Grounded Lithium Corp

ANNUAL INFORMATION FORM

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2022

May 4, 2023

TABLE OF CONTENTS

INTERPRETATION

Definitions

For a description of defined terms and other reference information used in this AIF, please refer to Schedule “A”.

CIM Definition Standards

The disclosure included in this AIF uses mineral resources and mineral reserves classification terms that comply with reporting standards in Canada, and the mineral resource and mineral reserve estimates are made in accordance with the CIM Definition Standards and NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The following definitions are reproduced from the CIM Definition Standards:

A **mineral resource** is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories, which are defined as follows:

- An **inferred mineral resource** is that part of a mineral resource for which quantity, grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. 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.

- An **indicated mineral resource** is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors (as defined below) in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An indicated mineral resource has a lower level of confidence than that applying to a measured mineral resource and may only be converted to a probable mineral reserve.

- A **measured mineral resource** is that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A measured mineral resource has a higher level of confidence than that applying to either an indicated mineral resource or an inferred mineral resource. It may be converted to a proven mineral reserve or to a probable mineral reserve.

Modifying factors are considerations used to convert mineral resources to mineral reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

A **mineral reserve** is the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Mineral reserves are sub-divided, in order of increasing geological confidence, into probable and proven categories, which are defined as follows:

- A **probable mineral reserve** is the economically mineable part of an indicated, and in some circumstances, a measured mineral resource. The confidence in the modifying factors applying to a probable mineral reserve is lower than that applying to a proven mineral reserve.

- A **proven mineral reserve** is the economically mineable part of a measured mineral resource. A proven mineral reserve implies a high degree of confidence in the modifying factors.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain information and statements in this AIF may constitute “forward-looking information” within the meaning of Canadian securities legislation which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. All statements other than statements of historical fact may be forward-looking information, including but not limited to mineral resource or mineral reserve estimates (which reflect a prediction of mineralization that would be realized by development). When used in this AIF, such statements generally use words such as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate” and other similar terminology. These statements reflect management’s current expectations regarding future events and operating performance, and speak only as of the date of this AIF. Forward-looking information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information contained in this AIF based upon what management believes are reasonable assumptions, and there can be no assurance that actual results will be consistent with the forward-looking information.

In particular (but without limitation), this AIF contains forward-looking information with respect to the following matters, or the Company’s expectations relating to such matters:

- the Company’s efforts in collaboration with Hatch to choose a lithium from brine extraction technology;
- the Company’s intentions to eventually produce lithium hydroxide;
- the Company’s expectation that it will focus its activities in the field and in the lab;
- the construction and operation of a CDF, and that a CDF will support a successful scale up to a commercial facility;

- the Company's plans to construct modular facilities, including an initial plant and its production capabilities;
- the completion of a PEA;
- permitting, construction and operation of a field pilot;
- commercialization of the Project;
- enhancing the Company's working capital reserves with selected capital market transactions;
- obtaining non-dilutive government funding;
- re-entering existing well bores on the Company's acreage;
- drilling additional wells;
- the completion of pre-feasibility and feasibility studies;
- the developing legal framework governing the Company's operations;
- the Company's expectation that a more liquid and tradable lithium market is emerging;
- sourcing off-take agreements;
- the establishment of the North American lithium market;
- protecting the Company's proprietary information;
- the Company's ability to acquire surface leases and the terms thereof;
- the Company's ability to constructively work with potential surface landowners across the Project;
- the Company's ability to move locations in order to access resources;
- expectation's that modern drilling practices, including direction drilling, will enable the Company to drill wellbores omni-directionally;
- the ability to convert lands subject to the PSK Permit;
- obtaining the permits required to conduct drilling activities for exploration across the Project;
- the factors and risks that may impact the ability to perform the necessary work required to evaluate the resource potential of the Project;
- the Company's expectation that high porosity and associated permeability values will contribute to the ability of the Duperow aquifer within the Project to deliver significant production rates over a long production life;
- the Company's intentions to expand on its 2022 exploration drill program at the Project, including the phase #2 exploration drill program scheduled for 2023;
- the utilization of information obtained during the Company's drill programs to delineate resource potential across the Project;
- the lithium resource potential across the Project;
- the Company's ability to earn additional lands under the National Trust Permit;
- statements regarding anticipated decision making with respect to the Project;
- capital expenditures and programs;
- estimates of mineral resources;
- development of mineral resources;
- the future price of commodities, including lithium;
- the Company's ability to raise capital and obtain project financing;
- capital costs, operating costs and sustaining capital requirements; and
- the Company's vision to build a best-in-class, environmentally responsible, Canadian lithium producer supporting the global energy transition shift.

Forward-looking information does not take into account the effect of transactions or other items announced or occurring after the statements are made. Forward-looking information is based upon a number of expectations and assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. With respect to the forward-looking information, the Company has made assumptions regarding, among other things:

- the ability of the Company to fund, advance and develop the Project;
- the Company's ability to operate in a safe and effective manner;
- the Company's ability to attract and retain skilled labour and staff;
- the ability to obtain and maintain mining, exploration, environmental and other permits, authorizations and approvals;
- 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 Company's competitive position in the industry;
- market position and future financial or operating performance of the Company;
- 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, 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;
- operating conditions being favourable;
- the receipt of government and third party approvals;
- the absence of natural disasters, adverse weather events, accidents and unanticipated transport costs;
- the availability of water, gas, electricity or other power supply, chemicals and other critical supplies;
- the Company'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, including off-take agreements;
- accuracy of current budget and construction estimates; and
- the timing and possible outcome of regulatory and permitting matters.

Although management believes that the assumptions and expectations reflected in such forward-looking information are reasonable, there can be no assurance that these assumptions and expectations will prove to be correct. Since forward-looking information inherently involves risks and uncertainties, undue reliance should not be placed on such information.

The Company's actual results could differ materially from those anticipated in any forward-looking information as a result of the risk factors contained in this AIF, including (but not limited to) the factors referred to under the heading "*Risk Factors*". Such risks include, but are not limited to, the following: the Project may not be developed as planned and uncertainty of whether there will ever be production at the Project; cost overruns; risks associated with the Company's ability to successfully secure adequate funding; market prices affecting the ability to develop the Project; risk to the growth of lithium markets; lithium prices; inability to obtain required governmental permits and operations being limited by government-imposed limitations; inability to achieve and manage expected growth; risks associated with not having development and production experience in the lithium from brine industry; operational risks; changes in government regulation; changes to environmental requirements; insurance risk; receipt and security of mineral property titles and mineral tenure risk; competition; market risk; volatility in global financial conditions; uncertainties associated with estimating mineral resources, including uncertainties relating to the assumptions underlying mineral resource estimates and whether mineral resources will ever be developed into mineral reserves; opposition to development of the Company's mineral properties; surface access risk; geological, technical, drilling or processing problems; uncertainties in estimating capital and operating costs, cash flows and other project economics; liabilities and risks, including environmental liabilities and risks, inherent in mineral extraction operations; health and safety risks; unanticipated results of exploration activities; unpredictable weather conditions; unanticipated delays in preparing technical studies; an increase in the costs of manufacturing products, including the costs of any raw materials used in the process; inability to generate profitable operations; restrictive covenants in debt instruments; lack of availability of additional financing on terms acceptable to the Company; shareholder dilution; dependence on key personnel; competition for, amongst other things, capital, undeveloped lands and skilled personnel; fluctuations in currency exchange and interest rates; regulatory risk; conflicts of interest; share price volatility; and cyber-security risks and threats.

Readers are cautioned that the foregoing lists of assumptions and factors is not exhaustive. The forward-looking information contained in this AIF is expressly qualified by these cautionary statements. All forward-looking information in this AIF speaks as of the date of this AIF. The Company does not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities law. Additional information about these assumptions, risks and uncertainties is contained in the Company's filings with securities regulators, including the Company's MD&A for the most recently completed financial year, which are available on SEDAR at www.sedar.com.

OTHER INFORMATION

Currency

Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars. All references to "US$" or "United States dollars" are used to indicate United States dollar values.

The rate of exchange on May 3, 2023 as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was C$1.00 equals US$0.7344 and for the conversion of United States dollars into Canadian dollars was US$1.00 equals C$1.3616**.**

Presentation of Financial Information

The Company presents its financial statements in Canadian dollars. All of the financial data contained in the AIF relating to the Company have been prepared using IFRS, except as otherwise stated herein. The information presented herein reflects the details of the financial year ended December 31, 2022 of the Company. Unless otherwise noted or the context otherwise indicates, "we", "us" and "our" refers to Grounded.

Third Party Information

This AIF includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by the Company to be true. Although the Company believes it to be reliable, it has not independently verified any of the data from third party sources referred to in this AIF, or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources. The Company believes that the market, industry and economic data is accurate and that the estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data in this AIF are not guaranteed, and the Company does not make any representation as to the accuracy or completeness of such information.

Technical Information

The disclosure in this AIF of a scientific or technical nature relating to the Project is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in the Technical Report in accordance with NI 43-101 and other information that has been prepared by or under the supervision of the Authors, each of whom are a Qualified Person. The Technical Report has been filed on SEDAR and can be reviewed at www.sedar.com. The Company's mineral reserves and mineral resources estimates are classified in accordance with the CIM adopted by the CIM Council and in accordance with the requirements of NI 43-101.

Technical Abbreviations

In this AIF, the following abbreviations have the meanings set forth below:

ha	Hectares
m	Metres
m3	Cubic Metres
mD	Millidarcy
mg/L	Milligram per Litre
mKB	Metres Below Kelly Bushing
mm	Millimetres
TD	Total Depth
µm	Micrometre

Date of Information

Unless otherwise stated, the information in this AIF is stated as at December 31, 2022.

CORPORATE STRUCTURE OF THE COMPANY

Name, Address and Incorporation

The Company was incorporated under the BCBCA on November 21, 1983 under the name "R.C.J. Resources Ltd.". On May 5, 1988, the Company filed articles of amendment changing its name from "R.C.J. Resources Ltd." to "Venturex Resources Ltd." On September 24, 1992, the Company filed articles of amendment changing its name from "Venturex Resources Ltd." to "Consolidated Venturex Holdings Ltd.," and again on May 23, 2007, changing its name from "Consolidated Venturex Holdings Ltd." to "Venturex Explorations Inc." On June 17, 2008, the Company filed articles of amendment changing its name from "Venturex Explorations Inc." to "Black Panther Mining Corp." and again on June 19, 2015, changing its name from "Black Panther Mining Corp." to "Canadian International Pharma Corp." Effective January 29, 2021, the Company filed articles of amendment changing its name from "Canadian International Pharma Corp." to "VAR Resources Corp.".

