



**GRID METALS CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022**

*This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the December 31, 2022 consolidated financial statements of Grid Metals Corp. ("Grid" or the "Company"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address future exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Additional information can be found on SEDAR, www.sedar.com. All amounts are in Canadian dollars, unless otherwise noted.*

## **1. DATE**

The date of this MD&A is April 27, 2023.

## **2. SUMMARY**

Grid Metals Corp. is focused on mineral exploration and development of properties in Manitoba and Ontario, Canada. The metals focus is on lithium and nickel – copper - platinum group metals which are critical metals used in electric vehicle batteries and emissions reduction, central to the decarbonization of the environment. The primary properties that as of the date hereof are currently under active exploration and development are (1) the exploration-stage **Donner Lake Lithium** Property. and (2) the PEA-stage **Makwa-Mayville Nickel Copper PGM Cobalt** Project. Both projects are located in the Bird River Greenstone Belt in southeastern Manitoba. Grid commenced exploration drill programs at both properties in January 2022 and followed up with drilling at Donner Lake commencing in October 2022 which lasted until March 2023. .

With the price of lithium extremely high by historical standards and the success of drilling at the company's Donner Lake Lithium Property, the Company is actively attempting to progress Donner Lake into production. The proposed operational plan currently is toll milling of Donner Lake material at the nearby Tanco Mine which has a producing lithium circuit. During 2022 and in the first quarter of 2023 the Company completed drilling to establish an initial resource at the Donner Lake Property. The Company announced engagement of SGS Canada to complete a resource estimate on April 10, 2023.

The Company believes that the medium term supply/demand fundamentals for lithium spodumene concentrate sourced in North America are very positive. This is due mainly because of the strong demand from rising electric vehicles sales where lithium is used in the electric vehicle battery cathode. Accordingly the Company is looking to establish an initial resource, complete economic studies and progress the lithium properties towards production in a timely manner.

Makwa Mayville has a significant existing mineral resources and positive results from the initial economic studies completed to date. The Company believes that by expanding the size of the resource base and contained metal the project will have the best chance of proceeding to commercial production. To do this the Company will conduct additional exploration on its prospective land holdings in the Bird River. Subsequent to year end on April 13, 2023 the Company announced that it had acquired additional land holdings in the belt from Gossan Resources Limited and a subsidiary of First Mining Gold Corp. that are prospective for base metals and lithium. An updated mineral resource for Makwa Mayville is expected by the end of the second quarter 2023 followed by further drill programs later in the year.

**Tantalum Mining Corporation of Canada MOU** - On October 17<sup>th</sup>, the Company entered into a Memorandum of Understanding ("the Tanco Agreement") with Tantalum Mining Corporation of Canada Limited ("Tanco") for the forthcoming metallurgical tests on lithium spodumene ore from Grid's Donner Lake Lithium Property at the Tanco Mine, which is located at Bernic Lake in southeastern Manitoba, which will serve as basis for further collaboration. The Tanco Mine is currently the only North American based producer of lithium spodumene concentrate.

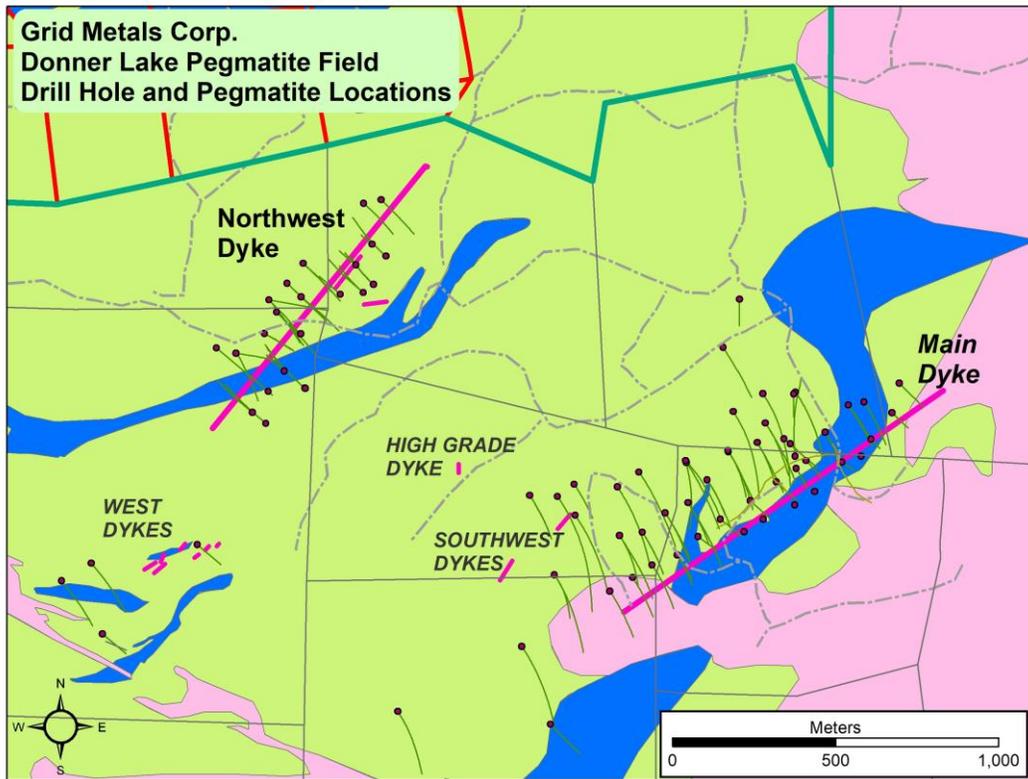
Under the Tanco Agreement Grid will supply samples from Donner Lake to Tanco for metallurgical testing at the Tanco Mine in order to test their amenability to produce a quality lithium spodumene product. Following successful initial testwork and obtaining an Advanced Exploration Permit Grid will submit a bulk sample to Tanco for testing. Upon the approval of both parties and obtaining the required regulatory consents and permits, Grid and Tanco will enter into a binding agreement to split the costs and profits of mining, processing, and selling lithium spodumene concentrate to the global market based on prevailing spot prices for lithium spodumene concentrate. The agreement is non-binding but forms the basis for future collaboration.

The Donner Lake Lithium Property is a 75%/25% joint arrangement between Grid Metals Corp and Lithium Royalty Corp. (“LRC”). Grids’ 75% Donner Lake interest is held in a wholly owned subsidiary and LRC has the right to purchase 20% of the subsidiary commercially reasonable terms and conditions agreeable to both Grid and LRC.

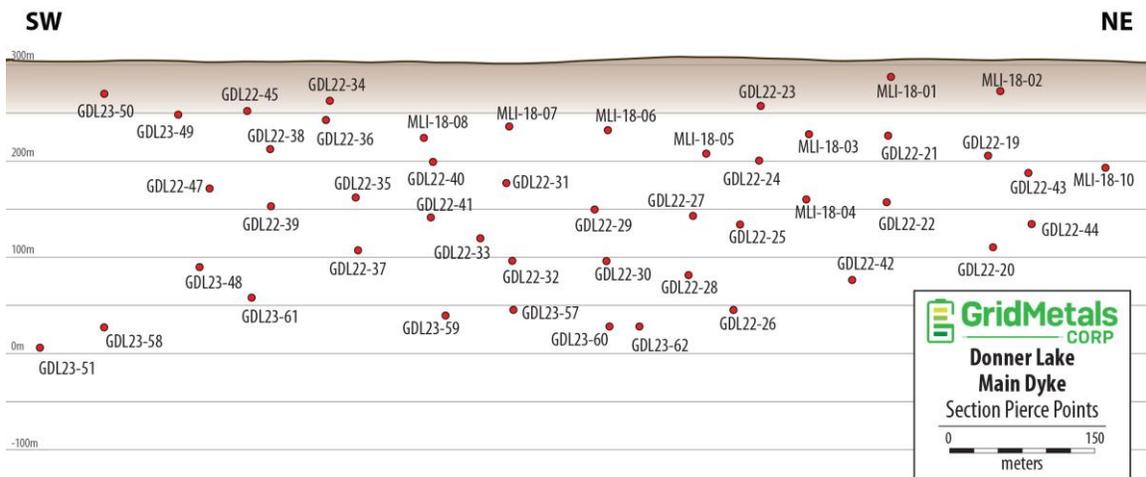
**Sale of Bannockburn Nickel Property** – On June 7, 2022 Grid sold its 100% interest in the Bannockburn Nickel Property (the “Bannockburn Sale”) located near Matachewan Ontario to Canada Nickel Company Inc. (“Canada Nickel”). Under the terms of the transaction Canada Nickel acquired 100% of the Bannockburn Property in return for issuance to Grid of two million (2,000,000) of Canada Nickel’s common shares at a deemed price of \$2.01 per Canada Nickel share, the closing price of Canada Nickel’s common shares on June 7, 2021. The Canada Nickel shares are subject to a 4 month and 1 day hold period from the date of issue.

