario, M5H 3L5.

The Company is a development-stage entity that does not generate operating revenues and has limited financial resources. The Company is subject to risks and challenges similar to companies in a comparable stage of development. These risks include the availability of capital and risks inherent in the mining industry related to development, exploration, and operations, as well as global economic risks and commodity price volatility. The underlying value of the Company's mineral properties is entirely dependent on the Company's ability to obtain the necessary permits to operate and secure the required financing to complete the development of and establish future profitable production from its mineral assets or the proceeds from the disposition of its mineral properties.

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board on a going concern basis, which assumes the Company will be able to meet its obligations and continue its operations for the next twelve months from December 31, 2021. On September 30, 2022, the Company had not yet achieved profitable operations, had an accumulated deficit of \$40.63 million since inception (December 31, 2021, \$40.34 million) and expects to incur further losses in the development of its business.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its ongoing corporate overhead expenditures and advance the exploration of its claims and development of its projects. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to do so in the future or that such arrangements will be on terms advantageous to the Company. These material uncertainties may cast significant doubt upon the Company's ability to realize its assets and discharge its liabilities in the normal course of business and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the ordinary course of operations. Such adjustments could be material.

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

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## **GPM METALS INC.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**Nine Months Ended September 30, 2022**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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## **2. Significant accounting policies**

### **(a) Statement of compliance**

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all the information required for complete annual financial statements by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"). These interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021, which includes the information necessary or proper to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies are presented as Note 2 in the audited consolidated financial statements for the three and nine months ended September 30, 2022, and have been consistently applied in the preparation of these interim condensed consolidated financial statements.

The policies applied in these consolidated financial statements are based on IFRS issued and effective as of September 30, 2022. The Board of Directors approved the statements on November 22, 2022.

### **(b) Recent accounting pronouncements**

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after January 1, 2019, or later periods. Many are not applicable or do not have a significant impact on the Company and have been excluded from the list below.

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

The Company elected the modified retrospective transition approach, which provides lessees a method for recording existing leases at adoption with no restatement of prior period financial information. Under this approach, a lease liability was recognized on January 1, 2020, in respect of leases previously classified as operating leases, measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at transition.

The associated right-of-use assets were measured at amounts equal to the respective lease liabilities, subject to certain adjustments allowed under IFRS 16.

### **(c) Basis of presentation**

These consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial assets to fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the period. Actual results could differ from these estimates. Of significance are the estimates and assumptions used in the recognition and measurement of items included in note 2.

### **(d) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statement of income and comprehensive income from the date that control commences until it ceases, as appropriate. All intercompany transactions, balances, income, and expenses are eliminated upon consolidation.

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## GPM METALS INC.

Notes to Condensed Interim Consolidated Financial Statements  
Nine Months Ended September 30, 2022  
(Expressed in Canadian Dollars)  
(Unaudited)

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### 2. Significant accounting policies continued

The following companies have been consolidated within the consolidated financial statements:

Corporation	Country of incorporation	Principle activity
GPM Metals Inc.	Canada	Parent company
1901743 Ontario Inc.	Canada	Holding Company
DPG Resources Australia Pty Ltd <sup>(1)</sup>	Australia	Exploration company
Guyana Precious Metals (Barbados) Inc. <sup>(2)</sup>	Barbados	Holding Company

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

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

#### (e) Foreign currencies

The functional currency for the Company and its subsidiaries, as determined by management, is the Canadian Dollar. For the purpose of the consolidated financial statements, the results of operations and financial position are expressed in Canadian Dollars.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and the translation of monetary assets and liabilities denominated in foreign currencies at the yearend exchange rates are recognized in the consolidated statement of loss and comprehensive loss.

#### (f) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

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

Classification	IFRS 9
Cash	FVTPL
Short-term investments	FVTPL
Accounts payable and other liabilities	Amortized Cost

#### Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized Cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

#### i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized Cost or FVTOCI. Gains or losses

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## **GPM METALS INC.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**Nine Months Ended September 30, 2022**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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

On these items are recognized in profit or loss. The Company's cash is classified as financial assets measured at FVTPL.

