GRID METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the December 31, 2023 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 24, 2024.

2. SUMMARY

Grid Metals Corp. has as its primary focus the exploration and development of **its 75% owned Donner Lithium Project (the "Donner Project or the Project")** in southeastern Manitoba, Canada. The Company is focused on permitting the Donner Project and completing study work to enable the project to begin production when lithium prices rebound. Lithium is a key metal used in electric vehicle batteries and emissions reduction and is central to reducing carbon dioxide emissions in the atmosphere resulting from human activity.

During 2023, Grid announced a Mineral Resource Estimate for Donner and entered into a lease for the True North Gold Mill as a primary processing option for its Donner Lake Lithium feed. Grid has an opportunity unique in North America to develop a lithium mine using existing processing infrastructure and tailings capacity to enable a low capital intensity project. Grid also commenced permit applications and completed a scoping study on the costs and suitability of the True North Mill during the year. The Company plans to continue advancement of the Project with a focus on permitting in order that it can be put into production when the price of lithium rebounds.

In addition to the Donner Project, the Company owns other lithium interests in southeastern Manitoba including its exploration stage Falcon West Lithium Property. Falcon has belt scale potential and hosts a number of high grade occurrences and shows clear evidence of a highly fractioned pegmatite system. Falcon has the attributes which would enable the belt to host attractive lithium bearing pegmatites. The Company obtained exploration permits from the Province of Manitoba for Falcon prior to the year end and commenced drilling in the first quarter of 2024.

In addition to its lithium assets, Grid has exposure to copper, nickel and platinum group metals via its MakwaMayville ("MM") Project which is also located in the Bird River Greenstone Belt. The project occupies the majority of the favorable host rocks in the Bird River area prospective for copper-nickel mineralization. During the year, the Company acquired a significant portion of the prospective belt that it didn't already control via two transactions. The properties acquired included several known historical copper-nickel deposits, two that have NI 43-101 compliant resources. Overall, the MM Project has many potential synergies with the Donner Project including exploration proximity and the same infrastructure and permitting process.

Fiscal 2023 Operational Highlights

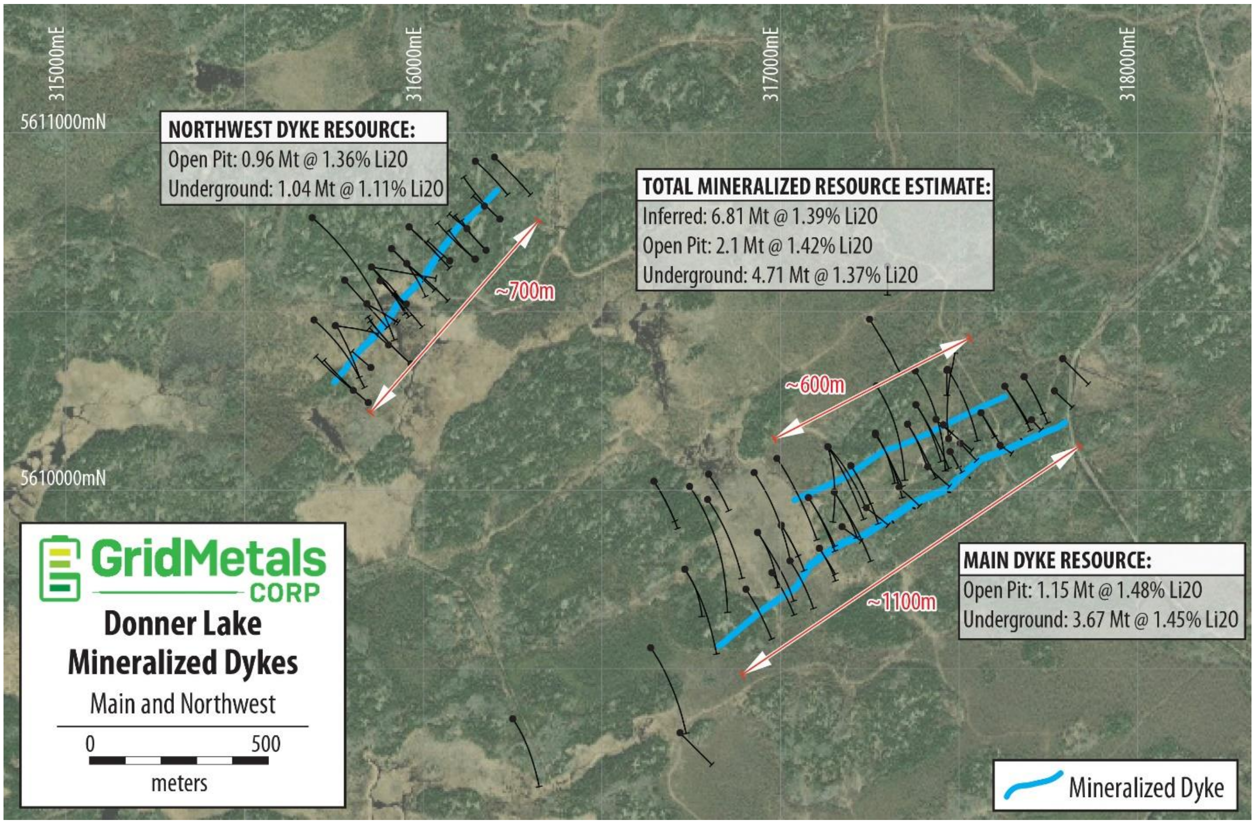
True North Mill Transaction – on July 18, the Company announced that it had entered into a lease agreement for the True North Mill, which is located in Bissett Manitoba, approximately 85 kilometers from the Donner Lake Property. The Company engaged Primero Group (a leading process engineering firm to the lithium industry) to produce a scoping level study to analyze the feasibility and capital cost of reconfiguring the True North mill and to estimate the operating costs associated with operating the mill at or near its capacity. The positive results of the Primero Group study led to a decision by the Company to proceed past the due diligence period and to make the next payments due under the lease. The terms of the lease were amended to lower the total payments and were announced in October 2023 (overall payments were reduced from $4.65 million to $4.2 million). The payments due in October 2023 were reduced from $1.45 million to $1 million. The December 31, 2023 payment of $1 million was cancelled and replaced with a payment of $500,000 due on April 30, 2024. Full details of the amended terms of the True North lease and details of the Primero Group Study follow under the **True North Mill – Bissett** section of this MD&A.

Donner Lithium Project

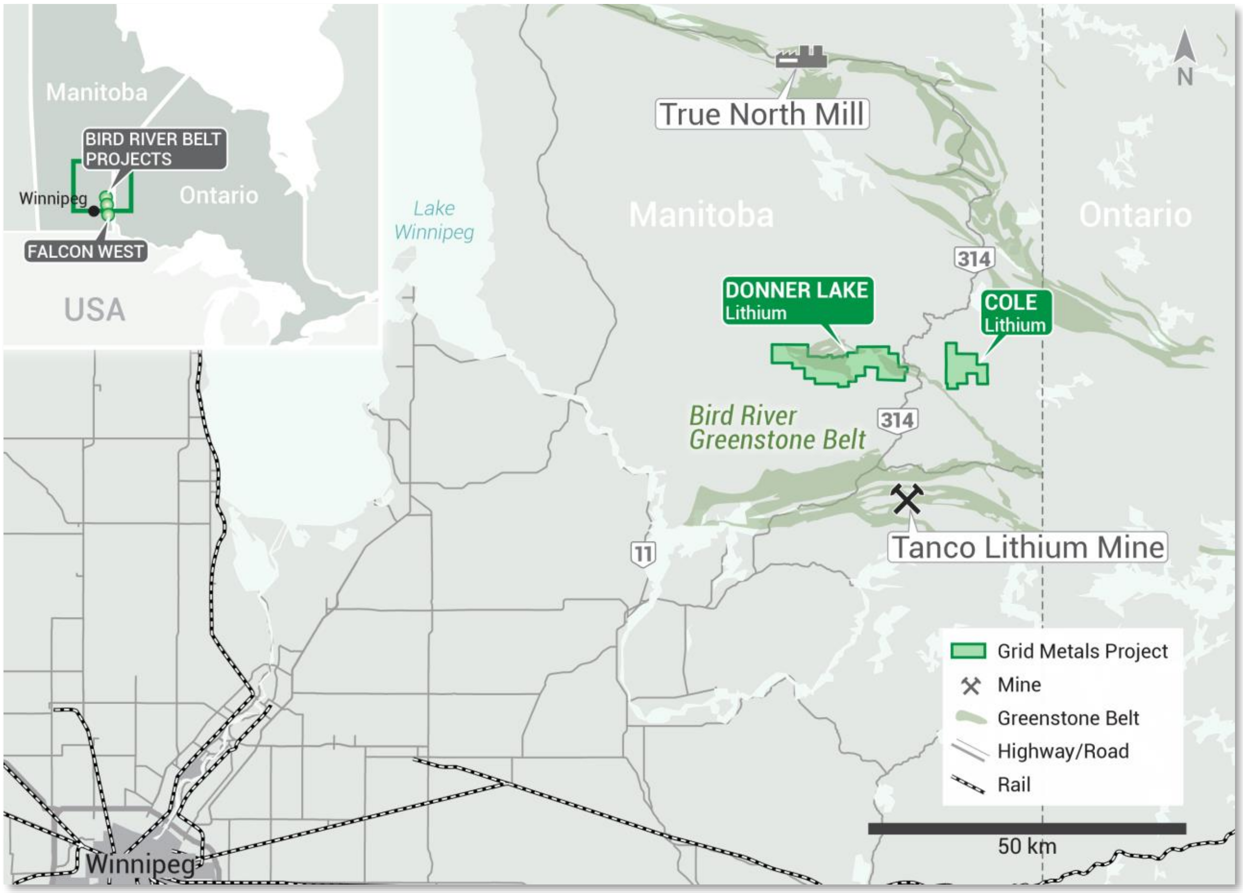
Resource Estimate – *On* September 6, 2023, the Company announced that it had filed a resource estimate for the Donner Lithium Project, prepared in compliance with National Instrument 43-101, the results of which were announced on July 18, 2023**.** The Mineral Resource Estimate was 6.81 million tonnes ("MMt") (Inferred) grading 1.39% Li_2O. The mineral resource is hosted by steeply dipping pegmatite dykes that are exposed at surface and display consistent widths, spodumene content and lithium grade. Lithium mineralization at the two dykes that host the resource (Main and Northwest) remains open to depth with consistent Li_2O values in many of the deepest holes.