**Financings** – The Company completed several financings during the year. On January 12, 2022, the Company sold a 25% property interest in its Donner Lake and Campus Creek lithium properties as well as a 2% gross overriding royalty and completed a private placement in a financing arrangement with Lithium Royalty Corp (“LRC”) which raised a total of C\$6.3 million (the “LRC Financing”). Lithium Royalty Corp. is a leading financier involved in lithium projects around the world. For Grid, the financing was less dilutive than a straight equity financing and enabled the Company to proceed with a drill program on its Donner Lake Lithium project and other activities. On September 26, 2022 the Company announced the completion of financing sourced primarily in Australia which included several strategic investors including AMCI Group, Lithium Royalty Corp., and Primero Engineering. The Company raised a total of \$8,520,000. Funds from both financings have been allocated toward exploration and corporate development.

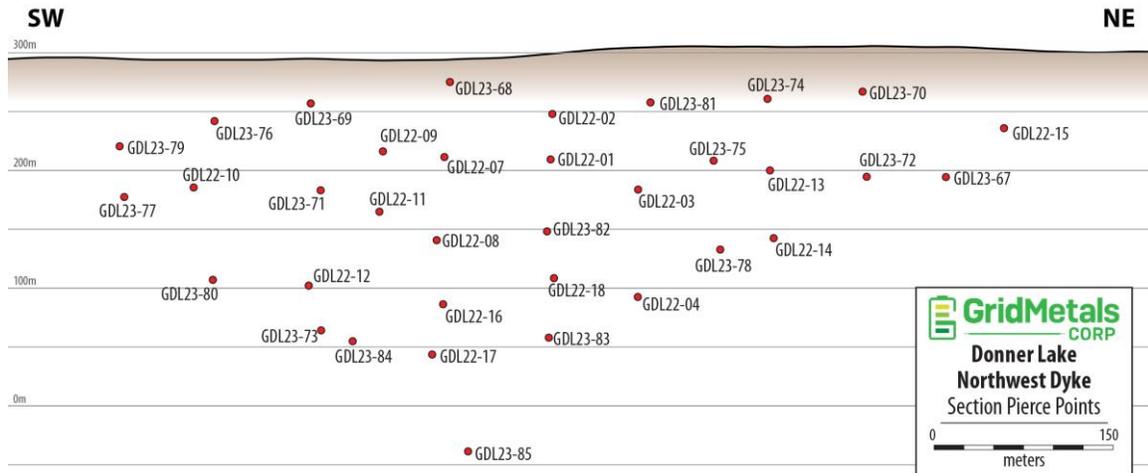
**Donner Lake Lithium Drilling** - The Company commenced resource drilling at Donner Lake in October. A total of 29 holes and 6,929.15 metres were completed in the fourth quarter. Most of the completed holes targeted the core resource area of the Main Dyke – last drilled by the Company in 2018. Results met expectations and confirmed good lithium grade and thickness continuity for the Main Dyke over a strike length of ~900 metres and to a vertical depth of ~350 metres. Subsequent to the end of the quarter resource drilling continued through to the end of March 2023 with a focus on the Northwest Dyke, which was initially drilled by the Company in the previous winter’s drilling campaign at Donner Lake. In total the 2022/23 Donner Lake winter drilling program saw the completion of 17,696 metres in 67 holes. The new results will be incorporated in a maiden resource estimate and accompanying 43-101 Technical Report scheduled for completion in late Q2 2023. In June 2022, the Company contracted XPS Expert Process Solutions Laboratory, located in Falconbridge, Ontario, to complete an initial mineralogical and metallurgical testwork on composite samples from both the Main and Northwest dykes prepared from drill core materials collected by the Company’s technical staff. The final report for this study is expected to be delivered in Q2 2023.



**Above:** Plan view of all completed drill holes in the Main and Northwest dykes resource drilling area at the Donner Lake Lithium Property.



**Above:** Long section showing pierce point locations through the Main Dyke at the Donner Lake Lithium Property. Includes all holes completed by the Company to the end of the winter 2022/23 drilling campaign.



**Above:** Long section showing pierce point locations through the Main Dyke at the Donner Lake Lithium Property. Includes all holes completed by the Company to the end of the winter 2022/23 drilling campaign.

The exploration potential of the Donner Lake Lithium Property remains to be fully tested and accordingly, the Company initiated a field program in June 2022. The field program focused on a large, underexplored section of the prospective granite gneiss – greenstone belt contact area that hosts the known LCT-type pegmatites at the Property. The field work involved geological mapping and lithochemical surveys. The majority of the results were still outstanding at the end of the Quarter. The Company plans to integrate these new lithochemical data with magnetic survey data acquired in Q1 2023 to develop additional pegmatite exploration targets at the Property.

### Other Activity

In June 2022, the Company engaged Micon International to complete an updated PEA on the Makwa Mayville project. The new study incorporated metallurgical information acquired subsequent to the completion of the prior PEA study (RPA Associates, 2014) and considered a base case involving lower annual production rates and higher feed grades. Key outcomes from this study were expected to be received in the first part of 2023.

The Company contracted Geotech Limited to complete airborne geophysical surveys over its Wintering Lake and Cuthbert Lake Mineral Exploration Licenses that were acquired in 2021. The surveys were completed in October and the final report is expected sometime in early 2023. Preliminary results showed the presence of several coincident conductivity and magnetic anomalies located near known Ni-Cu-PGM surface occurrences and in association with favourable mafic or ultramafic intrusive bodies.

Detailed geophysical targeting was completed using historical magnetic and EM survey data over the Company’s three MELs covering the western end of the Proterozoic Fox River Belt located near the town of Gillam in northern Manitoba. A number of potential drill targets were identified on the Fox River Property by applying the Raglan nickel sulfide deposit model to the Fox River geophysical data. The Company intends to apply for initial exploration permits and begin consultation efforts in the first half of 2023.

### Environmental Social and Governance

The Company is committed to increasing its operations, compliance and practices relating to environment, social issues and governance matters going forward. With respect to environmental stewardship the Company looks to minimize the footprint of its on the ground activities and comply and exceed all government regulations relating to its activities.

The Company has an agreement with the Sagkeeng First Nation in whose Traditional Territory the project is located. The purpose of the agreement is to establish a mutually beneficial relationship covering environmental and economic aspects of the project.

## PROPERTY SUMMARIES



**Above:** Location of Grid Metals Lithium and Nickel exploration properties in Manitoba and Northwestern Ontario.

### MANITOBA

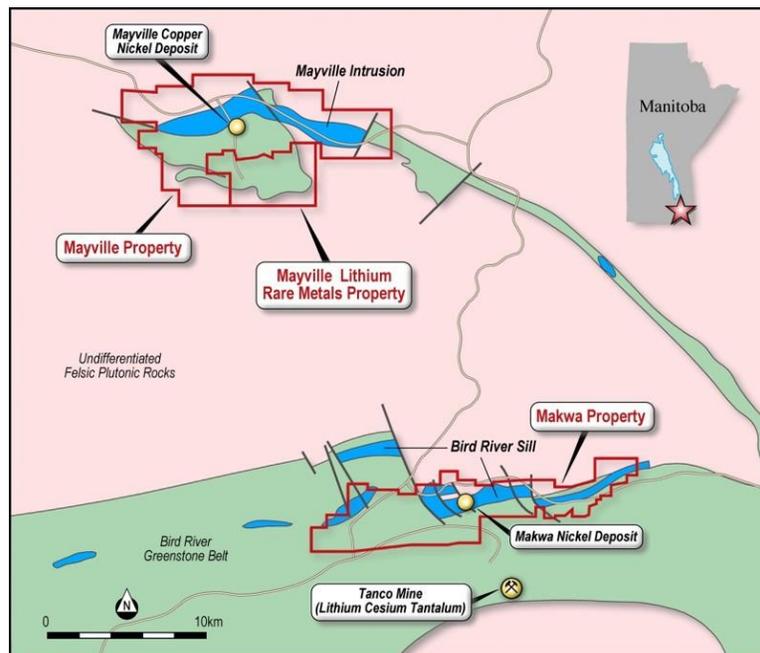
#### Makwa Mayville Ni-Cu-PGM-Co Project

##### Overview

The Makwa Mayville Ni-Cu-PGM-Co property is located 145 kilometres northeast of Winnipeg, Manitoba. The mineral title to the property is held via several blocks of mining claims and a mineral lease over the Makwa Nickel deposit. The Mayville part of the property is subject to a joint venture between Grid ( 60%) and Maskwa Nickel Chrome Mines Limited (40%) Makwa Nickel Chrome Mines Limited is a 72.56% owned subsidiary of Grid.

