



GRID METALS CORP.

**INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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Notice of no auditor review of interim financial statements:

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

The accompanying interim unaudited condensed consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements.

GRID METALS CORP.**INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT**

(In Canadian dollars)

	September 30, 2022	December 31, 2021
ASSETS		
Current		
Cash	\$ 10,905,951	\$ 2,895,647
Marketable securities (Note 5)	2,935,549	12,147
Accounts receivable	151,634	47,162
Prepays	59,861	16,213
Total current assets	14,052,995	2,971,169
Capital assets (Notes 6 and 10)	53,118	30,359
Total assets	14,106,113	3,001,528
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 10 and 14)	326,976	258,615
Lease obligations (Note 11)	13,218	12,733
Exploration program advances (Note 12)	(76,446)	-
Flow through share premium (Note 8(a)(i))	1,967,090	167,090
Total current liabilities	2,230,838	438,438
Non-current		
Term loan payable (Note 13)	60,000	60,000
Long term lease obligations (Note 11)	8,021	17,996
Total liabilities	2,298,859	516,434
SHAREHOLDERS' EQUITY		
Capital stock (Note 8)	62,630,802	55,192,232
Contributed surplus	10,236,983	9,147,409
Deficit	(61,060,531)	(61,854,547)
Total shareholders' equity	11,807,254	2,485,094
Total liabilities and shareholders' equity	\$ 14,106,113	\$ 3,001,528

Going concern (Note 2)

Commitments and contingencies (Notes 9 and 10)

Approved on Behalf of the Board

'Thomas W. Meredith' Director'Robin E. Dunbar' Director

GRID METALS CORP.**INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**

(In Canadian dollars)

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Expenses				
Exploration and evaluation expenditures	\$ 931,372	\$ 300,482	\$ 5,311,220	\$ 2,048,755
Office, general and administrative	79,717	175,415	427,580	530,834
Professional and consulting fees	194,055	79,883	405,017	148,978
Management fees and directors fees (Note 14)	38,766	62,750	181,266	197,750
Public company costs	44,840	26,989	117,722	114,174
Share-based payments (Note 8(b))	(5,147)	21,449	549,779	409,999
Amortization (Note 7)	5,141	4,182	14,726	9,139
Flow-through share premium recovery (Note 8(a))	-	-	-	(519,761)
Loss from operations before the undernoted	(1,288,743)	(671,150)	(7,007,309)	(2,939,868)
Other income (expense)	(61,250)	(13,125)	(1,104,098)	(4,081)
Gain on transactions	-	-	8,697,750	-
Net income (loss) and comprehensive loss for the period	(1,349,993)	\$ (684,275)	\$ 586,343	\$ (2,943,949)
Net income (loss) per share				
Basic and diluted	\$ (0.01)	\$ (0.01)	\$ 0.01	\$ (0.03)
Weighted average number of common shares outstanding - basic and diluted	116,393,684	94,292,302	110,908,696	85,357,606

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

GRID METALS CORP.**INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED SEPTEMBER 30, 2022 AND 2021**

(In Canadian dollars)