The private company Grounded Lithium Corp. ("**GLC**") was incorporated on October 26, 2020. On August 22, 2022, pursuant to articles of amalgamation, VAR amalgamated with GLC to form the Company, constituting the RTO, following which the business of GLC became the business of the Company. In connection with the RTO, the Company changed its name to "Grounded Lithium Corp." and continued into Alberta under the laws of the Province of Alberta.

The Company's head office is located at 500, 400 – 5th Ave SW Calgary, Alberta, T2P 0L6 and its registered office is located at 4000, 421 – 7th Ave SW Calgary, Alberta T2P 4K9. The Company does not have any subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

The Company is a lithium brine exploration and development company that controls approximately 4.2 million tonnes of inferred mineral resources of lithium carbonate equivalent over its focused land holdings in Southwest Saskatchewan. The Company's multi-faceted business model involves the consolidation, delineation, exploitation and ultimate development of its opportunity base to fulfill its vision to build a best-in-class, environmentally responsible, Canadian lithium producer supporting the global energy transition shift.

Three Year History

Fiscal Year Ended December 31, 2020

For the fiscal year ended December 31, 2020, Canadian International Pharma Corp., as the Company was then known, did not carry on any material business activities, except for the entering into of an Option Agreement on October 30, 2020 with an arm's length private company to earn an undivided 100% mineral interest in the Hook Bay property (the "**Hook Bay Option**"). The Hook Bay Option was relinquished in connection with closing the RTO.

On December 2, 2020, the Company completed a non-brokered private placement financing, whereby the Company issued 6,250,000 subscription receipts at a price of $0.105 per subscription receipt for aggregate proceeds of $656,250. Each subscription receipt entitled the holder to acquire, for no additional consideration, one unit of the Company consisting of one

Common Share and one Warrant upon the TSXV's approval of the Hook Bay Option and the financing.

Fiscal Year Ended December 31, 2021

On January 29, 2021, the Company received approval of its application to graduate from the NEX Board of the TSXV as a Tier 2 Mining Issuer in connection with entry into and acceptance of the Hook Bay Option by the TSXV. In connection with the approval of the Hook Bay Option by the TSXV, each subscription receipt issued on December 2, 2020, converted, for no additional consideration, into one unit one unit of the Company consisting of one Common Share and one Warrant. Concurrent to the Company's graduation to the TSXV as a Tier 2 Mining Issuer, the Company changed its name from "Canadian International Pharma Corp." to "VAR Resources Corp.". The Common Shares resumed trading on the TSXV on February 2, 2021.

On March 1, 2021, GLC acquired six subsurface mineral permits acquired directly from the Saskatchewan freehold landowners, adding 14 sections (3,624 hectares) to GLC's overall permit area.

On April 19, 2021, GLC acquired four subsurface mineral permits directly from the Saskatchewan government, adding 21 sections (5,464 hectares) to GLC's overall permit area.

On May 31, 2021, GLC issued 5,000,000 common shares for nominal consideration in conjunction with the initial capitalization and promotional structure to certain key management and founders.

On July 15, 2021, GLC issued an aggregate of 1,381,893 common shares at a deemed price of $0.10 per common share upon the conversion of the principal amount of $139,973 in promissory notes plus accrued interest thereon held by certain related parties of GLC.

After the initial capitalization by management and the initial successful land acquisitions, GLC sought additional capital to accelerate its resource development in addition to growing its prospective acreage position. Over the course of the second half of 2021, GLC closed multiple tranches of a private placement of common shares at the price of $0.18 per common share. In total, 13,951,522 common shares were issued for gross aggregate proceeds of $2,511,274.

On December 17, 2021, GLC acquired subsurface mineral permits directly from the Saskatchewan government, adding 8,752 hectares to GLC's overall permit area.

As of December 31, 2021, GLC controlled or had access to 69 net sections of land (17,841 hectares).

Fiscal Year Ended December 31, 2022

VAR, as the Company was then known, did not conduct any material business prior to the RTO, other than in connection with the RTO.

During the first quarter of 2022, GLC issued 7,770,699 common shares at a price of $0.18 per share for gross aggregate proceeds of $1,398,726.

On February 10, 2022, Grounded entered into the Amalgamation Agreement with VAR and VAR's wholly-owned subsidiary, NewCo, pursuant to which the parties agreed to complete the RTO.

On March 10, 2022, GLC entered into a Brine Metallic and Minerals Work Permit (the "**PSK Permit**") with PrairieSky Royalty Ltd. Through this transaction, GLC acquired access to 46,576 ha of subsurface mineral rights excluding petroleum and natural gas.

Immediately prior to closing of the RTO, GLC issued 10,000,000 common shares at a price of $0.18 per common share for aggregate gross proceeds of $1,800,000. On August 22, 2022, the Company and GLC successfully closed the RTO. Trading of the Common Shares on the TSXV commenced on August 25, 2022 under the trading symbol "GRD", the Company was listed as a Tier 2 Mining Issuer and the Company began carrying on the business of GLC. See "*Description of the Business*" – "*RTO*" below.

Into the fourth quarter of 2022, the Company drilled and completed its first 100% owned lithium test well on the Project. This well represented only the second lithium test well drilled in the Province of Saskatchewan.

On September 6, 2022, the Company announced it successfully negotiated and executed a Brine Metallic and Industrial Minerals Work Permit (the "**National Trust Permit**") with National Trust Company Limited ("**National Trust**") with Computershare Trust Company of Canada acting as National Trust's agent. The National Trust Permit extended the Company's total landholdings by 34 sections (8,838 hectares).

On October 19, 2022, the Company announced it had executed a Direct Lithium Extraction Test Work Support & Evaluation contract with Hatch Ltd. ("**Hatch**"), a leading engineering firm in extraction methodologies, to assist Grounded in selecting a preferred lithium extraction technology.

On October 25, 2022, the Company announced it successfully negotiated and executed an additional freehold mineral rights agreement with a significant landowner in the Company's core area in Southwest Saskatchewan. This acquisition extended the Company's total landholdings by 12 sections (3,115 hectares).

On November 4, 2022, the Company completed a $3.0 million non-brokered private placement (the "**Special Warrant Financing**") of special warrants ("**Special Warrants**") at a price of $0.25 per Special Warrant. Each Special Warrant entitled its holder, upon the exercise of the Special Warrant, to one unit of the Company ("**Unit**").

On November 21, 2022, the Company acquired subsurface mineral permits acquired directly from the Saskatchewan government, adding 5 sections (1,360 hectares) to the Company's overall permit area.

As of December 31, 2022, Grounded controlled or had access to 300 net sections (77,731 hectares).

Subsequent to Fiscal Year Ended December 31, 2022

On January 5, 2023, the Company obtained a final receipt for its short-form prospectus to qualify the distribution of the Units underlying the Special Warrants issued pursuant to the Special Warrant Financing, following which all of the Special Warrants automatically exercised into Units on a one-for-one basis on January 6, 2023. Each Unit consisted of one Common Share of the Company and one Warrant, exercisable at a price of $0.50 per Warrant for a period of 24 months from the closing.

On March 16, 2023, the Company announced the closing of an acquisition of an additional 33 sections (8,498 hectares) of acreage contiguous to the Company's existing landholdings for the Project for an aggregate purchase price of $425,000 (the "**Hub City Acquisition**"). The purchase price was comprised of cash consideration of $175,000 and the issuance of 779,557 Common Shares based on the 10-day volume-weighted average trading price of the shares on the TSXV as of the closing date. Common Shares issued in connection with the Hub City Acquisition are subject to a contractual escrow with equal 1/3rd amounts released on the 4, 8 and 12 month anniversaries of the closing. See "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*" below.

DESCRIPTION OF THE BUSINESS

History

History of the Business of GLC

Grounded, and prior to the RTO, GLC, has centered its efforts on identifying opportunities in the growing interest of lithium production from brines trapped in sedimentary rock, which after processing can provide battery grade lithium as the feedstock necessary for numerous battery applications. The key driver behind demand for lithium has been a fundamental shift by auto manufacturers towards the production of EVs.

Given the skillset and experience of the current management team of Grounded, the business plan for Grounded is based on fundamental resource development strategies and tactics. As an initial exploration phase for resource development, Grounded undertook extensive geological and geophysical ("**G&G**") work. Fundamental principles used in identifying the process for sourcing other industrial or energy related resources from sedimentary basins are considered for sourcing high grade lithium concentrations in brine. Grounded representatives with extensive experience in the G&G field began by looking to understand how lithium is sourced, migrates, flows and traps in the subsurface. Geological models were created and then tested with experts engaged for independent review and verification. This provided significant evidence to warrant initial steps to build a mineral land position.

One of the fundamental principles of Grounded is that exploring for and development of lithium from brine deposits in many ways mirrors the exploration and development of oil and gas resources. Grounded believes these skills are vitally important in the execution of its business plan.

Another fundamental principle of Grounded is the characterization as a resource development company, first and second, utilizing or deploying leading technology of experts in extraction and refining sectors to maximize economic returns. Technology in any resource development industry is crucial for optimizing production, but these efforts take significant time and capital. In reference to lithium from brine production technology, there exists a number of industry participants who are attempting to prove the commerciality of their proprietary extraction technology and their capacity to produce battery grade lithium from brine. Grounded believes many companies are succeeding in these efforts. The Company methodically began efforts in this regard through several interactions with companies across the technology spectrum in the Company's formative stages to maintain flexibility in choosing a technology solution that best fits the characteristics of Grounded's brine resources. Grounded is in active efforts in collaboration with Hatch to choose a technology solution that best fits the characteristics of Grounded's brine resources and achieves its corporate objectives. By this approach, capital sourced by Grounded can be better directed towards development of its resources.

With GLC's initial funding in 2021, GLC began to secure both freehold and crown mineral land positions. The Company has continued to be active in this respect, including most recently with the Hub City Acquisition. All land acquisitions were based on detailed mapping done by GLC (or the Company, as the case may be), which started from a regional perspective and evolved to identifying individual prospects. The geological models are proprietary to Grounded and reflect extensive knowledge and years of experience in resource development.

History of the Business of the Company (prior to the RTO)

Beginning in June of 2015, the Company decided to pursue new business opportunities in the area of pharmaceutical and nutraceutical manufacturing and distribution. The Company did not make any material progress in any of the business opportunities that it pursued in these areas.

As a result of the lack of success with respect to the business opportunities in the areas of pharmaceutical and nutraceutical manufacturing and distribution, the Company sought to switch its business focus back on the exploration and development mineral properties, which lead to the acquisition of the Hook Bay Option, which was subsequently relinquished as part of the RTO. See "*General Description of the Business*" – "*Three Year History*" – "*Fiscal Year Ended December 31, 2020*" and "*General Description of the Business*" – "*Three Year History*" – "*Fiscal Year Ended December 31, 2021*".

