



Management's Discussion and Analysis

For the year ended December 31, 2022



President's Message to Shareholders

On behalf of the Grounded Lithium Corp's ("**Grounded**") management team and the Board of Directors, we are both pleased and proud to report on our second official year of operations. Notwithstanding some modest pull-back of late in lithium prices from record highs, macro tailwinds and a low cost structure continue to support the Grounded investment thesis. During 2022, we continued to accomplish several corporate, operational, and financial objectives and thereby established the foundation from which to drive the enterprise forward all on fronts for the benefit of stakeholders.

Grounded's 2022 progress pivoted on our successful capital raising activities. Including initial incorporation financing, we have raised close to \$10 million. We deployed the majority of these funds to acquire and test our now dominant land position in Southwest Saskatchewan which we believe will rank in the top percentiles for lithium projects found globally as measured on such factors as sustainability and profitability once in commercial production. Including the acquisition closed in Q1 of this year, we now control 333 sections (213,000 acres / 86,200 hectares) of prospective acreage and have an inferred lithium carbonate equivalent resource of 4.2 million tonnes, making Grounded the largest lithium carbonate equivalent resource owner in the Province of Saskatchewan based on known public filings.

Our immediate tasks ahead of us now involve the validation of the resource base and carrying out feasibility studies with respect to commercial production. At the same time, we will continue our land acquisition strategy where opportunities meet and exceed our geological and economical thresholds.

From a corporate perspective, we took a significant step in Grounded's life by entering the public markets in August 2022 via a reverse-take-over of a TSX Venture listed issuer. The transaction with the issuer went very smoothly and provides the platform for further fundraising initiatives. To support trading liquidity, we also secured approval for a quotation on the OTCQB in the United States and observed noteworthy trading volumes in both Canada and the United States. As a new public company, we continue to devote time and resources to communicate Grounded's value proposition to the marketplace.

We advanced our lithium extraction technology strategy, which relies on "standing on the shoulders of giants"; by establishing working relationships with world-class technology firms. While our team has ample expertise in sub-surface mapping, fluid dynamics and surface facility construction, we look to "best in class" external expertise with respect to processing lithium from brines. With the advice of Hatch Ltd. and as recently announced, we short-listed two leading global extraction companies to test brine sourced from our first test well, only the second ever dedicated lithium well in the Province of Saskatchewan. One of those parties is Koch Technology Solutions. We anticipate test results imminently, which allows Grounded to integrate the selected technology into our full project development plan.

2022 represented a momentous year for growth in Grounded's short two-year history. We now challenge ourselves to ensure that all future years continue to deliver similar progress. Our dedicated team is motivated to achieve commercial production on our initial project quickly to take advantage of the compelling macro-economic environment. Our 2023 plans include the submission of our maiden preliminary economic assessment ("**PEA**") on Phase 1 of the Kindersley Lithium Project. Our PEA will present an independent economic validation of this initial 10,000 tonnes/yr project. Following this and the results soon to be obtained from independent lab pilot studies, critical next steps involve the construction and operation of an appropriately sized field pilot during 2023. This critical operational milestone will be dovetailed with further capital raising, inclusive of planned non-dilutive government funding programs.

In summary, we delivered on what we said we would accomplish over the last two years. We remain committed to realizing on our value creation goals over the next two years and beyond. We wish to thank all of our stakeholders, from investors to government representatives, for their continued support.

Gregg Smith
President and Chief Executive Officer

Highlights

(\$, except where noted)	Year ended December 31, 2022	Inception to December 31, 2021	% change
FINANCIAL			
Funds flow used in operations ⁽¹⁾	3,875,411	322,611	>100
Per share – basic ⁽¹⁾	0.10	0.10	-
Per share – diluted ⁽¹⁾	0.10	0.10	-
Net cash used in operating	3,834,198	185,001	>100
Net loss	6,978,543	376,610	>100
Per share – basic	0.18	0.11	64
Per share – diluted	0.18	0.11	64
Working capital surplus	2,587,236	2,190,625	18
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Total assets	6,028,743	2,494,973	142
Shareholders' equity	5,158,072	2,350,117	120
Net capital expenditures (excluding decommissioning)	2,333,815	159,492	>100
Weighted average shares outstanding	38,066,047	3,391,220	>100
<hr/>			
OPERATING			
<hr/>			
Wells drilled			
Gross	1	-	100
Net	1.0	-	100

⁽¹⁾ Funds flow used in operations is calculated as cash flow from operations before changes in non-cash working capital. Funds flow used in operations, and funds flow used in operations per share represent net earnings measures adjusted for non-cash items on a per share basis. The Company evaluates its performance based on these measures. The Company considers funds flow a key measure as it demonstrates the Company's ability to generate funds flow necessary to fund future growth through capital investment, repay debt and measures profitability relative to current commodity prices. Funds flow used in operations and funds flow used in operations per share are non-IFRS measures, and as a result, these measures may not be comparable to those of other issuers.

Management's Discussion and Analysis

The following management's discussion and analysis ("MD&A") was prepared as at April 25, 2023 and is management's assessment of the historical financial and operating results of Grounded Lithium Corp. ("Grounded" or the "Company") and should be read in conjunction with the audited financial statements of the Company as at December 31, 2022 and for the period from inception on October 26, 2020 to December 31, 2021 together with the notes related thereto.

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"). Grounded's management is responsible for the integrity of the information contained in this report and for the consistency between the MD&A and financial statements. In the preparation of these statements, estimates are necessary to make a determination of future values for certain assets and liabilities. Management believes these estimates have been based on careful judgements and have been properly presented. The financial statements have been prepared using policies and procedures established by management and fairly reflect Grounded's financial position, results of operations and funds flow from operations.

Grounded's Board of Directors and Audit Committee have reviewed and approved the financial statements for distribution on April 25, 2023.

All dollar amounts referred to in this discussion and analysis are expressed in Canadian dollars except where indicated otherwise.