	Capital Stock		Contributed		Total
	# of shares	Amount	Surplus	Deficit	
Balance, December 31, 2020	77,882,099	\$52,606,067	\$7,967,037	\$(58,073,878)	\$2,499,226
Common shares issued in connection with unit private placements (Note 8(a))	12,713,818	2,109,440	-	-	2,109,440
Flow through common shares issued in connection with a private placment (Note 8(a))	2,436,785	1,390,560	-	-	1,390,560
Flow through share premium (Note 8(a))	-	(167,090)	-	-	(167,090)
Fair value assigned to warrants issued in connection with the private placement (Note 8(c))	-	(794,763)	794,763	-	-
Cash share issue costs (Note 8(a))	-	(244,365)	-	-	(244,365)
Shares issued in satisfaction of a property acquisition (Note 8(a))	150,000	36,750	-	-	36,750
Stock-based compensation (Note 8(b))	-	-	215,250	-	215,250
Warrants exercised (Note 8(c))	1,109,600	175,402	-	-	175,402
Original fair value of warrants exercised (Note 8(c))	-	45,231	(45,231)	-	-
Net loss for the period	-	-	-	(895,194)	(895,194)
Balance, September 30, 2021	94,292,302	\$55,157,232	\$8,931,819	\$(58,969,072)	\$5,119,979
Shares issued for RSU vesting	100,000	25,000.00	(25,000)	-	-
Shares issued in satisfaction of a property acquisition (Note 8(a))	100,000	10,000.00	-	-	10,000
Stock-based compensation (Note 8(b))	-	-	312,590	-	312,590
Warrants expired (Note 8(c))	-	-	(72,000)	72,000	-
Net loss for the year	-	-	-	(2,957,475)	(2,957,475)
Balance, December 31, 2021	94,492,302	\$55,192,232	\$9,147,409	\$(61,854,547)	\$2,485,094
Common shares issued in connection with unit private placements (Note 8(a))	49,862,404	5,970,356	-	-	5,970,356
Flow through common shares issued in connection with a private placment (Note 8(a))	20,000,000	4,200,000	-	-	4,200,000
Flow through share premium (Note 8(a))	-	(1,800,000)	-	-	(1,800,000)
Fair value assigned to warrants issued in connection with the private placement (Note 8(c))	-	(741,566)	741,566	-	-
Cash share issue costs (Note 8(a))	-	(292,600)	-	-	(292,600)
Shares issued in satisfaction of a property acquisition(Note 8(a))	758,000	102,380	5,902	-	108,282
Stock-based compensation (Note 8(b))	-	-	549,779	-	549,779
Warrants expired (Note 8(c))	-	-	(207,673)	207,673	-
Net income for the period	-	-	-	586,343	586,343
Balance, September 30, 2022	165,112,706	\$62,630,802	\$10,236,983	\$(61,060,531)	\$11,807,254

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

GRID METALS CORP.**INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**

(In Canadian dollars)

Nine months ended September 30,	2022	2021
Cash flows used in operating activities		
Net income (loss) for the period	\$ 586,343	\$ (2,943,070)
Adjustments not affecting cash		
Shares issued for property acquisition	102,380	-
Amortization	14,726	8,256
Flow-through share premium recovery	-	(519,761)
Share based payments	549,779	409,999
Interest on lease obligations	995	-
(Gain) loss on marketable securities	-	(9,044)
Changes in non-cash working capital		
Amounts receivable	(104,472)	24,562
Unrealized loss (gain) on marketable securities	1,104,098	45,637
Prepays	(43,648)	(56,544)
Lease obligations	(9,490)	8,731
Accounts payable and accrued liabilities	68,361	24,353
Advance on exploration	(76,446)	-
Cash flows used in operating activities	2,192,626	(3,006,881)
Cash flows used in investing activities		
Investment in marketable securities	-	(23,625)
Additions to capital assets	(27,995)	(30,777)
Cash flows used in investing activities	(27,995)	(54,402)
Cash flows from financing activities		
Payment of lease obligations	(10,485)	(9,753)
Long term lease obligations	-	21,239
Issuance of common shares and warrants	10,170,356	3,500,000
Share issue costs	(292,600)	(244,365)
Term loan proceeds	-	-
Warrants issued in satisfaction of a property acquisition	5,902	-
Shares received pursuant to property sale	(4,027,500)	-
Proceeds on exercise of warrants	-	175,402
Cash flows provided by financing activities	5,845,673	3,442,523
Change in cash for the period	8,010,304	381,240
Cash, beginning of period	2,895,647	3,033,899
Cash, end of period	\$ 10,905,951	\$ 3,415,139
Supplemental information		
Shares issued in satisfaction of a property acquisition	\$ 102,380	\$ 36,750

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

GRID METALS CORP.

NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

(In Canadian dollars)

1. GENERAL INFORMATION

Grid Metals Corp. (the "Company") was incorporated under the laws of Ontario on July 15, 1997 and is engaged in the business of exploring and developing base and precious metal mineral properties. Substantially all of the efforts of the Company are devoted to these business activities and to date the Company has not earned significant revenues. The principal business address of the Company is 3335 Yonge Street, Suite 304 Toronto, Ontario, M4N 2M1.

The consolidated financial statements of the Company for the periods ended September 30, 2022 and 2021 were authorized for issue in accordance with a resolution of the Board of Directors on November 28, 2022.

2. GOING CONCERN

The Company's ability to realize the costs it has incurred to date on its properties is dependent upon it being able to identify economically recoverable reserves; to finance their exploration and evaluation costs; to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the reserves; and to attain profitable operations.

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the expenditures incurred on the exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

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 government licensing requirements or regulations, unregistered prior agreements, unregistered claims, Aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, and political uncertainty.