There are two NI 43-101 defined resources making up the project resource, viz.: (1) Makwa, where the predominant metal is nickel with by-product credits of copper and platinum group metals (mostly palladium); and (2) Mayville, which is a copper-dominant copper-nickel sulfide deposit with significant platinum group metals credits. The two deposits are only 35 km apart and the current Technical Report, a Preliminary Economic Assessment published in 2014, envisaged a central concentrator located at Mayville and treating feed from both deposits. Over the past two decades Grid has spent over \$25 million in exploration and development on the two properties.

The overall strategy for the Makwa Mayville project is to expand the resources (RPA, 2014 – see below) to exceed the following threshold values: 200,000 tonnes of contained nickel, 250,000 tonnes of contained copper and 1 million ounces of combined, contained palladium + platinum + gold. To increase the potential of achieving this resource expansion target and subsequent to the end of the quarter, the Company announced the acquisition of three mineral deposits and associated prospective nickel sulfide exploration ground known as the Page-Ore Fault-Chrome property (adjacent to Makwa) and the Eagle property (adjacent to Mayville).



**Above:** Map of Bird River Greenstone belt showing Grid Properties

As a precursor to resuming exploration at the Property during 2021 the Company renegotiated its Exploration Agreement with the Sagkeeng First Nation on whose traditional territory the Makwa Mayville Property is located. The exploration agreement provides a framework for Grid to engage with Sagkeeng through the exploration permitting and mineral development process. In addition, the agreement will provide other benefits and accommodations so that Sagkeeng is able to meaningfully benefit from the economic development associated with mineral exploration in its traditional territory while respecting cultural and environmental concerns.

### Exploration

In December 2021, the Company received approval for its permit applications for drilling at both the Makwa and Mayville properties. Drilling commenced at the Makwa property in January 2022 and the Company completed a total of 5,850 metres in 18 drill holes prior to the end of April 2022. The new drill program was designed to test a number of geophysical anomalies that were generated from a ground electromagnetic survey completed by Grid in 2018. Each of the anomalies to be tested are proximal to the known deposits (Makwa and Dumbarton) and represent drill targets with the potential to add additional resources to the

property. The new drilling results are being incorporated into an updated resource estimated for the Makwa property being prepared by Micon International.

Subsequent to the end of the current quarter the company also completed 6 exploration holes totaling 2,235 metres at the Mayville Ni-Cu-PGM property. The new drilling targeted the PGM Zone (discovered in 2011) and extensions at depth to the current M2 deposit resources. Results for this program were not available at the time of writing.

The most recent economic study at the Makwa Mayville Project was a Preliminary Economic Assessment completed in April 2014 and authored by RPA Associates. Since 2014 additional metallurgical testwork was completed for the Mayville deposit. The testwork concluded that nickel recoveries from the Mayville resource could be significantly improved over the levels that were used in the 2014 PEA.

The current mineral resources for Makwa Mayville as stated in the 2014 PEA are tabulated below.

## MINERAL RESOURCE SUMMARY AS OF NOVEMBER 27, 2013

### Mustang Minerals Corp. – Makwa-Mayville Project

Class and Deposit	Tonnes (Mt)	Ni (%)	Cu (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Co (%)
<b>Indicated</b>							
Makwa	7.2	0.61	0.13	0.10	0.36	N/A	0.01
Mayville	26.6	0.18	0.44	0.05	0.14	0.05	N/A
<b>Total Indicated</b>	<b>33.8</b>	<b>0.27</b>	<b>0.37</b>	<b>0.06</b>	<b>0.19</b>	N/A	N/A
<b>Inferred</b>							
Makwa	0.7	0.27	0.08	0.05	0.14	N/A	0.02
Mayville	5.2	0.19	0.48	0.06	0.15	0.04	N/A
<b>Total Inferred</b>	<b>5.8</b>	<b>0.19</b>	<b>0.43</b>	<b>0.06</b>	<b>0.15</b>	N/A	N/A

#### Notes:

1. CIM Definition Standards have been followed for classification of Mineral Resources
2. Mineral Resources are reported at a net smelter return (NSR) cut-off value of C\$15/tonne at Mayville and C\$20.64/tonne at Makwa
3. At Mayville, NSR values are calculated in C\$ using factors of \$51 per % Cu and \$41 per % Ni. These factors are based on metal prices of US\$3.40/lb Cu and US\$8.50/lb Ni, estimated recoveries and smelter terms, and a US\$/C\$ exchange rate of 0.97.
4. The Makwa Mineral Resources are estimated using metal prices of US\$3.40/lb Cu and US\$8.50/lb Ni, estimated recoveries and smelter terms, and a US\$/C\$ exchange rate of 0.97. The NSR factors used are: \$87.33 per % Ni, \$29.65 per % Cu, \$38.25 per % Co, \$0.14 per g/t Pt and 0.08 per g/t Pd.
5. Totals may not add correctly due to rounding.
6. Mineral resources that are not Mineral Reserves do not have demonstrated economic viability.

#### Mineral Title

The mineral rights of the **Makwa Property** consist of a mineral lease with an unexpired term of 19 years, a surface lease, and exploration 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.

The Company owns a cumulative 89% interest in the **Mayville Property** (consisting entirely of Crown Mineral Claims) in 2005. A direct 60% interest was acquired from a 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 subject to a joint venture agreement. If a party to the joint venture agreement is diluted below 10% then their respective interest converts to a 10% Net Profits Interest which is payable after all capital investment and exploration and development costs have recouped by the operating party. Grid is the operator of the joint venture. 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. Subsequent to year end 25% of the lithium rights and a 2% royalty to the original Tanco Claims and fifteen of the original Mayville mining claims were sold to Lithium Royalty Corp. for US \$2.25 million.

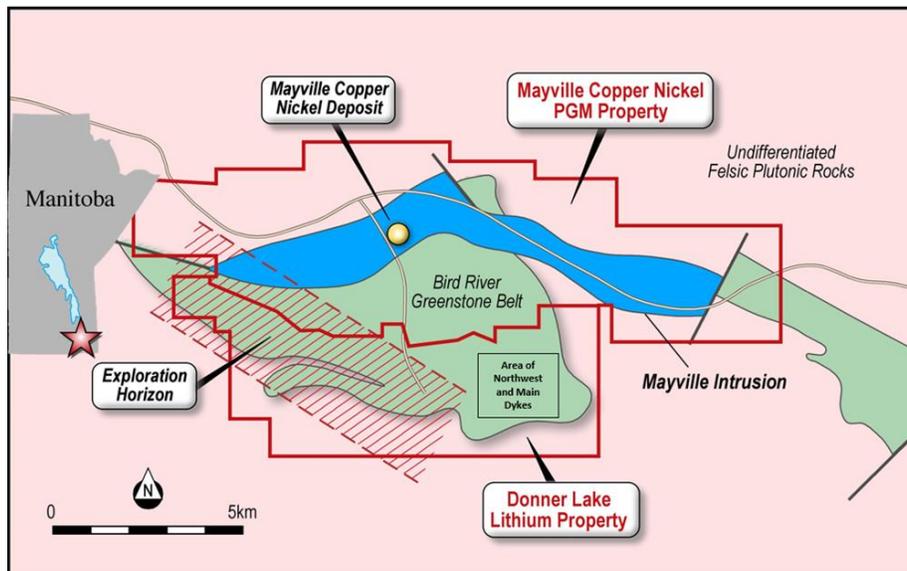
Both Makwa and Mayville are located on the Traditional Territory of the Sagkeeng First Nation.

Following additional drilling and exploration and adding additional resources the Company anticipates completing an updated PEA for the project.

### Donner Lake Lithium Property

#### Overview

The Bird River Greenstone Belt in southeastern Manitoba hosts several lithium-cesium-tantalum-enriched (“LCT-type”) pegmatite dykes including the world famous Tanco pegmatite and the producing Tanco Mine. The Tanco Mine has produced lithium, tantalum, and cesium products intermittently since 1968. Currently, the Tanco Mine is producing lithium spodumene concentrate. There are a number of pegmatite fields in the Bird River Greenstone area in addition to Bernic Lake. There has been intermittent exploration activity in the belt since the 1950’s. With the recent rise of lithium prices there has been new activity in the area. New entrants funding exploration in the area include Mineral Resources (ASX:MIN) which is the world’s fifth largest spodumene concentrate producer.



