



GRID METALS CORP.

**INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023**

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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)

	March 31, 2023	December 31, 2022
ASSETS		
Current		
Cash	\$ 8,390,269	\$ 9,396,673
Marketable securities (Note 5)	125,549	2,904,164
Amounts receivable (Note 6)	314,796	186,426
Prepays	269,311	330,986
Total current assets	9,099,925	12,818,249
Capital assets (Notes 7 and 11)	75,930	83,023
Total assets	9,175,855	12,901,272
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 10 and 14)	1,244,632	275,348
Lease obligations (Note 11)	14,712	13,384
Exploration program advances (Note 12)	-	279,260
Flow through share premium (Note 8(a)(iv))	-	764,000
Total current liabilities	1,259,344	1,331,992
Non-current		
Term loan payable (Note 13)	60,000	60,000
Long term lease obligations (Note 11)	-	4,612
Total liabilities	1,319,344	1,396,604
SHAREHOLDERS' EQUITY		
Capital stock (Note 8)	62,986,984	62,638,803
Contributed surplus	8,520,106	8,883,947
Deficit	(63,650,579)	(60,018,082)
Total shareholders' equity	7,856,511	11,504,668
Total liabilities and shareholders' equity	\$ 9,175,855	\$ 12,901,272

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)

Three months ended March 31	2023	2022
Expenses		
Exploration and evaluation expenditures (Note 9)	\$ 3,749,562	\$ 2,997,298
Office, general and administrative	253,406	148,050
Professional and consulting fees	155,699	88,330
Management fees and directors fees (Note 14)	273,250	66,250
Public company costs	61,794	61,056
Share-based payments (Note 8(b))	10,425	550,969
Amortization (Note 7)	7,093	4,464
Flow-through share premium recovery (Note 8(a))	(764,000)	-
Loss before the undernoted	(3,747,229)	(3,916,417)
Other income (expense)	85,550	7,000
Unrealized gain on marketable securities	(347,021)	-
Realized loss on marketable securities	(57,662)	-
Gain on disposition of exploration and evaluation properties (Notes 5 and 9)	133,750	4,677,750
Net income (loss) and comprehensive income (loss) for the year	(3,932,612)	\$ 768,333
Net income (loss) per share		
Basic earnings (loss) per share	\$ (0.02)	\$ 0.01
Weighted average number of common shares outstanding - basic	166,007,545	87,646,078

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 THREE MONTHS ENDED MARCH 31, 2023 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2022**

(In Canadian dollars)

	Capital Stock		Contributed		
	# of shares	Amount	Surplus	Deficit	Total
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	5,970,357	-	-	5,970,357
Flow through common shares issued in connection with a private placement (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 finders' 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))	808,000	110,380	5,902	-	116,282
Stock-based compensation (Note 8(b))	-	-	549,779	-	549,779
Options expired (Note 8(b))	-	-	(596,505)	596,505	-
Warrants expired (Note 8(c))	-	-	(964,204)	964,204	-
Net income for the year	-	-	-	275,756	275,756
Balance, December 31, 2022	165,162,706	\$62,638,803	\$8,883,947	\$(60,018,082)	\$11,504,668
Shares issued in satisfaction of a property acquisition (Note 8(a))	200,000	42,000	-	-	42,000
Stock-based compensation (Note 8(b))	-	-	10,425	-	10,425
Warrants expired (Note 8(c))	-	-	(300,115)	300,115	-
Warrants exercised (Note 8(c))	1,160,150	232,030	-	-	232,030
Original fair value of warrants exercised (Note 8(c))	-	74,151	(74,151)	-	-
Net loss for the period	-	-	-	(3,932,612)	(3,932,612)
Balance, March 31, 2023	166,522,856	\$62,986,984	\$8,520,106	\$(63,650,579)	\$7,856,511

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

GRID METALS CORP.**INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In Canadian dollars)