Metallurgical Test Results – Additional metallurgical test work on the mineralogy and recovery of lithium from the Main and Northwest Dykes was completed in the quarter by XPS - Expert Process Solutions of Sudbury. This test work was completed concurrently with the Primero Group engineering study in order to inform the preliminary design of the True North flowsheet. Test results were positive and in line with recoveries and concentrate grades obtained in the previous first phase test work completed at XPS for the Company (January, 2019; March 2023).

Advanced Exploration Permit – On August 3, 2023, the Company announced that it had submitted a revised Advanced Exploration Permit (AEP) to enable a 10,000 bulk sample to be completed. The Company was pleased to note that the permit had been submitted to the Province on Manitoba with the support of the Sagkeeng First Nation in whose Traditional Territory the project is located. As of the date hereof, the AEP was under review by the Province.



Above: Plan view map showing surface traces of resource delineation drill holes and the three spodumene-rich pegmatite dykes at Donner Lake that host the current lithium resource estimate.



Above: *Location of the True North mill in the Rice Lake greenstone belt showing proximity to the Donner Lake lithium property and the City of Winnipeg.*

Falcon West Lithium Property

The Company announced the acquisition of Falcon West in the first quarter of 2023 and over the course of the remainder of the year completed permitting and engagement activities with the affected First Nations. Limited historical drilling at Falcon West has produced significant lithium, tantalum and cesium values, evidencing a highly fractionated pegmatite system. Drilling commenced at Falcon West in the first quarter of 2024 and as of the date hereof the results from the drilling were pending. Falcon West provides Grid shareholders with belt scale exposure to a highly prospective lithium bearing environment. Additional information about the Falcon West Lithium Property follows under the **Property Summaries** section below.

Manitoba - A Tier One Mining Jurisdiction

The Company views southeastern Manitoba as an excellent location for the development of its lithium and copper/nickel projects. The project area has excellent infrastructure, a skilled local workforce and low-cost hydroelectric power. Mining is a major economic driver to the Province and Manitoba has supported mining activities for many years. Southeastern Manitoba has existing road and rail access to both the eastern and western parts of Canada and to the United States. The current NDP government was elected in October 2023 and represents a change of governing party. The NDP government has expressed public support for the critical metals sector of the mining industry and the mining industry in general, which is an important source of jobs in the Province.

Environmental Social and Governance

The Company is committed to expanding its operations, compliance and practices relating to environmental, 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 with and exceed all government regulations relating to its activities.

The Company has an exploration agreement with the Sagkeeng First Nation in whose Traditional Territory the Donner Lake and Makwa Mayville projects are located. The purpose of the agreement is to establish a mutually beneficial relationship covering environmental and economic aspects of the project. The Company also has an exploration agreement with the Peguis first Nation with respect to a Treaty Land Entitlement selection that covers a portion of the Falcon West property.

PROPERTY SUMMARIES

MANITOBA

Donner Lithium Project

<u>Overview</u>

The Donner Project is located approximately 145 kilometers northeast of Winnipeg, Manitoba. The Property is subject to a joint venture agreement between Grid (75%) and Lithium Equities Investments LLC ("LEI"), an investment fund managed by Waratah Capital Advisors (25%). Grid Metals is the operator of the Joint Venture. Each party is responsible for its share of the project costs on an ongoing basis or faces dilution of its project interest.

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, which hosts the Tanco Deposit. There has been intermittent exploration activity in the belt since the 1950's. With the recent rise of lithium prices, there was new staking and exploration activity in the area. New entrants funding exploration include Mineral Resources (ASX:MIN) which is the world's fifth largest spodumene concentrate producer.

The overall strategy at Donner is to leverage existing milling infrastructure in the region to expedite the mining and processing of lithium to produce a lithium concentrate. The Company has a binding lease agreement with 1911 Gold Corp. ("1911") to lease and reconfigure the True North gold mill (the "True North Mill") located in Bisset, Manitoba to produce spodumene concentrate (the "Lease"). The Company also has an MOU with the Tanco Mine to process lithium material there. Both of these processing options are within trucking distance from Donner Lake. The True North Mill processing option is currently the preferred option for the Company.

<u>Mineral Title:</u>

The Donner property comprises 51 crown mineral claims totaling 6,656 hectares. The claims are held in the name of a wholly owned private subsidiary of Grid Metals Corp (1000078824 Ontario Inc.). The property is owned 75% by Grid Metals and 25% by a private equity fund (Lithium Equities Investment LP) owned by Waratah Capital. Lithium Royalty Corp. own a 2% gross overriding royalty on future rare metal mine production. A portion of the property is also subject to a 2% NSR royalty on future rare metal production that is owned by the Tantalum Mining Corporation of Canada. Under the terms of the joint venture agreement, each party must fund its proportionate share of the joint venture expenditures to maintain their respective interests or face dilution. Grid is the project operator.

Exploration and Mineral Resources

On July 18, 2023, the Company announced the release of a maiden Inferred Mineral Resource prepared in compliance with National Instrument 43-101. Mineralization at both of the two dykes that host the mineral resource remains open at depth. The current mineral resources for Donner are shown below:

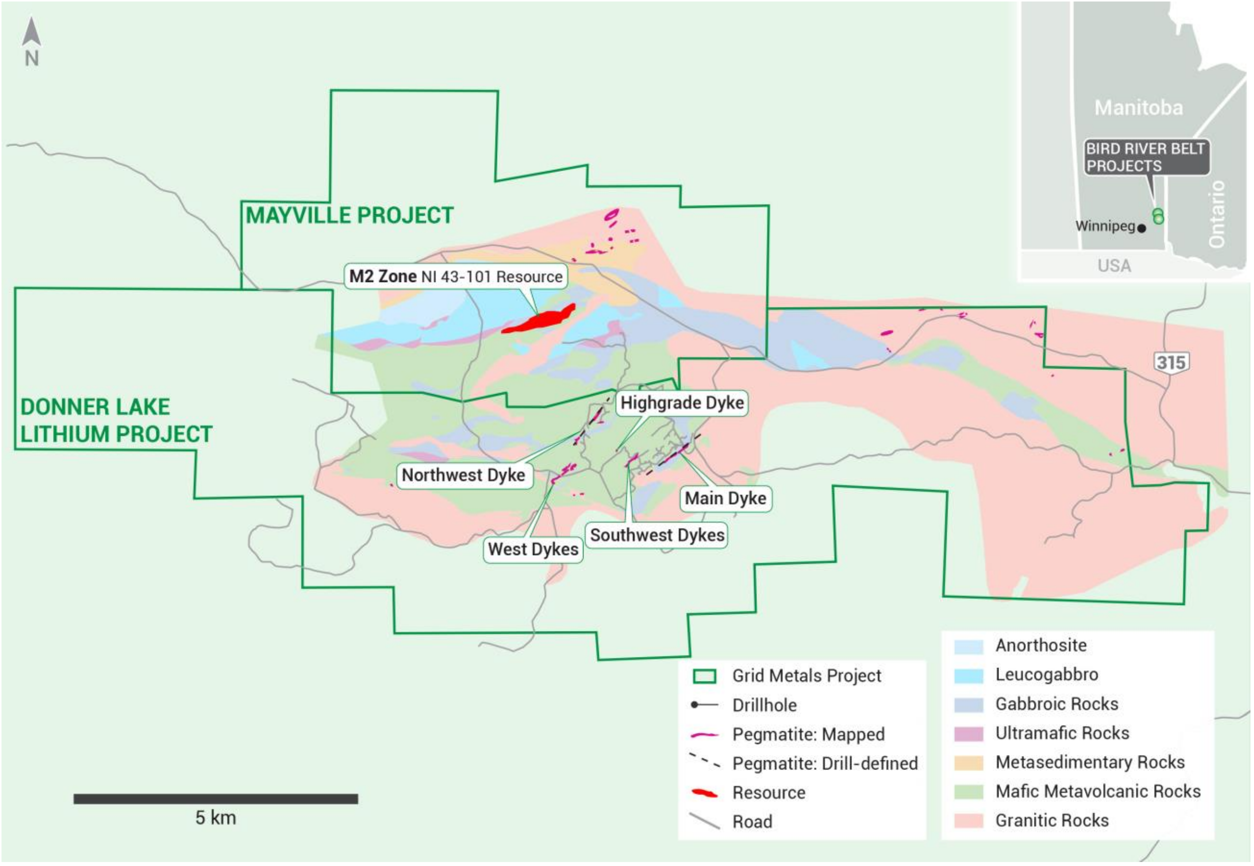
Classification (Cut-Off Grade)	**Deposit**	**Inferred Resource (tonnes)**	**Grade (% Li_2O)**
Open Pit (0.3% Li_2O)	Main Dyke	1,145,000	1.48%
	NW Dyke	955,000	1.36%
	Total	**2,100,000**	**1.42%**
Underground (0.5% Li_2O)	Main Dyke	3,669,000	1.45%
	NW Dyke	1,042,000	1.11%
	Total	**4,710,000**	**1.37%**
GLOBAL	Main Dyke	4,814,000	1.46%
	NW Dyke	1,997,000	1.23%
	Total	**6,810,000**	**1.39%**

Above: Inferred Mineral Resource Estimate for Donner Lithium Project

Notes:

1. The Mineral Resource Estimate ("MRE") has an effective date of the June 27, 2023. The Qualified Persons for the MRE are Mr. Rohan Millar, P.Geo. an employee of SGS.
2. The classification of the current Mineral Resource Estimate into Inferred Resource is consistent with current 2014 CIM Definition Standards - For Mineral Resources and Mineral Reserves.
3. All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.
4. All Resources are presented undiluted and in situ, constrained by continuous 3D wireframe models, and are considered to have reasonable prospects for eventual economic extraction.
5. Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
6. It is envisioned that parts of the Donner Lake deposit may be mined using open pit mining methods. In-pit mineral resources are reported at a cut-off grade of 0.3% Li_2O within a conceptual pit shell.
7. The results from the pit optimization are used solely for the purpose of testing the "reasonable prospects for economic extraction" by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the Property. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade.
8. Underground (below-pit) Mineral Resources are estimated from the bottom of the pit and are reported at a base case cut-off grade of 0.5% Li_2O. The underground Mineral Resource grade blocks were quantified above the base case cut-off grade, below the constraining pit shell and within the constraining mineralized wireframes. At this base case cut-off grade the deposit shows good deposit continuity with no orphaned blocks.
9. Bulk density values (specific gravity 2.7 grams per cubic centimetre) were determined based on physical test work from each deposit.
10. The in-pit base case cut-off grade of 0.3% Li_2O considers a lithium concentrate 6% (LC6) Li_2O price of US$1800/tonne, a mining cost of US$3.50/t rock and processing, treatment and refining, transportation and G&A cost of US$45.00/t mineralised material, and an overall pit slope of 55 degrees.
11. The below-pit base case cut-off grade of 0.5% Li_2O considers a lithium concentrate 6% (LC6) Li_2O price of US$1800/tonne, a mining cost of US$60.00/t rock and processing, treatment and refining, transportation, and G&A cost of US$45.00/t mineralised material.

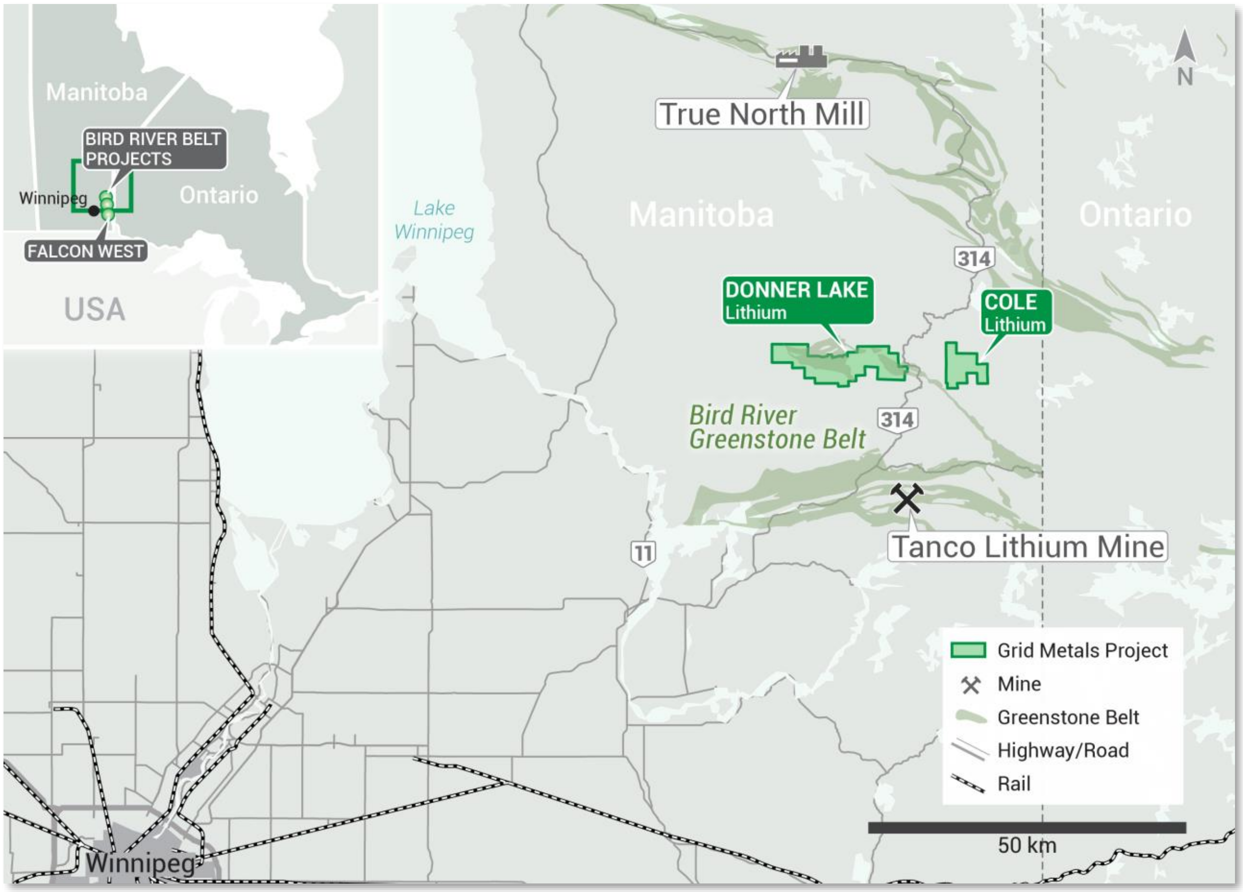
12. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.



Above: *Mayville and Donner property area. The lithium resource is hosted by the Northwest and Main Dykes.*

The Company has completed several preliminary metallurgical testwork programs on different composite samples from the Main and Northwest Dykes including a program completed in parallel with the Primero Study. The Primero Study used these results to design the flow sheet and estimate recoveries. The flow sheet will utilize flotation to recover lithium which is mainly found in spodumene. Further metallurgical tests are planned prior to completing an economic study for the Project.

The Company has completed two field seasons of exploration work on the Property focused on finding other lithium-bearing pegmatites. The work has included geological mapping and sampling, geochemical sampling, and geophysics. Several areas of interest have been identified on the property which will be followed up by future drill programs.



Above: *Location of the True North mill in the Rice Lake greenstone belt showing proximity to the Donner Lake lithium property and the City of Winnipeg*

True North Mill – Bissett

The Company has completed an initial scoping level evaluation of utilizing the True North mill for processing lithium feed from the Donner Lake Property. The evaluation included the Primero Group Study, a third-party review of the True North mill tailings facility, geological and legal due diligence, and discussions with other stakeholders and government. The information obtained resulted in the Company announcing its intention to proceed with the True North Mill Lease and commencing with activities to re-permit the mill and tailings for lithium spodumene processing and continued activities to permit the Donner Lake Lithium Property site for mining and shipment of the lithium material to the True North mill for conversion to lithium spodumene concentrate.