Nature of Business: Grounded is a company that is engaged in the business of acquiring, exploring and developing mineral properties in Canada with a specific focus on lithium. The development of these assets includes processes to purify and recover lithium metal directly from brine liquids. The Company owns and controls over 86,000 hectares of land with plans to review opportunities to add to the portfolio. Grounded intends to develop these assets through the use of independently developed direct lithium extraction methodologies which the Company is currently assessing in combination with Hatch Ltd. Grounded's development plan calls for a modular design of plants ranging from 10,000 to 20,000 tonnes per year of capacity which would produce battery grade lithium feedstock. A modular design avoids several risks associated with large projects, namely design and construction, permitting and financing. It is envisioned that the initial project and its associated cash flows can be repeated and largely fund subsequent modules thereby mitigating financing risk.

Forward-Looking Statements and Information: *Certain statements included or incorporated by reference in this MD&A constitute forward-looking statements or forward-looking information. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements or information in this MD&A include but are not limited to capital expenditures, business strategy and objectives, net revenue, future production levels, exploration plans, development plans, acquisition plans and the timing thereof, operating and other costs, royalty rates, timing of tax payment obligations, sources of funding to meet future obligations, future dividend payments and capital structure, including the balance of debt and equity in Grounded's capital structure.*

Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. In addition to other assumptions identified in this MD&A, assumptions have been made regarding, among other things:

- *the ability of Grounded to fund, advance and develop the project;*
- *Grounded's ability to operate in a safe and effective manner;*
- *the ability to obtain mining, exploration, environmental and other permits, authorizations and approvals;*
- *results from the pilot plant and laboratory;*
- *demand for lithium, including that such demand is supported by growth in the electric vehicle market;*
- *the impact of increasing competition in the lithium business, and the Grounded's competitive position in the industry;*
- *market position and future financial operating performance of Grounded;*
- *general economic conditions;*

- estimates of, and changes to, the market prices for lithium;
- exploration, development and construction costs for the project;
- estimates of mineral resources and mineral reserves, including whether mineral resources will ever be developed into mineral reserves;
- reliability of technical data;
- anticipated timing and results of exploration, development and construction activities;
- Grounded's ability to obtain additional financing on satisfactory terms;
- the ability to develop and achieve production at the project;
- successful negotiation of definitive commercial agreements;
- accuracy of current budget and construction estimates; and
- the timing and possible outcome of regulatory and permitting matters.

Although Grounded believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements and information because Grounded can give no assurance that such expectations will prove to be correct. Forward-looking statements and information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Grounded and described in the forward-looking statements or information. These risks and uncertainties include but are not limited to:

- the ability of management to execute its business plan;
- the occurrence of unexpected events involved in the industry in which Grounded operates;
- risks and uncertainties involving the geology of lithium deposits;
- the uncertainty of resource estimates;
- the uncertainty of estimates and projections relating to production, costs and expenses;
- potential delays or changes in plans with respect to exploration or development projects or capital expenditures;
- Grounded's ability to enter into or renew leases;
- fluctuations in lithium prices, foreign currency exchange rates and interest rates;
- health, safety and environmental risks;
- uncertainties as to the availability and cost of financing;
- the ability of Grounded to add production and reserves through development and exploration activities;
- general economic and business conditions;
- the possibility that government policies or laws may change or governmental approvals may be delayed or withheld;
- uncertainty in amounts and timing of royalty payments;
- risks associated with potential future lawsuits and regulatory actions against Grounded; and
- other risks and uncertainties described elsewhere in this MD&A or in any of Grounded's other filings and documents that have been distributed to its shareholders.

The forward-looking statements and information contained in this MD&A are made as of the date hereof and except where required by law, Grounded undertakes no obligation to update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise. The forward-looking statements and information contained in this MD&A are expressly qualified by this cautionary statement.

Non-GAAP Terms: *This document contains the term "funds flow from operations" which is a non-GAAP term. The Company uses this measure to help evaluate its performance. The Company considers funds flow from operations a key measure as it demonstrates Grounded's ability to generate funds necessary to fund future growth through capital investment. Grounded's determination of funds flow from operations may not be comparable to that reported by other companies.*

Grounded determines funds flow from (used in) operations as cash flow from operating activities before changes in non-cash working capital as follows:

(\$)	Year ended December 31, 2022	Inception to December 31, 2021
Cash flow used in operating activities	(3,834,198)	(185,001)
Change in non-cash working capital	(41,213)	(137,610)
Funds flow used in operations	(3,875,411)	(322,611)

BASIS OF OPERATIONS

Grounded is a resource-based company engaged in the acquisition of, exploration for, and the development of mineral properties in Western Canada, with a specific focus on lithium. The Company was incorporated on October 26, 2020 and exists under the laws of the Province of Alberta, with its principal place of business located at Suite 500, 400 – 5th Avenue S.W., in Calgary, Alberta.

The financial statements reflect the results of Grounded's operations for the year ended December 31, 2022 and from inception on October 26, 2020 to December 31, 2021.

FOURTH QUARTER HIGHLIGHTS

On October 19, 2022, the Company executed a Direct Lithium Extraction Test Work Support & Evaluation contract with Hatch Ltd (the "Hatch Contract"). The Hatch Contract will span four to five months and will focus on selected diverse possible technologies.

On November 4, 2022, the Company completed a \$3.0 million non-brokered private placement of Special Warrants at a price of \$0.25 per Special Warrant. Each Special Warrant entitled the holder to one Unit of the Company, with each Unit consisting of one Common Share of the Company and one Common Share purchase Warrant. Each Warrant shall be exercisable to acquire one Common Share at a price of \$0.50 per Warrant Share for a period of 24 months from the closing of the Offering. In total, up to 12,000,000 Common Shares will be issued together with up to 12,000,000 Warrants, which if exercised would provide an additional \$6.0 million to the Company's treasury. The Company also granted an additional 347,725 of finder's warrants as part of the Special Warrant financing. Each finder's warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.25 per share for a period of 2 years from the date of issuance. On January 5, 2023, the Company filed and obtained a receipt for the listing of the short-form prospectus with our non-brokered private placement.