The Company has cumulative operating losses at September 30, 2022. The Company expects to incur further losses in the exploration and development of its properties. The Company will have an ongoing need for equity financing for working capital and exploration and development of its properties.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profitable levels of operations.

Details of deficit and working capital of the Company are as follows:

	September 30, 2022	December 31, 2021
	\$	\$
Deficit	61,060,531	61,854,547
Working capital	11,822,157	2,532,731

GRID METALS CORP.**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****SEPTEMBER 30, 2022**

(In Canadian dollars)

3. BASIS OF PRESENTATION

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the IFRS Interpretations Committee. These unaudited condensed interim 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 financial statements are based on IFRSs issued and outstanding as of November 28, 2022, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2021. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2022 could result in restatement of these unaudited condensed interim financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES**Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its controlled subsidiaries. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

These consolidated financial statements include the accounts of the Company; its 72.56% owned Maskwa Nickel Chrome Mines Limited, a Manitoba corporation; its wholly-owned subsidiary, Global Nickel Inc., a Canadian federally incorporated company; and its wholly owned subsidiary 1000078824 Ontario Inc., an Ontario corporation. The financial statements of the subsidiaries are consolidated from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated.

Basis of measurement

These consolidated financial statements have been prepared on a going concern basis, under the historical cost basis, except for those financial instruments recorded at Fair Value through Profit and Loss and have been prepared using the accrual basis of accounting except for cash flow information.

Exploration and evaluation assets – acquisition costs and exploration expenditures

All acquisition costs and exploration expenditures relating to properties are expensed as incurred.

5. MARKETABLE SECURITIES

The Company's marketable securities have been designated as FVPL and are reported at fair value based on quoted market prices as follows:

	September 30, 2022	December 31, 2021
	\$	\$
Canadian Palladium Resources Inc.	15,000	10,500
Canada Nickel Company Inc. ⁽¹⁾	2,920,000	-
Other	549	1,647
	2,935,549	12,147

- (1) On June 7, 2022 sold its 100% interest in Bannockburn to Canada Nickel Company Inc. ("Canada Nickel") in return for issuance of two million (2,000,000) Canada Nickel common shares to the Company at a deemed price of \$2.01, the closing price of Canada Nickel on June 7, 2022. During the period ended September 30, 2022 the Company recognized an unrealized loss of \$1,100,000 on its Canada Nickel shares in its interim condensed consolidated statement of comprehensive income (loss).

GRID METALS CORP.**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****SEPTEMBER 30, 2022**

(In Canadian dollars)

6. ACCOUNTS RECEIVABLE

The balance of accounts receivable is comprised as follows:

	September 30, 2022	December 31, 2021
Operator's fees receivable	\$ 46,983	\$ -
Harmonized sales tax	104,650	47,162
Balance, September 30, 2022	\$ 151,634	\$ 47,162

Pursuant to its joint venture agreement with LRC, the Company receives an operator's fee 7.5% of the qualified expenditures on the Donner Lake and Campus Creek properties.

7. CAPITAL ASSETS

The Company's capital assets consist solely of its right of use asset.

	Right-of-Use Asset	Automobile	Total
Cost			
Balance December 31, 2020	\$ 26,022	\$ -	\$ 26,022
Additions	39,033	-	39,033
Balance December 31, 2021	65,055	-	65,055
Additions	-	37,485	37,485
Balance September 30, 2022	65,055	37,485	102,540
Amortization			
Balance December 31, 2020	22,305	-	22,305
Amortization for the year	12,391	-	12,391
Balance December 31, 2021	34,696	-	34,696
Additions	9,758	4,968	14,726
Balance September 30, 2022	44,454	4,968	49,422
Net book value			
Balance December 31, 2020	3,717	-	3,717
Balance December 31, 2021	30,359	-	30,359
Balance September 30, 2022	\$ 20,601	\$ 32,517	\$ 53,118

For more information on the Company's right of use asset refer to Note 11.

8. CAPITAL STOCK**(a) Common shares****Authorized**

The authorized capital stock of the Company consists of an unlimited number of common shares.

