



## **Grounded Lithium's Kindersley Lithium Project Inferred Resources assessed at 2,900,000 tonnes of Lithium Carbonate Equivalent**

### **Grounded Provides Update on Transaction with VAR Resources**

**NOT FOR DISSEMINATION IN THE UNITED STATES. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF UNITED STATES SECURITIES LAW.**

CALGARY, ALBERTA (July 5, 2022) - Grounded Lithium Corp. ("**GLC**" or the "**Company**") is pleased to announce the completion of its inaugural National Instrument 43-101 geological report (the "**Technical Report**") assessed and completed by RPS Energy Canada Ltd. ("**RPS**"). The Technical Report was commissioned in conjunction with the Company's previously announced amalgamation with VAR Resources Corp ("**VAR**") and the associated listing application on the TSX Venture Exchange (the "**TSXV**"). The Technical Report assessed 215 sections (55,664 ha's) of prospective land under the Company's control which represents a portion of the Company's overall lands. For both internal and external naming convention purposes, the Technical Report assesses GLC's Kindersley Lithium Project ("**KLP**"). RPS assessed the KLP having 2.9 million tonnes of inferred resources of lithium carbonate equivalent ("**LCE**"). Other lands held by the Company are expected to form part of future resource assessments. The Company's geologic model targets lands based on extensive detailed mapping for high-quality lithium brine reservoirs within the regional trend, characterized by both strong lithium concentrations and thick, large brine storage reservoir capacities which combined with solid operational practices is expected to drive a multi-decade, high brine deliverability project.

The Technical Report benefits from a thorough petrophysical analysis of existing wells to allow accurate porosity thickness projections based on the detailed rock lithologies and corrections for shale content and demonstrates corrected porosity values up to 31%. This data populates a detailed 3-dimensional model of the 265-meter-thick zone across the KLP area with 7 million individual data cells documenting the rock properties of the zone. Eventually this model facilitates the analysis of brine flow within the reservoir for predicting optimal drainage. Within the context of the Technical Report, this model allows detailed and accurate reservoir and thickness analysis. The reservoir evaluation across the GLC land position reveals 7.4 billion m<sup>3</sup> (46.4 billion barrels) of brine within the reservoir with greater than 3% porosity. Current well samples project an average lithium concentration of 74 mg/litre resulting in 2.9 million tonnes of LCE inferred resource.

The remaining balance of 8,752 ha's or 34 sections under GLC's control represent lands that target future exploration potential and are not included in the Technical Report. The Company continues to analyze opportunities in and outside of its core area which fits the geological model and will communicate further advancements in this regard at the appropriate time. GLC remains committed to prove the value of its overall land position through the execution of near-term and medium-term field and lab activities to better document the magnitude of the resource and the brine deliverability from this potentially prolific reservoir.

A significant portion of the Company land included in the KLP and associated Technical Report stems from a unique commercial transaction executed between the Company and PrairieSky Royalty Ltd ("**PSK**"). In early March, the Company and PSK entered into a Brine Metallic and Industrial Minerals Work Permit (the "**PSK Permit**"). The PSK Permit allows GLC to conduct certain geological work and exploration operations on lands granted under the PSK Permit. As GLC conducts these operations, it earns the right to convert land under the PSK Permit to an industrial minerals lease (the "**Mineral Lease**"). Pursuant to a Mineral Lease, GLC will be required to pay PSK a negotiated royalty on all production from the lands under that specific lease. The royalty rates are further streamed into a lower rate for a modest time period once production ensues to allow GLC to recover its sunk capital expenditures more quickly. Following this lower royalty period, rates will increase to a percentage commonly incurred in similar commercial production operations. Furthermore, GLC pays an annual rental on all the lands subject to the PSK Permit as is customary and standard in transactions of this nature in resource development on both crown and freehold lands. GLC, under the PSK Permit and associated Mineral Leases, owns rights only for metallic minerals with no rights to production of petroleum and natural gas substances on the identical lands. Additionally, should GLC meet minimum geological and exploration work thresholds, but has not yet earned all lands subject to the PSK Permit, GLC may make an extension payment to retain those rights beyond the initial term of the PSK Permit. The initial term of the PSK Permit extends for five years with the ability to extend under certain circumstances for a further three years. GLC is confident that all prospective lands under the PSK Permit will be earned prior to the term expiry.

"The agreement with PSK, a recognized industry leader in mineral rights transactions, provides further credibility and evidence that the strategy and value proposition of GLC warrants attention and investment," commented Gregg Smith, President and CEO of GLC. "PrairieSky and GLC representatives structured an agreement which truly is a win-win for both parties. GLC materially increases its prospective land base while PrairieSky enhances its value proposition to its investors by including an ESG royalty stream not otherwise in its portfolio."