SELECTED ANNUAL INFORMATION

	Year ended December 31, 2022	Inception to December 31, 2021
<i>(\$, except per share amounts)</i>		
Funds flow used in operations	3,875,411	322,611
Per share – basic	0.10	0.10
Per share – diluted	0.10	0.10
Cash used in operations	3,834,198	185,001
Per share – basic	0.10	0.05
Per share – diluted	0.10	0.05
Net loss	6,978,543	376,610
Per share – basic	0.18	0.11
Per share – diluted	0.18	0.11
Capital expenditures	2,333,815	159,492
Total assets	6,028,743	2,494,973
Total net cash and working capital	2,587,236	2,190,625
Shares outstanding of period	56,872,750	20,348,415
Weighted average shares (basic and diluted)	38,066,047	3,391,220

SUMMARY OF QUARTERLY RESULTS

	Q4 2022	Q3 2022	Q2 2022	Q1 2022
<i>Financial (\$, except per share amounts)</i>				
Funds flow used in operations	2,110,192	704,651	533,556	527,012
Per share – basic	0.04	0.02	0.02	0.02
Per share – diluted	0.04	0.02	0.02	0.02
Cash used in operations	1,965,105	833,496	315,680	719,917
Per share – basic	0.03	0.02	0.01	0.03
Per share – diluted	0.03	0.02	0.01	0.03
Net loss	2,246,228	3,539,319	602,545	590,451
Per share – basic	0.04	0.09	0.02	0.02
Per share – diluted	0.04	0.09	0.02	0.02
Capital expenditures	593,497	1,062,102	21,498	656,718
Total assets	6,028,743	4,662,537	3,041,023	3,403,003
Total net cash and working capital (deficit)	2,587,236	2,394,958	1,829,712	2,384,766
Shares outstanding, end of period	56,872,750	56,872,750	28,119,114	28,119,114
Weighted average shares (basic and diluted)	56,872,750	40,308,155	28,119,114	26,606,940

	Q4 2021	Q3 2021	Q2 2021	Inception to March 31, 2021 ⁽¹⁾
<i>Financial (\$, except per share amounts)</i>				
Funds flow used in operations	290,453	14,536	16,233	1,389
Per share – basic	0.04	-	0.01	0.09
Per share – diluted	0.04	-	0.01	0.09
Cash used in operations	152,531	14,583	16,443	1,444
Per share – basic	0.02	-	0.01	0.10
Per share – diluted	0.02	-	0.01	0.10
Net loss	344,452	14,536	16,233	1,389
Per share – basic	0.04	-	0.01	0.09
Per share – diluted	0.04	-	0.01	0.09
Capital expenditures, net	55,673	18,123	85,696	-
Total assets	2,494,973	105,301	118,878	111
Total net cash and working capital (deficit)	2,190,625	1,483	33,183	111
Shares outstanding, end of period	20,348,415	6,374,597	5,015,000	15,000
Weighted average shares (basic and diluted)	8,050,227	6,152,924	1,663,352	15,000

⁽¹⁾ Represents operations from October 26, 2020 to March 31, 2021.

DETAILED FINANCIAL ANALYSIS

PRODUCTION AND OPERATING EXPENSES

<i>(\$, except where noted)</i>	Q1	Q2	Q3	Q4	Year ended December 31, 2022	Inception to December 31, 2021
Production and operating	604	45,364	46,772	55,759	148,499	35,742

Production and operating expenses include all expenses associated with the production of lithium. Operating expenses for the Company are for subsurface mineral permit rentals.

Production and operating expenses increased to \$55,759 for the three months ended December 31, 2022 from \$17,504 for the three months ended December 31, 2021. Production and operating expenses increased to \$148,499 for the year ended December 31, 2022 from \$35,742 for the year ended December 31, 2021. The increase in production and operating expenses is mainly due to the additional subsurface mineral permits acquired in 2022.

GENERAL AND ADMINISTRATIVE EXPENSES

<i>(\$, except where noted)</i>	Q1	Q2	Q3	Q4	Year ended December 31, 2022	Inception to December 31, 2021
Investor relations	-	33,535	186,512	1,097,305	1,317,352	-
Professional fees	142,694	220,683	158,920	328,297	850,594	72,407
Wages and benefits	118,515	141,361	178,643	339,907	778,426	-
Financing fees	233,484	-	(5,964)	86,931	314,451	202,261
Other (rent, office costs)	24,544	54,270	98,798	132,812	310,424	11,765
Consulting fees	7,171	38,343	52,400	93,081	190,995	436
Gross G&A expense	526,408	488,192	669,309	2,078,333	3,762,242	286,869
Capital overhead recoveries	-	-	(11,430)	(6,210)	(17,640)	-
Net G&A expense	526,408	488,192	657,879	2,072,123	3,744,602	286,869

General and administrative (“G&A”) expenses include costs incurred by the Company which are not directly associated with the production of lithium. The most significant components of G&A expenses are investor relations, employee and consultant compensation, financing fees, computer software, office rent, accounting and legal costs.

Gross general and administrative expenses increased to \$2,078,333 for the three months ended December 31, 2022 from the \$268,903 for the three months ended December 31, 2021. Gross general and administrative expenses increased to \$3,762,242 for the year ended December 31, 2022 from \$286,869 for the year ended December 31, 2021. The increase is mainly due to substantial increased corporate activity as Grounded evolved into an operating entity. Professional fees largely stem from the Company's going public process via the reverse take over of a TSX Venture issuer.

SHARE-BASED COMPENSATION

<i>(\$, except where noted)</i>	Q1	Q2	Q3	Q4	Year ended December 31, 2022	Inception to December 31, 2021
Share-based compensation	61,828	67,280	68,020	114,970	312,098	53,999

Share-based compensation results from the amortization of expenses associated with the granting of stock options, performance warrants and finders' warrants as part of the Company's normal compensation program and financing activities. All share-based compensation relates to stock options, performance warrants and finders' warrants currently outstanding.

Share-based compensation increased to \$114,970 for the three months ended December 31, 2022 from \$53,999 for the three months ended December 31, 2021. Share-based compensation increased to \$312,098 for the year ended December 31, 2022 from \$53,999 for the year ended December 31, 2021. The increase is mainly due to the additional stock options, performance warrants and finders' warrants granted in 2012.

FINANCE INCOME AND EXPENSE

<i>(\$, except where noted)</i>	Q1	Q2	Q3	Q4	Year ended December 31, 2022	Inception to December 31, 2021
Interest income	-	-	-	19,249	19,249	-
Finance Expense						
Non-deductible interest	-	-	-	(1,559)	(1,559)	-
Interest on lease obligation	-	-	-	(2,709)	(2,709)	-
Net interest income	-	-	-	14,981	14,981	-
Accretion on decommissioning	-	-	-	(65)	(65)	-
Net finance income	-	-	-	14,916	14,916	-

Interest income includes interest earned on short-term investments.