On July 18, 2023, the Company announced it had signed the Lease to use the True North Mill in order to process lithium feed from its Donner Lake Lithium Project. The initial Lease term is five years, subject to a two-year notice period for cancellation (a total of 7 years), which may be extended for an additional five years by mutual agreement after five years.

On October 25, the Company announced that the financial terms of the Lease were amended and are now as follows: An upfront, non-refundable payment of $300,000 (paid); a $1,000,000 payment by October 25, 2023 (paid); monthly payments covering certain ongoing site expenses for site security commencing January 2024, environmental monitoring and maintenance commencing January 1, 2024; a payment for environmental liabilities of True North of $500,000 on April 30, 2024, $1,000,0000 on December 31, 2024, and $900,000 on December 31, 2025; $1,000,000 payable upon commencement of commercial production by the Company at the True North Mill which is defined as the processing of at least 200,000 tonnes of lithium material; a payment of $1,000,000 on the fifth anniversary of the

Lease; a payment of $2,000,000 if the Parties agree to extend the lease for an additional five-year period at the end of the first five-year term of the Lease; a payment of C$1,000,000 on the sixth anniversary of the Lease; a 1% net smelter returns royalty in favor of 1911, subject to the Company having the right of first refusal on any disposition of the royalty by 1911; a fee of $7.50 per tonne of lithium material processed through the True North Mill during the term of the Lease; and, if the Lease is extended, the assumption by the Company of up to $10,000,000 of reclamation obligations prorated equally over years 6-10 of the Lease in the event that there are increased closure obligations as a result of lithium processing use of the mill by Grid.

The Primero Study was commissioned by the Company and completed during the 90-day diligence period which followed the payment of the initial $300,000 payment to 1911. The Study evaluated at a high level whether the True North Mill could be converted to process lithium feed and what the cost of reconfiguring the mill circuit from gold to lithium would be. The Study also estimated the operating costs of the mill. Key findings of the report were:

- Mill capacity was estimated at 450,000 tonnes per annum (“tpa”) of lithium feed for the production of spodumene concentrate, assuming 90% mill availability. The figure was near the stated nominal annual capacity of the current mill configuration of 475,000 tonnes.
- The Study determined that existing mill grinding capacity was not considered a constraint on throughput.
- Initial capex for the mill reconfiguration was estimated at C$50 million which included a 30% contingency. This included capex relating to crushing, grinding, mica flotation, magnetic separation, spodumene flotation, concentrate handling, and tailings handling. Existing infrastructure and utility connections were anticipated to be used. Capex included the addition of magnetic separation and mica flotation circuits required to produce a marketable spodumene concentrate.
- The processing cost was estimated at C$34.81/t processed, and G&A was estimated at C$17.73/t processed. This equates to total milling costs of C$316.14/t spodumene concentrate produced. Labour and reagents made up 42% and 32%, respectively, of the processing cost. Primero has identified opportunities to reduce G&A costs.
- Primero recommended a value engineering phase to complete further trade-off studies and optimization of the True North Mill for a cost of C$400,0000.
- Primero gave an estimate for an Engineering, Procurement and Construction Management (“EPCM”) study at a feasibility-level design at approximately C$1.6 million.
- Concurrent to the mill study, a metallurgical test program was completed by XPS Process Solutions Laboratories (Falconbridge, Ontario) in order to support the design of the mill circuit.
- The new metallurgical test program resulted in ~70% recoveries using the new flow sheet. The recovery was subject to the mill receiving a crushed (to ~20 microns) and sorted product. The met work aligned well with prior metallurgical test work completed by the XPS that achieved recoveries of up to ~75% (see Grid Metals’ June 26, 2023 press release).
- The new metallurgical testing produced a marketable spodumene concentrate with a grade of 5.5% Li_2O and a low iron content of 1.4% Fe_2O_3.

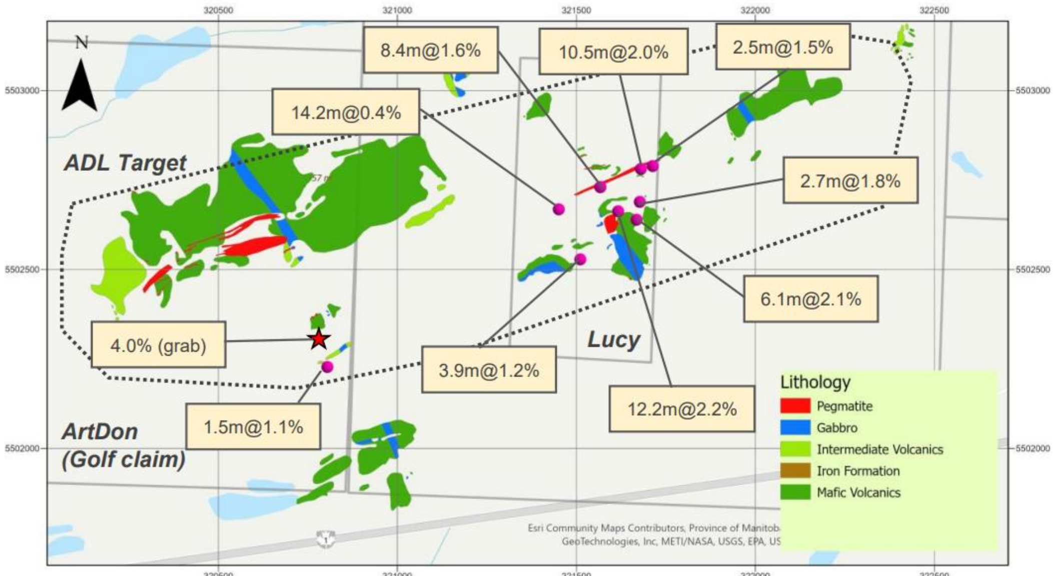

Above : *Aerial View Of True North Mill*

Above: *Primary mill at True North*

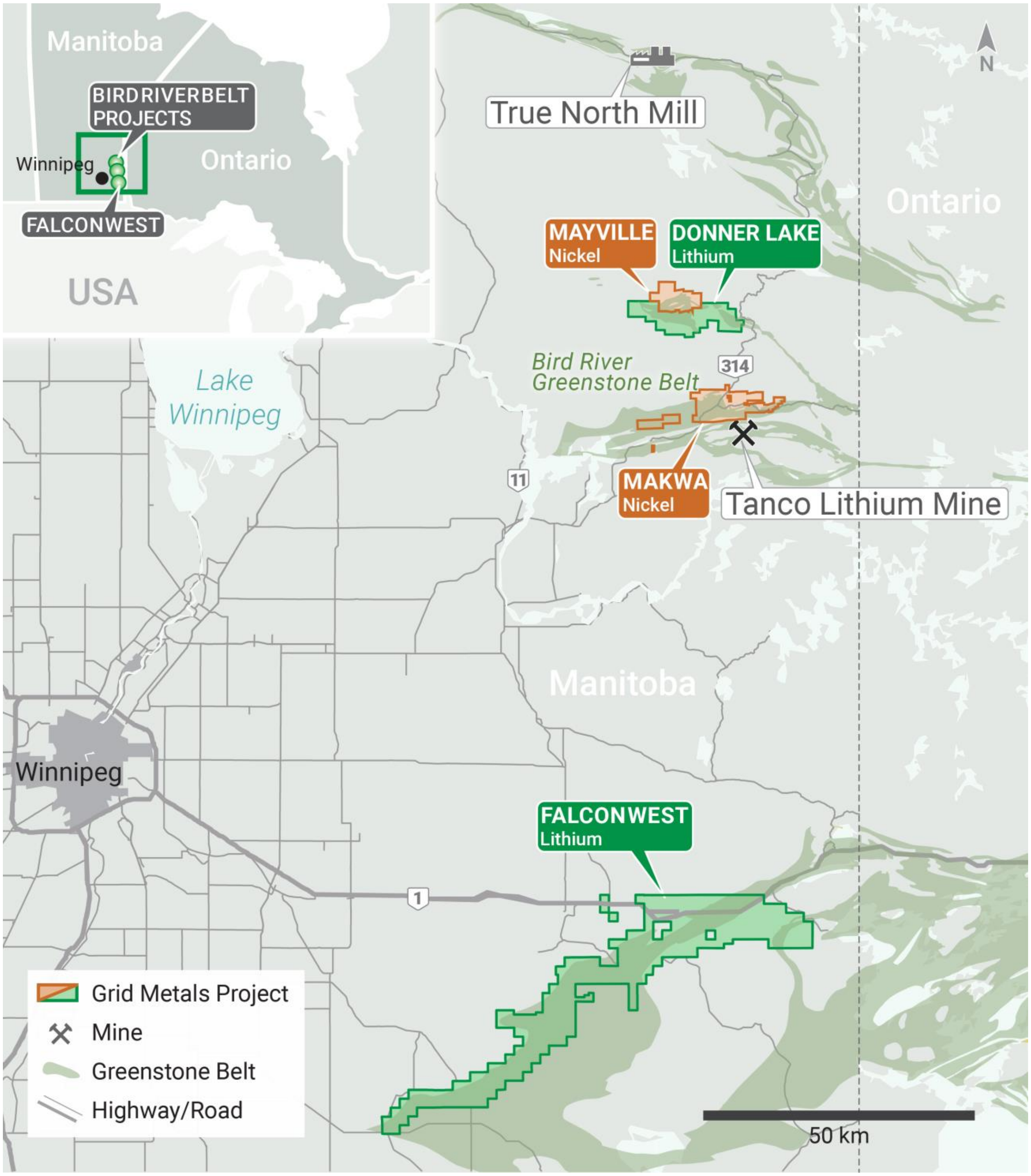
Above: *Flotation circuit at True North mill*