Above: Mayville and Donner Lake Property area.

#### Exploration

The overall objective of Grid’s exploration activities at Donner Lake is to discover and delineate significant tonnages, e.g., >10 million tonnes of high Li<sub>2</sub>O-grade LCT-type pegmatite dykes that can produce a quality spodumene concentrate. Specific objectives for the next several months include: (1) discover additional

spodumene-bearing dykes; (2) complete adequate drilling on the Main and Northwest dykes to support an initial 43-101 compliant Li<sub>2</sub>O resource estimate; (3) complete metallurgical testwork to scope the potential to produce a marketable spodumene concentrate; and (4) commence an initial economic study for the project and explore co-development opportunities with the Makwa Mayville Property.

There are two LCT-type spodumene-bearing dykes that are the current focus of exploration and resource drilling at the property. Grid drilled 11 holes at the Main Dyke in 2018 and intersected a spodumene-bearing lithium pegmatite (Main Dyke) over a strike length of approximately 600 metres. The Company drilled 16 holes into the Northwest Dyke starting in February 2022 and two additional holes were drilled in the West dykes area. Results indicate fairly consistent lithium grades and widths over the 600 metres of strike and 250 metres of vertical extent that have thus far been drilled on the Northwest Dyke. In June, the Company initiated preliminary metallurgical testwork at XPS – Expert Process Solutions Laboratory (a Glencore Company) on composite samples from both the Northwest and Main dykes in order to evaluate the potential to produce a saleable spodumene concentrate having a target Li<sub>2</sub>O grade of 6%. The final report for this work was received subsequent to the end of the quarter.

There has been a significant amount of historical exploration in the Bird River greenstone belt focused on tantalum and cesium minerals, which generally occur in the same pegmatite dyke swarms as lithium. At Donner Lake, geological mapping and geochemical surveys were completed by previous explorers. The results of this work have been filed with the government of Manitoba and are available online. A number of prospective geochemical trends featuring lithium anomalies in bedrock outcrops (greenstone units) remain to be tested on the property. Grid utilized all available historical exploration data to help guide additional geological mapping and lithochemical sampling in the current year's field program that commenced in June and was completed in early October. At the time of writing all results from this work have been received and are currently being integrated with a recently completed drone magnetic survey to generate additional lithium exploration targets on the property.

During the current quarter, the Company commenced resource delineation drilling starting with the Main Dyke (last drilled in 2018) and finishing at the Northwest Dyke. In total 17,696 metres of drilling was completed in 67 holes. At the time of writing analytical results for all but one of these drill holes had been received. The complete set of 2018, 2022 and 2023 drilling results are being incorporated into an initial resource estimate for the Main and Northwest dykes that is being carried out by SGS Canada Inc. The results are expected to be released before the end of the second quarter and will be fully described in a new 43-101 Technical Report for the Donner Lake property to be filed on SEDAR within 45 days of their initial disclosure. Hole locations and long sections of pierce points for all of the recent drilling at Donner Lake are provided in the report summary section above.

#### Mineral Title

The Donner Lake Lithium Property is a 75%/25% joint arrangement between a wholly owned subsidiary of Grid Metals Corp and Lithium Royalty Corp. ('LRC'). LRC has a right to purchase 20% of the wholly owned subsidiary on commercial terms and conditions (including the purchase price) acceptable to both Grid and LRC. The Property consists of 51 mining claims. Six of the mining claims forming part of the Donner Lake property were optioned by Grid from Tantalum Mining Corporation of Canada ("Tanco") in 2017. Under the option agreement with Grid, Tanco retained a 2% Net Smelter Royalty Return on any products sold from the property and a commercial right of first refusal to purchase any products sold from the property in the future be it ore or lithium concentrates. The base metal rights to the Donner Lake Lithium Property are retained by Grid Metals with a minority interest held by Maskwa Nickel Chrome Mines subject to a joint venture agreement.

The Donner Lake Lithium Property is located on the Traditional Territory of the Sagkeeng First Nation.

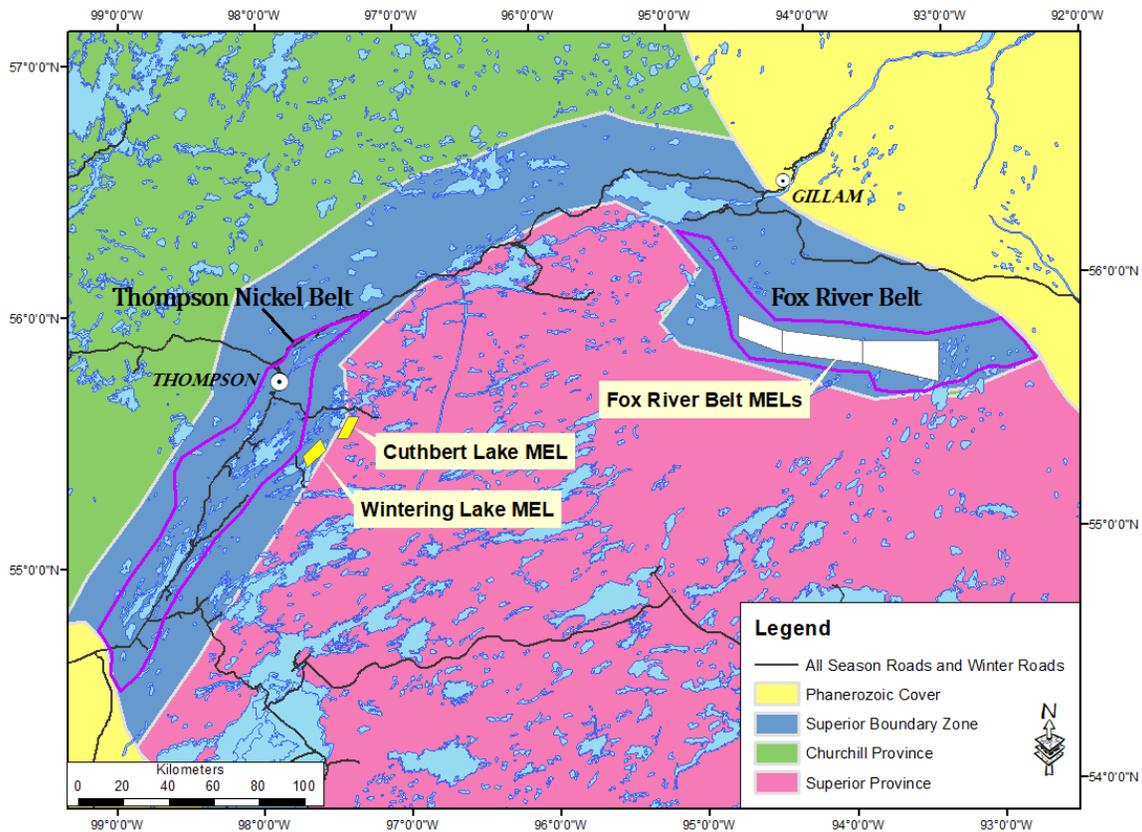
## Mineral Exploration Licenses Acquired in Northern Manitoba

In September 2021, the Company acquired the mineral rights for five Mineral Exploration Licenses (MELs) located in northern Manitoba. Three of the licenses cover a large section of the Proterozoic Fox River Belt, situated on the Superior Boundary Zone – host to a majority of Canada’s major nickel sulfide mining camps at Thompson Manitoba, Sudbury Ontario, and the Raglan Camp of northern Quebec. The other two licenses cover prospective mafic-ultramafic intrusions and known Ni-Cu-PGE surface showings in the Pikwitonei Granulite Domain directly east of the Thompson Nickel Belt and the mining city of Thompson. A tabulation of the MEL numbers and their size and annual holding costs are given in the table below.