Finance expense includes accretion on decommissioning obligations.

DEPRECIATION EXPENSE

<i>(\$, except where noted)</i>	Q1	Q2	Q3	Q4	Year ended December 31, 2022	Inception to December 31, 2021
Depreciation expense	1,611	1,709	2,118	18,292	23,730	-

Grounded recorded depreciation expense of \$23,730 for the year ended December 31, 2022 which consisted of depreciation on the Company's corporate assets and right-of-use assets.

IMPAIRMENT TEST

Exploration Assets

The Company does not consider its exploration and evaluation assets to be impaired. The Company's ability to realize on the value of these assets is dependent on the successful completion of an economically feasible project. Current market prices continue to suggest a material imbalance between supply and demand implying a major need on the part of battery mineral resource developers to supply feedstock. North America additionally is looking to satisfy its requirements independently rather than importing various feedstocks and components primarily from Asia.

TAXES

Grounded did not record any current or deferred income taxes during the year ended December 31, 2022 or from the period of inception to December 31, 2021. At the end of December 31, 2022, Grounded had approximately \$6,770,570 of accumulated tax pools that are available for deduction against taxable income compared to approximately \$482,100 at December 31, 2021. Although the deferred tax deduction could represent a significant tax asset, the Company has not recognized the tax asset due to the uncertainty regarding the amounts which can ultimately be utilized. Based on the tax deductions available, the Company does not anticipate paying cash taxes within this fiscal year or beyond over the next several years.

Summary of tax pools at December 31, 2022:

	Amount	Maximum Annual Deduction
Canadian mining property	\$ 1,742,735	30%
Undepreciated capital cost	149,385	20% to 30%
Share issue costs	810,830	20%
Non-capital losses	4,067,620	100%
Total	\$ 6,770,570	

NET EARNINGS AND FUNDS FLOW USED IN OPERATIONS

Net Earnings and Funds Flow Used in Operations

(\$)	Q1	Q2	Q3	Q4	Year ended December 31, 2022	Inception to December 31, 2021
Net loss	590,451	602,545	3,539,319	2,246,228	6,978,543	376,610
Items not involving cash:						
Public listing fee	-	-	(2,764,530)	-	(2,764,530)	-
Share-based compensation	(61,828)	(67,280)	(68,020)	(114,970)	(312,098)	(53,999)
Finance expense	-	-	-	(4,333)	(4,333)	-
Depreciation expense	(1,611)	(1,709)	(2,118)	(18,292)	(23,730)	-
Interest paid	-	-	-	1,559	1,559	-
Funds flow used in operations	527,012	533,556	704,651	2,110,192	3,875,411	322,611

Per share information

(\$, except where noted)	Q1	Q2	Q3	Q4	Year ended December 31, 2022	Inception to December 31, 2021
Net loss	590,451	602,545	3,539,319	2,246,228	6,978,543	376,610
Basic (\$/share)	0.02	0.02	0.09	0.04	0.18	0.11
Diluted (\$/share)	0.02	0.02	0.09	0.04	0.18	0.11
Funds flow used in operations	527,012	533,556	704,651	2,110,192	3,875,411	322,611
Basic (\$/share)	0.02	0.02	0.02	0.04	0.10	0.10
Diluted (\$/share)	0.02	0.02	0.02	0.04	0.10	0.10

Funds flow used in operations for the three months ended December 31, 2022 increased to \$2,110,192 (\$0.04 per basic and diluted share) from \$272,329 (\$0.05 per basic and diluted share) for the three months ended December 31, 2021. Funds flow used in operations for the year ended December 31, 2022 increased to \$3,875,411 (\$0.10 per basic and diluted share) from \$322,611 (\$0.10 per basic and diluted share) from inception to December 31, 2021. The increase in funds flow used in operations is primarily due to higher G&A costs.

Net loss for the three months ended December 31, 2022 increased to \$ 2,246,228 (\$0.04 loss per basic and diluted share) from a loss of \$326,328 (\$0.06 loss per basic and diluted share) for the three months ended December 31, 2021. Net loss for the year ended December 31, 2022 increased to \$6,978,543 (\$0.18 loss per basic and diluted share) from a loss of \$376,610 (\$0.11 loss per basic and diluted share) from inception to December 31, 2021. The increase in net loss is mainly due to higher G&A costs, higher share-based compensation and the reverse takeover listing fee. The cost of obtaining a listing represents the excess of the transaction price over the cash balance and other identifiable assets of \$2,764,530.

CAPITALIZATION AND FINANCIAL RESOURCES

CAPITAL EXPENDITURES

(\$)	Q1	Q2	Q3	Q4	Year ended December 31, 2022	Inception to December 31, 2021
Computer equipment	27,340	-	13,029	-	40,369	-
Production equipment	-	-	-	-	-	-
Total property and equipment	27,340	-	13,029	-	40,369	-
Exploration & Evaluation						
Drilling costs	-	21,498	960,690	9,336	991,524	-
Subsurface mineral permits	629,378	-	88,383	45,192	762,953	159,492
Production testing/completions	-	-	-	538,969	538,969	-
Total exploration and evaluation costs	629,378	21,498	1,049,073	593,497	2,293,446	159,492
Total capital expenditures	656,718	21,498	1,062,102	593,497	2,333,815	159,492

Net capital expenditures increased to \$593,497 for the three months ended December 31, 2022 from \$73,797 for the three months ended December 31, 2021.

Net capital expenditures increased to \$2,333,815 for the year ended December 31, 2022 from \$159,492 from December 31, 2021. The majority of the costs incurred in the year ended December 31, 2022 were associated with the drilling/production testing/completion costs for the Company's first lithium well and other Operator's wells in the Kindersley Lithium Project and the acquisition of freehold subsurface mineral permits

in the South West Saskatchewan area. The costs incurred to December 31, 2021 were associated with the acquisition of Crown and freehold subsurface mineral permits in the Saskatchewan area.

Funding for capital expenditures was provided from proceeds of the issuance of equity.