RTO

The Amalgamation Agreement was entered into on February 10, 2022 to provide for the RTO. The RTO was effected by way of a three-corned amalgamation under the ABCA, pursuant to which, following the acquisition of all of the issued and outstanding shares of GLC by the Company, NewCo and GLC amalgamated to form an amalgamated entity ("**Amalco**"), and Amalco became a wholly owned subsidiary of the Company. At closing of the RTO:

- each of the common shares of GLC were cancelled and, in consideration for such common shares, each shareholder of GLC received one Common Share at a deemed price of $0.18 per Common Share for each one common share of GLC;

- all of the holders of performance warrants of Grounded received, in exchange for their performance warrants, an equal number of performance warrants of the Company, each on the same terms and conditions as such performance warrants;

- all of the holders of finder warrants of GLC received, in exchange for the finder warrants of GLC, an equal number of Finder Warrants, each on the same terms and conditions as such GLC finder warrants; and

- all of the holders of GLC stock options received, in exchange for their GLC stock options, an equal number of Options, each on the same terms and conditions as such GLC options.

Immediately following the foregoing transactions, the Company was continued into the province of Alberta under the laws of the ABCA, Amalco was wound up into the Company and the assets of Amalco were transferred to the Company by operation of law, the Company was renamed

"Grounded Lithium Corp.", and the Board and management of the Company were reconstituted to be as presently constituted. The Common Shares began trading on the TSXV under the trading symbol "GRD" on August 25, 2022. Upon closing of the RTO, certain securities of Grounded were subject to escrow pursuant to the Amalgamation Agreement and the policies of the TSXV. See "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*" below.

More details with respect to the RTO can be found in the Company's management information circular dated June 30, 2022 on SEDAR.

Acquisitions and Dispositions

To date, Grounded (and prior to the RTO, GLC) has successfully completed nine acquisitions of prospective acreage. These acquisitions are in areas supported by detailed and extensive mapping by Grounded technical staff and lead from proprietary geological models which remain confidential to Grounded.

In total, these acquisitions total approximately 333 sections (77,476 hectares), as detailed below:

Description	Net Land Sections	Hectares
Freehold Land Agreements	240	62,154
Crown Land Sales	93	24,075
Total:	333	86,229

Freehold Land Agreements

Grounded's freehold land position has been accumulated through a number of separate transactions. Similar to crown land sales, payments were made in the form of a bonus to acquire freehold mineral owners' rights specific to lithium-rich brines. In total, Grounded (and GLC, prior to the RTO) has made an aggregate of $777,919 in bonus payments.

Crown Land Acquisitions

In much the same way that provinces conduct land sales for disposition of oil and gas rights, provinces have similar systems for companies to acquire mineral rights for potash, gold, uranium and other minerals, including lithium. GLC successfully acquired strategic land positions at several land sales in 2021, with a combined total of 55 sections (14,215 hectares) for an aggregate purchase price of approximately $141,369, and in 2022, the Company acquired 5 sections (1,360 hectares) for an aggregate purchase price of approximately $3,156.

Narrative Description of the Business

Principal Products or Services

Grounded's business model is centered on ultimately producing battery grade lithium feedstock. Battery technology is evolving quickly based in part on consumer demand and government incentives. Next generation battery technology is focused on solid state lithium batteries rather than current standard lithium-ion batteries. Solid state batteries are safer with faster charging capabilities. Both of these factors are important, in particular with the EV market, as consumers are increasingly demanding longer range and quicker re-charge times. Lithium hydroxide monohydrate (“**lithium hydroxide**”) appears to be growing in demand as the input component to a solid-state lithium battery, as opposed to lithium carbonate. The current majority of global lithium production is lithium carbonate. Grounded intends to eventually produce lithium hydroxide but will adjust its production flowsheet to meet specific customer requirements.

Operations

The current operations of Grounded are multi-faceted and represent those common in any resource development scenario which includes but is not limited to securing funding, consolidating strategic land positions, resource assessment through field operations, preparing external geological reports and conducting market awareness campaigns. Grounded will continually assess its current land positions in the WCSB in the context of adding to its strategic holdings; however, over the next 12 months and beyond, Grounded expects to focus more of its overall activities in the field and in the lab. These activities inform decisions to construct and commission a field pilot, otherwise known as a CDF. If a CDF successfully operates for a sufficient period of time, it will support a decision to scale up to a commercial facility. Many factors will be necessary to reach this milestone, including but not limited to securing one or more off-take agreements for the product, obtaining financing on reasonable terms, development of detailed engineering drawings and cost estimates, permitting and other regulatory approvals, approval of the Board, and material enhancements of Grounded’s internal and external human resources.

Grounded’s management team is experienced in projects of this size and complexity. In order to reduce risk on several fronts, namely operational, construction and financing, Grounded plans to construct modular facilities. Grounded plans to build an initial plant with the capability to produce between 10,000 tonnes/year to 20,000 tonnes/year of battery grade lithium.

Over the course of the next 12 months, Grounded will be conducting a multi-faceted operational program, which will include:

- Selection of Grounded’s preferred direct lithium extraction technology provider. As announced by the Company on March 13, 2023 and March 21, 2023, Koch Technology Solutions and an unnamed industry expert have been short-listed by Grounded. Each of those parties received sufficient quantities of Grounded’s brine from its first test well to be able to carry out a full lab test process.

- Further drilling delineation and testing to better understand the aerial extent of the Company’s resources. This will involve further lab concentration assessments with one or more parties.

- Completion and submission of Grounded’s maiden PEA which is expected to independently validate the Project’s economic potential.

- Subject to capital raising efforts, permitting, construction and operation of an appropriately sized field pilot whose purpose is to validate the commercial potential of the fulsome operational flowsheet. If successful results are obtained, Grounded would commence efforts to bring the Project to full commercialization.

- Enhance the Company’s working capital reserves with selected capital market transactions supplemented with non-dilutive forms of government assistance from various agencies in North America.

- Re-entering existing well bores on Grounded acreage – This procedure involves entering well bores drilled for different purposes, most commonly for oil and gas operations, and test zones bypassed during oil and gas operations for brine. Grounded thereby avoids the capital expenditures associated with drilling a new well yet has the opportunity to prove up greater aerial extent and larger resource volume for resource development.

- Drilling Grounded wells – Over and above Grounded's inaugural 100% owned lithium test well, the Company intends to drill additional wells on its acreage over the course of the next 12 months. Doing so will confirm not only help confirm the potential of Grounded's acreage, in particular deliverability performance characteristics, but will also allow Grounded to develop key relationships with services providers who remain critical to further operations in the area.

Additional field work, whether from re-entries or pristine drills, will assist in moving the Company's inferred resources to indicated resources and measured resources, which each represents a higher degree of certainty, respectively. In connection with this field work, the Company will work to complete pre-feasibility and feasibility studies to move mineral exploration projects to commercial operation, supported by independently assessed economic reserves.

Grounded operates in a cyclical industry. Commodity prices fluctuate according to global economic trends and conditions. These conditions may affect Grounded's ability to access funding and further its business objections.

As at December 31, 2022, Grounded had six employees together with three part-time consultants.

Government Regulation

Mining operations and exploration activities are subject to various laws and regulations which govern prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances and other matters. The Government of Saskatchewan during the year made announcements of its intention to substantively support the lithium industry with the expansion of funding programs initially developed to support the oil and gas industry. The Company intends to file applications to seek Provincial funding under these programs.

Environmental Regulation

Environmental risk is inherent in mining operations. Grounded's expected operations require permits from various governmental regulators. Such operations are subject to laws and regulations which govern prospecting, mining, development, production, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. The legal framework governing Grounded's operations continues to develop, and the nature of Grounded's current and expected operations will require it to maintain effective compliance practices.

Market

Grounded is a resource development company targeting lithium-brine identification, extraction and production in the WCSB.

Unlike other well-established commodity markets, a central exchange or intermediary market for lithium has not yet developed in North America. Prices are essentially established by customers and suppliers of lithium arranging agreements varying in term. Lithium transactions are also predominantly based in lithium battery manufacturing jurisdictions such as China, Japan and South Korea. Grounded believes that a more liquid and trade-able lithium market is emerging given the global energy-transition.

There is a risk that other forms of battery development may in the future replace lithium as a feedstock for batteries. Grounded believes this risk is minimal as lithium is the lightest metal on the periodic table with high electrode potential. The heaviest component of an EV is the battery, and therefore lithium batteries prevent excessive weight in the EV. Batteries require a metal with high electrode potential, which lithium provides in addition to being considerably lighter than any other metal on the periodic table.

Marketing Plans and Strategies

Grounded is several years away from producing commercial quantities of lithium hydroxide, if at all; therefore, it does not have a current need for detailed marketing plans. Grounded will begin to market its products as it approaches more critical milestones of the commercialization process. Plans in this regard include, but are not limited to, sourcing off-take supply agreements with entities critical to the supply chain of solid-state lithium batteries. Grounded expects the North American lithium market to be far more established by the time Grounded is in its commercialization phase of development. Grounded has started to develop relationships with various companies along the battery supply chain industry, ranging from those associated with battery component construction all the way to the end consumer, the original equipment manufacturers in the automotive industry.

Competitive Conditions

While the extraction of lithium from sedimentary brine deposits in Canada, and more broadly North America, is in its infancy, there are competitive factors that Grounded must be mindful of. These include, but are not limited to, supply and demand for the underlying commodity, availability of capital, and retaining personnel.

Grounded competes with numerous other companies for the search for, and acquisition of, mineral claims, leases and other mineral interests, as well as the recruitment and retention of qualified individuals. These competitors may have greater financial and technical resources than Grounded. The risks to the development of Grounded's business will be constantly monitored.

There are several peers emerging in the North American and global lithium supply market. These competitors include both public and private entities. While forecasts for lithium demand are high, there is no guarantee that Grounded will be able to compete with more established peers. Grounded believes that it can control a superior acreage position that affords both lower capital and operating costs, which has the potential of making Grounded a cost-advantaged supplier. Most commodity businesses are cyclical and those that have top percentile cost structures typically attract increased investment capital through better returns during cyclical periods.

Future Developments

There are a number of initiatives to be addressed over the coming months and years to execute Grounded's business plan, leading ultimately to commercial production. Grounded remains focused on achieving a number of short to medium objectives to provide the basis for future large scale objectives. Near term developments proposed by Grounded include testing and extraction procedures, drilling test wells and completion of a PEA. Over the medium to long-term, Grounded expects to take steps to construct field prototypes, construct a commercial demonstration facilities and ultimately reach full commercial operation. Overall, Grounded believes it has the necessary initial building blocks in place to successfully manage its projected processes and growth.

One of Grounded's funding strategies will likely include project financing or equivalent debt structuring for the initial commercial facility. Project financing would assist Grounded in the construction of the first commercial phase, which is consistent with industry peers. Such project financing is predicated typically on long-term off-take agreements with a reputable customer. As of the date of this AIF, Grounded has yet to enter into any agreements relating to its proposed initial commercial facility; however, has had several business development discussions with parties along the battery supply chain. Grounded intends to execute on this strategy in the future, when necessary, subject to positive exploration work and other assessments on its properties. Grounded also intends to seek non-dilutive financing under various government programs and agencies in connection with these efforts.