Type of License	Regular MEL – Zone A	Special MEL – Zone B
Deposit (with application)	\$0.50/hectare	\$0.50/hectare
Zone	Zone A	Zone B
Annual Assessment Requirement	\$1.25/hectare in Year 1 increasing to \$7.50 per hectare in Year 3	\$0.50/hectare in Year 1 increasing to \$4.00 per hectare in Year 5
Initial Ownership Term	3 years	5 years
Renewal Term	3 years	5 years
Grid Property & MEL#	<b>Thompson East:</b> 1134A (Cuthbert Lake), 1135A (Wintering Lake)	<b>Fox River Belt:</b> 1153B, 1132B, 1133B
Area of Grid MELs	10,500 hectares	102,600 hectares
Year 1 2021/22 Cost	\$13,250	\$51,269
Year 1 Anniversary	Sept. 8, 2022	Sept. 8, 2022
Year 1 Expiry Date	Dec. 7, 2022	Dec. 7, 2022
Year 2 2022/23 Cost	\$53,000	\$102,537

In 2022 the Company began to compile and analyze the significant amount of available assessment data for all of the MELs as an initial step in the exploration of the properties. Based on this work, the Company contracted a VTEM Plus airborne EM survey over the Thompson East MELs with Geotech Ltd. The surveys were completed in October 2022 with final results pending at the time of writing. These surveys, when filed with the Manitoba Mines Branch, will cover the combined assessment requirements of \$64,425 for the initial two years, recovering the cash in lieu payment made last fall. The Thompson East MELs are considered to be analogous to the currently producing Nova Bollinger nickel sulfide deposit in Western Australia that is owned by Independence Group (ASX). The Company also paid cash in lieu of assessment work in September to maintain the Fox River licenses for another year (to Dec., 2023). The Fox River MELs are considered by the Company to represent a direct geological analogue to the prolific Raglan nickel sulfide district in northern Quebec. The ~90 km of prospective Fox River Belt geology covered by the Company’s three licenses represents a significant and new opportunity for the Company to make a transformative nickel sulfide deposit discovery. Later this year the Company plans to complete airborne magnetic and EM surveys over selected portions of the Fox River West MELs to supplement the existing geophysical coverage. The approximate value of this work is likely to exceed the combined Year 1 and Year 2 expenditure requirements and once the new geophysical work is filed for assessment, the Company can recover the cash in lieu payment and maintain the property until December 2024 – even if no additional work is performed.

Although the Company remains committed to maintaining a focus on southeastern Manitoba assets, the acquisition of the Fox River MELs represented a very rare opportunity to gain a large land position in both an established (Thompson Belt) and highly prospective frontier belt (Fox River) at a time of increasing investor interest in nickel sulfide projects located in Tier 1 jurisdictions. The Company will be exploring different options at its disposal to fund and manage future exploration of these MELs including, but not limited to, partnering with an established nickel sulfide mining company and vending a NSR royalty.



**Above:** Location of 5 Mineral Exploration Licenses in northern Manitoba acquired by the Company in September, 2021.

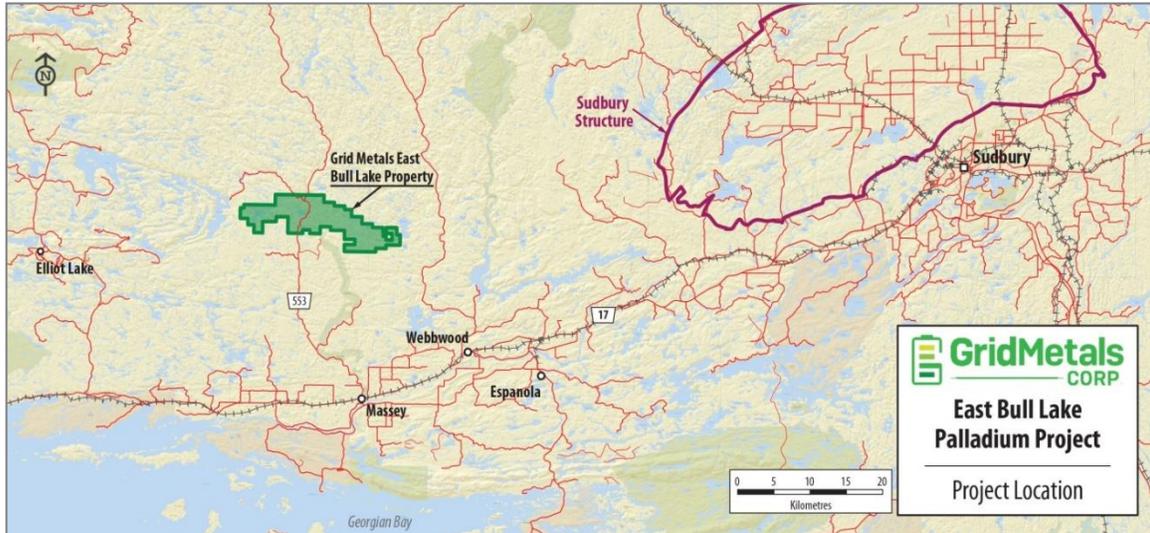
## ONTARIO

### East Bull Lake Palladium Property

#### Overview of Property

The East Bull Lake (“EBL”) Palladium Property consists of unpatented mining claims which cover ~80% of the ~22km x ~4 km layered intrusion that hosts widespread, palladium-dominant disseminated sulfide mineralization. Grid focused the exploration at EBL for palladium in the area of the south margin looking for mineralization occurring in embayments or feeder structures in the intrusion. The property consists of unpatented mining claims held 100% by the Company and an option for mineral rights on the “Shib Property” covering eight mining claims at the east end of the intrusion. There are remaining option payments due on the Shib Property.

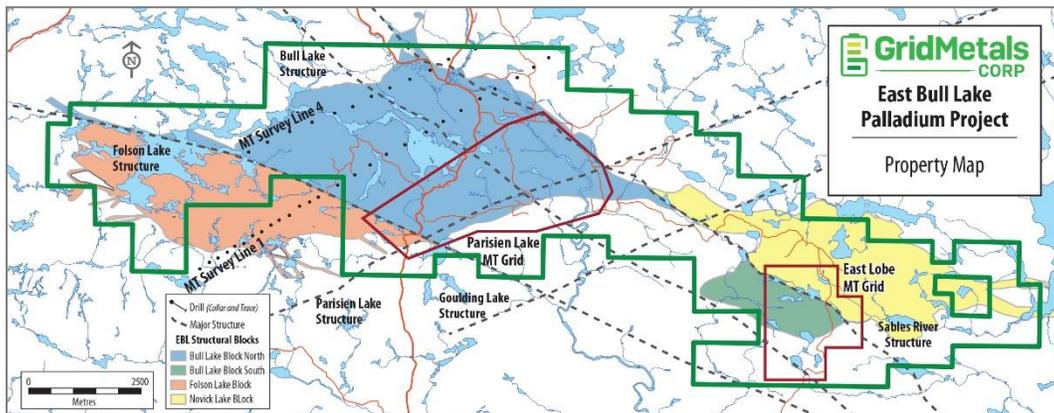
The East Bull Lake property is subject to underlying royalties held by the original optionors of the property of up to 3%.



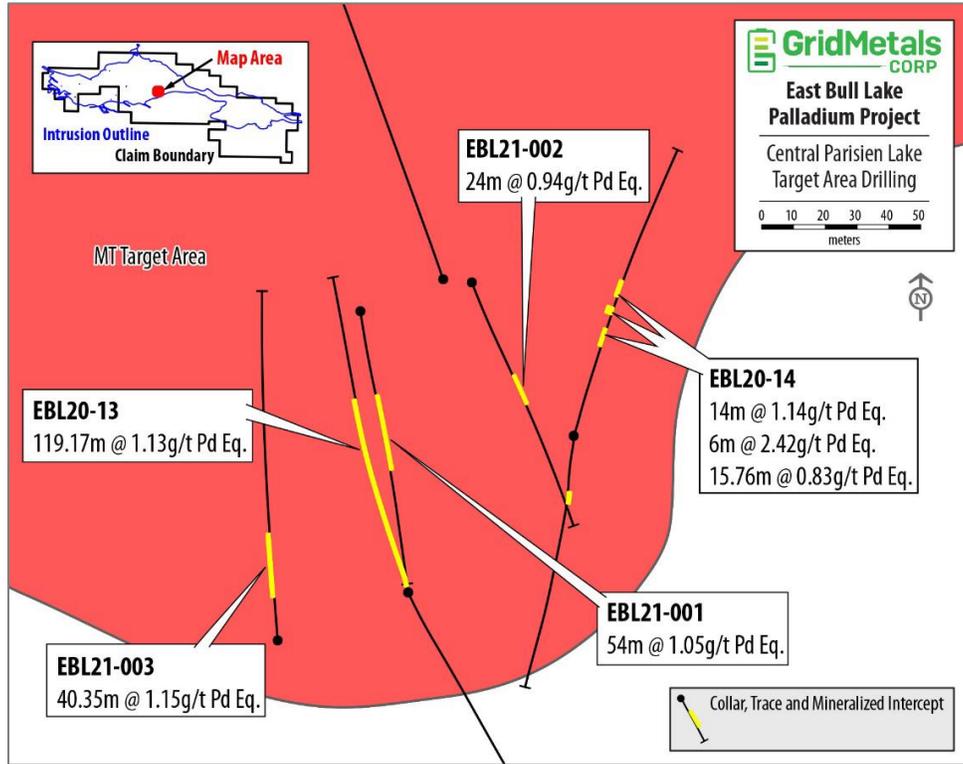
**Above:** location of East Bull Lake Palladium Property