The Company is also very pleased to announce that VAR received conditional listing approval from the TSXV on June 23, 2022 in respect of VAR's filing of the reverse take over transaction, effected through an amalgamation agreement dated February 10, 2022 (the "**Amalgamation**"). With this approval received, both VAR and GLC will be moving expeditiously to hold meetings of their respective shareholder bases as soon as practical. VAR scheduled its meeting for August 18, 2022. GLC's meeting will likely be held prior to that date and appropriate meeting materials will be delivered to GLC's shareholders in due course. Following successful approvals, VAR and the Company will then move to legally close the Amalgamation, complete filings with the TSXV and ultimately begin trading on the facilities of the TSXV. VAR has previously reserved the stock symbol **GRD**. Further updates with respect to the status of the listing process on the TSXV will be communicated at the appropriate time.

“Together with our efforts to materially increase our land holdings and resource base, we are extremely delighted and proud of our pace of development both in the field and corporately over what really is a very short time period,” stated Gregg Smith. “In particular, an inferred resource assessment of 2.9 million tonnes in our core area validates the internally generated geological model that we established several years ago as we began this journey. With the corporate process to become a public company moving forward nicely, we move now to focus our corporate time and resources to deliver operational results.”

VAR filed a comprehensive information circular dated June 28, 2022 (the “Information Circular”) which can be accessed on the SEDAR website ([www.sedar.com](http://www.sedar.com)). Detailed excerpts from the Technical Report are included in the information circular. Additionally, the Information Circular discloses who will stand for election to the resulting issuer’s Board of Directors.

## **Proposed Board of Directors**

### **John Wright**

#### **Independent Director, Chairman**

Mr. Wright brings considerable experience from both a public board member as well as a proven corporate executive. Mr. Wright serves also as the Chairman of Touchstone Exploration Inc. and Alvopetro Energy Ltd. Mr. Wright was the President, CEO and director of Petrobank Energy and Resources Ltd, Touchstone’s predecessor company from 2000 to 2012. Mr. Wright’s other notable corporate executive experience includes the President, CEO and director of Lightstream Resources from May 2011 to December 2016 and President, CEO and Director of Ridgeback from January 2017 to June 2017. Mr. Wright is a past Chair of the World Petroleum Council-Canada, past Governor of Canadian Association of Petroleum Producers and founder of Fundacion Nan Paz in Ecuador and Fundacion Vichituni in Columbia. Mr. Wright graduated from the University of Alberta in 1981 with a Bachelor of Science degree in petroleum engineering. Mr. Wright is a Professional Engineer and also a Chartered Financial Analyst.

### **Mark McMurray**

#### **Independent Director**

Chair, Reserves Committee

Mr. McMurray has over 35 years in the energy industry holding a variety of technical, executive, and strategic advisory roles. He was a technical specialist in subsurface reservoir architecture with Imperial Oil and Exxon Production Research Company prior to advising domestic and international clients in production optimization and corporate M&A. In 2003, Mark catalyzed the managed buyout of a Calgary transaction advisory firm which was rebranded, built out and merged into the energy investment bank of RBC Capital Markets. While in the transaction advisory space, Mark directed an extensive array of strategic asset and corporate situations deploying expertise and building executive relationships across North America. After retiring as Managing Director of RBC Rundle in 2014, he has engaged as an expert witness, and assumed independent board positions at a number of private businesses that have included Rifleshoot Oil Corp, Sproule and Sitka Exploration. Mark has also held volunteer board roles at Calgary Opera, the

Petroleum A&D Association, the Canadian Energy Executive Association, and the Southern Alberta Art Gallery.

**Dave Antony**  
**Independent Director**

Chair, Audit Committee

Mr. Antony has over 30 years experience in assisting companies in structuring transactions, accessing capital and corporate governance. Mr. Antony has extensive experience as a director and officer of numerous companies in many industries, including the resource industry. Mr. Antony was involved with the TSXV as the Chairman of the Alberta Local Advisory Committee for 7 years and as a Member of the National Advisory Committee for 5 years. Mr. Antony obtained his Bachelor of Management from the University of Lethbridge and is a past member of the Institute of Chartered Accountants of Alberta.

**Gregg Smith,**  
**Director**

President & CEO of GLC

Mr. Smith brings over 35 years of combined technical and managerial experience in the oil and gas industry. He served as a COO with both PetroBank and PetroBakken Resources. At Petrobank, he led the Canadian business unit's growth from 2,000 boe/d to over 22,000 boe/d. In 2009, he led the spinout of the business unit from Petrobank to form a new enterprise, PetroBakken, which subsequently grew to over 50,000 boe/d. Production growth evolved from aggressive drilling in resource plays following the strategic acquisitions of under-developed assets through transactions in excess of \$4.5 billion. Throughout his career, Mr. Smith was fortunate to work in technical and executive roles across Western Canada, offshore Louisiana and Texas and in international projects in the Middle East. In 2009, Mr. Smith had the honour of receiving "Saskatchewan Oilman of the Year" for the achievements of the multi-discipline team he led in optimizing drilling and completion techniques in the Bakken play providing a major increase in oil productivity per well. Mr. Smith also served in multiple roles on numerous corporate boards within the oil and gas industry.