Proprietary Protection

Based on Grounded's chosen business plan, the Company does not have and will likely not have proprietary technology which can be patented, copyrighted or trademarked. Technical expertise associated with drilling, completing and equipping lithium wells will be highly guarded and proprietary. Grounded's success depends in part on its ability to protect such proprietary information, including by relying on confidentiality and license agreements with its employees, consultants and third parties with whom Grounded has relationships, as well as security systems to limit access to and disclosure of Grounded's proprietary information.

Reorganizations

Other than the RTO, the Company has not completed any material reorganizations within the three most recently completed financial years, and no material reorganizations are proposed for the current financial year. See "*General Development of the Business*" – "*RTO*" above.

TECHNICAL REPORT

The following represents information summarized from the Technical Report on the Project by the Authors prepared in accordance with the requirements of NI 43-101. A complete copy of the Technical Report is available for review under Grounded's profile on SEDAR.

Project Description

The Company operates the Project, which is located within the province of Saskatchewan. The project is situated proximal to the town of Kindersley. Residing within the Rural Municipality of Kindersley No. 290, Kindersley is ideally situated adjacent to Saskatchewan primary Highways 7 and 21 (see Figure 1 below). Approximate geographic latitude and longitude coordinates of Kindersley are 51.474361°N, 109.168444°W, referenced from the North American Datum of 1983 (NAD 83). The associated Dominion Land System (DLS) location of Kindersley is 01-16-029-23W3.

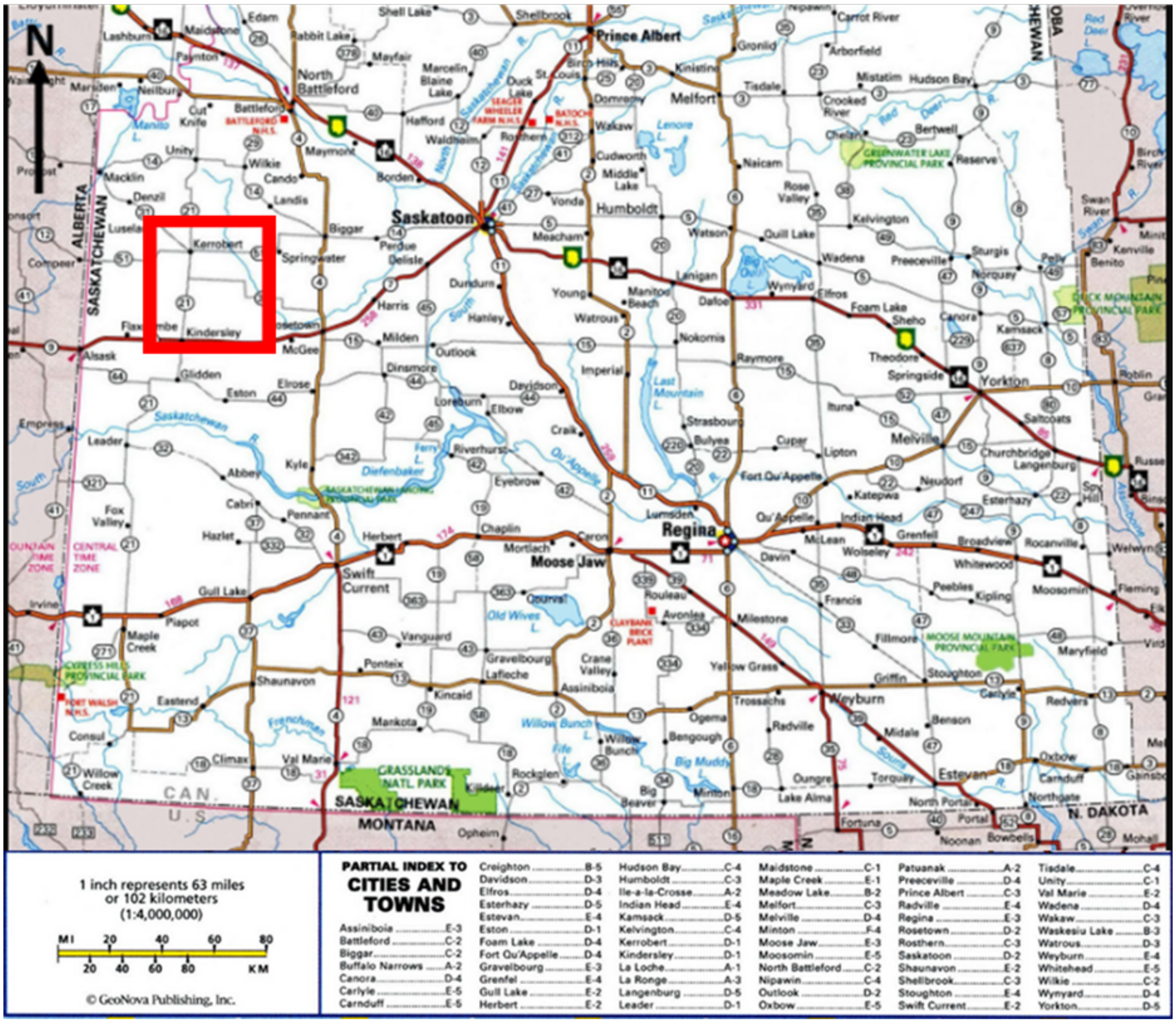

Figure 1: Project Location Map

Source: OnTheWorldMap.com (2022*)*

To conduct exploration and development operations across the project area, the Company will be required to acquire separate surface leases. Negotiated between potential lessee(s) and lessor(s) on an individual basis, surface leases may contain specific land use agreement clauses. No operation on surface can be conducted without obtaining a valid surface lease. The Surface Rights Board of Saskatchewan is an arbitration board used as a last resort when a landowner/occupant and an oil/gas or potash operator are unable to reach an agreement for surface access to private land and related compensation. The Company's goal across the Project is to work together with all potential surface landowners, to alleviate all concerns, thereby avoiding the need to involve the Surface Rights Board to gain legal access. Additionally, due to the resource being contained within a regionally deposited, laterally extensive aquifer, the Company could simply move potential locations if necessary. Modern drilling practices, including directional drilling, are expected to enable the Company to drill wellbores omni-directionally, from any defined surface location.

On March 1, 2021, Grounded acquired initial land holdings at the Project, encompassing over 3,624 ha. Lands were acquired from six individual freehold title owners, via six individual mines and mineral leases. All such freehold leases include a 100% working interest with no additional encumbrances (e.g., back-in-rights, payments, gross-overriding royalties, etc.) except for lessor royalties. These leases provide the Company exclusive rights to explore for industrial minerals, including lithium. Petroleum and natural gas rights are excluded from these leases. All parties to the individual freehold leases are bound by confidentiality provisions.

Grounded increased the Project acreage on April 19, 2021 through the successful purchase of four individual crown mines and minerals permits encompassing 5,464 ha (collectively, the "**Crown Permits**"). The Crown Permits have been obtained with Grounded holding a 100% beneficial working interest with no additional encumbrances (e.g., back-in-rights, payments, gross-overriding royalties, etc.) except for Crown lessor royalties. Each Crown Permit provides Grounded with the exclusive right to explore for industrial minerals (e.g., lithium) by complying with the obligations under each Crown Permit, which include but are not limited to:

- Primary Term – 8 years from date of acquisition;

- Primary Term Work Commitment – equals mineral area (ha) multiplied by CAD $350 and rounded upwards to the next highest CAD $1,000;

- Annual Rental – CAD $2.00/ha for the first five years and CAD $5.00/ha for the remaining three years; and

- Lessor Royalties – 3% gross royalty.

Further land consolidation at the Project occurred on March 10, 2022, with the execution of the PSK Permit. The PSK Permit allows the Company to conduct certain geological work and exploration operations on the lands granted under the Permit, with the ability to convert some or all such lands into individual Brine Metallic and Industrial Minerals Leases (each, a "**PSK Mineral Lease**"), which would provide the Company the right to exploit the minerals discovered. The parties to the PSK Permit and each PSK Mineral Lease thereafter are bound by confidentiality provisions.

On September 6, 2022, the Company obtained access to an additional 8,838 ha of subsurface mineral rights excluding petroleum and natural gas at the Project, via the National Trust Permit. The National Trust Permit allows the Company to conduct certain geological work and exploration operations on the lands granted under the National Trust Permit. As the Company conducts these operations, it earns the ability to convert land under the National Trust Permit into individual industrial subsurface mineral leases (a "**National Trust Mineral Lease**") which would provide the Company the right to exploit the minerals discovered. The parties to the National Trust Permit and each National Trust Mineral Lease thereafter are bound by confidentiality provisions.

The Company increased the Project corporate acreage on November 21, 2022 through the successful purchase of one additional Crown Permit from the Saskatchewan Ministry of Energy and Resources (the "**ER**") via the public mines and minerals disposition process, encompassing a total of 1,360 ha. The Company holds a 100% working interest in this additional Crown Permit, with no additional encumbrances except for Crown lessor royalties. As previously noted, each Crown Permit provides the Company with the exclusive right to explore for industrial minerals (e.g., lithium) by complying with certain obligations.

On February 28, 2023, Grounded entered into a purchase and sale agreement to complete the Hub City Acquisition. Acquired lands included four individual permits, encompassing 8,498 hectares or approximately 33 net sections. The Crown Permits have been obtained with Grounded holding a 100% beneficial working interest with no additional encumbrances (e.g., back-in-rights, payments, gross-overriding royalties, etc.) except for Crown lessor royalties. Each Crown Permit provides Grounded with the exclusive right to explore for industrial minerals (e.g., lithium) by complying with mineral obligations under each Crown Permit as previously described. The Hub City Acquisition closed on March 15, 2023.

The permits required to conduct drilling activities for exploration across the Project include procurement of a valid wellbore drilling license from the ER. Licensing requirements are governed by the *Oil and Gas Conservation Act* (Saskatchewan) and must include: (1) acquisition of valid surface survey plan; (2) completion of offset third-party notification; and (3) acquisition of surface lease agreements.

As of the date of this AIF, the total assessed environmental liability carried by the Company at the Project is $5,140, which pertains to its single, 100% working interest in the 102/04-15-032-23W3/00 wellbore (the "**04-15 Well**").

The Company does not foresee any factors or risks that would immediately impact the ability to perform the necessary work required to evaluate the resource potential of the Project as of the date of this AIF. General risks, associated with weather and regulatory licensing approval timing, may impact future scheduling of the Company's phase #1 exploration and development drilling program. See "*Risk Factors*".

Ownership

Crown mineral rights were acquired by the Company from the ER through public disposition. In addition, privately held freehold subsurface mines and minerals leases were procured by the Company from individual owners. The Project encompasses 77,476 ha of 100% working interest mines and mineral rights as of the effective date of the Technical Report.