UNDEVELOPED LAND

The table below summarizes the Company's undeveloped land holdings at December 31, 2022:

	2022	2021
Saskatchewan		
Gross acres	192,078	44,087
Net acres	192,078	44,087
Average working interest (%)	100%	100%

WORKING CAPITAL

Grounded had a working capital surplus of \$2,587,236 at December 31, 2022 (December 31, 2021 - \$2,190,625) stemming exclusively from the Company's equity offerings.

The Company anticipates no unusual working capital requirements in the future. There are currently no near-term capital commitments and no known unusual trends or liquidity issues as at April 25, 2023. The Company expects to be able to meet future obligations associated with on-going operations from existing working capital reserves.

SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares ("Common Shares"). Grounded closed several equity offerings subsequent to incorporation, resulting in the issuance of an aggregate 69,652,307 Common Shares.

The following table provides a summary of the outstanding Common Shares, special warrants, stock options, restricted share units, performance warrants and broker warrants at the dates indicated:

	April 25, 2023	December 31, 2022
Common Shares	69,656,423	56,872,750
Dilutive Securities		
Special warrants	-	12,000,000
Warrants	12,000,000	-
Stock options	5,523,100	4,049,100
Restricted share units	1,018,000	-
Performance warrants	3,360,000	3,360,000
Broker warrants	2,347,746	2,351,862
Total Basic and Diluted	93,905,269	78,633,712
Weighted average Common Shares		
Basic	68,873,158	38,066,047
Diluted	68,873,158	38,066,047

CONTRACTUAL OBLIGATIONS

The Company has entered into various commitments. The following table summarizes the outstanding contractual obligations of the Company for the next five years and thereafter:

(\$)	2023	2024	2025	2026	Thereafter	Total
Office lease	114,784	57,392	-	-	-	172,176
Third-party engineering	104,909	-	-	-	-	104,909
Investor relations	639,535	-	-	-	-	639,535
	859,228	57,392	-	-	-	916,220

As part of financing efforts with a third party and in addition to the amalgamation agreement with a TSX Venture Issuer, the Company agreed to incur certain expenditures to assist in presenting the Company and its activities to various capital markets through multiple forums. It is envisioned that these efforts will provide additional support for the public share price in an ever-evolving digital media environment for the benefit of all shareholders.

GOING CONCERN

At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable lithium deposits. The lithium exploration process can take many years and is subject to factors that are beyond the Company's control. See "Risks and Uncertainties".

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company may raise money through the sale of equity instruments or divestiture of working interest. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for lithium exploration investment, the Company's track record, and the experience and caliber of its management. Management believes it will be able to raise equity capital as required in the long term but recognizes there will be risks involved that may be beyond their control.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

During the period ended December 31, 2021, \$139,000 of promissory notes were issued to Officers and Directors of the Company which were later converted into shares of the Company at the face value of the promissory notes plus accrued interest at conversion prices of \$0.10 and \$0.18. As at December 31, 2022 and 2021 there are no promissory notes outstanding.

During the period ended December 31, 2022, legal services totalling \$627,743 were provided by a law firm in which an Officer of the Company is a partner. As at December 31, 2022, there is \$266,317 included in accounts payable and accruals.

During the period ended December 31, 2021, legal services totalling \$69,856 were provided by a law firm in which an Officer of the Company is a partner. As at December 31, 2021, the entire balance is included in accounts payable and accruals.

Transactions with related parties are incurred in the normal course of business and initially measured at fair value.

CRITICAL ACCOUNTING ESTIMATES

Management is often required to make judgements, assumptions and estimates in the application of International Financial Reporting Standards that have a significant impact on the financial results of the Company. A comprehensive discussion of the Company's significant accounting policies is contained in note 4 to the financial statements.

RISKS AND UNCERTAINTIES

Management defines risk as the evaluation of the probability that an event might happen in the future that could negatively affect the financial condition and / or results of operations of the Company. There are a number of risks facing participants in the Canadian lithium industry. Some of the risks are common to all businesses while others are specific to the sector and Grounded. The following discussion reviews the general and specific risks as well as Grounded's approach to managing these risks. The risks identified herein do not constitute an exhaustive list of all possible risks as there may be additional risks of which management is currently unaware.

Reliance on Key Personnel

The senior officers of the Company are critical to its success. In the event of a departure of a senior officer, the Company believes that it will be successful in attracting and retaining qualified successors, but there can be no assurance of such success. Recruiting qualified personnel as the Company grows is critical to its success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited, and competition for such person is intense. As the Company's business activity grows, it will require additional key financial, administrative, engineering, geological and other personnel. If the Company is not successful in attracting and training qualified personnel, the efficiency of our operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of the Company. The Company is particularly at risk at this state of its development as it relies on a small management team, the loss of any member of which could cause severe adverse consequences.

Substantial Capital Requirements and Liquidity

The Company anticipates that it will incur substantial capital expenditures for the continued exploration and development of its project in the future. The Company currently has no revenue and may have limited ability to undertake or complete future drilling or exploration programs and process studies. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for our operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. Sales of substantial amounts of securities may have a highly dilutive effect on the ownership or share structure of the Company. Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares.

The Company has not yet commenced commercial production at our property and as such, it has not generated positive cash flows to date and has no reasonable prospects of doing so unless successful commercial production can be achieved at the Company's projects. The Company expects to incur negative investing and operating cash flows until such time as it enters into commercial production. This will require the Company to deploy its working capital to fund such negative cash flow and to seek additional sources of financing. There is no assurance that any such financing sources will be available or sufficient to meet the Company's requirements. There is no assurance that the Company will be able to continue to raise equity capital or that the Company will continue to incur losses.

Development of the Kindersley Lithium Project

The Company's business strategy depends in large part on developing the Kindersley Lithium Project. The capital expenditures and time required to develop the Kindersley Lithium Project are significant and the Company has not yet secured funding that we believe will be sufficient to cover our share of capital expenditure obligations for the development of the Kindersley Lithium Project. If the Company is unable to develop all or any of its projects, our business and financial condition will be materially adversely affected.

The Company believes that one of the key elements to the successful development of a feasible project in the future is obtaining positive results from the lab pilot testing and evaluations, which will enable the development of the field pilot plant. The Company believes that a successful pilot program should enable the design of a commercial process. There is no guarantee that the lab pilot plant testing and evaluations will be successful or that the Company will be successful in developing the field pilot plant, a commercial lithium production facility or obtaining funding related to these activities within the timeframes indicated in the Company's public filings or at all.