Falcon West Lithium

The Falcon West property is located within the West Hawk Lake Greenstone Belt of southeastern Manitoba. The property covers the favorable geology of the next greenstone belt to the south of the Bird River Greenstone belt which hosts the world class Tanco Pegmatite. Lithium-bearing pegmatites that have been historically identified in the area are hosted in mafic volcanic rock units present at the contact between the Wabigoon and Winnipeg River geological Subprovinces. Grid Metals has staked approximately 90 km of this prospective mafic volcanic and granitic contact. The initial focus for exploration is a ~ 1.25 km area (the ArtDon – Lucy trend or the 'ADL' target) that has lithium showings on surface and lithium noted in historical drilling.



Above: *Historical lithium values along the ArtDon Lucy ("ADL") trend at Falcon West.*



Above: Location of Falcon West Lithium Property. The property is transected by the TransCanada Highway and is approximately 100 km east of Winnipeg, the provincial capital.

The ADL Trend comprises the known ArtDon, Lucy South and Lucy North pegmatites. Several phases of drilling have been completed over the decades by several companies including Sherritt Gordon (1943, 19 drill holes – no analytical data), East Braintree Lithium Corp (1955, 48 holes for 2,986 metres - limited analytical data), Tantalum Mining Corporation of Canada Limited (1983, 4 holes 296 metres - tantalum assays only) and Avalon Ventures (2000 – 10 holes with lithium, cesium, and tantalum assays). The last drill holes were completed in 2012 by Mr. William C. Hood, P.Geo., but were not analyzed at that time. During 2023 samples from several pegmatite intersections from the

2012 drill core were assayed by Grid Metals. Results were reported on March 28, 2023 and significant values were noted in multiple drill holes.

The Company completed permitting for exploration drilling in 2023 and commenced drilling in 2024. As at the date hereof the results had not been received.

OTHER PROJECTS

The Company has other lithium and base metals projects located in Manitoba and Ontario. The current focus of the Company is to progress the Donner Property through to production to meet expected future demand for lithium in the North America market. However, the Company believes that its base metals projects also have significant merit and is currently assessing a strategy to realize value for these projects in the future. In particular, the MM Ni-Cu-PGM-Co Project has a significant resource with good exploration upside.

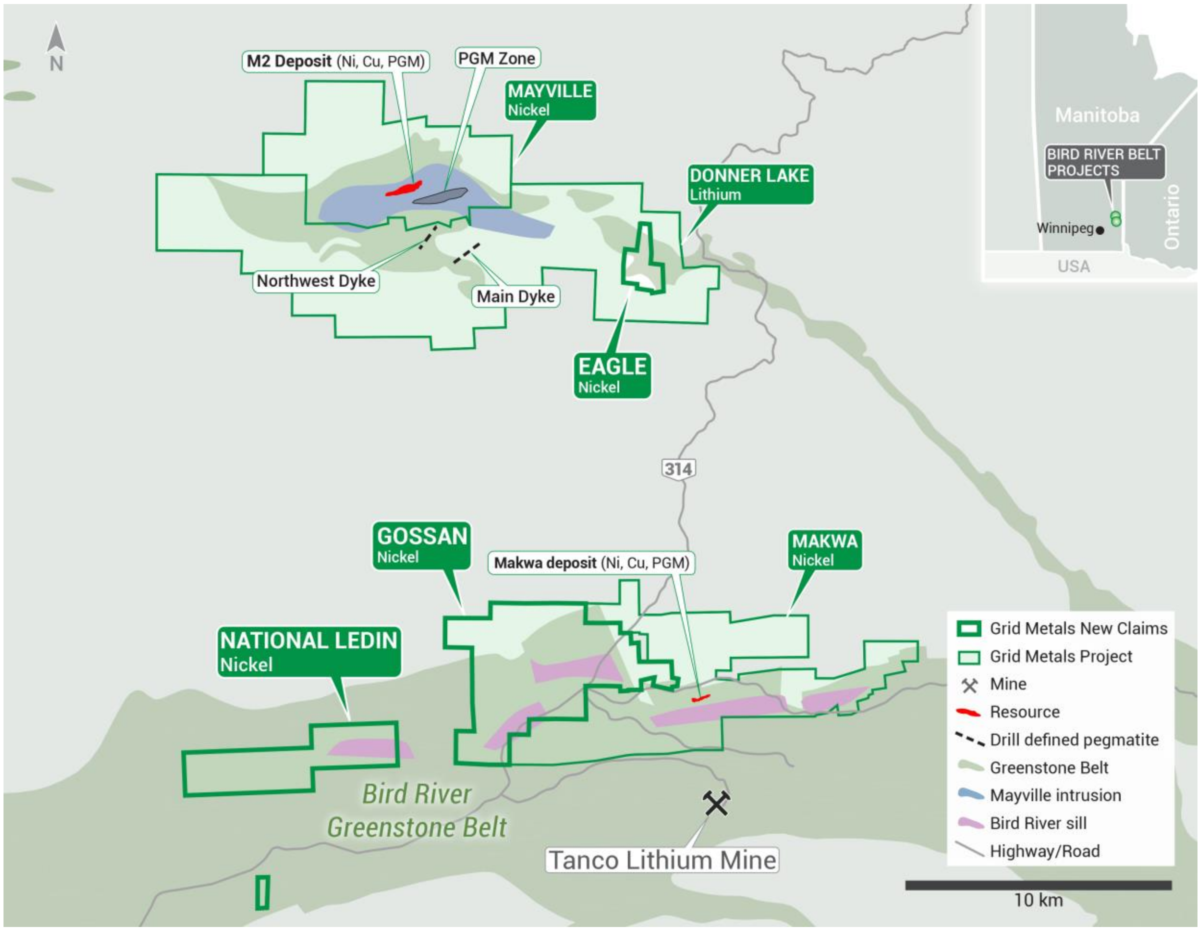
Makwa Mayville ("MM") Ni-Cu-PGM-Co Project

Overview

The **MM Ni-Cu-PGM-Co Project** is located ~145 kilometers northeast of Winnipeg, Manitoba. The mineral title to the property is held via several blocks of mining claims (Mayville on the north arm of the Bird River Belt and Makwa on the south arm) and a mineral lease over the Makwa Nickel deposit. Certain of the claims are 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: (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 approximately 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 there. Over the past two decades, Grid has spent over $25 million in exploration and development on the two properties. Expenditures include extensive drilling, resource estimates, metallurgical and other test work and economic studies.

The overall strategy for the MM 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 contained palladium + platinum + gold. To increase the potential of achieving this resource expansion target, the Company announced the acquisition in 2023 of three mineral deposits and associated prospective copper/nickel sulfide exploration ground. The acquisition included the Page and Ore Fault Deposits located on the Gossan claims adjacent to Makwa; and the Eagle or New Manitoba historical deposit property located on the Eagle Claims which are located adjacent to the Mayville Property. In addition, the Company staked several claims covering the western extension of the Bird River Sill (National Ledin claims). The development plan for the Project going forward would commence with additional drilling to increase the Project resources prior to completing an updated PEA for the Project.



Above: *Map of Bird River Greenstone belt showing Grid properties and the recently acquired National Ledin, Gossan and Eagle properties*.

The most recent economic study at the MM Project was a Preliminary Economic Assessment completed in April 2014 and authored by RPA Associates. Since 2014, additional metallurgical test work was completed for the Mayville deposit. The test work concluded that nickel recoveries from the Mayville resource could be significantly improved over the levels that were used in the 2014 PEA and that despite the low nickel grades, a marketable nickel concentrate could be produced from the Mayville resource.