**Greg Phaneuf**  
**Director**

VP Finance & CFO of GLC

Mr. Phaneuf brings over 28 years of combined experience in finance and leadership disciplines. He was formerly co-founder and CFO of two upstream resource companies (Seven Generations Energy and Toro Oil & Gas), and served as CFO of two technology companies. Mr. Phaneuf has led both domestic and international corporate development divisions for small and large enterprises with operations in North America, China, Latin America and the Middle East (Ivanhoe Energy and Churchill Corporation). He was the Treasurer and part of the deal team for Western Oil Sands' \$7 billion corporate divestiture to Marathon Oil. Over his career, Mr. Phaneuf has led or assisted in financings in excess of \$2 billion and has been involved in M&A transactions, inclusive of the Western Oil Sands' divestiture, in excess of \$7.5

billion. His areas of expertise include corporate finance, M&A, modeling, capital markets, financial reporting and strategic planning.

### **Pro-forma Capitalization**

Assuming a successful vote of shareholders for both VAR and GLC and closing of all conditions, the resulting issuer is expected to be capitalized with approximately \$4.7 million in working capital which addresses GLC's short to medium term multi-faceted business plan. This plan includes, but is not limited to, operational achievements both in the lab and in the field, enhancement of internal capabilities and to continue to build GLC's already significant resource holdings. Proforma shares of the resulting issuer expected to be outstanding will total 56,872,750, basic, and 64,285,987, fully diluted. Directors and officers are expected to own or control just over 10% of the resulting issuer's shares outstanding, basic.

### **Qualified Person**

Doug Ashton, P Eng. of RPS Energy Canada Ltd. is an independent Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the technical information that forms the basis for this news release.

### **About Grounded Lithium Corp.**

GLC is a private lithium brine exploration and development company that controls 2.9 million tonnes of lithium carbonate equivalent over its focused land holdings in Southwest Saskatchewan. GLC's multi-faceted business model involves the continuation of consolidation of its opportunity base while in parallel, commence delineation operations of the lithium brine potential across its current mineral rights position, all towards the vision of building a best-in-class, environmentally responsible, Canadian lithium producer supporting the global energy transition shift.

### **For more information, please contact:**

Gregg Smith, President & CEO  
gregg.smith@groundedlithium.com

Greg Phaneuf, VP Finance & CFO  
greg.phaneuf@groundedlithium.com

### **Forward-Looking Statements**

This press release may contain forward-looking statements and forward-looking information within the meaning of applicable Canadian securities laws. The opinions, forecasts, projections and statements about future events or results, are forward looking information, forward-looking statements or financial outlooks (collectively, "**forward-looking statements**") under the meaning of applicable Canadian securities laws. These statements are made as of the date of this press release and the fact that this press release remains available does not constitute a representation by GLC that the Company believes these forward-looking statements continue to be true as of any subsequent date. Although GLC believes that the assumptions underlying, and expectations reflected in, these forward-looking statements are reasonable, it can give no assurance that these assumptions and expectations will prove to be correct.

Such statements include, but are not limited to, statements regarding the prospective lithium opportunities and capacities of the Company's mineral assets, payments, opportunities and lands earned under the PSK Permit, the voting results of the Company's and VAR's shareholder meetings, approvals by the Company and VAR's board of directors, statements about future working capital of the Company, projected objectives, expectations and intentions of the Company, the future development of the Company's business, the Amalgamation, the capitalization of the resulting issuer, the listing of the resulting issuer shares on the TSXV and the anticipated closing date of the Amalgamation.

Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are: GLC's expectation that its operations will be in Western Canada, unexpected problems can arise due to technical difficulties and operational difficulties which impact the production, transport or sale of its products; geographic and weather conditions can impact the production; the risk that current global economic and credit conditions may impact commodity prices and consumption more than GLC currently predicts; the risk that unexpected delays and difficulties in developing currently owned properties may occur; the failure of drilling to result in commercial projects; unexpected delays due to the limited availability of drilling equipment and personnel; the failure to satisfy conditions precedent of the Amalgamation, including but not limited to obtaining requisite shareholder and TSXV approval of the Amalgamation; and the other risk factors detailed from time to time in GLC's periodic reports. GLC's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

**This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.**