Property Commitments

The Company's properties may be subject to various land payments, royalties and/or work commitments. Failure by the Company to meet its payment obligations or otherwise fulfill its work commitments under these agreements could result in the loss of related property interests.

Exploration and Development

Exploring and developing natural resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted, such that it is neither feasible nor practical to proceed. Natural resource exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of natural resources, any of which could result in work stoppages, damages to property, and possible environmental damage. If any of the Company's exploration programs are successful, there is a degree of uncertainty attributable to the calculation of resources and corresponding grades and in the analysis of the economic viability of future development and mineral extraction. Until actually extracted and processed, the quantity of lithium reserves and grade must be considered as estimates only. In addition, the quantity of reserves and resources may vary depending on commodity prices and various technical and economic assumptions. Any material change in quantity of reserves, grade or recovery ratio, may affect the economic viability of the Company's properties. In addition, there can be no assurance that results obtained in pilot plants will be duplicated in larger scale tests under on-site conditions or during production. The Company closely monitors its activities and those factors which could impact them, and employs experienced consulting, engineering, and legal advisors to assist in its risk management reviews where it is deemed necessary.

Operational Risks

The Company will be subject to a number of operational risks and may not be adequately insured for certain risks, including: environmental contamination; liabilities arising from historic operations; accidents or spills; industrial and transportation accidents; which may involve hazardous materials; labor disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena such as inclement weather conditions; floods; earthquakes; ground movements; cave-ins; and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the property of the Company, personal injury or death, environmental damage or, regarding the exploration or development activities of the Company, increased costs, monetary losses and potential legal liability and

adverse governmental action. These factors could all have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Additionally, the Company may be subject to liability or sustain loss for certain risks and hazards against which the Company cannot insure or which the Company may elect not to insure because of the cost. The lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Construction Risks

As a result of the substantial expenditures involved in development projects, developments are prone to material cost overruns versus budget. The capital expenditures and time required to develop new projects are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build the project.

Construction costs and timelines can be impacted by a wide variety of factors, many of which are beyond the control of the Company. These include, but are not limited to, weather conditions, ground conditions, availability and performance of contractors and suppliers, delivery and installation of equipment, design changes, accuracy of estimates and availability of accommodations for the workforce.

Project development schedules are also dependent on obtaining the government approvals necessary for the operation of a project. The timeline to obtain these government approvals is often beyond the control of the Company. A delay in start-up or commercial production would increase capital costs and delay receipt of revenues.

Environmental Risks

All phases of mineral exploration and development businesses present environmental risks and hazards and are subject to environmental regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances used and or produced in association with natural resource exploration and production operations. The legislation also requires that facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures, and a breach may result in the imposition of fines and penalties, some of which may be material.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that the application of environmental laws to the business and operations of the Company will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Commodity Price Fluctuations

The prices of commodities vary on a daily basis. Price volatility could have dramatic effects on the results of operations and the ability of the Company to execute its business plan. The price of lithium materials may also be reduced by the discovery of new lithium deposits, which could not only increase the overall supply of lithium (causing downward pressure on its price) but could draw new firms into the lithium industry which would compete with the Company.

Volatility of the Market Price of the Common Shares

Securities of junior companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of

particular industries. The Common Share price is also likely to be significantly affected by delays experienced in progressing with development plans, a decrease in investor appetite for junior stocks, or in adverse changes in the Company's financial condition or results of operations as reflected in the Company's quarterly and annual financial statements. Other factors unrelated to performance that could have an effect on the price of the Common Shares include: (a) the trading volume and general market interest in the Common Shares could affect a shareholder's ability to trade significant numbers of common shares; and (b) the size of the public float in the Common Shares may limit the ability of some institutions to invest in the Company's securities.

As a result of any of these or other factors, the market price of the Common Shares at any given point in time might not accurately reflect the Company's long-term value. Securities class action litigation has been brought against companies following years of volatility in the market price of their securities. The Company could in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Cost Estimates

The Company prepares estimates of operating costs and or capital costs for each operation and project. The Company's actual costs are dependent on a number of factors, including royalties, the price of lithium and by-product metals and the cost of inputs used in exploration activities. The Company's actual costs may vary from estimates for a variety of reasons, including labour and other input costs, commodity prices, general inflationary pressures and currency exchange rates. Failure to achieve cost estimates or material increases in costs could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Future Share Issuances May Affect the Market Price of the Common Shares

In order to finance future operations, the Company may raise funds through the issuance of additional Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Company cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares or the dilutive effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares.

Economic and Financial Market Instability

Global financial markets are prone to periods of elevated volatility and instability at times, including following the global financial crisis beginning in 2007 and the outbreak of the novel COVID-19 virus beginning in 2019. Bank failures, the risk of sovereign defaults, other economic conditions and intervention measures have caused significant uncertainties in the markets. The resulting disruptions in credit and capital markets have negatively impacted the availability and terms of credit and capital. High levels of volatility and market turmoil could also adversely impact commodity prices, exchange rates and interest rates. In the short term, these factors, combined with the Company's financial position, may impact the Company's ability to obtain equity or debt financing in the future and, if obtained, the terms that are available to the Company. In the longer term, these factors, combined with the Company's financial position could have important consequences, including: (a) increasing the Company's vulnerability to general adverse economic and industry conditions; (b) limiting the Company's obtain additional financing to fund future working capital, capital expenditures, operating and exploration costs and other general corporate requirements; (c) limiting the Company's flexibility in planning for, or reacting to, changes in the Company's business and the industry; and (d) placing the Company at a disadvantage when compared to competitors that have less debt relative to their market capitalization.

Financing Risks

The Company's development and exploration activities may require additional external financing. There can be no assurance that additional capital or other types of financing will be available when needed or that, if available, the terms of such financing will be acceptable to the Company. Furthermore, if the Company

raises additional capital by offering equity securities or securities convertible into equity securities, any additional financing may involve substantial dilution to existing shareholders. Failure to obtain sufficient financing could result in the delay or indefinite postponement of exploration, development, construction or production of any or all of the Company's mineral properties. The cost and terms of such financing may significantly reduce the expected benefits from new developments or render such developments uneconomic.