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

Makwa-Mayville Project – Mineral Resource Summary As Of November 27, 2013

Class and Deposit	Tonnes (Mt)	Ni (%)	Cu (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Co (%)
Indicated							
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
Total Indicated	**33.8**	**0.27**	**0.37**	**0.06**	**0.19**	N/A	N/A
Inferred							
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
Total Inferred	**5.8**	**0.19**	**0.43**	**0.06**	**0.15**	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 Propert**y (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 been 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. In January 2022, 25% of the lithium rights and a 2% royalty on the original Tanco Claims and fifteen of the original Mayville mining claims were sold.

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

Gossan Property

The Gossan Property (51 mineral claims encompassing approximately 2,870 hectares) was optioned from Gossan Resources Limited and consists of the of the Ore Fault and Page Ni-Cu-PGM resources and associated exploration property that adjoin the Company's Makwa nickel property to the west. The resources were calculated per a 2009 Technical Report *(see Technical Report and Resource Estimate on the Ore Fault, Galaxy and Page Zones of the*

Marathon/Gossan Resources Bird River Property, Southeast Manitoba; P&E Mining Consultants Inc., Feb. 26, 2009) . Exploration drilling by Grid will be required to validate reported resources.

Terms of the option agreement were the issuance by Grid of 1.5 million common shares and a payment of $500,000 on closing and two additional payments of $300,000 due in April of 2024 (paid) and April 2025. Gossan Resources retains a 2% net smelter return ("NSR") royalty payable upon the commencement of commercial production from the property. In addition, a $300,000 deferred cash payment is due to Gossan Resources upon the commencement of commercial production from the property. The Company plans to conduct additional exploration on the Property for Ni-Cu-PGM mineralization. Key exploration objectives would be validating and updating the mineral resources and conducting exploration to expand the resources.

Eagle Property

Grid acquired the mining claims that comprise the Eagle Property (10 claims – 238 hectares) from First Mining Gold Corp. in April 2023. The terms of the acquisition were the payment of $300,000 and the issuance of 250,000 common shares of Grid. The Company has granted First Mining Gold a 2% NSR royalty payable upon the commencement of commercial production from the property, half of which can be bought back by the Company by paying $1 million in cash to First Mining Gold. In addition, a deferred cash payment is due to First Mining Gold if the Company defines a greater than 2 million tonne NI 43-101 mineral resource on the property. The Eagle Claims host the historical New Manitoba nickel-copper sulfide deposit, located 9 km east of the Company's Mayville M2 resource. The property hosts favorable stratigraphy for copper nickel mineralization and is on strike with known pegmatite trends. There is a historical mineral resource estimate of 1.8Mt at 0.75% Cu and 0.33% Ni *(Manitoba Mineral Inventory Card #217)* at New Manitoba. Note: the Company has not been able to verify the historical estimate as relevant and the historical estimate should not be relied on.

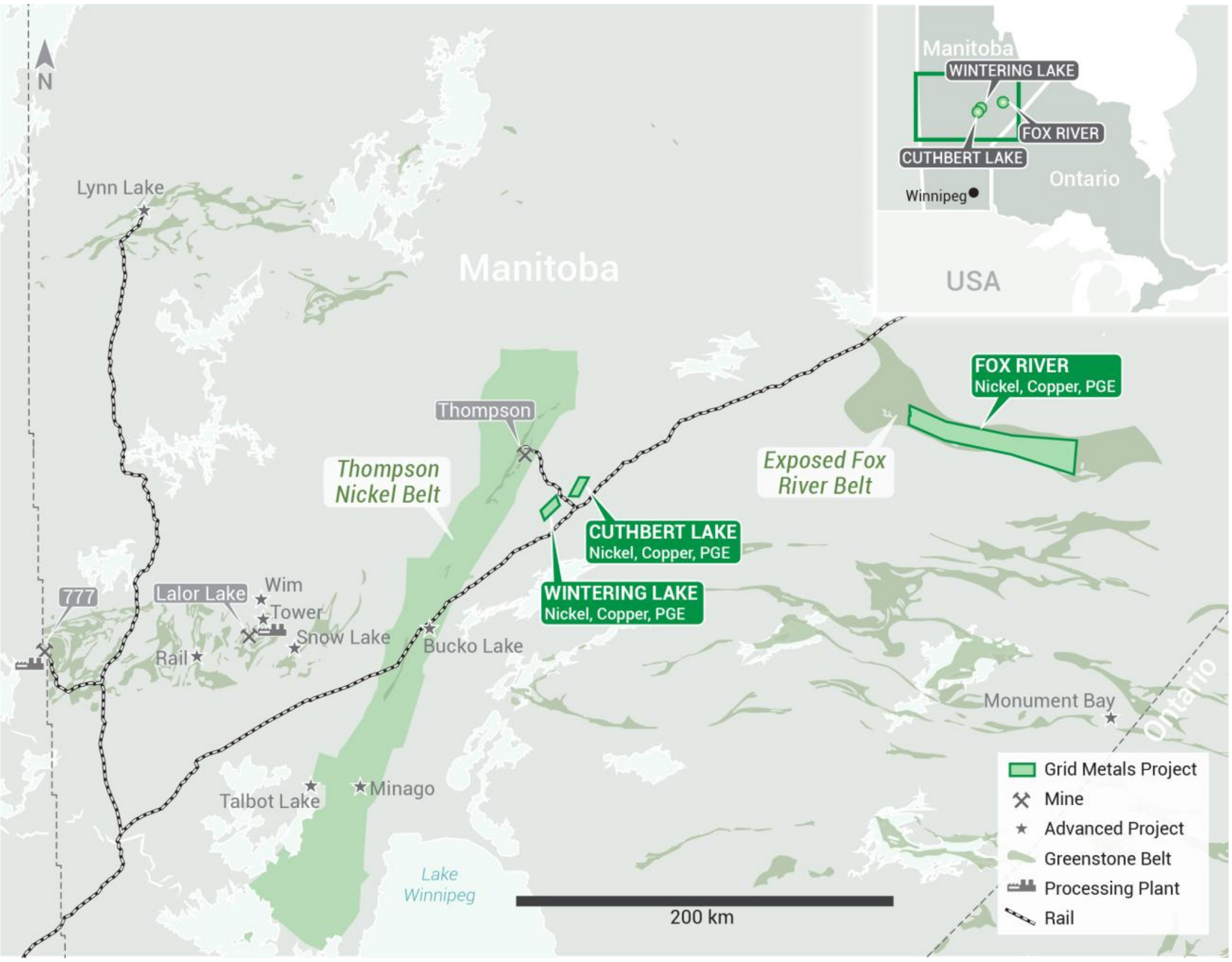
Northern Manitoba Mineral Exploration Licenses

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#	**Thompson East:** 1134A (Cuthbert Lake), 1135A (Wintering Lake)	**Fox River Belt:** 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
Year 2 Expiry Date	Dec. 7, 2023	Dec. 7, 2023
Year 3 Cost	$79,500	$153,806
Year 3 Expiry Date	Dec. 7, 2024	Dec.7, 2024

In September 2023, the Company received approval for three additional MELs – all of which directly adjoin the existing Wintering Lake license #1135A. The expiry date for these three licenses is December 2024, and the annual work requirements follow the same fee schedule as shown for MEL #'s 1134A and 1135A, above.

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.



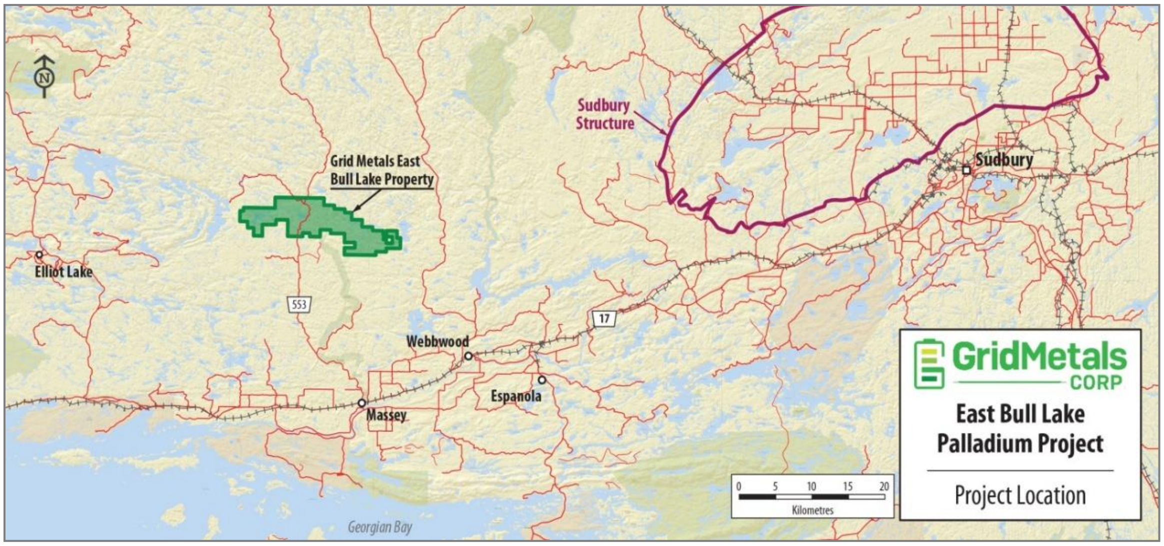
Above: *Location of Grid's northern Manitoba Mineral Exploration Licenses acquired in September, 2021*

ONTARIO

East Bull Lake Palladium Property

Overview and Mineral Title

The East Bull Lake Palladium Property ("EBL") consists of approximately 515 single cell and boundary mining claims held 100% by Grid which cover ~80% of the ~22km x ~4 km layered intrusion that hosts widespread, palladium-dominant disseminated sulfide mineralization. EBL is subject to underlying royalties held by the original optionors of the property of up to 3%. 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.