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

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

- iii. Amortized Cost

Financial assets are classified as measured at amortized Cost if both of the following criteria are met, and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows, and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

### Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or amortized costs. The Company determines the classification of its financial liabilities at initial recognition.

- i. Amortized Cost

Financial liabilities are classified as measured at amortized Cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable and other liabilities do not fall into any of the exemptions and are therefore classified as measured at amortized Cost.

- ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

### Transaction costs

Transaction costs associated with financial instruments carried at FVTPL, are expensed as incurred, while transaction costs related to all other financial instruments are included in the initial carrying amount of the asset or the Liability.

### Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized Costs are measured at amortized Cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

### Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired.

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## GPM METALS INC.

Notes to Condensed Interim Consolidated Financial Statements  
Nine Months Ended September 30, 2022  
(Expressed in Canadian Dollars)  
(Unaudited)

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### 2. Significant accounting policies continued

#### (f) Financial instruments continued

##### Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since the initial application. The adoption of the expected credit loss impairment model had no impact on the Company's consolidated financial statements.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

##### Financial instruments at fair value through profit and loss

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or Liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices): and
- Level 3 – valuation techniques using inputs for the asset or Liability that are not based on observable market data (unobservable inputs).

As of September 30, 2022, cash and short-term investment (note 5) are recorded at fair value and are considered Level 1 financial instruments. As of September 30, 2022, short-term investments held a fair value of \$24. (September 30, 2021 – \$19)

#### (g) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less Cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

#### (h) Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments, and evaluation activities.

Once a project has been established as commercially viable and technically feasible, related development expenditure will be capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, except for development costs that give rise to a future benefit. If an exploration property is disposed of, consideration is reflected as a gain on disposition.

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## **GPM METALS INC.**

**Notes to Condensed Interim Consolidated Financial Statements**  
**Nine Months Ended September 30, 2022**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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

#### (i) Cash

Cash in the statements of financial position comprise cash at banks and on hand.

#### (j) Provisions

A provision is recognized when the Company has a present legal or constructive obligation because of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the Liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable Cost of meeting its obligations under the contract.

The Company had no material provisions or onerous contracts on September 30, 2022, and September 30, 2021.

#### (k) Common shares (share capital) and subscriber warrants

Common shares are classified as share capital. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects. Subscriber warrants are classified within warrant reserve. Where common shares and subscriber warrants are offered together (as a "unit"), the Corporation allocates the consideration received per Unit, net of any issuance costs, to the common shares and subscriber warrants based on their relative fair values. The fair value of warrants is measured using a Black-Scholes option pricing model.

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

Share-based payments to employees:

The Company measures share-based payments to employees at the fair value of the options at the grant date. The fair value of share options granted to employees is recognized as an expense over the vesting or service period with a corresponding increase in equity. The fair value of the options granted is measured using the Black-Scholes valuation model, considering the terms and conditions upon which the options were granted.

At each financial reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services like those performed by a direct employee, including directors of the Company.

#### (m) Warrants

Special warrants give the holders' the right to purchase a set number of shares for a fixed price on or before the Warrant's expiration date.

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

On September 30, 2022, and September 30, 2021, the Company has no material restoration, rehabilitation, or environmental costs as the disturbance to date is minimal.

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## **GPM METALS INC.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**Nine Months Ended September 30, 2022**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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

### (p) Interest income

Interest income is recognized on an accrual basis using the effective interest method.

### (q) Loss per share

The Company presents basic loss per share data for its common shares, calculated by dividing the income/loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. The dilutive effect of outstanding stock options and warrants on earnings per share is calculated by determining the proceeds for the exercise of such securities, which are then assumed to be used to purchase common shares of the Company. If the number of common shares outstanding increases or decreases because of share split or consolidation, the calculation of basic and diluted income/ loss per share for all periods presented, is adjusted retrospectively.

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

Property, plant, and equipment are carried at Cost, less accumulated depreciation and accumulated impairment losses. The Cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is recognized based on the Cost of an item of property and equipment, less its estimated residual value, over four years for computer equipment and two and a half years for specialized software.