Three months ended March 31	2023	2022
Cash flows from operating activities		
Net income (loss) for the year	\$ (3,932,612)	\$ 768,333
Adjustments not affecting cash		
Shares issued for property acquisition	42,000	61,380
Amortization	7,093	4,464
Flow-through share premium recovery	(764,000)	-
Share based compensation	10,425	550,969
Interest on lease obligations	211	242
Unrealized (gain) loss on marketable securities	347,021	(7,000)
Realized loss on marketable securities	57,662	-
Warrants issued in satisfaction of a property acquisition	-	5,902
Shares received pursuant to property sale	(113,750)	(7,500)
Changes in non-cash working capital		
Amounts receivable	(128,370)	(122,834)
Prepays	61,675	(399,320)
Accounts payable and accrued liabilities	969,284	(1,548)
Advance on exploration	(279,260)	539,980
Cash flows from operating activities	(3,722,621)	1,393,068
Cash flows from investing activities		
Additions to capital assets	-	(34,232)
Proceeds on sale of marketable securities	2,487,682	-
Cash flows from investing activities	2,487,682	(34,232)
Cash flows from financing activities		
Payment of lease obligations	(3,495)	(3,495)
Issuance of common shares and warrants	-	1,650,356
Share issue costs	-	(9,400)
Proceeds on exercise of warrants	232,030	-
Cash flows from financing activities	228,535	1,637,461
Change in cash for the period	(1,006,404)	2,996,297
Cash, beginning of period	9,396,673	2,895,647
Cash, end of period	\$ 8,390,269	\$ 5,891,944

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

GRID METALS CORP.**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2023**

(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 interim unaudited condensed consolidated financial statements of the Company for the three months ended March 31, 2023 and 2021 were authorized for issue in accordance with a resolution of the Board of Directors on May 29, 2023.

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 March 31, 2023. 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 interim unaudited condensed 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:

	March 31, 2023	December 31, 2022
	\$	\$
Deficit	63,650,579	60,018,082
Working capital	7,840,581	11,486,257

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 May 29, 2023, 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, 2022. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2023, could result in restatement of these unaudited condensed interim financial statements.

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

These interim unaudited condensed 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 interim unaudited condensed 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 that holds the Company's 75% interest in a joint operation with Lithium Royalty Corp. ("LRC"). 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 interim unaudited condensed 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.

Joint Arrangements

A joint arrangement is defined as one over which two or more parties have joint control, which is the contractually agreed sharing of control over an arrangement. This exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. There are two types of joint arrangements, joint operations ("JO") and joint ventures ("JV"). A JO is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. A JV is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Loss per share

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share is calculated by assuming that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the year, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share. During the three months ended March 31, 2023 and 2022, all outstanding options, warrants restricted share units and

GRID METALS CORP.**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2023**

(In Canadian dollars)

deferred share units were considered anti-dilutive and were excluded from diluted loss per share calculation.

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:

	March 31, 2023	December 31, 2022
	\$	\$
Canadian Palladium Resources Inc.	11,250	12,500
Canada Nickel Company Inc. ⁽¹⁾	-	2,891,115
Usha Resources Ltd. ⁽²⁾	113,750	-
Other	549	549
	125,549	2,904,164

- (1) On June 7, 2022 the Company 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 with an estimated fair value of \$2.01 per share, based on the closing price of Canada Nickel on June 7, 2022. During the period ended December 31, 2022, the Company recognized a realized loss of \$260,256 on the disposition of 589,700 Canada Nickel shares and an unrealized gain of \$49,814 on its Canada Nickel share holdings in its consolidated statement of comprehensive income (loss). During the three months ended March 31, 2023 the Company recognized a realized loss of \$347,021 on the disposition of 1,410,300 Canada Nickel shares, to hold nil.
- (2) During the three months ended March 31, 2023, the Company agreed to assign certain claims located near Thunder Bay, Ontario to Usha Resources Ltd. ("Usha"). In consideration for the assignment the Company's compensation included 350,000 common shares of Usha with an estimated value of \$0.325 per share based on the closing share price of Usha on March 31, 2023.

6. ACCOUNTS RECEIVABLE

The balance of accounts receivable is comprised as follows:

	March 31,	December 31,
	2023	2022
Harmonized sales tax	314,796	186,426
Balance, December 31, 2022	\$ 314,796	\$ 186,426

GRID METALS CORP.**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2023**

(In Canadian dollars)

7. CAPITAL ASSETS

The Company's capital assets consist of the following:

	Right-of-Use Asset	Vehicle	Total
Cost			
Balance December 31, 2021	65,055	-	65,055
Additions	-	77,912	77,912
Balance December 31, 2022	65,055	77,912	142,967
Additions	-	-	-
Balance March 31, 2023	65,055	77,912	142,967
Amortization			
Balance December 31, 2021	34,696	-	34,696
Amortization for the year	13,011	12,237	25,248
Balance December 31, 2022	47,707	12,237	59,944
Additions	3,253	3,840	7,093
Balance March 31, 2023	50,960	16,077	67,037
Net book value			
Balance December 31, 2021	30,359	-	30,359
Balance December 31, 2022	17,348	65,675	83,023
Balance March 31, 2023	\$ 14,095	\$ 61,835	\$ 75,930