Above: *Location of East Bull Lake Palladium Property*

Recent Exploration

The Company completed 31 drill holes totalling 8,021 metres during 2020 and 2021 at EBL targeting palladium-rich disseminated sulfide mineralization. There were many localized occurrences of significant palladium values and several narrow intercepts of high-grade massive sulfides in the footwall. No zones of economic significance at long term forecast palladium prices were identified in the drilling programs. No further work at EBL is planned at this time but geochemical interpretations completed subsequent to the recent drilling programs highlight the potential for Sudbury-type, structurally-controlled massive nickel-copper sulfide mineralization below the palladium-rich mineralization.

Campus Creek Lithium Property

Overview

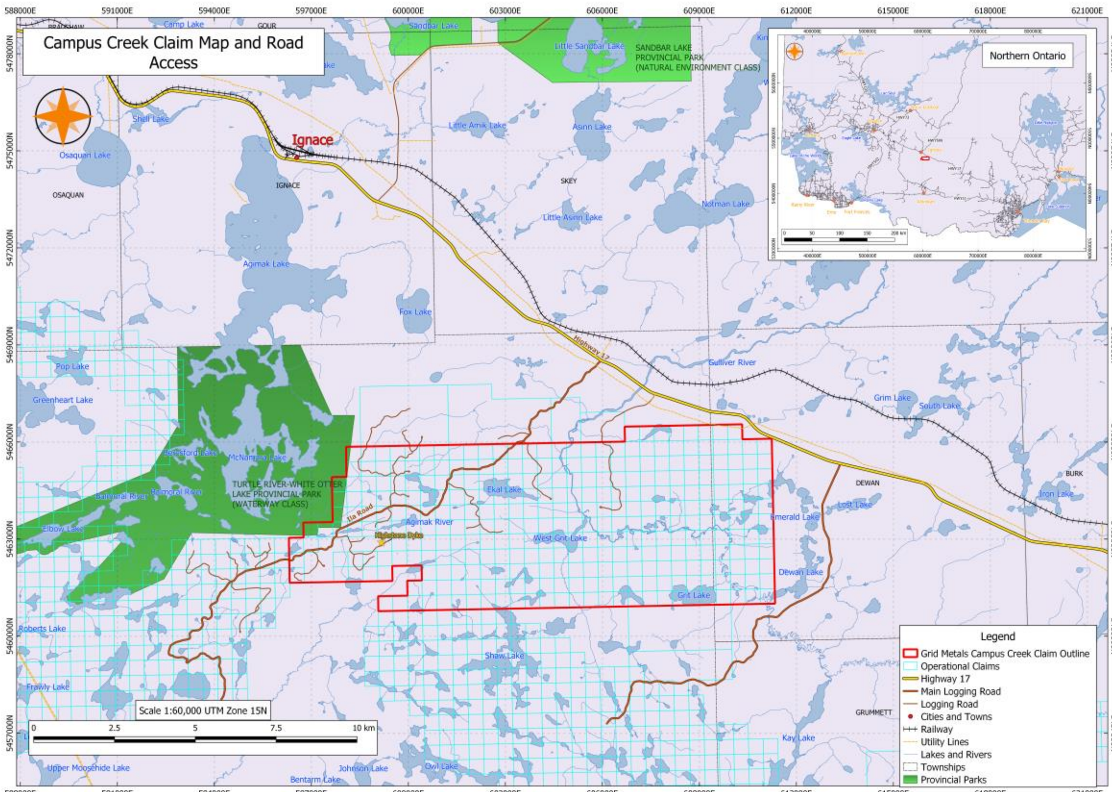
The Company owns a 100% interest in the early-stage Campus Creek lithium exploration project located near the town of Ignace in northwestern Ontario. The Property is subject to a joint venture agreement between Grid (75%) and Lithium Equities Investments LLC (LEI)), an investment fund managed by Waratah Capital Advisors (25%). Grid Metals is the operator of the Joint Venture. The Campus Creek property is located adjacent to International Lithium's Raleigh Lake property which hosts a maiden Measured and Indicated resource of 2.293 million tonnes grading 0.64% Li_20 (see International Lithium Corp. news release dated April 13, 2023).

Mineral Title

The property consists of approximately 329 single cell mineral claims covering an area of ~7,000 hectares.

Exploration

The Company completed an 885m drill program during the third quarter which was focused on the area of the Highstone Dyke and a spodumene showing there. There were no significant lithium values obtained in any of the eight drill holes completed. With the decline in lithium prices and the focus of its activities in Manitoba, Grid has no plans for further exploration at Campus Creek at this time.



Above: *Location map of the Campus Creek lithium property*

3. SELECTED ANNUAL INFORMATION

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

Years ended December 31,	2023 $	2022 $	2021 $
Net income (loss) before provision for income taxes	(10,371,762)	275,756	(3,852,669)
Net income (loss) after provision for income taxes	(10,371,762)	275,756	(3,852,669)
Basic and diluted loss per share	(0.06)	(0.00)	(0.04)
Total assets	12,790,483	12,901,272	3,001,528

4. DISCUSSION OF OPERATIONS

Overview

The following table provides selected financial information that should be read in conjunction with the consolidated financial statements of the Company for the years ended December 31, 2023 and 2022.

	For the three months ended December 31,		For the year ended December 31,	
	2023	2022	**2023**	2022
Exploration and evaluation expenses	**$ 544,246**	$ 2,028,659	**$ 7,677,737**	$ 7,339,879
Net operating expenses	**(1,525,354)**	(797,417)	**(10,565,690)**	(8,238,552)
Other income (loss) and realized gains on transactions	**336,640**	920,656	**193,928**	8,514,308
Net income (loss)	**(1,188,714)**	(310,587)	**(10,371,762)**	275,756
Net loss per share	**(0.01)**	0.00	**(0.06)**	0.00
Total assets	**$ 12,790,483**	$ 12,901,272	**$ 12,790,483**	$ 12,901,272

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.

Other Income

The major items of other income for the years ended December 31, 2023 and 2022 are summarized as follows:

	For the three months ended December 31,		For the year ended December 31,	
	2023	2022	**2023**	2022
Other income	**$ 36,924**	27,000	**238,802**	27,000
Unrealized (loss) gain on marketable securities	**299,716**	1,153,912	**168,397**	49,814
Realized (loss) on marketable securities	**-**	(260,256)	**(347,021)**	(260,256)
Gain on disposition of exploration and evaluation properties	**-**	-	**133,750**	8,697,750

The major expense items for years ended December 31, 2023 and 2022 are summarized as follows:

	For the three months ended December 31,		For the year ended December 31,	
	2023	2022	**2023**	2022
Exploration and evaluation expenses	**$ 544,246**	2,028,659	**$ 7,677,737**	$ 7,339,879
Management fees and directors fees	**384,518**	65,056	**1,100,562**	246,322
Share-based payments	**69,164**	-	**770,408**	549,779
Office, general and administrative	**135,357**	156,600	**711,064**	584,180
Professional and consulting fees	**109,723**	115,336	**604,226**	520,353
Public company costs	**17,319**	58,159	**179,259**	175,881
Amortization	**129,790**	10,522	**151,197**	25,248
Accretion	**135,237**	-	**135,237**	-
Flow-through share premium recovery	**-**	(1,203,090)	**(764,000)**	(1,203,090)
	$ 1,525,354	$ 1,231,242	**$ 10,565,690**	$ 8,238,552