During the period ended September 30, 2022 the following common share activity occurred:

GRID METALS CORP.**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****SEPTEMBER 30, 2022**

(In Canadian dollars)

- (i) On September 26, 2022, the Company issued 20,000,000 flow through shares at \$0.21 per flow through share and 36,000,000 shares at \$0.12 per share in connection with a private placement for total gross proceeds of \$8,520,000. The Company paid share issue costs of \$283,200 and issued 15,600,000 finders' warrants in connection with the private placement; 12,000,000 finders' warrants entitle the holder to acquire one share per finders' warrant at an exercise price of \$0.20 per share until September 26, 2025 and 360,000 finders' warrants entitle the holder to acquire one share per finders' warrant at an exercise price of \$0.20 per share until September 15, 2024.
- (ii) On June 30, 2022 the Company issued 200,000 shares in connection with the acquisition of the Fox River and Thompson East exploration properties. The shares were valued at \$41,000 being the quoted market value of the shares on the date they were issued.
- (iii) On January 12, 2022 the Company issued 13,962,404 shares at \$0.1182 per share in connection with a private placement for total gross proceeds of \$1,650,356 as part of the Lithium Royalty Corp. ("LRC") transaction ;
- (iv) On January 12, 2022 the Company issued 558,000 shares in connection with the acquisition via a buy out of the option on the Campus Creek property pursuant to the LRC transaction. The shares were valued at \$61,680 being the quoted market value of the shares on the date they were issued.

(b) Stock option plan and stock-based compensation

The Company has a stock option plan to provide employees, directors, officers, and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is five years. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares.

The following summarizes the employees, directors, officers, and consultants' stock options that have been granted, exercised, expired, vested, or cancelled during the periods ended September 30, 2022 and 2021.

	Number of options	Weighted average exercise price
Balance, December 31, 2020	4,655,000	\$ 0.28
Options granted	1,275,000	0.22
Balance, December 31, 2021	5,930,000	0.27
Options granted	1,750,000	0.25
Balance, September 30, 2022	7,680,000	\$ 0.27

On March 11, 2022, the Company approved the issuance of 1,750,000 incentive options at an exercise price of \$0.25 that vest immediately. The options expire on March 11, 2027, and have been valued at \$336,525 using the Black-Scholes option pricing model based on the following weighted average assumptions:

Expected dividend yield	0%
Expected annual volatility	138%
Risk-free interest rate	1.80%
Expected average life	5 years
Share price	\$0.22

The following table summarizes information about stock options outstanding and exercisable at September 30, 2022:

GRID METALS CORP.**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****SEPTEMBER 30, 2022**

(In Canadian dollars)

Expiry date	Number of options	Exercisable	Exercise price
November 1, 2022	1,655,000	1,655,000	\$ 0.35
August 21, 2024	100,000	100,000	\$ 0.15
February 26, 2025	2,620,000	2,620,000	\$ 0.25
June 17, 2025	280,000	280,000	\$ 0.25
May 12, 2026	1,025,000	1,025,000	\$ 0.25
October 19, 2026	250,000	250,000	\$ 0.12
March 11, 2027	1,750,000	1,750,000	\$ 0.25
	7,680,000	7,680,000	

On March 11, 2022, the Company issued 1,100,000 Deferred Stock Units (“DSU’s”) to directors of the Company. The DSU’s vest immediately and are exercisable on retirement of the holder. There are no other performance criteria. The DSU’s have been valued at the market price of the Company’s common shares as of the date they were issued. The total charge to operations for the DSU’s amounted to \$198,000.

(c) Warrants

During the period ended September 30, 2022 the Company had the following warrant activity:

- (i) On September 26, 2022 the Company issued 12,000,000 finders’ warrants in connection with a private placement; each finders’ warrant is exercisable at \$0.20 until September 26, 2025. The warrant value has been estimated at \$724,800 using the Black-Scholes option pricing model based on the following weighted average assumptions:

Expected dividend yield	0%
Expected annual volatility	94.6%
Risk-free interest rate	3.81%
Expected average life	3 years
Share price	\$0.12

- (ii) On September 15, 2022 the Company issued 360,000 finders’ warrant in connection with a private placement; each finders’ warrant is exercisable at \$0.20 until September 15, 2024. The warrant value has been estimated at \$16,776 using the Black-Scholes option pricing model based on the following weighted average assumptions:

Expected dividend yield	0%
Expected annual volatility	94.8%
Risk-free interest rate	3.78%
Expected average life	2 years
Share price	\$0.12

- (iii) On February 23, 2022, a finders’ fee of 50,000 warrants were issued in connection with the acquisition of the Fox River and Thompson East exploration licences. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.175 per share until expiry. The warrant value has been estimated at \$5,902 using the Black-Scholes option pricing model based on the following weighted average assumptions:

Expected dividend yield	0%
Expected annual volatility	113%
Risk-free interest rate	1.57%
Expected average life	5 years
Share price	\$0.15

A summary of warrant activity from December 31, 2020 to September 30, 2022 is as follows:

GRID METALS CORP.
NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(In Canadian dollars)

	Number of warrants	Weighted average exercise price
Balance, December 31, 2020	20,312,040	\$ 0.21
Warrants issued under a private placement	7,575,301	\$ 0.33
Warrants issued under a private placement	435,540	\$ 0.22
Warrants issued under a private placement	386,400	\$ 0.25
Warrants expired	(2,250,000)	\$ 0.21
Warrants exercised	(1,109,600)	\$ 0.16
Balance, December 31, 2021	25,349,681	\$ 0.25
Finders' warrants issued	12,410,000	\$ 0.20
Warrants expired	(2,850,000)	\$ 0.26
Balance, September 30, 2022	34,909,681	\$ 0.23

The 2,850,000 warrants that expired during the period ended September 30, 2022 had an original estimated fair value of \$207,673 which amount was transferred from contributed surplus to deficit.

At September 30, 2022, the following common share purchase warrants were outstanding:

Expiration date	Number of warrants	Exercise price (\$)
February 13, 2023	5,796,058	0.20
December 24, 2022	7,410,683	0.22
December 24, 2022	895,699	0.15
May 28, 2023	7,575,301	0.33
May 28, 2024	435,540	0.22
May 28, 2025	386,400	0.25
February 23, 2027	50,000	0.18
September 15, 2024	360,000	0.20
September 26, 2025	12,000,000	0.20
Balance, September 30, 2022	34,909,681	

9. EXPLORATION AND EVALUATION EXPENDITURES

For the nine months ended September 30, 2022

	Makwa	Mayville	East Bull Lake	Donner Lake Lithium	Fox River/ MEL	Campus Creek	Tanco	Bannock- burn	Other	Total
Acquisition	\$ 20,000	\$ 50,284	\$ (7,500)	\$ -	\$ 5,902	\$ 286,380	\$ (11,970)	\$ -	\$ 171,015	\$ 514,111
Assays	76,940	-	-	74,973	-	5,770	-	16,322	125,717	299,722
Consulting	225,254	20,040	-	274,488	10,020	7,522	-	-	18,438	555,762
Drilling	1,890,147	-	-	1,315,877	-	-	-	-	-	3,206,024
Geological	29,656	-	-	7,733	63,044	1,943	-	37,193	-	139,569
Geophysics	-	-	-	332,908	-	1,464	-	-	-	334,372
Labour	48,726	-	72,902	106,284	-	2,864	-	-	-	230,776
Other	152,261	-	700	211,742	2,556	-	-	21,028	122,408	510,695
Project development	-	-	-	87,635	-	-	-	-	-	87,635
Staking	-	-	-	59,000	-	-	-	-	-	59,000
	\$ 2,442,984	\$ 70,324	\$ 66,102	\$ 2,470,640	\$ 81,522	\$ 305,943	(11,970)	\$ 74,543	\$ 437,578	\$ 5,937,666
JV share of expenses	-	-	-	(624,146)	-	(2,300)	-	-	-	(626,446)
Total	\$ 2,442,984	\$ 70,324	\$ 66,102	\$ 1,846,494	\$ 81,522	\$ 303,643	\$ (11,970)	\$ 74,543	\$ 437,578	\$ 5,311,220

GRID METALS CORP.**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****SEPTEMBER 30, 2022**

(In Canadian dollars)

For the year ended December 31, 2021								
\$								
	Makwa	Mayville	Mayville Lithium	Northern Nickel	East Bull Lake	Campus Creek	Bannockburn	Total
Geological	53,320	47,153	15,050	3,415	-	103,293	-	222,232
Drilling program related costs	-	-	-	-	1,377,161	-	699,200	2,076,361
Acquisition	-	23,500	-	78,204	12,250	-	24,500	138,454
Other	-	-	-	-	(38,625)	-	-	(38,625)
Total	53,320	70,653	15,050	81,619	1,350,786	103,293	723,700	2,398,422

It is in the normal course of business for the Company to acquire and divest exploration and evaluation claims based on the results of exploration. Certain of the properties are subject to a net smelter return royalty ("NSR") payable on future mineral production.