Industry Competition and International Trade Restrictions

The international resource industries are highly competitive. The value of any future reserves discovered and developed by the Company may be limited by competition from other world resource mining companies, or from excess inventories. Government policies or trade restrictions are beyond the control of the Company and may affect the supply of and demand for minerals, including lithium, around the world.

Governmental Regulation and Policy

Mining operations and exploration activities are subject to extensive laws and regulations. Such regulations relate to production, development, exploration, exports, imports, taxes and royalties, labor standards, occupational health, waste disposal, protection and remediation of the environment, toxic and radioactive substances, transportation safety and emergency response, and other matters. Compliance with such laws and regulations increases the cost of exploring, developing, constructing, and operating projects. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact decisions of the Company with respect to the exploration and development of properties, such as the properties in which the Company has an interest. The Company will be required to expend significant financial and managerial resources to comply with such laws and regulations. Since legal requirements change frequently, are subject to interpretation and may be enforced in varying degrees in practice, the Company is unable to predict the ultimate cost of compliance with these requirements or their effect on operations. Furthermore, future changes in governments, regulations and policies and practices, such as those affecting exploration and development of the Company's properties could materially and adversely affect the results of operations and financial condition of the Company in a particular year or in its long-term business prospects.

Permitting

The Company's operations, development projects and exploration activities are subject to receiving and maintaining licenses, permits and approvals, including regulatory relief or amendments, (collectively, "permits") from appropriate governmental authorities. Before any development on any of our properties the Company must receive numerous permits, and continued operations at the Company's properties is also dependent on maintaining, complying with and renewing required permits or obtaining additional permits.

The Company may be unable to obtain on a timely basis or maintain in the future all necessary permits required to explore and develop its properties, commence construction or operation of facilities and properties or maintain continued operations. Delays may occur in connection with obtaining necessary renewals of permits for the Company's existing operations and activities, additional permits for existing or future operations or activities, or additional permits associated with new legislation. It is possible that previously issued permits may become suspended or revoked for a variety of reasons, including through government or court action.

Risks Related to the Cyclical Nature of the Lithium Business

The lithium business and the marketability of the products that are produced are affected by worldwide economic cycles. At the present time, the significant demand for lithium and other commodities in many countries is driving increased prices but is difficult to assess how long such demand may continue. Fluctuations in supply and demand in various regions throughout the world are common.

Title Claims and First Nation Rights

The Company has investigated our rights to explore and exploit its projects and, to the best its knowledge, our rights in relation to lands covering the projects are in good standing. Nevertheless, no assurance can be given that such rights will not be revoked, or significantly altered, to the Company's detriment. There can also be no assurance that the Company's rights will not be challenged or impugned by third parties.

Although the Company is not aware of any existing title uncertainties with respect to lands covering material portions of its projects, there is no assurance that such uncertainties will not result in future losses or additional expenditures, which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Certain of the Company's properties may be subject to the rights or the asserted rights of various community stakeholders, including First Nations and other indigenous peoples. The presence of community stakeholders may impact the Company's ability develop or operate its mining properties and its projects or to conduct exploration activities. Accordingly, the Company is subject to the risk that one or more groups may oppose the continued operation, further development or new development or exploration of the Company's current or future mining properties and projects.

Such opposition may be directed through legal or administrative proceedings, or through protests or other campaigns against the Company's activities.

Governments in many jurisdictions must consult with, or require the Company to consult with, indigenous peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of indigenous peoples may require accommodation including undertakings regarding employment, royalty payments and other matters. This may affect the Company's ability to acquire within a reasonable time frame effective mineral titles, permits or licenses in any jurisdictions in which title or other rights are claimed by First Nations and other indigenous peoples, and may affect the timetable and costs of development and operation of mineral properties in these jurisdictions. The risk of unforeseen title claims by indigenous peoples also could affect existing operations as well as development projects. These legal requirements may also affect the Company's ability to expand or transfer existing operations or to develop new projects.

Community Relations and License to Operate

The Company's relationship with the host communities where it operates is critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations ("NGOs"), some of which oppose globalization and resource development, are often vocal critics of extractive industries and their practices. Adverse publicity from NGOs or others related to extractive industries generally, or the Company's exploration or development activities specifically, could have an adverse effect on the Company's reputation. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, which could have a material adverse impact on the Company's results of operations, financial condition and prospects. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

Acquisition and Integration Risks

As part of its business strategy, the Company has sought and will continue to seek new operating, development and exploration opportunities in the extractive industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, if at all, or that any acquisition or business arrangement

completed will ultimately benefit its business. Such acquisitions may be significant in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial or geographical risks. Further, any acquisition the Company makes will require a significant amount of time and attention of the Company's management, as well as resources that otherwise could be spent on the operation and development of the Company's existing business.

Any future acquisitions would be accompanied by risks: such as a significant decline in the relevant metal price after the Company commits to complete an acquisition on certain terms; the quality of the mineral deposit acquired proving to be lower than expected; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of the Company's ongoing business; the inability of management to realize anticipated synergies and maximize the Company's financial and strategic position; the failure to maintain uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; and the potential for unknown or unanticipated liabilities associated with acquired assets and businesses, including tax, environmental or other liabilities. In addition, the Company may need additional capital to finance an acquisition. Debt financing related to any acquisition may expose the Company to the risks related to increased leverage, while equity financing may cause existing shareholders to suffer dilution. There can be no assurance that any business or assets acquired in the future will prove to be profitable, that the Company will be able to integrate the acquired businesses or assets successfully or that it will identify all potential liabilities during the course of due diligence. Any of these factors could have a material adverse effect on the Company's business prospects, results of operations and financial condition.

No Revenue and Negative Cash Flow

The Company has negative cash flow from operating activities and does not currently generate any revenue. Lack of cash flow from the Company's operating activities could impede its ability to raise capital through debt or equity financing to the extent required to fund its business operations. In addition, working capital deficiencies could negatively impact the Company's ability to satisfy its obligations promptly as they become due. If the Company does not generate sufficient cash flow from operating activities, we will remain dependent upon external financing sources. There can be no assurance that such sources of financing will be available on acceptable terms or at all.

Legal and Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material adverse effect on the Company's business, prospects, financial condition, and operating results. There are no current claims or litigation outstanding against the Company.