Details of drilling at East Bull are summarized in the Company’ January 28, 2021, March 3, 2021, April 9, 2021, and June 17, 2021 news releases – see [www.sedar.com](http://www.sedar.com). Drilling during 2021 was following up on drill hole EBL20-13 which intersected 119 metres averaging 0.75 g/t Pd, 0.21 g/t Pt, 0.04 g/t Au, 0.08% Cu and 0.05% Ni (1.13 g/t palladium equivalent grade or Pd Eq) with significant higher-grade sections including 48.0 metres averaging 1.85 Pd Eq that contained 14.0 metres of 2.97 g/t Pd Eq and 3.68 metres averaging 4.54 g/t Pd Eq. The drill hole EBL20-13 represented the best grade thickness yet reported at East Bull.

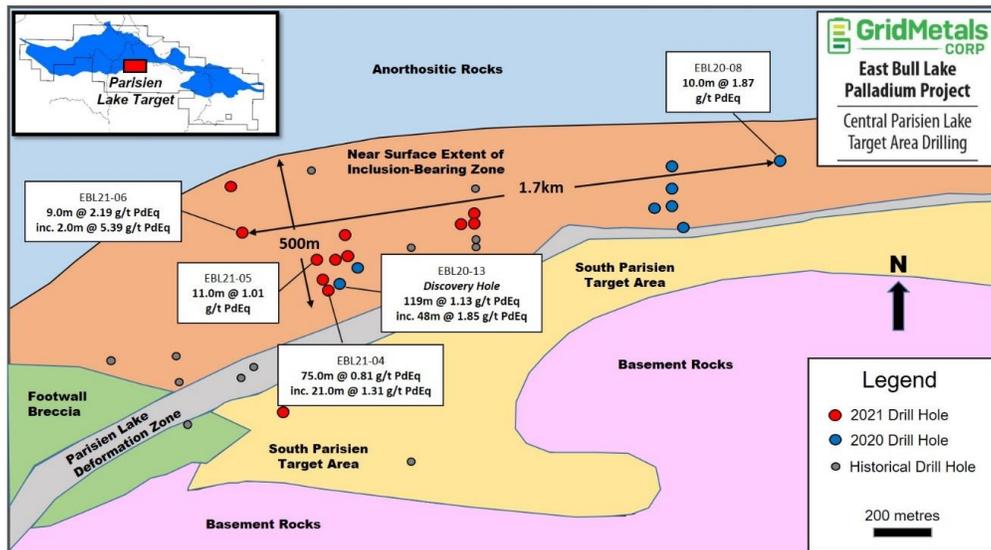
The majority of the holes drilled in 2020/2021 intersected anomalous to highly elevated palladium, platinum, and copper values in an inclusion-bearing zone at the base of the intrusion. The Company believes that this “basal layer” of mineralization is extensive and offers potential for large tonnages of palladium-rich sulfides at East Bull.



**Above:** map of the East Bull Lake Intrusion showing property outline and areas that were covered by a magneto-telluric survey completed by Grid in 2020.



Above: Map showing some of the key intercepts in the area of EBL20-13.



Above: Map showing selected drill holes from the Parisien Lake Deformation Zone at East Bull.

Following completion of drilling in 2021 a field program of mapping and sampling was completed at the property. Approximately 500 samples from 5 discrete exploration target areas were submitted for assay. The

field program further confirmed the prospectivity of the property and extended the Parisien Lake Zone to the west by approximately 2 km.

Grid also completed a metallurgical study that produced a palladium-rich concentrate with good PGE and base metal recoveries and high palladium grades of up to ~100 g/t Pd.

The Company also commissioned a detailed geochemical study of the Parisien Lake area. The key finding of the study is that a genetic relationship appears to exist between local copper- and/or nickel-rich massive sulfide lenses hosted by an extensive footwall breccia zone and overlying, palladium-dominant disseminated sulfide mineralization. The observed geochemical trends indicate that the lower part of the East Bull Lake intrusion hosts Cu-Ni-PGM mineralization that was derived from a large and highly fractionated magmatic sulfide system, with sulfides accumulating in structural traps or embayments along the basal contact as seen in the nearby Sudbury Igneous Complex and its numerous, world-class massive sulfide ore bodies.

Next steps for the East Bull Lake property will be a geophysical review and ranking of the large number of untested conductivity anomalies that are located adjacent to known surface disseminated sulfide mineralization. These anomalies occur within more widespread resistivity anomalies that are interpreted to represent structural troughs in which magmatic sulfides accumulated along the base of the intrusion.

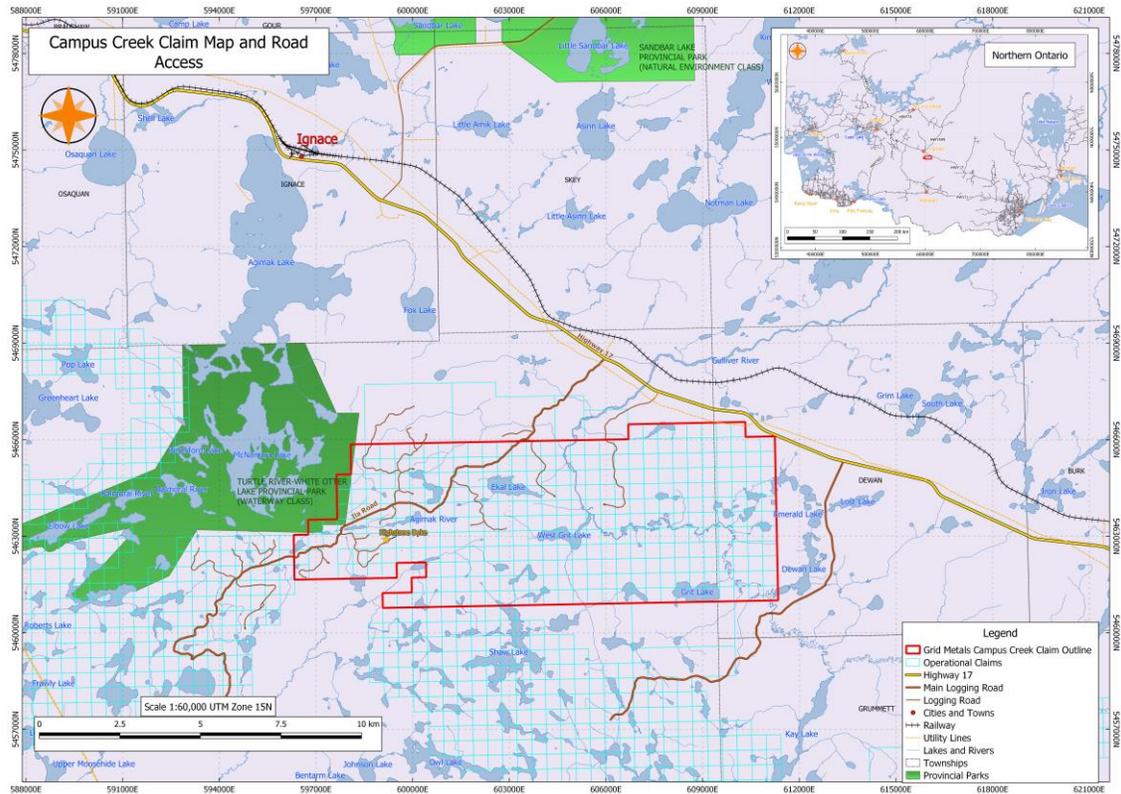
### **Campus Creek Lithium Property**

#### Overview of Property and Mineral Title

The Company owns a 100% interest in the early stage Campus Creek lithium exploration project located near the town of Ignace in northwestern Ontario. The property is a 75%:25% Joint arrangement with Lithium Royalty Corp. with Grid holding the majority interest. The property consists of 327 mineral claims covering an area of ~7,000 hectares. The Campus Creek property is located adjacent to International Lithium's Raleigh Lake property at which a maiden Measured and Indicated resource of 2.293 million tonnes of 0.64% LiO<sub>2</sub> has been estimated (see International Lithium Corp. news release dated April 13, 2023).