MANITOBA**Makwa**

The Makwa property is a nickel copper platinum group metal exploration project located near Lac du Bonnet, in southeast Manitoba. During 2004, the Company acquired a 100% interest by acquiring all of the shares of Global Nickel Inc., a federally incorporated company that holds the mineral rights to the Makwa Property. To acquire the shares the Company paid \$500,000 cash and issued 6,679,000 common shares valued at \$0.43 per share, representing the quoted share price of the Company at the time of the transaction.

The mineral rights of the Makwa Property consist of a mineral lease, a surface lease, and exploration and evaluation assets claims held by the Company. An annual payment of approximately \$10,000 must be made to the province of Manitoba to keep the mineral lease and surface lease in good standing. There is a 1.0% NSR royalty on the Makwa property. The Company has the option to purchase 0.5% of the NSR royalty for \$500,000.

Mayville

The Mayville property is a copper nickel platinum group metal exploration project located near Lac du Bonnet, in southeast Manitoba. The Company acquired a cumulative 89% interest in the property (consisting of mineral property claims) in 2005. A direct 60% interest was acquired from the vendor for consideration of \$90,000 in cash, a note for \$165,000 due 18 months from closing (which was paid during 2006), and 700,000 common shares of the Company (issued in 2005).

The additional 29% interest was acquired through the acquisition of a 72.56% interest in Maskwa Nickel Chrome Mines Limited ("MNCM"), a company which holds the remaining 40% interest in the Mayville property. The shares in MNCM were acquired through the issuance of 400,000 common shares of the Company and a cash payment of \$120,000. A royalty payment in the amount of \$210,000 will be due in five equal annual payments upon the commencement of commercial production on any portion of the MNCM property.

Tanco Property

On June 30, 2010, the Company entered into an option agreement with Tantalum Mining Corporation of Canada Limited ("Tanco") to acquire a 100% interest in the base and precious metal rights on six mining claims in the Mayville area. Pursuant to the terms of the option agreement, the Company made cash option payments totaling \$45,000, and incurred expenditures of \$312,600. The Company subsequently acquired the rights to lithium and rare metals on the property in 2017 in return for a retained right of Tanco, on normal commercial terms, to purchase products produced from the property. A 2% net smelter royalty is payable on production from the property under the terms of the option.

Donner Lake Lithium (formerly Mayville Lithium)

On January 12, 2021 the Company completed a transaction with Lithium Royalty Corp. ("LRC") to create a lithium property in the Mayville/Donner Lake area and sell 25% of the designated property to LRC. A joint venture was formed and 25% of the mineral rights over 5,772 hectares covering lithium and related rare metals over 34 claims from the Mayville Property and the Tanco Property were sold to LRC for a price of US1,250,000. The sale included offtake rights for 25% of products subject to the prior rights of Tanco on the Tanco Property. A 2% gross overriding royalty

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on lithium and related metals on the entire Donner Lake Property was sold to LRC for an additional US\$1.25 million. LRC also has the right to acquire 20% of 1000078824 Ontario Inc., Grid's wholly-owned subsidiary that holds the Donner Lake and Campus Creek claims, on commercially reasonable terms subject to Grid's approval. Grid is the project operator and has retained the base metal and precious metal mineral rights.

Northern Manitoba

The Northern Manitoba properties consist of a 100% interest in certain mineral exploration licenses ("MELs") in the western one-third of the Fox River Belt ("Fox River") and the eastern flank of the Thompson Nickel Belt ("Thompson East"). The Company paid a deposit of \$51,300 upon filing, equal to the first year cumulative spending requirement for the Fox River MELs. The Thompson East MELs are located approximately 30 km east of the city of Thompson. The Company paid a deposit of \$5,250 upon filing, equal to 50% of the first year cumulative spending requirement for the Thompson East MELs. The spending commitments on the MELs are as follows:

	Fox River	Thompson East
Upon Issue	\$ 51,300	\$ 5,250 (paid in full)
Year 1	\$ -	\$ 7,875
Year 2	\$ 51,300	\$ 13,125
Year 3	\$ 51,300	\$ 78,750
Year 4	\$ 51,300	*
Year 5	\$ 410,400	*

* Spending commitments subject to renewal.

ONTARIO**East Bull Lake**

The East Bull Lake property ("EBL") is a platinum group metals ("PGM") exploration project located in the Sudbury Mining Division, Ontario, Canada. Except for a property package at the east end of the property (the "Shib property") the Company has fulfilled its commitments to earn a 100% interest in the exploration and evaluation assets claims comprising the EBL property subject to an NSR of up to 3% to the underlying option holders.