### (s) Leases

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

### (t) Significant accounting judgments and estimates

Preparing these consolidated financial statements requires management to make specific estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such assessments are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the modification affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### (u) Critical accounting estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, if actual results differ from assumptions made, relate to, but are not limited to, the following:

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## **GPM METALS INC.**

**Notes to Condensed Interim Consolidated Financial Statements**

**Nine Months Ended September 30, 2022**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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

i. Critical judgments:

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

ii. Use of estimation uncertainty:

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

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## **GPM METALS INC.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**Nine Months Ended September 30, 2022**

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**(Unaudited)**

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### **3. Capital risk management**

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives, including the funding of future growth opportunities and pursuit of accretive acquisitions, and
- To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and adjusts according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which comprises share capital, shares to be issued, reserves, and deficit, which on September 30, 2022, is \$308,129 (September 30, 2021 – \$17,015).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors. The Company's capital management objectives, policies, and processes have remained unchanged during the period September 30, 2022.

### **4. Financial risk management**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including foreign currency risk and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

#### **(i) Credit risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable. Cash is held with select major Canadian, Barbadian and Australian chartered banks, from which management believes the risk of loss to be minimal.

#### **(ii) Liquidity risk**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital markets is hindered, whether because of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As of September 30, 2022, the Company had cash of \$317,970 (September 30, 2021 – \$54,886) to settle current liabilities of \$39,594 (September 30, 2021 – \$110,110). Some of the Company's financial liabilities have maturities longer than 90 days and are not subject to standard trade terms. The Company regularly evaluates its cash position to ensure the preservation and security of capital and liquidity.

#### **(iii) Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

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## GPM METALS INC.

Notes to Condensed Interim Consolidated Financial Statements  
Nine Months Ended September 30, 2022  
(Expressed in Canadian Dollars)  
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### 4. Financial risk management continued

(iii) Market risk continued

a) Foreign currency risk

The Company's functional and presentation currency is the Canadian Dollar, and major purchases are transacted in Canadian dollars. As of September 30, 2022, the Company funds certain operations, exploration, and administrative expenses in Barbados on a cash call basis using US dollar currency and in Australia using the Canadian Dollar its Canadian dollar bank accounts held in Canada. The Company maintains US dollar bank accounts in Canada and Barbados and Australian dollar bank accounts in Australia. The Company is subject to gains and losses from fluctuations in the US dollar and the Australian Dollar against the Canadian Dollar.

b) Equity price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general activities in the level of the stock market.

### 5. Short-term investments

	Number of Shares	As of September 30, 2022	As of December 31, 2021
G2 Goldfields Inc.	42	24	18
	\$	24	\$ 18

### 6. Property, plant, and equipment

	Right-of-use asset		Total
Balance as of December 31, 2020	\$	51,111	\$ 51,111
Depreciation		20,000	20,000
Balance as of September 30, 2021	\$	31,111	\$ 31,111
Balance as of December 31, 2021	\$	24,444	\$ 24,444
Depreciation		20,000	20,000
Balance as of September 30, 2022	\$	4,444	\$ 4,444

## GPM METALS INC.

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### 7. Accounts receivable and other assets

	As of September 30, 2022	As of December 31, 2021
Harmonized sales tax recoverable	\$ 7,513	\$ 7,693
Sales tax recoverable (Australia)	24,652	16,293
Prepaid expenses	2,591	23,049
<b>Total Account Receivable and Other Assets</b>	<b>34,755</b>	<b>47,035</b>

### 8. Lease Liability

On December 1, 2017, the Company entered into a 60-month lease agreement to lease office space. During the 2018 fiscal year, the Company entered into a sublease agreement with a related party. Half of the office lease space has been allocated to the related party, and the Company is reimbursed for half of the monthly lease payment from 2018 to 2021 and around 80% of the monthly lease payments since January 2022, terminating on November 30, 2022.

	Office Lease
<b>Balance, December 31, 2021</b>	<b>\$ 65,575</b>
Accretion expense	4,059
Lease payments	(56,882)
<b>Balance, September 30, 2022</b>	<b>\$ 12,751</b>

The Company has recorded this lease as a right-of-use asset (note 6) and lease Liability in the consolidated statements of financial position as of September 30, 2022. As of September 30, 2022, the lease liability was measured at the present value of the lease payments that were not paid as of that date. The lease payments are discounted using an interest rate of 15%, the Company's incremental borrowing rate.