#### Exploration

In 2021 the Company completed an initial phase of prospecting and mapping at the property with a focus on an outcropping, spodumene-bearing pegmatite body (the 'Highstone' pegmatite) located at the western end of the claims. The Company is in receipt of an exploration permit that will facilitate initial exploration drilling in the vicinity of the main lithium discovery that is expected to occur in the summer season of 2023.



Above: Location map of the Campus Creek lithium property.

### 3. SELECTED ANNUAL INFORMATION

Selected audited annual information for the three most recently completed years, all reported under IFRS, are as follows:

	2022	2021	<i>Restated</i> 2020
<b>Years ended December 31,</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net income (loss) before provision for income taxes	275,756	(3,852,670)	(3,202,263)
Net income (loss) after provision for income taxes	275,756	(3,852,670)	(3,202,263)
Basic and diluted loss per share	(0.00)	(0.04)	(0.05)
Total assets	12,901,272	3,001,530	3,170,526

#### 4. DISCUSSION OF OPERATIONS

##### Overview

The following table provides selected financial information that should be read in conjunction with the interim unaudited condensed consolidated financial statements of the Company for the periods ended December 31, 2022 and 2021.

	For the three months ended December 31,		For the years ended December 31,	
	2022	2021	2022	2021
Exploration and evaluation expenses	\$ 2,028,659	\$ 349,667	\$ 7,339,879	\$ 2,398,422
Net operating expenses	(797,417)	559,053	898,673	1,450,166
Other income (loss) and realized gains on transactions	920,656	-	8,514,308	(4,081)
Net income (loss)	(310,587)	(908,720)	275,756	(3,852,669)
Net loss per share	(0.00)	(0.01)	0.00	(0.04)
Total assets	\$ 12,901,272	\$ 6,567,500	\$ 12,901,272	\$ 3,001,528

##### Revenues

None of the Company's properties have advanced to the point where a production decision can be made. As a consequence, the Company has no producing properties and no sales or revenues. From time to time the Company will earn interest from funds on deposit and other income from sale of property interests, such as the LRC Financing.

##### Other Income

The major items of other income for the years ended December 31, 2022 and 2021 are summarized as follows:

	For the three months ended December 31,		For the years ended December 31,	
	2022	2021	2022	2021
Sale of royalty interests and offtake agreements	\$ -	\$ -	\$ 4,677,750	\$ -
Sale of Bannockburn property	-	-	4,020,000	-
Unrealized gain on marketable securities	1,153,912	-	49,814	(4,081)
Realized loss on marketable securities	(260,256)	-	(260,256)	-
Other income (expense)	27,000	-	27,000	-
	\$ 920,656	\$ -	\$ 8,514,308	\$ (4,081)

The major expense items for the years ended December 31, 2022 and 2021 are summarized as follows:

	For the three months ended December 31,		For the years ended December 31,	
	2022	2021	2022	2021
Exploration and evaluation expenses	\$ 2,028,659	\$ 349,667	\$ 7,339,879	\$ 2,398,422
Office, general and administrative	156,600	152,037	584,180	682,871
Professional and consulting fees	115,336	147,507	520,353	296,485
Management fees and directors fees	65,056	122,750	246,322	320,500
Public company costs	58,159	15,666	175,881	129,840
Share-based payments	-	117,841	549,779	527,840
Amortization	10,522	3,252	25,248	12,391
Flow-through share premium recovery	(1,203,090)	-	(1,203,090)	(519,761)
	\$ 1,231,242	\$ 908,720	\$ 8,238,552	\$ 3,848,588

## Exploration and Development Expenditures

For the year ended December 31, 2022										
	Makwa	Mayville	East Bull Lake	Donner Lake Lithium	Campus Creek	Fox River West	Bannock-burn	Other	Total	
Acquisition	\$ 20,000	\$ -	\$ (7,500)	\$ -	\$ 286,380	\$ 5,902	\$ -	\$ 203,045	\$ 507,827	
Assays	76,970	48,685	-	236,200	5,770	-	16,322	146,844	530,791	
Consulting	257,800	46,193	3,340	392,836	7,522	36,740	-	96,953	841,384	
Drilling	1,909,955	-	-	2,524,801	-	-	-	-	4,434,756	
Geological	59,012	55,225	23,380	15,183	1,943	52,576	37,193	19,398	263,910	
Geophysics	32,347	13,870	-	389,559	1,464	10,047	-	192,213	639,500	
Labour	58,484	10,511	46,182	180,200	2,904	-	-	-	298,281	
Other	159,649	41,672	10,300	381,473	-	54,476	21,435	72,013	741,018	
Project development	1,699	28,209	-	70,095	-	-	-	-	100,003	
Staking	-	10,000	-	49,000	-	-	-	-	59,000	
<b>Total</b>	<b>\$ 2,575,916</b>	<b>\$ 254,365</b>	<b>\$ 75,702</b>	<b>\$ 4,239,347</b>	<b>\$ 305,983</b>	<b>\$ 159,741</b>	<b>\$ 74,950</b>	<b>\$ 730,466</b>	<b>\$ 8,416,470</b>	
Reimbursement from JO partner	-	-	-	(1,071,690)	(4,901)	-	-	-	(1,076,591)	
<b>Total</b>	<b>\$ 2,575,916</b>	<b>\$ 254,365</b>	<b>\$ 75,702</b>	<b>\$ 3,167,657</b>	<b>\$ 301,082</b>	<b>\$ 159,741</b>	<b>\$ 74,950</b>	<b>\$ 730,466</b>	<b>\$ 7,339,879</b>	

For the year ended December 31, 2021										
	Makwa	Mayville	East Bull Lake	Donner Lake Lithium	Campus Creek	Fox River West	Bannock-burn	Other	Total	
Acquisition	\$ -	\$ 23,500	\$ 12,250	\$ -	\$ -	\$ 78,204	\$ 24,500	\$ -	\$ 138,454	
Drilling	-	-	1,377,161	-	-	-	699,200	-	2,076,361	
Geological	53,320	47,153	-	15,050	103,293	3,416	-	-	222,232	
Other	-	-	(38,625)	-	-	-	-	-	(38,625)	
<b>Total</b>	<b>\$ 53,320</b>	<b>\$ 70,653</b>	<b>\$ 1,350,786</b>	<b>\$ 15,050</b>	<b>\$ 103,293</b>	<b>\$ 81,620</b>	<b>\$ 723,700</b>	<b>\$ -</b>	<b>\$ 2,398,422</b>	

## 5. SUMMARY OF QUARTERLY RESULTS

### Selected financial information for the last 8 fiscal quarters:

	2022 Q4	2022 Q3	2022 Q2	2022 Q1
	\$	\$	\$	\$
Net income (loss)	(310,587)	(1,349,993)	1,168,003	768,333
Basic and diluted loss per share	(0.00)	(0.01)	0.01	0.00
	2021 Q4	2021 Q3	2021 Q2	2021 Q1
	\$	\$	\$	\$
Net loss	(872,045)	(697,756)	(1,576,070)	(706,828)
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)	(0.01)

### Comments on quarterly results

#### 2022 – Q4

Results for the quarter were a net loss of \$310,586 vs a loss of \$872,045 for the 2021 period. The decreased loss in the 2022 period was mainly due to increased exploration and evaluation expense of \$2,028,659 (2021 - \$349,667) and the realized loss on the disposition of Canada Nickel shares of \$260,256 (2021 - \$nil) offset by flow-through share premium recovery of \$1,203,090 (2021 - \$nil) and the unrealized gain on marketable securities of \$1,153,912 (2021 - \$nil) due to the appreciation of Canada Nickel shares during the quarter.

#### 2022 – Q3

Results for the quarter were a net loss of \$1,349,993 vs a loss of \$697,756 for the 2021 period. The increased loss in the 2022 period was mainly due to increased exploration and evaluation expense of \$931,372 (2021 - \$300,482) and increased professional and consulting fees of \$194,055 (2021 - \$79,883).

## 2022 – Q2

Results for the quarter were net income of \$1,168,00 vs a loss of \$1,576,070 for the 2021 period. The 2022 period included exploration and evaluation expense of \$1,382,550 (2021 - \$828,819), share-based compensation of \$3,957 (2021 – \$388,550), other expenses of \$1,049,848 due to the decline of Canada Nickel shares received by the Company pursuant to the sale of its Bannockburn property (2021 - \$nil) and a gain of \$4,020,000 (2021 - nil) representing proceeds of sale realized by the Company on its sale of the Bannockburn property.