On April 27, 2020, the Company entered into an option agreement to acquire the Shib property. The Shib property consists of certain boundary cell mining claim units. Under the terms of the Shib property option agreement the Company made an initial cash payment of \$15,000 and issued 100,000 common shares of the Company. In order for the Company to earn a 100% interest in the Shib property it would need to make, at its option, additional cash payments and share issuance on each of the subsequent 3 anniversary dates as follows:

- Year 1 - \$20,000 and 50,000 shares,
- Year 2 - \$30,000 and 50,000 shares,
- Year 3 - \$40,000.

The property is subject to a 2% NSR of which 1% can be purchased for \$1,000,000; the Company has a right of first refusal on the remaining 1%.

Campus Creek Lithium Property

During the year ended December 31, 2021 the Company entered into an option agreement for the Campus Creek property ("Campus Creek"). Campus Creek consists of 281 mining claims comprising 11,240 hectares in the McNamara Lake area approximately 240 km northwest of Thunder Bay, Ontario. The option enabled the Company the right to earn a 100% interest in the mining claims subject to a 2% NSR interest by incurring annual work expenditures, making annual payments of cash, and issuing common shares as follows:

- On signing - \$10,000 and 100,000 shares (paid and issued)
- Year 1 - \$20,000, 125,000 shares and \$50,000 of work commitments

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- Year 2 - \$40,000, 133,000 shares and \$100,000 of work commitments
- Year 3 - \$60,000, 150,000 shares and \$200,000 of work commitments
- Year 4 - \$80,000, 150,000 shares and \$400,000 of work commitments

Pursuant to the deal with LRC the Company formed a joint venture with LRC covering the property and sold 25% of the property to LRC for US\$250,000. The Company also sold a 2% gross overriding royalty on the property for US\$1,000,000. LRC also has the right to acquire 20% of 1000078824 Ontario Inc., Grid's wholly-owned subsidiary that holds the Donner Lake and Campus Creek claims, on commercially reasonable terms subject to Grid's approval. On closing of the LRC transaction the Company accelerated the option payments and stock issuances to the Vendor and the work requirements were cancelled.

Bannockburn

The Bannockburn property is a nickel exploration project located in the Sudbury Mining Division, Ontario, Canada. The property package consists of optioned exploration and evaluation assets claims and staked exploration and evaluation assets claims. The Company has completed its option commitments to earn a 100% interest in the core claims comprising the Bannockburn property. The property is subject to a 2% NSR.

On June 7, 2022 sold its 100% interest in Bannockburn to Canada Nickel Company Inc. ("Canada Nickel") in return for issuance of two million (2,000,000) Canada Nickel common shares to the Company.

10. COMMITMENTS AND CONTINGENCIES

See Notes 7 and 9 for details of other commitments and contingencies.

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

During 2021 flow-through common shares were issued in the amount of \$1,390,560, and as a result the Company must spend at least \$1,390,560 on eligible exploration expenses before December 31, 2022.

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

An employment contract between the Company and its President provides for the following:

- a) Upon termination without cause the President is entitled to one month's severance for every year since 1998 to a maximum of twenty-four months, plus a prospective bonus equal to the greater of the last bonus paid to the president or 75% of his then annual salary. In this instance the estimated contingent liability would amount to approximately \$481,000.
- b) In the event of a change of control if the President is terminated, or constructively dismissed, within nine months of the change of control the President is entitled to two year's remuneration plus a prospective bonus equal to the greater of two times the average annual bonus paid to the president or one year's annual remuneration. In this instance the estimated contingent liability would amount to approximately \$567,000

As a triggering event has not occurred, these contingent obligations have not been recorded in these financial statements.