Geology

Primary geologic targets of subsurface lithium enriched brines across the Project area are hosted within the Devonian aged Duperow formation of southwestern Saskatchewan. The Duperow aquifer is a candidate for sourcing subsurface lithium enriched brines for the purpose of direct lithium extraction due to its depositional and reservoir attributes. With a gross thickness exceeding 200 m, and its overall expansive aerial extent, the Duperow represents a known active aquifer system, serving as water source wells across the Project area. Reservoir attributes associated with Duperow primary lithology (e.g., dolomite) provide significant pore volume and storage capacity of subsurface brines. In addition, high porosity and associated permeability values are expected to contribute to the ability of the aquifer to deliver significant production rates over a long production life.

Status of Exploration

The Project resides within a well-established oil and gas development area of southwestern Saskatchewan where historic oil and gas exploration activities provide direct technical information relating to the Duperow aquifer's overall reservoir attributes. The Company believes that the results of laboratory testing by or on behalf of the Company has proven the Project is commercially viable, with lithium concentration ranges from 70 – 81 mg/L within the Duperow formation across the Project.

Drilling

Grounded commenced an initial exploration program at the Project in July 2022, with the drilling of its first wellbore targeting the Duperow formation. The 04-15 Well was issued a drilling license (license #243729) on July 8, 2022 from the ER. Grounded contracted Bonanza Drilling Inc., an independent, 3rd-party service provider, to conduct the drilling operations. The wellbore was spud on July 27, 2022, utilizing Bonanza Drilling Rig #1. The 04-15 Well was drilled to a depth of 309.0 mKB before setting a string of 244.5 mm surface casing which was cemented to the surface. Following the successful surface casing cementing operations, drilling recommenced with the wellbore reaching its planned intermediate casing point at 966.7 mKB. A string of 177.8 mm intermediate casing was set within the upper Duperow formation and cemented to the surface. Following the successful intermediate cementing operations, drilling operations continued with the wellbore reaching a total depth of 1,145.0 mKB on July 31, 2022. Open-hole geophysical well logs were run from intermediate casing to TD, to evaluate the reservoir quality of the Duperow formation. Following logging operations, Bonanza Drilling Rig #1 was released on August 2, 2022.

The Company contracted Precision Well Servicing Rig #846 to complete the 04-15 Well, which commenced on November 1, 2022. The well was flow-tested for productivity, with produced brine samples collected for laboratory testing. Analysis conducted included determining detailed brine composition and associated lithium concentration. Data was collected over a two-week period, ending November 13, 2022, and subsequently evaluated for reservoir parameters and performance. Additionally, the reservoir was also tested to check on the injectivity of the reservoir by re-injecting 410.9 m^3 of the produced volumes.

The Company intends to expand on its successful 2022 exploration drill program at the Project, which included the drilling of the 04-15 Well. The Company has surveyed additional surface leases in preparation of its planned, phase #2 exploration drill program scheduled for 2023. Information obtained during each exploration drill program will be utilized to delineate the resource potential across the property. Additional exploration drilling activities will aid the Company in strategic planning for future development of the property.

The validation of lithium concentrations ranging from 70 to 81 mg/L within the Duperow aquifer and the large observed water-in-place, validate recoverable brines as defined volumetrically, and reflects the lithium resource potential across the Project. In addition, the fluid deliverability observed from offsetting Duperow water source wells indicate an aquifer capable of producing the large daily volumes of brines required for potential economic development.

Sampling, Analysis and Data Verification

Sample Collection and Preparation

Fluid samples were collected at the 04-15 Well for analysis. Samples were filtered on location through a 0.45 µm polyethersulfone filter into new, lab-provided, one-litre plastic containers. Samples for anion determination were untreated and tightly sealed for analysis. Samples for cation determination were stabilized with Nitric Acid.

Containers were immediately labelled with information such as well location, well name, well license number, date and time, formation, elevation, interval, sample point, pressure, H_2S

(hydrogen sulfide) content, and sealed using screw top caps (no headspace), which were further secured with electrical tape. The containers were placed into plastic bags, and then into cardboard boxes and loaded into laboratory representative vehicles for immediate transport to their respective testing facilities.

Sample Analyses and Security

Duperow reservoir fluid samples were collected near the 04-15 Well, under the supervision of the wellsite consultant, a Company operations representative, and field representatives from AGAT Laboratories ("**AGAT**") and Core Laboratories ("**Core Lab**"), as applicable.

Routine fluid analysis was performed on all collected samples. Metal analyses using both inductively coupled plasma mass spectrometry (ICP-MS) and inductively coupled plasma optical emission spectroscopy (ICP-EOS) diagnostic equipment, were also performed at commercial AGAT and Core Lab laboratories, located in Edmonton, Alberta.

Chain of Custody

A complete chain of custody from the sample point to the laboratories was managed by AGAT and Core Lab, as applicable.

The 04-15 Well location is accessible via transportation roadways, limiting agitation of the samples. The samples were taken directly to the laboratories. All samples were analyzed at commercial and accredited labs. Both AGAT and Core Lab comply with the data quality objectives of the industry, Canadian Regulators, United States Environmental Protection Agency, and the International Standards Organization (ISO)/International Electrotechnical Commission (IEC) standards defined in ISO/IEC 17025.

Data Verification

The Authors initiated and executed a data verification process of all technical information provided within the Technical Report. Key attributes associated with the Duperow formation relating to geology, production/injection and associated fluid composition were examined to ensure accuracy and eliminate errors in addition to potential personal bias. This detailed data verification process included but was not limited to:

- **Mineral Rights Review** – all of the Company's held rights were reviewed individually based on each individual mines and minerals permit/lease type. Each individual lease and/or permit was validated via review of the Company's corporate mineral land reporting system. Parameters relating to gross lease area, working interest in addition to associated royalties, annual rentals, lease term and associated work commitments were all verified.

- **Stratigraphy and Formation Tops** – utilizing the Duperow penetration map, the Authors validated each wellbore user pick via construction of multiple stratigraphic and structural cross-section created across the project area. Individual stratigraphic intervals were correlated relative to the defined detailed project type log to ensure all formation/zones were accurately picked. Subsequently, individual computer derived isopach and structure contour maps were generated to eliminate potential bias. Maps were reviewed attempting to identify localized anomalies "bulls-eyes" associated with potential errors in user tops and/or associated with incorrect reference datum elevations. Any identified anomalies were documented and subsequently cross-checked for validity.

- **Production, Injection and Disposal** – all information and graphs pertaining to Duperow production, injection, and disposal were generated from the geoSCOUT™ production model which incorporates publicly available data. Individual completion zones for each associated well was validated to ensure that all zones contributing to flow and or disposal were limited within the internally defined Duperow stratigraphic interval.

- **Lithium Exploration and Tests** – a series of multi-variable queries were conducted via geoSCOUT across the Project to identify new sources of exploration and or development data pertaining to lithium. Queries relating to new licenses and or drilling of wells targeting the Duperow formation yielded no new operations across the project area. Sample procedures and security measures documented within the final reports were reviewed to ensure accurate representation of the lithium brine concentration within the Duperow were obtained. Individual completion zones were validated to ensure fluid samples were obtained and limited to within the Duperow formation as defined by the project's independently defined stratigraphy.

- **Petrophysics** – validation of the 3rd party provided petrophysical analysis incorporated in the geomodel was cross-checked by means of manual review of available data sources and data quality for five selected key wells. Additionally, individual wellbore digital log ASCII standard (LAS) curves were reviewed prior to conducting analysis to ensure accurate readings were obtained and not influenced by variables relating to hole conditions and/or logging procedures.

- **Geomodel** – validation of the 3rd party developed geomodel was completed via an in-depth review, where all parameters relating to model inputs, variables, and modelling methodology were checked. Associated model outputs in the form of final maps and resource in-place estimates were conducted on a section-by-section basis to ensure accurate resource estimates were achieved.

Mineral Resource and Mineral Reserve Estimates

All information within the Technical Report was prepared, supervised and/or approved by the Authors. The inferred mineral resources estimate of the Project includes approximately 10.57 billion m3 of brine with an estimated associated lithium concentration of 74 mg/L. Total lithium tonnage is estimated to exceed 4.16 million tonnes of lithium carbonate equivalent. Estimates were calculated utilizing effective pore volume defined within the primary reservoir across the Project, in conjunction with validated lithium concentration tests from the reservoir unit.

Exploration, Development and Production

To date, the Company has focused on in-depth review and analysis of the extensive data available from historic oil and gas operations, conducted across the project area, highlighting the Duperow as the primary geologic target. Detailed geologic mapping and petrophysical analysis has been incorporated into the creation of a geomodel of the Duperow formation, utilizing Schlumberger's™ geomodelling Petrel™ software. The Company has incorporated associated model outputs into its phase #1 exploration program, including the drilling of its first wellbore at the Project. Drilling operations of the Company's 04-15 Well (licence #243729) commenced July 27, 2022, with subsequent completion and flow testing operations ending in early November 2022. Information obtained from the wellbore has been integrated into the existing geomodel to further delineate the resource potential of the Duperow formation across the Project.

RISK FACTORS

An investment in the Company's securities is highly speculative and subject to a number of risks at any given time. The following is a description of the principal risk factors affecting the Company. See also "*Cautionary Note Regarding Forward-Looking Information*" above.

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 its 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 its 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 its 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 Project

The Company's business strategy depends in large part on developing the Project. The capital expenditures and time required to develop the Project are significant and the Company has not yet secured funding that it believes will be sufficient to cover our share of capital expenditure obligations for the development of the Project. If the Company is unable to develop all or any of its projects, its 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. 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 resources, 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 projects 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 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 experience 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. Existing international trade agreements and policies and any similar future agreements. 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 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 right 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 resource development 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, NGOs whose mandate is to lobby against extractive industries, those involved in those activities 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. Other than clauses within the Company's control of well policy with respect to cleanup resulting from a blowout, 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, or may also wish to 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 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 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 Board 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 used in the wider global industry 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 operating costs and stock market prices and on the Company's ability to fund its activities. In each case, the economics of the 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 may 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.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Resulting Issuer's businesses, financial condition, results of operations and prospects.

Internal Controls

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. However, internal controls over financial reporting are not guaranteed to provide absolute assurance with regard to the reliability of financial reporting and financial statements.

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.

Forward-looking information may prove inaccurate

Shareholders and prospective investors are cautioned not to place undue reliance on the Company's forward- looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The Company is authorized to issue an unlimited number of Common Shares. As at the date of this AIF, there are 69,656,423 Common Shares issued and outstanding and nil Preferred Shares issued and outstanding.