Exploration and Development Expenditures

For the year ended December 31, 2023

	Makwa	**Mayville**	**Eagle**	**Gossan**	**Donner Lake Lithium**	**Campus Creek**	**Falcon West**	**Other**	**Total**
Acquisition	$ 533	$ 312	$ 247,650	$1,168,333	$ 857,142	$ -	$ 368,020	$ (3,750)	$ 2,638,240
Assays	-	134,755	-	-	406,370	44,723	10,923	7,720	604,491
Consulting	62,215	50,041	7,563	13,322	462,805	7,517	67,244	35,832	706,539
Drilling	-	330,714	-	-	2,311,604	144,249	-	-	2,786,567
Geological	153,809	106,392	-	-	363,700	-	-	16,344	640,245
Geophysics	3,790	28,677	20,375	4,200	147,543	-	-	32,475	237,060
Labour	49,654	58,311	1,741	7,099	242,138	42,715	16,448	11,262	429,368
Other	106,072	67,822	-	50	582,678	8,318	40,865	37,449	843,254
Project Development	-	-	-	-	313,005	-	-	-	313,005
Staking	-	-	-	-	-	-	-	22,277	22,277
Subtotal	**$ 376,073**	**777,024**	**277,329**	**1,193,004**	**5,686,985**	**247,522**	**503,500**	**159,609**	**9,221,046**
Reimbursements from JO partner	-	-	-	-	(1,482,852)	(60,457)	-	-	(1,543,309)
Total	**$ 376,073**	**$ 777,024**	**$ 277,329**	**$1,193,004**	**$ 4,204,133**	**$ 187,065**	**$ 503,500**	**$ 159,609**	**$ 7,677,737**

For the year ended December 31, 2022

	Makwa	**Mayville**	**Fox River West**	**Bannock-burn**	**Donner Lake Lithium**	**Campus Creek**	**Falcon West**	**Other**	**Total**
Acquisition	$ 20,000	$ -	$ 5,902	-	$ -	$ 286,380	$ 20,000	$ 185,545	$ 517,827
Assays	76,970	48,685	-	16,322	236,200	5,770	-	146,844	530,791
Consulting	257,800	46,193	36,740	-	392,836	7,522	4,780	60,995	806,866
Drilling	1,909,955	-	-	-	2,524,801	-	-	-	4,434,756
Geological	59,012	55,225	52,576	37,193	15,183	1,943	-	42,778	263,910
Geophysics	32,347	13,870	10,047	-	389,559	1,464	552	-	447,839
Labour	58,484	10,511	-	-	180,200	2,904	-	46,182	298,281
Other	159,649	41,672	54,476	21,435	381,473		8,638	289,773	957,116
Project Development	1,699	28,209	-	-	70,095	-	-	-	100,003
Staking	-	10,000	-		49,000	-	81	-	59,081
Subtotal	**$ 2,575,916**	**254,365**	**159,741**	**74,950**	**4,239,347**	**305,983**	**34,051**	**772,117**	**8,416,470**
Reimbursements from JO partner	-				(1,071,690)	(4,901)			(1,076,591)
Total	**$ 2,575,916**	**$ 254,365**	**$ 159,741**	**$ 74,950**	**$ 3,167,657**	**$ 301,082**	**$ 34,051**	**$ 772,117**	**$ 7,339,879**

5. SUMMARY OF QUARTERLY RESULTS

Selected financial information for the last eight fiscal quarters:

	2023 Q4	2023 Q3	2023 Q2	2023 Q1
	$	$	$	$
Net income (loss)	(1,188,714)	(2,069,270)	(3,181,161)	(3,932,617)
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)	(0.02)

	2022 Q4	2022 Q3	2022 Q2	2022 Q1
	$	$	$	$
Net income (loss)	(310,586)	(1,349,994)	1,168,003	768,333
Basic and diluted loss per share	0.00	(0.01)	0.01	0.01

Comments on quarterly results

2023 – Q4
Results for the quarter were a net loss of $1,188,714 vs a loss of $310,586 for the 2022 period. The increased loss in the 2023 period of $703,128 was mainly due to a $1,484,413 decrease in exploration and evaluation expenses to $544,246 (2022 - $2,028,659) – mainly due to joint arrangement partner payments of $704,422 received by the Company during the period. The decreased exploration and evaluation expenses were offset by an increase in management fees and directors fees of $319,462 to $384,518 (2022 – $65,056), an increase in amortization expense of $119,268 to $129,790 (2022 - $10,522), flow-through share premium recovery of $nil (2022 - $1,203,090), the realized loss on marketable securities of $nil (2022 - $260,256), and the unrealized loss on marketable securities of $299,716 (2022 – unrealized gain of $1,153,912), the unrealized gain in the prior period due to the appreciation of Canada Nickel shares.

2023 – Q3
Results for the quarter were a net loss of $2,069,270 vs a net loss of $1,349,994 for the 2022 period. The 2023 period included exploration and evaluation expense of $1,408,331 (2022 - $931,372), management fees and directors' fees of $176,546 (2022 - $38,766), share-based compensation of $148,618 (2022 – $(5147)), an unrealized loss on marketable securities of $46,875 (2022 –$61,250), and other income of $64,113 (2022 – $nil).

2023 – Q2
Results for the quarter were a net loss of $3,181,161 vs net income of $1,168,003 for the 2022 period. The 2023 period included exploration and evaluation expense of $1,975,598 (2022 - $1,382,550), share-based compensation of $542,201 (2022 – $3,957), an unrealized gain on marketable securities of $262,577 (2022 – loss of $1,049,848), a realized loss on the sale of marketable securities of $289,359 (2022 – $nil), and a gain on disposition of exploration and evaluation properties of $nil (2022 – $4,202,000). During the three months ended June 30, 2022 the Company sold the Bannockburn property for $4,020,000 of Canada Nickel Inc. shares, the fair value of which was reduced by $1,049,848 at June 30, 2022, based on the trading price of Canada Nickel Inc.

2023 – Q1
Results for the quarter were a net loss of $3,932,612 vs net income of $768,333 for the 2022 period. The 2023 period included exploration and evaluation expense of $3,749,562 (2022 - $2,997,298), share-based compensation of $10,425 (2022 – $550,969), and a gain of $133,750 from the assignment of certain claims to Usha Resources Ltd compared to a gain of $4,677,750 during the period realized on the financing arrangement with Lithium Royalty Corp.

6. LIQUIDITY

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

The Company has working capital at December 31, 2023 of $4,439,860 (2022 – $11,486,257).

7. CAPITAL RESOURCES

During the year ended December 31, 2023, there were no unusual factors that affected the Company's capital resources.

8. OFF-BALANCE SHEET ARRANGEMENTS

At December 31, 2023 and 2022, 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 year ended December 31, 2023 and 2022:

	2023	2022
	$	$
Short-term compensation and benefits	**1,441,666**	777,662
Share-based payments (stock option, RSU and DSU grants)	**584,919**	458,480
Total key management compensation	**2,026,585**	1,236,142

Short-term compensation and benefits charged to exploration and evaluation expenditures amounted to $115,335 (2022 – $158,650).

Amounts due to key management personnel included in accounts payable amounted to $226,438 (2022 – $33,945).

Legal fees were charged by a legal firm during the period ended December 31, 2023, of which an officer of the Company is an employee, for legal and corporate secretarial services in the amount of $119,186 (2022 - $110,866). 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 9(b) and 11 of the Company's consolidated financial statements for the year ended December 31, 2023 and 2022.

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 10 and 11 of the Company's consolidated financial statements for the year ended December 31, 2023 and 2022.

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 has 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, 2023, the Company had current assets of $8,678,413 (2022 - $12,818,249) to settle current liabilities of $4,238,553 (2022 - $1,331,992). All the Company's financial liabilities have contractual maturities

that are subject to normal trade terms. Current liabilities include exploration program advances of $nil (2022 - $279,260) and un-renounced flow through share premium, which will be a non-cash item on settlement, of $2,222,778 (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 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, 2023, there were 203,876,164 common shares of the Company outstanding (2022 – 165,162,706), and as at the date hereof, there are 203,926,164 common shares of the Company outstanding.

Warrants

At December 31, 2023, and the date hereof, there were a total of 12,419,996 warrants outstanding (2022 – 26,603,300).

Options
At December 31, 2023, and the date hereof, there were a total of 11,220,000 stock options outstanding (2022 – 5,670,000).

Deferred Share Units
At December 31, 2023, and at the date hereof, there were 2,150,000 deferred share units of the Company outstanding (2022 – 2,150,000).

Restricted Share Units
At December 31, 2023, and at the date hereof, there were 1,600,000 restricted share units outstanding (2022 – 100,000).

Subsequent Events

The Company evaluated subsequent events through April 24, 2024 the issuance date of the statement of financial condition, and noted no subsequent events requiring disclosures or adjustments to the consolidated financial statements.

Directors and officers of the Company

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

Dave Peck, P.Geo, is the Qualified Person for Grid Metals Corp. for the 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 and additional supplemental information is available on the Company website at www.gridmetalscorp.com