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the

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severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

11. LEASE OBLIGATIONS

The Company has a lease for office premises in the amount of \$1,165 per month base rent, until April 30, 2024. The Company recognized a right-of-use asset and corresponding lease obligations related to the office premises, analyzed as follows:

	September 30, 2022	December 31, 2021
Balance, beginning of period	\$ 30,729	\$ 3,891
Additions	-	39,033
Interest	995	1,053
Payments	(10,485)	(13,248)
Balance, end of year	21,239	30,729
Current portion of lease obligations	(13,218)	(12,733)
Long-term portion of lease obligations	\$ 8,021	\$ 17,996

12. EXPLORATION PROGRAM ADVANCES

Pursuant to the Donner Lake and Campus Creek lithium exploration and development joint ventures with LRC described in Note 9 (each a "Joint Venture"), the Company is entitled to request cash calls from the minority participants in the Joint Ventures at the beginning of each quarter for their proportionate share of the estimated Exploration Costs, as adjusted pursuant to the Joint Venture Agreements. The following is continuity schedule of the exploration advances:

Balance, December 31, 2021 and 2020	\$ -
Exploration costs advanced	550,000
Minority share of exploration expenses on lithium joint ventures during the period	(626,446)
Balance, September 30, 2022	\$ (76,446)

13. TERM LOAN PAYABLE

The term loan payable of \$60,000 was taken by the Company under the Canada Emergency Business Assistance program. As long as 75% of the principal amount of the loan is repaid on or prior to December 31, 2023, which the Company intends to do, the terms of the loan are as follows:

- a. It is unsecured,
- b. Non-interest bearing,
- c. The remaining 25% will be forgiven. The forgiveness of the remaining 25% will not be recognized until the 75% has been repaid.

14. RELATED PARTY TRANSACTIONS

Director's fees, professional fees and other compensation of directors and key management personnel were as follows for the nine months ended September 30, 2022:

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	2022	2021
	\$	\$
Short-term compensation and benefits	447,465	386,611
Share-based payments (stock option, RSU and DSU grants)	444,654	315,504
Total key management compensation	892,119	702,115

Short-term compensation and benefits charged to exploration and evaluation expenditures amounted to \$113,249 (2021 – \$181,820).

Amounts due to key management personnel included in accounts payable amounted to \$22,645 (2021 – \$22,645).

Legal fees were charged by a legal firm during the period ended September 30, 2022, of which an officer of the Company is an employee, for legal and corporate secretarial services in the amount of \$61,858 (2021 - \$46,758). Accounts payable and accrued liabilities includes \$nil owing to the legal firm (2021 – \$nil).

Amounts due to related parties included in accounts payable are unsecured, non-interest bearing and due on demand.

See also Notes 8(b) and 10.

15. FINANCIAL INSTRUMENTS

The carrying amounts for cash, amounts receivable, accounts payable and accrued liabilities approximate their estimated fair value due to the short-term nature of these financial instruments.

Cash and amounts receivable are recorded at amortized cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

Marketable securities are classified as FVPL, are measured at their fair value, and are classified as Level 1 within the fair value hierarchy. Changes in fair value are included in profit and loss.

Accounts payable and accrued liabilities, lease obligations and term loan payable are initially measured at their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

The Company's risk exposures and the impact on its financial investments, as summarized below, have not changed significantly for the periods ended September 30, 2022 and 2021.

Credit Risk

The Company's credit risk is primarily attributable to amounts receivable. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to the financial instruments included in accounts receivable is remote.

Liquidity Risk

The Company's main source of liquidity is derived from its common stock issuances. As at September 30, 2022, the Company had current assets of \$14,053,012 (December 31, 2021 - \$2,971,169) to settle current liabilities of \$2,230,855 (December 31, 2021 - \$438,438). Current liabilities include un-renounced flow through share premium, which will be a non-cash item on settlement, of \$1,967,090 (2021 - \$167,090). All of the Company's financial liabilities have contractual maturities that are subject to normal trade terms.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company monitors its cash balances and is satisfied with the creditworthiness of its banks. As a result, the Company's exposure to interest rate risk is minimal.

Market Risk

Foreign Currency Risk

The Company's functional and reporting currency is the Canadian dollar, and all expenditures are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. As the Company's properties are in the exploration and evaluation stage and to date do not contain any identified mineral resources or reserves, the Company does not hedge against commodity price risk.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period:

- (i) The Company receives low interest rates on its cash balances and, as such, the Company does not have significant interest rate risk.
- (ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

16. CAPITAL MANAGEMENT

Capital management is reflected by the manner in which the Company manages its capital stock. The Company's objectives when managing capital are:

- a) To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;
- b) To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk; and
- c) To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

There were no significant changes in the Company's approach to capital management during the periods ended September 30, 2022 and 2021.

As at September 30, 2022, the Company's capital stock was \$62,630,802 (December 31, 2021 - \$55,192,232). The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or equity or similar instruments, reduce debt levels from, or make adjustments to, its capital expenditure program.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As at September 30, 2022, the Company believes it is compliant with the policies of the TSXV.