Common Shares

Each Common Share carries the right to attend and vote at all general meetings of shareholders of the Company. Holders of Common Shares are entitled to receive, on a pro rata basis, such dividends, if any, as and when declared by the Board at its discretion from funds legally available for the payment of dividends and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Preferred Shares

The Company is authorized to issue an unlimited number of Preferred Shares. The holders of Preferred Shares are not entitled to receive notice of or to attend and vote at meetings of the shareholders of Grounded. The holders of Preferred Shares are entitled to priority over the Common Shares and all other shares ranking junior to the Preferred Shares with respect to the payment of dividends and the distribution of assets of Grounded in the event of any liquidation, dissolution or winding up of Grounded or other distribution of Grounded assets for the purpose of winding up Grounded's affairs, whether voluntary or involuntary. The Preferred Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Warrants

The Company may issue Warrants from time to time entitling the holder thereof to purchase Common Shares. As at the date of this AIF, the Company has 12,000,000 Warrants outstanding which were issued in connection with the Special Warrant Financing. Each Warrant is exercisable into one Common Share at a strike price of $0.50 per share until November 4, 2024.

The Company also has 2,347,746 finder warrants ("**Finder Warrants**") outstanding issued pursuant to the Company's (and GLC's) prior financing activities. Of this total, 801,749 Finder

Warrants are exercisable into Common Shares at a strike price of $0.18 per share for a period until December 20, 2023, 502,388 Finder Warrants are exercisable into Common Shares at a strike price of $0.18 per share for a period until January 15, 2024, 700,000 Finder Warrants are exercisable into Common Shares at a strike price of $0.18 per share for a period until August 22, 2024 and 343,609 Finder Warrants are exercisable into Common Shares at a strike price of $0.25 per share for a period until November 4, 2024.

For a description of the Company's security based compensation, please refer to the Company's management information circular dated June 30, 2022 which is available on SEDAR.

DIVIDENDS AND DISTRIBUTIONS

The Company has no fixed dividend policy and the Company has not declared any dividends on its Common Shares since its incorporation. The Company anticipates that all available funds will be used to undertake exploration and development programs on its mineral properties as well as for the acquisition of additional mineral properties. The payment of dividends in the future will depend, among other things, upon the Company's earnings, capital requirements and operating and financial condition. Generally, dividends can only be paid if a corporation has retained earnings. There can be no assurance that the Company will generate sufficient earnings to allow it to pay dividends.

MARKET FOR SECURITIES

Market

The Common Shares are traded on the TSXV under the symbol "GRD". On May 3, 2023, the closing price of the Common Shares on the TSXV was $0.275 and US$0.20 on the OTCQB Venture Market.

Trading Price and Volume

The table below sets forth the high and low market prices and the volume of the Common Shares traded on the TSXV from August 25, 2022, the date the Common Shares resumed trading on the TSXV following completion of the RTO, to May 3, 2023, the last trading day prior to the date of this AIF. From February 11, 2022 until August 25, 2022, trading of the Common Shares on the TSXV was halted at the price of $0.18 pending completion of the RTO.

Month	High $	Low $	Volume
August 25-31, 2022	0.39	0.27	468,295
September 2022	0.40	0.24	3,940,320
October, 2022	0.49	0.30	651,301
November 2022	0.41	0.29	336,886
December 2022	0.48	0.32	943,409
January 2023	0.39	0.26	1,820,123
February 2023	0.34	0.24	1,356,400
March 2023	0.49	0.27	4,178,700
April 2023	0.40	0.29	1,195,107
May 1-3, 2023	0.29	0.27	74,339

PRIOR SALES

The following table summarizes the issuances of unlisted securities of the Company during the fiscal year ended December 31, 2022. All securities issued prior to the RTO in the following table were securities of GLC, and were subsequently exchanged for securities of the Company on closing of the RTO. See "*General Development of the Business*" – "*RTO*" above.

Date	Number/Type of Securities	Issue/Exercise Price per Security
January 5, 2022	894,300 Options	$0.18
January 5, 2022	1,788,600 Performance Warrants	$0.40; $0.65; $0.90; $1.15
January 10, 2022	50,000 Options	$0.25
January 14, 2022	466,600 Options	$0.18
January 14, 2022	933,200 Performance Warrants	$0.40; $0.65; $0.90; $1.15
January 14, 2022	502,388 Finders' Warrants	$0.18
August 22, 2022	700,000 Finders' Warrants	$0.18
October 24, 2022	2,000,000 Options	$0.29
November 4, 2022	12,000,000 Special Warrants(1)	$0.25
November 4, 2022	347,725 Finders' Warrants	$0.25
February 8, 2023	1,474,000 Options	$0.30
February 8, 2023	1,018,000 RSUs	$0.30

Note:
(1) Issued pursuant to the Special Warrant Financing, and subsequently automatically exercised into 12,000,000 Common Shares and 12,000,000 Warrants on January 6, 2023.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The Company has the following securities subject to escrow or subject to contractual restrictions on transfer.

Voluntary Escrow

90% of the Common Shares issued pursuant to the RTO to former holders of common shares of GLC were subject to a contractual voluntary escrow pursuant to the terms and conditions of the Amalgamation Agreement (the "**Voluntary Escrow**"), which have the following release schedule: 20% of the Common Shares on the date that is 6 months from the effective date of the RTO (the "**Effective Date**"); 20% of the Common Shares on the date that is 12 months from the Effective Date; 25% of the Common Shares on the date that is 15 months from the Effective Date; and 25% of the Common Shares on the date that is 18 months from the Effective Date. The following table sets out the number of Common Shares subject to the Voluntary Escrow as of the date of this AIF:

Designation of Security	Number	Percentage of Class as at the date of this AIF (%)
Common Shares	22,205,556(1)	31.9(2)

Notes:

(1) Includes Common Shares subject to the TSXV Form 5D - *Escrow Agreement* described below.

(2) As at the date of this AIF, there are 69,656,423 Common Shares issued and outstanding. As at December 31, 2022, there were 56,872,750 Common Shares issued and outstanding, of which 28,550,000 Common Shares were subject to the Voluntary Escrow, representing 50.1% of the issued and outstanding Common Shares as at such date.

Value Escrow Securities

In addition to the Common Shares subject to the Voluntary Escrow and pursuant to TSXV policies, the securities of the Company held by Principals (as defined in TSXV Policy 1.1 – *Interpretation*) and certain other individuals identified by the TSXV in connection with the RTO are subject to escrow in accordance with TSXV Form 5D – *Escrow Agreement* ("**TSXV Escrow Agreement**"). Odyssey Trust Company, the Company's transfer agent, is the depositary under the TSXV Escrow Agreement. 10% of the securities subject to the TSXV Escrow Agreement were released upon the date of issuance of the final TSXV bulletin in connection with the RTO (the "**Bulletin**"), with the remaining securities released in 15% tranches every 6 months thereafter, until all such securities have been released on the date which is 36 months following the date of the Bulletin. The following table sets out details of the number of securities of the Company held in escrow as of the date of this AIF pursuant to the TSXV Escrow Agreement:

Designation of Security	Number	Percentage of Class as at the date of this AIF (%)
Common Shares	6,650,356(1)	9.5(2)
Options	4,586,100	6.6(3)

Notes:

(1) Includes Common Shares subject to the Voluntary Escrow described above.

(2) As at the date of this AIF, there are 69,656,423 Common Shares issued and outstanding. As at December 31, 2022, there were 56,872,750 Common Shares issued and outstanding, of which 7,849,757 were escrowed pursuant to the TSXV Escrow Agreement, representing 13.8% of the issued and outstanding Common Shares as at such date.

(3) As at the date of this AIF, there are 8,883,100 Options issued and outstanding. As at December 31, 2022, there were 7,409,100 Options issued and outstanding, of which 4,127,490 Options were escrowed pursuant to the TSX Escrow Agreement, representing 55.7% of the issued and outstanding Options as at such date. Performance warrants of the Company are considered Options for the purposes of the Equity Incentive Plan.

Hub City Acquisition Escrow

The Company issued 779,557 Common Shares (the "**Consideration Shares**") as partial satisfaction of the purchase price under the Hub City Acquisition on March 15, 2023. The Consideration Shares are subject to contractual escrow, to be released in equal 1/3 tranches on the 4, 8 and 12 month anniversaries from closing of the Hub City Acquisition. McCarthy Tétrault LLP, the Company's legal counsel, acts as escrow agent for the Consideration Shares. The following table sets out details of the number of Consideration Shares held in escrow as of the date of this AIF in connection with the Hub City Acquisition:

Designation of Security	Number	Percentage of Class as at the date of this AIF (%)
Common Shares	779,557	1.1[(1)]

Note:
(1) As at the date of this AIF, there are 69,656,423 Common Shares issued and outstanding.

DIRECTORS AND OFFICERS

Name and Occupation

The name, province or state of residence, position with and principal occupation within the five preceding years for each of the directors and executive officers of the Company as at the date hereof are set out in the following table:

Name, Age and Municipality of Residence	Position(s) Held	Director Since	Common Shares Held (directly and indirectly)	Principal Occupation for the Past Five Years
Gregg Smith[(1)(2)] Calgary, Alberta	President, Chief Executive Officer & Director	August 18, 2022	2,130,426	President, CEO and director of Grounded. Mr. Smith has over 35 years of combined technical and managerial experience in the oil and gas industry.
Greg Phaneuf Calgary, Alberta	Senior Vice President Corporate Development, Chief Financial Officer & Director	August 18, 2022	1,447,433	SVP Corporate Development, CFO and director of Grounded. Mr. Phaneuf brings over 30 years of combined experience in finance and leadership disciplines. Former co-founder and CFO of two upstream resources companies (Seven Generations Energy, Toro Oil & Gas) and served as CFO of two technology companies.
John Wright[(2)(5)]	Director	August 18, 2022	194,444	Mr. Wright is the Chair of the Board of Directors of Touchstone Exploration Inc.

Calgary, Alberta				and Alvopetro Energy Ltd. Mr. Wright was previously the President, Chief Executive Officer and director of Ridgeback Resources Inc. from January 2017 to June 2017.
Mark McMurray(1)(4)(6) Calgary, Alberta	Director	August 18, 2022	240,000	Mr. McMurray is an independent investor and board member for certain companies.
Dave Antony(3)(6) Calgary, Alberta	Director	August 18, 2022	50,000	Mr. Antony is the Managing Director of Crux Financial Inc., which provides advisory services to select clients.
Dale Shipman Calgary, Alberta	Vice President Operations	N/A	183,760	Vice President Operations of Grounded. Mr. Shipman had a private consulting practice prior to Grounded.
Geoff Speers Calgary, Alberta	Vice President Exploration	N/A	178,888	Vice President Exploration of Grounded. Mr. Speers had a private consulting practice prior to Grounded.
Lawrence Fisher Calgary, Alberta	Vice President Land and Regulatory	N/A	881,122	Vice President Land and Regulatory of Grounded. Served as VP Land with PetroBakken, managing all aspects of the land department, inclusive of A&D activities. University instructor for land negotiation and administration
Wayne Gaskin Calgary, Alberta	Vice President GeoSciences & IT	N/A	1,670,425	Vice President GeoSciences & IT of Grounded. Mr. Gaskin had a private consulting practice prior to Grounded.
Brian Bidyk Calgary, Alberta	Corporate Secretary	N/A	435,800	Mr. Bidyk is a corporate lawyer at McCarthy Tetrault LLP and was previously a Partner at DLA Piper (Canada) LLP.