## 2022 – Q1

Results for the quarter were net income of \$768,333 vs a loss of \$706,827 for the 2021 period. The 2022 period included exploration and evaluation expense of \$2,997,298 (2021 - \$932,954), share-based compensation of \$550,969 (2021 – nil), and a gain of \$4,677,750 (2021 - nil) realized on the Company's LRC Financing.

## **6. LIQUIDITY**

The Company has no significant revenues and no expectation of significant revenues in the near term, with the exception of the Transaction described herein. The cash position of the Company is reduced as exploration and overhead expenses are incurred.

The Company has working capital at December 31, 2022 of \$11,486,257 (December 31, 2021 – \$2,547,071).

## **7. CAPITAL RESOURCES**

During the year ended December 31, 2022, except for the Private Placement, the LRC Financing and the Bannockburn Sale described herein, there were no unusual factors that affected the Company's capital resources.

## **8. OFF-BALANCE SHEET ARRANGEMENTS**

At December 31, 2022 and 2021, the Company did not have any off-balance sheet arrangements.

## **9. TRANSACTIONS BETWEEN RELATED PARTIES**

Director's fees, professional fees and other compensation of directors and key management personnel were as follows for the years ended December 31:

	<b>2022</b>	<b>2021</b>
	\$	\$
Short-term compensation and benefits	<b>777,662</b>	633,449
Share-based payments (stock option, RSU and DSU grants)	<b>458,480</b>	431,663
<b>Total key management compensation</b>	<b>1,236,142</b>	1,065,112

Short-term compensation and benefits charged to exploration and evaluation expenditures amounted to \$158,650 (2021 – \$198,250).

Amounts due to key management personnel included in accounts payable amounted to \$33,945 (2021 – \$23,394).

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 \$110,866 (2021 - \$66,014). 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 of the Company's consolidated financial statements for the years ended December 31, 2022 and 2021.

## **10. PROPOSED TRANSACTIONS**

There are no proposed transactions contemplated as of the date hereof.

## **11. CRITICAL ACCOUNTING ESTIMATES**

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

### **Income taxes and recoverability of potential deferred tax assets**

The Company is subject to income, value added, withholding and other taxes in various jurisdictions. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting year.

### **Share-based payments**

Management determines the valuation of share-based payments and warrants using market-based valuation techniques. The fair value of the market-based and performance-based share awards and warrants are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments may include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future

employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

#### **Mineral reserve estimates**

The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, “Standards of Disclosure for Mineral Projects”, issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company’s control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management’s assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company’s financial position and results of operation.

#### **Commitments and contingencies**

Refer to Notes 9 and 10 of the Company’s consolidated financial statements for the years ended December 31, 2022 and 2021.

## **12. FINANCIAL ASSETS, AND OTHER INSTRUMENTS**

### **Financial assets**

#### **Initial recognition and measurement**

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either Fair Value through Profit or Loss (“FVPL”) or Fair Value through Other Comprehensive Income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

#### **Subsequent measurement – financial assets at amortized cost**

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

#### **Subsequent measurement – financial assets at FVOCI**

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of earnings (loss) when the right to receive payments is established.

#### **Subsequent measurement – financial assets at FVPL**

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of earnings (loss). The Company’s marketable securities are classified as financial assets at FVPL.

#### Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

#### Impairment of financial assets

The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

### **Financial liabilities**

#### Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities and lease obligations, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

#### Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of operations.

#### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of operations.

### **Credit Risk**

The Company's credit risk is primarily attributable to accounts 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 instrument included in amounts receivable is remote.

### **Liquidity Risk**

The Company's main source of liquidity is derived from its common stock issuances and exploration property transactions. As at December 31, 2022, the Company had current assets of \$12,818,249 (December 31, 2021 - \$2,971,169) to settle current liabilities of \$1,331,992 (December 31, 2021 - \$438,438). All the Company's financial liabilities have contractual maturities that are subject to normal trade terms. Current liabilities include un-renounced flow through share premium, which will be a non-cash item on settlement, of \$764,000 (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 stage and to date do not contain any identified mineral resources or reserves, the Company does not hedge against commodity price risk.

## **Sensitivity Analysis**

Management's view with respect to interest rate and foreign exchange risks is as follows:

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

## **Land access and permitting**

The Company is required to obtain permits to conduct exploration and evaluation activities on its properties and part of that process requires consultations with First Nations. In management's view there is uncertainty concerning the First Nation's consultation process, and there are risks of permitting delays. The impact of any delays on the Company's operations is unknown.

## **Operating Risk**

All assets of the Company are either at the exploration or development stage. The Company faces a number of risks to the successful exploration and/or development of its properties. These include the availability of capital, technical risk, permitting risk and environmental risk. There is no certainty the Company will be able to fund or complete the required work in order to build a mine or profitably divest any of its assets. The Company is required to engage with First Nations in order to obtain exploration permits and there is ongoing uncertainty with respect to the permitting process.

## **13. DISCLOSURE OF OUTSTANDING SHARE DATA**

### **Share Capital**

#### Common Shares

As at December 31, 2022 there were 165,162,706 common shares of the Company outstanding (December 31, 2021 – 94,492,302). As at the date hereof there are 166,772,856 common shares of the Company outstanding.

#### Warrants

At December 31, 2022 there were a total of 26,603,300 warrants outstanding (December 31, 2021 – 25,349,681). As at the date hereof there are 20,807,242 warrants of the Company outstanding.

#### Options

At December 31, 2022, and at the date hereof, there were a total of 5,670,000 stock options outstanding (December 31, 2021 – 5,930,000).

#### Deferred Share Units

At December 31, 2022, and at the date hereof, there were a total of 2,150,000 deferred share units outstanding (December 31, 2021 – 1,050,000).

#### Restricted Share Units

At December 31, 2022, and at the date hereof, there were a total of 100,000 restricted share units outstanding (December 31, 2021 – 100,000).

## Subsequent Events

On January 12, 2023 the Company announced that it had acquired the Falcon West Lithium Project (“Falcon West”) in southeastern Manitoba. Most of Falcon West was acquired via online staking and is owned 100% by Grid Metals with no underlying NSR royalty. Falcon West includes the Lucy Claims, which were purchased for \$300,000 cash and 200,000 common shares. The Lucy Claims have a 1% net smelter royalty (“NSR”), which the Company can purchase for \$1 million. The Company also has a right of first refusal to purchase any part of the NSR.

On April 13, 2023 the Company announced that it had entered into agreements to acquire additional property in southeast Manitoba that are prospective for nickel, copper, platinum group metals and cobalt. The Company acquired a 100% interest in the Chrome, Page, and Ore Fault claims adjoining to the west side of its Makwa nickel property, from Gossan Resources Limited. Consideration was \$1.1 million in cash payable over three years, \$500,000 in year one, 1,500,000 shares, subject to a four month statutory hold and thereafter released 75,000 per month over twenty months, 2% NSR payable upon the commencement of commercial production from the property and a \$300,000 of cash payable upon commencement of commercial production. The Company also acquired a 100% interest in the Eagle Claims from a subsidiary of First Mining Gold Corp. (“First Mining”) located 9km west of the Company’s M2 resource. The purchase price for the Eagle Claims was \$300,000 cash on closing and 250,000 shares payable on closing. The Company has granted First Mining a 2% NSR payable upon the commencement of commercial production from the property, half of which can be bought back by the Company for by paying \$1 million cash to First Mining. In addition, a deferred cash payment of \$350,000 is due to First Mining if the Company defines a NI 43-101 mineral resource on the property greater than 2 million tonnes.

Subsequent to December 31, 2022, the Company sold 1,410,300 Canada Nickel shares, to hold nil, for net proceeds of \$2,489,332.

Subsequent to December 31, 2022, 1,160,150 warrants issued by the Company were exercised for gross proceeds of \$232,030 and 650 warrants expired on February 14, 2023.

## Directors and officers of the Company

Robin E. Dunbar	President, Chief Executive Officer, and Director
Dave Peck	Vice President
Nadim Wakeam	Corporate Secretary
Doug Harris	Chief Financial Officer
Thomas Meredith	Director
Edward Munden	Director
Patrick Murphy	Director

Dave Peck, P.Geo, is the Qualified Person for Grid Metals Corp. for purposes of National Instrument 43-101 and has reviewed the technical content of this document.

## Additional Information

*Additional information about the Company including the financial statements, press releases and other filings are available on the internet at [www.sedar.com](http://www.sedar.com) and additional supplemental information is available on the Company website at [www.gridmetalscorp.com](http://www.gridmetalscorp.com)*