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 three months ended March 31, 2023, and the year ended December 31, 2022, the following common share activity occurred:

- (i) On January 25, 2023, 200,000 common shares were issued in connection of mining claims located in Manitoba. The shares were valued at \$42,000 being the quoted market value of the shares on the date they were issued.
- (ii) 1,160,150 shares were issued in connection with warrants exercised for \$232,030. The original fair value of the warrants was \$74,151, which amount was transferred from contributed surplus to capital stock.
- (iii) On August 30, 2022, the Company issued 50,000 shares in connection with a property acquisition in the Bird River area. The shares were valued at \$8,000 being the quoted market value of the shares on the date they were issued.
- (iv) 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 12,360,000 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'

GRID METALS CORP.**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2023**

(In Canadian dollars)

warrants entitle the holder to acquire one share per finders' warrant at an exercise price of \$0.20 per share until September 15, 2024.

- (v) On April 27, 2022, the Company issued 200,000 shares in connection with the acquisition of lithium properties for evaluation in the Bird River area of Manitoba. The shares were valued at \$41,000 being the quoted market value of the shares on the date they were issued.
- (vi) 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 ;
- (vii) 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 an equity incentive plan to provide employees, directors, officers, and consultants with equity offerings and options to purchase common shares of the Company (the "Plan"). 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. At March 31, 2023, the maximum number of shares issuable pursuant to the Plan was 16,652,286, of which 7,920,000 shares had been granted, leaving 8,732,286 shares available for issue.

The following summarizes the employees, directors, officers, and consultants' stock options that have been granted, exercised, expired, vested, or cancelled during the three months ended March 31, 2023, and the year ended December 31, 2022.

	Number of options	Weighted average exercise price
Balance, December 31, 2021	5,930,000	\$0.27
Options granted	2,050,000	\$0.25
Options expired	(2,310,000)	(\$0.32)
Balance, December 31, 2022 and March 31, 2023	5,670,000	\$0.24

During the three months ended March 31, 2023, nil options were granted, and nil options expired. During the year ended December 31, 2022, 2,050,000 options were granted, and 2,310,000 options expired. The original fair value of the expired options was estimated to be \$596,505, which was transferred from contributed surplus to deficit.

During the three months ended March 31, 2023 and the year ended December 31, 2022, the Company had the following option activity:

On October 28, 2022, the Company approved the issuance of 300,000 incentive options at an exercise price of \$0.19 that vest 75,000 options per quarter commencing January 28, 2023. The options expire on October 28, 2027, and have been valued at \$41,700 using the Black-Scholes option pricing model based on the following weighted average assumptions:

Expected dividend yield	0%
Expected annual volatility	110%
Risk-free interest rate	3.38%
Expected average life	5 years
Share price	\$0.175

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:

GRID METALS CORP.**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2023**

(In Canadian dollars)

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 March 31, 2023:

Expiry date	Number of options	Exercisable	Exercise price
August 21, 2024	100,000	100,000	\$ 0.15
February 26, 2025	2,340,000	2,340,000	\$ 0.25
June 17, 2025	130,000	130,000	\$ 0.25
May 12, 2026	800,000	800,000	\$ 0.25
October 19, 2026	250,000	250,000	\$ 0.12
March 11, 2027	1,750,000	1,750,000	\$ 0.25
October 28, 2027	300,000	75,000	\$ 0.19
	5,670,000	5,445,000	

The stock options have a weighted average remaining life of 2.9 years. The total charge to operations for options during the three months ended March 31, 2023, was \$10,425 (year ended December 31, 2022 - \$345,246).

During the three months ended March 31, 2023, the Company granted nil Deferred Stock Units (“DSU’s”). During the year ended December 31, 2022, the Company issued 1,100,000 DSU’s to directors of the Company (2021 – 100,000). 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 for the year ended December 31, 2022 amounted to \$198,000 (2021 – \$12,000).