Notes:

(1) Member of the Audit Committee of the Company.
(2) Member of the Resources Committee of the Company.
(3) Chair of the Audit Committee of the Company.
(4) Chair of the Resources Committee of the Company
(5) Chair of the Compensation Committee of the Company.
(6) Member of the Compensation Committee of the Company.

Each director's term of office expires at the next annual general meeting of the Company.

Shareholdings of Directors and Officers

As of the date of this AIF, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 7,412,298 Common Shares representing approximately 11% of the issued and outstanding Common Shares (on a non-diluted basis).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set forth below, no director or executive officer of the Company is, as at the date of this AIF, or was, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as set forth below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Except as set forth below, no director, or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Dave Antony, a director of the Company, was a director of Southern Pacific Resources Corp. ("**Southern Pacific**") until June 2015. Southern Pacific and its subsidiaries (and partnership), obtained creditor protection under the Companies' Creditors Arrangement Act (Canada) (the "**CCAA**") pursuant to an order granted on January 21, 2015 by the Court of King's Bench of Alberta. As a result of the CCAA proceeding, Southern Pacific did not file its quarterly filings. Southern Pacific was ceased traded effective February 20, 2015 for failure to file its quarterly filings when due. On June 1, 2015, a receiver was appointed to manage the affairs of Southern Pacific and all of the directors resigned.

John Wright, a director of the Company, was a director of Spyglass Resources Corp. ("**Spyglass**"), a reporting issuer listed on the Toronto Stock Exchange, until his resignation on November 26, 2015, when Spyglass was placed into receivership by the Court of Queen's Bench of Alberta following an application by its creditors. John Wright was the President and Chief Executive Officer and a director of Lightstream Resources Ltd. ("**Lightstream**") when it obtained creditor protection under the CCAA on September 26, 2016. On December 29, 2016, as a result of the CCAA sales process, substantially all of the assets and business of Lightstream were sold to Ridgeback Resources Inc. ("**Ridgeback**"), a new company owned by former holders of Lightstream's secured notes. John Wright resigned as an officer and director of Lightstream and was concurrently appointed President and Chief Executive Officer and a director of Ridgeback upon closing of the sale transaction. On November 30, 2017, John Wright became a director of OAN Resources Ltd. ("**OAN**"), a private issuer. On June 14, 2019, the management of OAN filed a Notice of Intention to Make a Proposal under subsection 50.4(1) of the Bankruptcy and Insolvency Act to restructure OAN's affairs. Mr. Wright resigned as a director of OAN on October 10, 2019. OAN was unable to file a proposal within the provided period and was deemed to have made an assignment into bankruptcy on October 13, 2019.

Lawrence Fisher, an executive officer of the Company, was the Vice President, Land of Lightstream from May 2010 to December 2016. Lightstream initiated proceedings under the CCAA on September 26, 2016.

Committees of the Board

The committees of the Board consist of an Audit Committee, a Compensation Committee, and a Resource Committee. The members of the Compensation Committee are John Wright (Chair), Mark McMurray and Dave Antony. The members of the Resources Committee are Mark McMurray (Chair), John Wright and Gregg Smith. The members of the Audit Committee are Dave Antony (Chair), Mark McMurray and Gregg Smith. Information concerning the Audit Committee is provided under "*Audit Committee Information*" below.

Conflicts of Interest

To the best of the Company's knowledge, except as otherwise noted in the Company's public disclosure documents, there are no existing or potential conflicts of interest among the Company, its directors, officers, or other members of management of the Company except that certain of the directors, officers and other members of management serve as directors, officers and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer or member of management of such other companies and their duties as a director, officer or member of management of the Company.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest. The Company relies upon its directors and officers to disclose any such conflicts or other aspects of accountability in accordance with the ABCA.

Promoters

Gregg Smith, President, Chief Executive Officer and director of the Company and Greg Phaneuf, SVP Corporate Development, Chief Financial Officer and director of the Company, are considered promoters of the Company as they each took initiative in substantially reorganizing the Company's business pursuant to the RTO. As of the date hereof, Mr. Smith beneficially owns, or controls or directs, directly or indirectly, an aggregate of 2,130,426 Common Shares, 671,300 performance warrants of the Company, 239,500 RSUs and 1,094,800 Options of the Company representing approximately 4.4% of the voting securities of the Company on a fully diluted basis and Mr. Phaneuf beneficially owns, or controls or directs, directly or indirectly, an aggregate of 1,447,433 Common Shares, 539,800 performance warrants of the Company, 239,500 RSUs and 993,100 Options of the Company representing approximately 3.4% of the voting securities of the Company on a fully diluted basis.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The charter of the Audit Committee is attached as Schedule “B” to this AIF.

Composition of the Audit Committee and Independence

The Company’s Audit Committee consists of Dave Antony (Chair), Mark McMurray and Gregg Smith. NI 52-110 provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment. The Board has determined that Mr. Antony and Mr. McMurray are “independent” directors. Mr. Smith is not independent as he is the President and Chief Executive Officer of the Company.

Relevant Education and Experience

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements. The Company has determined that all of the members of the Audit Committee are “financially literate”.

Based on their business and educational experiences, each Audit Committee member has a reasonable understanding of the accounting principles used by the Company; an ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

Over the past 30 years, Dave Antony has been a member of audit committees for eight publicly listed companies, and has held the role of chair of the audit committee for four of such companies. In addition, Mr. Antony has been Chief Financial Officer for four companies, including two publicly listed companies. While Chief Financial Officer, Mr. Antony oversaw all aspects of financial reporting requirements and assisted in the development and implementation of reporting and internal control systems. Mr. Antony was also a Chartered Accountant and managing partner of a local accounting firm which audited both public and private companies.

Gregg Smith has over 35 years of technical, management and board experience where he supported financial reporting and directed numerous mergers, acquisitions and divestitures. Mr.

Smith has served on 6 boards over the last 20 years, where in addition to participation at the board level, he served on or chaired the resource committee, governance and compensation committee, and special committees for evaluating mergers and acquisitions.

Mark McMurray has over 35 years of experience in the energy industry, including over 20 years of transaction advisory work where he was involved in valuations, mergers and acquisitions. Mr. McMurray has sat on a number of private boards supporting roles in reserves, audit and compensation. Mr. McMurray is well versed in the financial aspects of business and financial reporting.

See also "*Directors and Officers*" – "*Name and Occupation*" above.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has it relied on an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52 110 (securities regulatory authority exemption).

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*).

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors, and approve in advance the provision of services other than audit services and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any non-audit services or additional work, which the Chair of the Audit Committee deems as necessary.

Audit Fees

The fees for auditor services billed by the Company's (or GLC's, prior to the RTO) external auditors for the last two fiscal years are as follows:

Financial Year	Audit Fees	Audit-related Fees	Tax Fees	All Other Fees
2022(1)	$30,100	$25,145	$4,280	$ 11,235
2021(2)	$13,375	$-	$ -	$ -

Notes:
(1) Includes all services related to the RTO and the Special Warrant Financing.
(2) For the 14 month period from incorporation on October 26, 2020 to December 31, 2021.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not a party to, nor are any of the Company's properties subject to, any pending legal proceedings or regulatory actions the outcome of which would have a material adverse effect on the Company. Management of the Company is not aware of any material legal proceedings or regulatory actions in which the Company may be a party which are contemplated by governmental authorities or otherwise.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in documents filed by the Company on SEDAR, management of the Company is not aware of any material interest, direct or indirect, of any insider of the Company, or any associate or affiliate of any such person, in any transaction within the Company's three most recently completed financial years, or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The Company's registrar and transfer agent of the Common Shares is Odyssey Trust Company. located at its principal offices in Calgary, Alberta.

MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, and except as noted below (the material terms of which are further described herein), the Company has not entered into any material contracts within the most recently completed financial year or previous to the most recently completed financial year, that are still in effect:

1. the PSK Permit; and
2. the Amalgamation Agreement.

INTERESTS OF EXPERTS

The Company's auditors are MNP LLP, Chartered Professional Accountants, who have prepared an independent auditor's report dated April 25, 2023 in respect of the Company's consolidated financial statements as at December 31, 2022 and December 31, 2021 and for the years ended December 31, 2022 and December 31, 2021. MNP LLP has advised that they are independent with respect to the Company within the meaning of the Chartered Professional Accountants of Alberta Code of Professional Conduct.

The scientific and technical information relating to the Project set forth in this AIF has been derived from or is based on the Technical Report prepared by the Authors, being Doug Ashton, P. Eng., Suryanarayana Karri, P. Geoph., Alexey Romanov, P. Geo. and Meghan Klein, P. Eng.

Based on information provided by the experts, as of the date hereof, none of the Authors beneficially own, directly or indirectly, any securities of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR. Information with respect to directors' and officer's remuneration, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, as applicable, are contained in the Company's information circular for the most recent annual meeting of holders of Common Shares which is available on SEDAR. Financial information with respect to the Company is provided in the Company's financial statements and MD&A for the year ended December 31, 2022.

SCHEDULE "A"
DEFINITIONS

Definitions

The following is a glossary of certain defined terms used in the AIF to which this Schedule A is attached. Where the context requires, (i) words importing the singular include the plural and *vice versa* and (ii) words importing any gender include all genders.