The continuity of the lease liability is presented in the table below:

	Under 1 year	Between 1-2 years	Total
Office Lease	\$ 12,751	\$ -	\$ 12,751

In connection with the sublease agreement held with a related party, as on September 30, 2022, a lease receivable amount was recognized and measured at the present value of the lease payments that were not received as of that date. The sublease payments are discounted using an interest rate of 15%, identical to the discount rate used for the head lease.

	Lease Receivable
<b>Balance, December 31, 2020</b>	<b>\$ 60,754</b>
Accretion expense	5,317
Sublease payments	(25,210)
<b>Balance, September 30, 2021</b>	<b>\$ 40,861</b>
<b>Balance, December 31, 2021</b>	<b>\$ 32,788</b>
Accretion expense	3,768
Sublease payments	(46,028)
<b>Balance, September 30, 2022</b>	<b>\$ (9,472)</b>

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### 9. Share capital

#### a) Authorized share capital

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

#### b) Common shares issued

On September 30, 2022, the issued common shares 76,029,059. The changes in issued share capital for the periods were as follows:

	Number of Common Shares		Amount
<b>Balance, December 31, 2020</b>	63,116,559	\$	24,379,264
Issues on January 19, 2021	3,000,000		150,400
Issue cost	-		(1,000)
Allocation of proceeds to warrants	-		(257,924)
Issued on July 6, 2021	2,000,000		100,000
<b>Balance, September 30, 2021</b>	<b>68,116,559</b>	<b>\$</b>	<b>24,370,740</b>
<b>Balance, December 31, 2021</b>	<b>71,116,559</b>	<b>\$</b>	<b>24,691,225</b>
Issued on July 26, 2022	4,912,500		275,100
Issue cost	-		(870)
<b>Balance, September 30, 2022</b>	<b>76,029,059</b>	<b>\$</b>	<b>24,965,455</b>

- (i) On February 11, 2021, the Company completed a private placement under which it issued an aggregate of 2,000,000 special warrants ("Special Warrants") at \$0.05 per Special Warrant and 3,000,000 units ("Units") at \$0.05 raise gross aggregate proceeds of \$250,000.00. Each Unit consists of one common share of the Company (a "Share") and one share purchase warrant (a "Warrant"), with each Warrant entitling the Holder thereof to acquire one additional share at an exercise price of \$0.10 for 60 months.

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

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

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

- (ii) On July 26, 2022, the Company completed a non-brokered private placement which has issued an aggregate of 4,912,500 units ("Units") at \$0.08 to raise gross aggregate proceeds of \$393,000.00.

Each Unit has one common share of the Company and one half-share purchase warrant. Each Warrant will entitle the Holder to purchase one additional share at an exercise price of \$0.10 for 36 months.

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### 10. Stock options

The Company adopted a stock option plan for employees, consultants, officers, and directors on April 24, 1995. The number of common shares reserved for issue under the stock option plan may not exceed 10% of the issued and outstanding capital of the Company at any given time. The term of options granted under the stock option plan may not exceed five years from the date of the grant, and the option price, which the directors of the Company may determine, may not be less than the market price for the common shares at the grant date, less an approved discount.

The Company records a charge to the statements of loss and comprehensive loss using the Black-Scholes valuation model. For options granted to non-employees, the valuation is based on services provided if reliably measurable. The Black-Scholes valuation depends on several estimates, including the risk-free interest rate and the level of stock volatility, together with an assessment of the level of forfeiture. The level of stock volatility is calculated with reference to the historic traded daily closing share price of the Company at the date of the issue.

Options pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate. Therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

The following tables reflect the continuity of stock options for the years ended September 30, 2022, and September 30, 2021.