During the three months ended March 31, 2023, the Company granted nil Restricted Stock Units (“RSU’s”). During the year ended December 31, 2022 the Company issued nil Restricted Share Units (2021 – 200,000). The Restricted Share Units (“RSU’s”) issued during the year ended December 31, 2021 vested 50,000 on each quarterly anniversary of the issue date. The RSU’s were 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 RSU’s during the year ended December 31, 2022, amounted to \$6,533 (2021 – \$31,661).

At March 31, 2023, there were a total of 2,150,000 DSUs and 100,000 RSUs issued pursuant to the Plan.

GRID METALS CORP.**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2023**

(In Canadian dollars)

(c) Warrants

A summary of warrant activity for the three months ended March 31, 2023 and the year ended December 31, 2022 is as follows:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2021	25,349,681	\$ 0.25
Warrants issued	12,410,000	\$ 0.20
Warrants expired	(11,156,381)	\$ 0.22
Balance, December 31, 2022	26,603,300	\$ 0.24
Warrants expired	(4,635,908)	\$ 0.20
Warrants exercised	(1,160,150)	\$ 0.20
Balance, March 31, 2023	20,807,242	\$ 0.25

During the three months ended March 31, 2023, 1,160,150 warrants were exercised, and 4,635,908 warrants expired. The 4,635,908 warrants that expired had an original estimated fair value of \$300,115, which amount was transferred from contributed surplus to deficit. The 11,156,382 warrants that expired during the year ended December 31, 2022, had an original estimated fair value of \$964,204, which amount was transferred from contributed surplus to deficit.

During the three months ended March 31, 2023, the Company issued nil warrants. During the year ended December 31, 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	1.79%

GRID METALS CORP.**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2023**

(In Canadian dollars)

Expected average life	5 years
Share price	\$0.15

At March 31, 2023, the following common share purchase warrants were outstanding:

Expiration date	Number of warrants	Exercise price
May 28, 2023	7,011,231	\$ 0.32
June 8, 2023	1,386,011	\$ 0.32
April 5, 2024	50,000	\$ 0.18
September 15, 2024	360,000	\$ 0.20
September 26, 2025	12,000,000	\$ 0.20
Balance, March 31, 2023	20,807,242	\$ 0.25

The warrants have a weighted average remaining life of 1.5 years.

9. EXPLORATION AND EVALUATION EXPENDITURES

	Makwa	Mayville	East Bull Lake	Donner Lake Lithium	Campus Creek	Fox River West	Falcon West	Bannock-burn	Other	Total
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 357,030	\$ -	\$ -	\$ 357,030
Assays	-	30,304	-	150,668	-	-	-	-	-	180,972
Consulting	21,165	30,040	-	122,325	1,204	5,256	14,052	-	15,384	209,426
Drilling	-	288,824	-	2,311,604	-	-	-	-	-	2,600,428
Geological	21,492	40,713	-	3,230	-	-	-	-	5,724	71,159
Geophysics	675	28,677	-	135,295	-	-	-	-	22,875	187,522
Labour	952	10,605	-	88,275	-	-	-	-	-	99,832
Other	31,602	19,247	9,600	145,090	-	967	9,808	-	106,139	322,453
	\$ 75,886	\$ 448,410	\$ 9,600	\$ 2,956,487	\$ 1,204	\$ 6,223	\$ 380,890	\$ -	\$ 150,122	\$ 4,028,822
Reimbursement from JO partner	-	-	-	(278,626)	(634)	-	-	-	-	(279,260)
Total	\$ 75,886	\$ 448,410	\$ 9,600	\$ 2,677,861	\$ 570	\$ 6,223	\$ 380,890	\$ -	\$ 150,122	\$ 3,749,562

For the three months ended March 31, 2022

	Makwa	Mayville	East Bull Lake	Donner Lake Lithium	Campus Creek	Fox River West	Falcon West	Bannock-burn	Other	Total
Acquisition	\$ 20,000	\$ -	\$ (7,500)	\$ -	\$ 286,380	\$ 5,902	\$ -	\$ -	\$ 15,000	\$ 319,782
Assays	2,804	-	-	-	4,370	-	-	-	-	7,174
Consulting	19,289	20,040	-	3,721	-	5,010	-	-	-	48,060
Drilling	2,219,604	-	-	-	-	-	-	-	-	2,219,604
Geological	258,445	50,284	24,180	20,452	-	17,560	-	37,193	(11,970)	396,144
Geophysics	-	-	5,070	-	1,464	-	-	-	-	6,534
Total	\$ 2,520,142	\$ 70,324	\$ 21,750	\$ 24,173	\$ 292,214	\$ 28,472	\$ -	\$ 37,193	\$ 3,030	\$ 2,997,298

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 Company, through its wholly owned subsidiary Global Nickel Inc, owns a 100% interest in the Makwa property which is a nickel copper platinum group metal exploration project located near Lac du Bonnet, in southeast Manitoba.