Insurance

The Company is also subject to a number of operational risks and may not be adequately insured for certain risks, including: accidents or spills; industrial and transportation accidents; which may involve hazardous materials; labor disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena such as inclement weather conditions; floods; earthquakes; tornados; thunderstorms; ground movements; cave-ins; and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the properties of the Company, personal injury or death, environmental damage or, regarding the exploration or development activities of the Company, increased costs, monetary losses and potential legal liability and adverse governmental action, all of which could have an adverse impact on the Company's future cash

flows, earnings, results of operations and financial condition. The payment of any such liabilities would reduce the funds available to the Company. If the Company is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

No assurance can be given that insurance to cover the risks to which the Company's activities are subject will be available at all or at commercially reasonable premiums. The Company is not currently covered by any form of environmental liability insurance since insurance against environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is unavailable or prohibitively expensive. This lack of environmental liability insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Conflicts of Interest

The Company's directors and officers are or may become directors or officers of other mineral resource companies or reporting issuers or may acquire or have significant shareholdings in other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest with respect to such opportunities or in negotiating and concluding terms respecting the extent of such participation.

The Company and its directors and officers will attempt to minimize such conflicts. If such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether or not the Company will participate in a particular program and the interest to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

Dividends

The Company has never paid cash dividends on its Common Shares and does not expect to pay any cash dividends in the future in favor of utilizing cash to support the development of our business. Any future determination relating to the Company's dividend policy will be made at the discretion of the Board of Directors and will depend on a number of factors, including future operating results, capital requirements, financial condition and the terms of any credit facility or other financing arrangements the Company may obtain or enter into, future prospects and other factors the Company's Board of Directors may deem relevant at the time such payment is considered. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on their investment in the Common Shares for the foreseeable future.

Time and Cost Estimates

Actual time and costs may vary significantly from estimates for a variety of reasons, both within and beyond the control of the Company. Failure to achieve time estimates and significant increases in costs may adversely affect the Company's ability to continue exploration, develop the Company's projects and ultimately generate sufficient cash flows. There is no assurance that the Company's estimates of time and costs will be achievable.

Consumables Availability and Costs

The Company's planned exploration, development and operating activities, including the profitability thereof, will continue to be affected by the availability and costs of consumables used in connection with the Company's activities. Of significance, this may include piping, fuel and electricity. Other inputs such as labour, consultant fees and equipment components are also subject to availability and cost volatility. If inputs are unavailable at reasonable costs, this may delay or indefinitely postpone planned activities. Furthermore,

many of the consumables and specialized equipment used in exploration, development and operating activities are subject to significant volatility. There is no assurance that consumables will be available at all or at reasonable costs.

Mineral Resource Uncertainties

There can be no assurances that any of the mineral resources stated in the Company's public filings or published technical reports of the Company will be realized. Until a deposit is actually extracted and processed, the quantity of mineral resources or reserves, grades, recoveries and costs must be considered as estimates only. In addition, the quantity of mineral resources or reserves may vary depending on, among other things, product prices. Any material change in the quantity of mineral resources or reserves, grades, dilution occurring during mining operations, recoveries, costs or other factors may affect the economic viability of stated mineral resources or reserves. In addition, there is no assurance that mineral recoveries in limited, small scale laboratory tests or pilot plants will be duplicated by larger scale tests or during production. Fluctuations in lithium prices, results of future drilling, metallurgical testing, actual mining and operating results, and other events subsequent to the date of stated mineral resources and reserve estimates may require revision of such estimates. Any material reductions in estimates of mineral resources or reserves could have a material adverse effect on the Company.

Lithium Demand

Lithium is considered an industrial mineral and the sales prices for the different lithium compounds are not public. Lithium is not a traded commodity like base and precious metals. Sales agreements are negotiated on an individual and private basis with each different end-user. Therefore, it is possible that the sales prices observed in the Kindersley project will be different than the actual prices at which the Company is able to sell its lithium compounds. In addition, there are a limited number of producers of lithium compounds and it is possible that these existing producers will try to prevent newcomers from entering the chain of supply by increasing their production capacity and lowering sales prices. Factors such as foreign currency fluctuation, supply and demand, industrial disruption and actual lithium market sale prices could have an adverse impact on stock market prices and on the Company's ability to fund its activities. In each case, the economics of the Kindersley Lithium Project could be materially adversely affected, even to the point of being rendered uneconomic.

Global Financial Conditions

Global financial conditions have from time to time been subject to periods of elevated volatility. Government debt, the risk of sovereign defaults, political instability and wider economic concerns in many countries have been causing significant uncertainties in the markets. Disruptions in the credit and capital markets can have a negative impact on the availability and terms of credit and capital. Uncertainties in these markets could have a material adverse effect on the Company's liquidity, ability to raise capital and cost of capital. High levels of volatility and market turmoil could also adversely impact commodity prices, exchange rates and interest rates and have a detrimental effect on the Company's business.

In February 2022, Russian military forces invaded Ukraine. In response, Ukrainian military personnel and civilians are actively resisting the invasion. The outcome of the conflict is uncertain and is likely to have wide-ranging consequences on the peace and stability of the region and the world economy. Certain countries including Canada and the United States have imposed strict financial and trade sanctions against Russia, which sanctions may have far reaching effects on the global economy and financial markets and could result in increased volatility in commodity prices. Any such occurrence may have a material adverse effect on the Company's business, financial condition, results of operations or ability to access debt or equity financing.

Analyst Coverage

The trading market of the Common Shares depends, to some extent, on the research and reports that securities or industry analysts publish about the Company or its business. The Company has no control over these analysts. If one or more of the analysts who covers the Company should downgrade the Common Shares or change their opinion of the Company's business prospects, the Company's share price would likely decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which could cause the Company's share price or trading volume to decline.

Cyber-Security Risks

Threats to information technology systems associated with cyber-security risks and cyber incidents or attacks continue to grow. It is possible that the business, financial and other systems of the Company or other companies with which it does business could be compromised, which might not be noticed for some period of time. Risks associated with these threats include, among other things, loss of intellectual property, disruption of business operations and safety procedures, loss or damage to worksite data delivery systems, and increased costs to prevent, respond to or mitigate cyber-security events.