	Number of stock options	Weighted-average exercise price (\$)
<b>Balance, December 31, 2020</b>	<b>3,700,000</b>	<b>0.12</b>
Granted on June 3, 2021	1,300,000	0.10
<b>Balance, September 30, 2021</b>	<b>5,000,000</b>	<b>0.12</b>
Expired on December 12, 2021	(600,000)	0.20
Canceled on December 31, 2021	(500,000)	0.10
<b>Balance, December 31, 2021</b>	<b>3,900,000</b>	<b>0.11</b>
Canceled on March 31, 2022	(250,000)	0.10
Canceled on June 30, 2022	(250,000)	0.10
Canceled on September 30, 2022	(250,000)	0.10
<b>Balance, September 30, 2022</b>	<b>3,150,000</b>	<b>0.10</b>

The following table reflects the stock options issued and outstanding as of September 30, 2022:

Expiry Date	Exercise Prices	Remaining contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Number of Options Unvested
13-Dec-22	0.10	0.45	1,850,000	2,100,000	-
01-Jun-24	0.10	1.92	1,300,000	750,000	550,000
<b>Total September 30, 2022</b>		<b>1.06</b>	<b>3,150,000</b>	<b>2,600,000</b>	<b>550,000</b>

- (i) During the year ended December 31, 2020, the Company extended the cancellation dates of 1,250,000 options previously granted on December 13, 2019, that are to vest upon the grant of an exploration license.

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### 10. Stock options continued

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

For the quarter that ended September 30, 2022, stock-based compensation totaling \$0 (September 30, 2021 - \$19,602) was recognized in the consolidated statement of loss and comprehensive loss in connection with the vesting of options.

### 11. Warrants

The following table reflects the continuity of warrants for the periods ended September 30, 2022, and September 30, 2021:

	Numb of Warrants	Fair Value	Weighted Exercise Price	Expiry Date	Remaining Life
<b>Balance December 31, 2020</b>	<b>13,109,800</b>	<b>555,536</b>	<b>0.14</b>		
Warrants issued, expired January 19, 2026	3,000,000	154,754	0.10	January 19, 2026	3.31
Special warrants expired January 19, 2026	2,000,000	202,770	0.10	January 19, 2026	3.31
<b>Balance September 30, 2021</b>	<b>18,109,800</b>	<b>913,061</b>	<b>0.14</b>		
<b>Balance December 31, 2021</b>	<b>21,109,800</b>	<b>789,401</b>	<b>0.13</b>		
Warrants expired February 23, 2022	(5,000,000)	(300,790)	0.20	February 23, 2022	-
Warrants issued, expired July 26, 2025	2,456,250	117,900	0.10	July 26, 2025	2.82
Warrants expired on August 9, 2022	(8,000,000)	(249,283)	0.10	August 9, 2022	-
Broker warrants expired on August 9, 2022	(109,800)	(5,463)	0.10	August 9, 2022	-
<b>Balance September 30, 2022</b>	<b>10,456,250</b>	<b>351,765</b>	<b>0.11</b>		<b>2.85</b>

- (i) On July 26, 2022, the Company issued 2,456,250 Warrants at an exercise price of \$0.10 expired on three years on July 26, 2025. Using the Black-Scholes option-pricing model with the following assumptions: the share price of \$0.10, expected dividend yield of 0%, risk-free interest rate of 1.07%, the volatility of 181.97%, and an expected life of 3 years. The fair value assigned to these warrants was \$117,900.

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(ii) On August 9, 2022, the 8,000,000 previously issued warrants and the 109,800 brokers' warrants at an exercise price of \$0.10 expired. In connection with this expiration, a change in the fair value of warrants was determined to be \$249,283 and \$5,463, which had been recorded as the contributed surplus.

- (iii) On February 22, 2022, the 5,000,000 previously issued warrants at an exercise price of \$0.10 expired. With this expiration, a change in the fair value of warrants was determined to be \$300,790, which had been recorded directly to share capital removed.

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### Notes to Condensed Interim Consolidated Financial Statements

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#### 11. Warrants continued

- (iv) On February 11, 2021, the Company issued 2,000,000 Special Warrants to Rosseau Asset Management at \$0.05 per Special Warrant. Each Special Warrant is automatically converted into one Unit without any additional payment or action by the Holder on the date upon which the Company received shareholder approval for Rosseau Asset Management and associates to become “control persons “of the Company (within the meaning of the regulations of the TSX Venture Exchange). Under the conversion, the Company issued 2,000,000 warrants exercisable at \$0.10 for five years.
- (v) On February 11, 2021, the Company issued 3,000,000 warrants at an exercise price of \$0.10 for five (5) years, expiring on February 11, 2026. The fair value of the warrants was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: the share price of \$0.07, expected dividend yield of 0%, risk-free interest rate of 0.41%, the volatility of 125.40%, and an expected life of 5 years. The fair value assigned to these warrants was \$67,323.
- (vi) On November 5, 2021, the Company issued 3,000,000 warrants at an exercise price of \$0.15 for three (3) years, expiring on November 5, 2024. The fair value of the warrants was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: the share price of \$0.12, expected dividend yield of 0%, risk-free interest rate of 1.17%, the volatility of 124.8%, and an expected life of 3 years. The fair value assigned to these options was \$122,660.