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 Company directly owns a 60% interest in the Mayville property which is a copper nickel platinum group metal exploration project located near Lac du Bonnet, in southeast Manitoba, which includes the base metal rights on the Donner Lake Lithium Property.

An additional 29% interest is held through the Company's 72.56% interest in Maskwa Nickel Chrome Mines Limited ("MNCM"), a company which holds the remaining 40% interest in the Mayville property. 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. Under the terms of a joint arrangement between MNCM and the Company (also the "Operator"), if the interest of one party in the joint arrangement is diluted below 10% the interest is converted to a 10% Net Profits Interest which is payable after the property reaches commercial production and the Operator has recouped all capital investment, exploration and preproduction costs related to the property. As the Company owns 72.56% of MNCM this would equate to a 2.74% Net Profits Interest in the property.

Donner Lake Lithium (formerly Mayville Lithium)

On January 12, 2022, the Company completed a transaction with LRC (the "LRC Transaction") to create a lithium exploration property in the Mayville/Donner Lake area and immediately thereafter sell 25% of the designated property to LRC. A joint arrangement was formed and 25% of the mineral rights over certain claims from the Mayville Property and the Tanco Property were sold to LRC for a price of \$1,563,750 (US\$1,250,000). 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 on lithium and related metals on the entire Donner Lake Property was sold to LRC for an additional C\$1,563,750 (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.

Falcon West Lithium

The property consists of mining claims located in southeast Manitoba. One claim was acquired from a third party for \$20,000 cash and 50,000 common shares subject to a 2% NSR. . A parcel of two claims were acquired from a second third party for \$300,000 cash and 200,000 common share subject to a 2% NSR. The balance of the property was acquired by the staking of mining claims.

Fox River West/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:

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(In Canadian dollars)

	Fox River	Thompson East
Upon Issue	\$ 51,300	\$5,250 (paid in full)
September 8, 2022	\$ 51,269	\$ 13,250 (pending requirements met)
September 8, 2023	\$ 102,537	\$ 53,000
September 8, 2024	\$ 153,806	\$ 79,500
September 8, 2025	\$ 307,611	*
September 8, 2026	\$ 410,148	*
Total	\$ 1,076,671	\$151,000

* 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, and as amended on May 27, 2022, 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 (cash paid and shares issued)

Year 2 - \$10,000 (cash paid)

Year 3 - \$30,000 and 50,000 shares

Year 4 - \$40,000 and 50,000 shares

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 certain mining claims in the McNamara Lake area northwest of Thunder Bay, Ontario. The option enabled the Company the right to earn a 100% interest in the mining claims subject to an 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
- 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 LRC Transaction, the Company formed a joint arrangement with LRC covering Campus Creek and sold 25% of the property to LRC for C\$312,750 (US\$250,000). The Company also sold a 2% gross overriding royalty on the property for C\$1,251,000 (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 completed all option payments and stock issuances pursuant to the Campus Creek option agreement, 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, the Company 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 valued at \$2.01 per share, the Canada Nickel closing price on June 7, 2022.

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 2022 flow-through common shares were issued in the amount of \$4,200,000, and as a result the Company must spend at least \$4,200,000 on eligible exploration expenses before December 31, 2023. The spending commitment was met by the Company during the three months ended March 31, 2023.

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 \$700,000.
- 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 \$850,000.

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

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:

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(In Canadian dollars)

	March 31, 2023	December 31, 2022
Balance, beginning of year	\$ 17,996	30,729
Additions		-
Interest	211	1,247
Payments	(3,495)	(13,980)
Balance, end of year	14,712	17,996
Current portion of lease obligations	(14,712)	(13,384)
Long-term portion of lease obligations	\$ -	4,612

12. EXPLORATION PROGRAM ADVANCES

Pursuant to the Donner Lake and Campus Creek lithium exploration and development joint arrangements with LRC described in Note 9, the Company is entitled to request cash calls from LRC at the beginning of each quarter for their proportionate share of the estimated Exploration Costs, as adjusted pursuant to the joint arrangement agreements. The following is the continuity schedule of the exploration advances:

Balance, December 31, 2021	\$ -
Exploration costs advanced	1,355,851
Minority share of exploration expenses on joint arrangements during the year	(1,076,591)
Balance, December 31, 2022	\$ 279,260
Minority share of exploration expenses on joint arrangements during the period	(732,120)
Unrecognized portion of exploration expenses on joint arrangements during the period	452,860
Balance, March 31, 2023	\$ -

As at March 31, 2023, the Company had not requested a cash call from LRC for expenses in excess of the exploration program advances outstanding at December 31, 2022. LRC does not have a contractual obligation to continue funding exploration costs. In the event LRC does not fund future exploration costs, its interest in the joint arrangement will be diluted pursuant to the terms of the joint arrangement.

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 three months ended March 31, 2023 and 2022:

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(In Canadian dollars)

Three months ended March 31,	2023	2022
	\$	\$
Short-term compensation and benefits	400,152	192,383
Share-based payments (stock option, RSU and DSU grants)	-	444,654
Total key management compensation	400,152	637,037

Short-term compensation and benefits charged to exploration and evaluation expenditures during the three months ended March 31, 2023 amounted to \$43,420 (2022 – \$60,120).

Amounts due to key management personnel included in accounts payable amounted to \$25,430 (2022 – \$23,584).

Legal fees were charged by a legal firm during the period ended December 31, 2022, of which an officer of the Company is an employee, for legal and corporate secretarial services in the amount of \$26,782 (2022 - \$25,832). Accounts payable and accrued liabilities includes \$nil owing to the legal firm (2022 – \$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, accrued liabilities, term loans, and exploration program advances 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, which is based on quoted market prices at the end of the reporting period, and are therefore 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 March 31, 2023 and 2022.

Credit Risk

The Company's credit risk is primarily attributable to cash and 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 March 31, 2023, the Company had current assets of \$9,099,925 (December 31, 2022 - \$12,818,249) to settle current liabilities of \$1,259,344 (December 31, 2022 - \$1,331,992). Current liabilities include un-renounced flow through share premium, which will be a non-cash item on settlement, of \$nil (December 31, 2022 - \$764,000). 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 March 31, 2023 and 2022.

As at March 31, 2023, the Company's capital stock was \$62,986,984 (December 31, 2022 - \$62,638,803). 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 March 31, 2023, the Company believes it is compliant with the policies of the TSXV.

17. SUBSEQUENT EVENTS

On April 13, 2023, the Company announced that it has entered into agreements to acquire additional properties in southeast Manitoba prospective for nickel, copper, platinum group metals and cobalt. The Ore Fault, Page, and Chrome claims (the "Gossan Claims") were acquired from Gossan Resources Limited ("Gossan") for \$1.1 million in cash payable over three years (\$500,000 payable in year 1) and 1,500,000 common shares in the capital of the Company ("Common Shares"). The Company granted Gossan a 2% net smelter return ("NSR") royalty payable upon the commencement of commercial production from the property and a \$300,000 cash payment is due to Gossan upon the commencement of commercial production from the Gossan Claims. The Company also acquired a 100% interest in the Eagle Claims from First Mining Gold Corp. ("First Mining") for consideration of \$300,000 cash on closing and 250,000 Common Shares. The Company has granted First Mining a 2% NSR royalty payable upon the commencement

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(In Canadian dollars)

of commercial production from the Eagle Claims, half of which can be bought back by the Company by paying \$1 million cash to First Mining. In addition, a deferred cash payment is due to First Mining if the Company defines a greater than 2 million tonne NI 43-101 compliant mineral resource on the Eagle Claims.

On May 2, 2023 the Company announced the hiring of Brandon Smith CFA MFE as Chief Development Officer.

On May 2, 2023 the Board of Directors Company approved the issuance of 5,550,000 stock options at an exercise price of \$0.20 per share and 1,500,000 Restricted Share Units under the Company's Equity Incentive Plan. The issuance is to eligible directors, management, employees, and consultants. 2,600,000 of the stock options granted to management of the Company vest over a period of 12 months as follows: 33 1/3% on issuance, 33 1/3% six (6) months from date of issuance, and 33 1/3% twelve (12) months from date of issuance. All of the stock options have a term of five years from the date of grant. The Restricted Share Unit grants have a minimum escrow period of one year and are subject to performance criteria in order to vest.