"**04-15 Well**" has the meaning set out under "*Technical Report*" – "*Project Description*";

"**ABCA**" means the *Business Corporations Act* (Alberta);

"**AGAT**" has the meaning set out under "*Technical Report*" – "*Sampling, Analysis and Data Verification*";

"**AIF**" means this annual information form of the Company;

"**Amalgamation Agreement**" means the amalgamation agreement dated February 10, 2022 among VAR (as the Company was then known), GLC and NewCo;

"**Authors**" means, collectively, Doug Ashton, P.Eng., Suryanarayana Karri, P. Geoph, Alexey Romanov, P. Geo. and Meghan Klein, P. Eng., each of whom are independent consultants, a Qualified Person, and an author of the Technical Report;

"**Board**" means the board of directors of the Company;

"**CDF**" means the Commercial Demonstration Facility that the Company intends to construct and commission as part of its overall commercialization strategy;

"**CIM**" means Canadian Institute of Mining, Metallurgy and Petroleum;

"**CIM Definition Standards**" means the CIM Definition Standards for Mineral Resources and Mineral Reserves;

"**Common Shares**" means common shares in the capital of the Company;

"**Company**" or "**Grounded**" means Grounded Lithium Corp;

"**Core Lab**" has the meaning set out under "*Technical Report*" – "*Sampling, Analysis and Data Verification*";

"**Equity Incentive Plan**" means the equity incentive plan of the Company adopted on August 22, 2022;

"**EV**" means electric vehicle;

"**Finder Warrants**" has the meaning set out under "*Description of Capital Structure*" – "*Warrants*";

"**GAAP**" means Generally Accepted Accounting Principles;

"**GLC**" has the meaning set out under "*Corporate Structure of the Company*" – "*Name, Address and Incorporation*";

"**Hatch**" has the meaning set out under "*General Description of the Business*" – "*Three Year History*" – "*Subsequent to Fiscal Year Ended December 31, 2022*";

"**Hook Bay Option**" has the meaning set out under "*General Description of the Business*" – "*Three Year History*" – "*Subsequent to Fiscal Year Ended December 31, 2020*";

"**Hub City Acquisition**" has the meaning set out under "*General Description of the Business*" – "*Three Year History*" – "*Subsequent to Fiscal Year Ended December 31, 2022*";

"**IFRS**" means the International Financial Reporting Standards, a set of international accounting standards stating how particular types of transactions and other events should be reported in financial statements;

"**MD&A**" means management's discussion and analysis;

"**National Trust**" has the meaning set out under "*General Description of the Business*" – "*Three Year History*" – "*Fiscal Year Ended December 31, 2022*";

"**National Trust Permit**" has the meaning set out under "*General Description of the Business*" – "*Three Year History*" – "*Fiscal Year Ended December 31, 2022*";

"**NewCo**" means VAR Resources (Newco) Corp.;

"**NI 43-101**" means National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators;

"**NI 52-110**" means National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators;

"**Options**" means stock options of the Company;

"**PEA**" means the Company's preliminary economic assessment expected to be completed and filed during 2023;

"**Preferred Shares**" means first preferred shares in the capital of the Company;

"**Project**" means the Company's Kindersley Lithium Project;

"**PSK Permit**" has the meaning set out under "*General Description of the Business*" – "*Three Year History*" – "*Fiscal Year Ended December 31, 2022*"

"**Qualified Person**" means a qualified person for purposes of NI 43-101;

"**RSUs**" means restricted share units of the Company;

"**RTO**" means the reverse takeover of VAR by GLC;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval, which is accessed at www.Sedar.com;

"**Special Warrant Financing**" has the meaning set out under "*General Description of the Business*" – "*Three Year History*" – "*Subsequent to Fiscal Year Ended December 31, 2022*";

"**Special Warrants**" has the meaning set out under "*General Description of the Business*" – "*Three Year History*" – "*Subsequent to Fiscal Year Ended December 31, 2022*";

"**t**" means tonnes;

"**Technical Report"** means the technical report dated March 15, 2023, with an effective date of March 15, 2023, titled "*NI 43-101 Technical Report: Resource Assessment of the Kindersley Lithium Project in Saskatchewan, Canada for Grounded Lithium Corp. (As of March 15, 2023)*";

"**TSXV**" means the TSX Venture Exchange;

"**TSXV Escrow Agreement**" has the meaning set out under "*Escrowed Securities and Securities Subject to a Contractual Restriction on Transfer*" – "*Value Escrow Securities*";

"**Unit**" has the meaning set out under "*General Description of the Business*" – "*Three Year History*" – "*Subsequent to Fiscal Year Ended December 31, 2022*";

"**VAR"** means VAR Resources Corp., as the Company was known prior to the RTO;

"**Voluntary Escrow**" has the meaning set out under "*Escrowed Securities and Securities Subject to a Contractual Restriction on Transfer*" – "*Voluntary Escrow*";

"Warrants" means Common Share purchase warrants; and

"WCSB" means the Western Canadian Sedimentary Basis.

SCHEDULE "B"
AUDIT COMMITTEE CHARTER

Grounded Lithium Corp

Mandate

The primary function of the audit committee (the "**Committee**") is to assist the Board of Directors (the "**Board**") of Grounded Lithium Corp. (the "**Company**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

Composition

The Committee will be comprised of three or more directors from the Board, the majority of whom are not employees or senior officers of the Company.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee Charter (the "**Charter**"), the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting. Each member shall serve until his successor is appointed, unless he/she shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Company. The Board shall fill any vacancy if the membership of the Committee is less than three directors.

The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership.

Communication, Expenses and Authority to Engage Advisors

The Committee shall have access to such officers and employees of the Company, the Company's external auditor and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

The Committee provides for a means of direct communication for the Board, particularly for outside directors, with the external auditor and financial and senior management of the Company. The external auditor shall have a direct line of communication to the Committee through its Chair and shall report directly to the Committee. The Committee, through its Chair, may directly contact any employee in the Company as it deems necessary, and any employee may bring before the Committee, on a confidential basis, any matter involving the Company's financial practices or transactions.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and advisors. Any engagement of independent counsel or other advisors is to be at the Company's expense.

The Company shall be responsible for all expenses of the Committee that are deemed necessary or appropriate by the Committee in carrying out its duties.

Meetings and Record Keeping

Meetings of the Committee shall be conducted as follows:

1. the Committee shall meet at least four times annually at such times and at such locations as the Chair of the Committee shall determine, provided that meetings shall be scheduled so as to permit timely review of the quarterly and annual financial statements and reports. The external auditor or any two members of the Committee may also request a meeting of the Committee. The Chair of the Committee shall hold *in camera* sessions of the Committee, without management present, at every meeting;

2. the Chair of the Committee shall preside as chair at each Committee meeting and lead Committee discussion on meeting agenda items;

3. the quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other;

4. if the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting;

5. the Chair shall, in consultation with management and the external auditor, establish the agenda for the meetings and instruct management to circulate properly prepared agenda materials to the Committee with sufficient time for study prior to the meeting;

6. every actionable item at a Committee meeting shall be decided by a majority of the votes cast; in the event of a tie vote on any matter, such matter shall be presented to the Board for its consideration and determination; and

7. a Committee member, or any other person selected by the Committee, shall be appointed at each meeting to act as secretary for the purpose of recording the minutes of each meeting.

The Committee shall provide the Board with a copy of the minutes of such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All material information reviewed and discussed by the Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair.

Responsibilities

The Committee is part of the Board. Its primary functions are to assist the Board in fulfilling its oversight responsibilities with respect to: (i) the oversight, review and approval of the financial statements and the accounting and financial reporting processes of the Company (ii) the assessment of the system of internal controls that management has established; and (iii) the external audit process. In addition, the Committee shall assist the Board, as requested, in fulfilling its oversight responsibilities with respect to (i) financial policies and strategies; (ii) financial risk management practices; and (iii) transactions or circumstances which could materially affect the financial profile of the Company.

The Committee shall be directly responsible, in its capacity as a committee of the Board, for recommending to the Board the nomination of the external auditor and the compensation and retention of the external auditor and overseeing the work of the external auditor and the relationship of the external auditor with the Company (including the resolution of disagreements between management and the external auditor regarding financial reporting).

The Committee should have a clear understanding with the external auditor that they must maintain an open and transparent relationship with the Committee, and that the ultimate accountability of the external auditor is to the shareholders of the Company.

Specific Duties

A. *<u>Relationship with External Auditor</u>*

The Committee shall:

1. consider and make a recommendation to the Board as to the nomination or re-appointment of the external auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services, ensuring that such auditor is a participant in good standing pursuant to applicable securities laws;

2. consider and make a recommendation to the Board as to the compensation of the external auditor which is to be paid by the Company;

3. oversee the work of the external auditor in performing their audit, review or attest services and oversee the resolution of any disagreements between management of the Company and the external auditor;

4. review and discuss with the external auditor all significant relationships that the external auditor and its affiliates have with the Company and its affiliates in order to determine the external auditor's independence;

5. review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

   (a) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;

   (b) such services were not recognized by the Company at the time of the engagement to be non-audit services; and

   (c) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

6. review and approve the hiring policies of the Company regarding partners and employees and former partners and employees of the present and former external auditor of the Company.

B. *Financial Statements and Financial Reporting*

The Committee shall:

1. review with management and the external auditor, and recommend to the Board for approval, the annual financial statements of the Company and related annual or interim financial reporting, including management's discussion and analysis and earnings press releases, if any. In particular, the Committee's review of such financial statements should include, but not be limited to reviewing:

   (a) changes in accounting principles, or in their application, which may have a material effect on the current or future years' financial statements;

   (b) significant accruals, reserves or other estimates;

   (c) the "impairment test calculation";

   (d) the accounting treatment of unusual or non-recurring transactions;

   (e) the adequacy of the Company's asset retirement obligations;

(f) disclosure requirements for commitments and contingencies; and

(g) related party transaction reporting and accounting;

2. upon completion of each audit, review with the external auditor the results of such audit. This process should include but not be limited to reviewing:

   (a) the scope and quality of the audit work performed;

   (b) the capability of the Company's financial personnel;

   (c) the co-operation received from the Company's financial personnel during the audit;

   (d) the internal resources used;

   (e) significant transactions outside of the normal business of the Company; and

   (f) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems;

3. review with management and the external auditor if so engaged, and recommend to the Board for approval, the interim financial statements of the Company and related interim financial reporting, including management's discussion and analysis and earnings press releases, if any;

4. review with management and recommend to the Board for approval, the Company's annual information form and management information circular, if any;

5. review with management and recommend to the Board for approval, any financial statements of the Corporation which have not previously been approved by the Board and which are to be included in a prospectus or other public disclosure document of the Company;

6. consider and be satisfied that adequate policies and procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements (other than public disclosure referred to in clauses B.1 and B.3 above), and periodically assess the adequacy of such procedures; and

7. review accounting, tax, legal and financial aspects of the operations of the Company as the Committee considers appropriate.

C. Internal Controls

The Committee shall:

1. review with management and the external auditor, the adequacy and effectiveness of the internal control and management information systems and procedures of the Company (with particular attention given to accounting, financial statements and financial reporting matters) and determine whether the Company is in compliance with applicable legal and regulatory requirements and with the Company's policies; and

2. read the external auditor's recommendations regarding any matters, including internal control and management information systems and procedures, and management's responses thereto.

D. Financial Risk Management

The Committee may, if requested by the Board, review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to accounting and management reporting. The Committee may, if requested by the Board, also review the financial risks arising from the Company's exposure to such things as commodity prices, interest rates, foreign currency exchange rates and credit, the Company's insurance program and tax or government audits and report the results of such reviews to the Board for the purpose of assisting the Board in identifying the principal business risks associated with the business of the Company.

E. Review of Audit Committee Charter

The Committee shall review and reassess the adequacy of these mandates at least annually, and otherwise as it deems appropriate and recommend changes to the Board. Such review shall include the evaluation of the performance of the Committee against criteria defined in the Committee and Board mandates.