#### 12. Net loss per common share

The calculation of basic loss per share for the three and nine months ended September 30, 2022, was based on the loss attributable to common shareholders of \$153,860 and \$292,953 (three months and nine months ended September 30, 2021 - loss of \$134,075 and \$289,660 and the weighted average number of common shares outstanding of 76,029,059 (three and nine months ended September 30, 2021 – 68,116,559). Diluted loss per share did not include the effect of 3,150,000 stock options (September 30, 2021– 5,000,000 stock options) and 10,456,250 warrants (September 30, 2021– 18,109,800 warrants) as they are anti-dilutive or not in the money.

#### 13. General and administrative

	Three Months Ended September 30		Nine Months Ended September 30,	
	2022	2021	2022	2021
Salaries and benefits	\$ 33,028	\$ 27,849	\$ 67,801	\$ 27,849
Administrative and general	8,438	2,605	25,663	6,804
Accretion expense	(101)	1,467	290	5,317
Depreciation expense	6,667	6,667	20,000	20,000
Stock-based compensation	-	19,602	11,002	52,483
Reporting issuer costs	4,309	2,620	23,326	26,462
Professional fees	12,313	13,498	33,719	33,164
Insurance	2,500	1,375	7,500	7,125
<b>Total</b>	<b>\$ 67,153</b>	<b>\$ 75,684</b>	<b>\$ 189,302</b>	<b>\$ 179,205</b>

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### 14. Related party balances and transactions

Related parties include the Board of Directors, officers, close family members, enterprises that these individuals' control, and certain persons performing similar functions. The transactions noted below are in the normal course of business.

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

	Three Months Ended on September 30,		Nine Months Ended on September 30,	
	2022	2021	2022	2021
Total salaries and benefits	\$ 43,528	\$ 38,349	\$ 99,301	\$ 59,349
Total share-based payments	-	19,602	11,002	51,893
	\$ 53,528	\$ 57,951	\$ 110,303	\$ 111,242

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

During September 30, 2022, the Company received payments in connection with a sub-lease agreement totaling \$46,028 (September 30, 2021 - \$25,210) from related parties (note 8).

### 15. Exploration and evaluation expenditures

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 ("Rio Tinto"), a wholly-owned subsidiary of Rio Tinto Limited covering base metal exploration and development rights, with indeed granted exploration tenements and tenement applications in McArthur Basin Mining District, Northern Territory, Australia (the "Walker Gossan project"). Rio Tinto and GPM have entered into a definitive Two-Stage Earn-In/Joint Venture Agreement granting GPM an initial 51% interest under certain conditions that include:

#### Stage One

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

#### Stage Two

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

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,	
	2022	2021	2022	2021
<b>Australian</b>				
Assay	-	-	2,079	-
Consulting	-	7,775	9,071	7,775
Environmental	1,690	-	5,824	-
General	8,041	3,595	8,041	12,435
Indigenous Liaison	78,823	55,597	78,823	122,222
Legal	-	510	296	2,027
Travel	-	-	1,051	-
	\$ 88,556	\$ 67,477	\$ 105,186	\$ 144,459
<b>Total Exploration Expenditures</b>	\$ 88,556	\$ 67,477	\$ 105,186	\$ 144,459

### 16. Subsequent events

The Northern Land Council (NLC) has been working on the Anthropology Survey of the community on behalf of GPM's proposal, which is in the last stage of completion.

Further discussions with Indigenous representatives indicate that the Final Meeting with the NLC will not occur this year as the wet season has begun, and access will soon be limited.

GPM has commenced discussions with the NLC to commit to a Final Meeting with Traditional Landowners in April 2023.