



Financial Statements

For the Three Months Ended March 31, 2024 and 2023

NOTICE OF NO AUDIT REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, Subsection 4.3(3)(a), if an auditor has not performed a review of the interim condensed financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by the auditor. The accompanying unaudited interim condensed financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants for a review of the interim financial statements by the entity's auditors.

GROUNDLED LITHIUM CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Assets		
Current assets		
Cash	\$ 302,318	\$ 193,009
Restricted cash	26,471	26,232
Short-term investments (note 3)	250,000	-
Accounts receivable (note 4)	100,782	13,606
Prepaid expenses (note 5)	70,229	174,053
Total current assets	749,800	406,900
Property and equipment (note 6)	18,905	21,605
Right-of-use asset (note 7)	23,653	47,306
Exploration and evaluation assets (note 8)	2,081,341	2,881,800
Total non-current assets	2,123,899	2,950,711
Total assets	\$ 2,873,699	\$ 3,357,611
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 349,068	\$ 418,080
Restricted share unit liability (note 9)	69,050	-
Lease liability (note 7)	28,460	56,363
Total current liabilities	446,578	474,443
Decommissioning liability (note 10)	8,208	8,602
Restricted share unit liability (note 9)	43,600	-
Total liabilities	498,386	483,045
Shareholders' Equity		
Share capital (note 11)	12,076,957	11,968,709
Warrants (note 11)	949,981	949,981
Contributed surplus (note 11)	1,398,362	1,498,256
Deficit	(12,049,987)	(11,542,380)
Total equity	2,375,313	2,874,566
Total liabilities and shareholders' equity	\$ 2,873,699	\$ 3,357,611

See accompanying notes which are an integral part of these condensed interim financial statements.

Nature of Operations and Going Concern (note 1)

GROUNDING LITHIUM CORP.
CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

Three months ended March 31,	2024	2023
Revenue		
Interest income (<i>note 13</i>)	\$ 3,682	\$ 8,461
	3,682	8,461
Expenses		
Share-based compensation (<i>notes 9 & 11</i>)	192,509	179,205
Wages and benefits	98,276	258,765
Investor relations	94,606	914,696
Consulting fees	60,461	74,981
Professional fees	59,369	97,439
Other G&A expenses	58,227	67,500
Subsurface mineral lease rentals	44,151	68,939
Director fees	37,183	-
Depreciation (<i>notes 6 & 7</i>)	26,353	26,354
Operating overhead recoveries	(18,700)	-
Capital overhead recoveries	-	(825)
	652,435	1,687,054
Results from operating activities	(648,753)	(1,678,593)
Change in restricted share unit (<i>note 9</i>)	142,087	-
Finance expense (<i>note 13</i>)	(941)	(3,695)
Loss before income taxes	(507,607)	(1,682,288)
Loss and comprehensive loss	\$ (507,607)	\$ (1,682,288)
Loss and comprehensive loss per share (<i>note 11(c)</i>)		
Basic and diluted	\$ (0.01)	\$ (0.02)

See accompanying notes which are an integral part of these condensed interim financial statements.

GROUNDLED LITHIUM CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total Equity
Balance at January 1, 2024	76,613,873	\$11,968,709	\$949,981	\$1,498,256	\$(11,542,380)	\$2,874,566
Common shares issued (<i>note 11</i>)	1,665,354	108,248	-	-	-	108,248
Reclass to RSU liability (<i>note 9</i>)	-	-	-	(167,537)	-	(167,537)
Restricted share units settled (<i>note 9</i>)	-	-	-	(37,666)	-	(37,666)
Share-based compensation (<i>note 11</i>)	-	-	-	105,309	-	105,309
Loss and comprehensive loss	-	-	-	-	(507,607)	(507,607)
Balance at March 31, 2024	78,279,227	\$12,076,957	\$949,981	\$1,398,362	\$(12,049,987)	\$2,375,313

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total Equity
Balance at January 1, 2023	56,872,750	\$11,071,609	\$830,169	\$611,447	\$(7,355,153)	\$5,158,072
Issuance of common shares (<i>note 11</i>)	12,000,000	-	-	-	-	-
Shares issued for property acq. (<i>note 11</i>)	779,557	250,000	-	-	-	250,000
Exercise of finder warrants (<i>note 11</i>)	4,116	1,692	-	(663)	-	1,029
Share-based compensation (<i>note 11</i>)	-	-	-	179,205	-	179,205
Loss and comprehensive loss	-	-	-	-	(1,682,288)	(1,682,288)
Balance at March 31, 2023	69,656,423	\$11,323,301	\$830,169	\$789,989	\$(9,037,441)	\$3,906,018

See accompanying notes which are an integral part of these condensed interim financial statements.

GROUNDED LITHIUM CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

Three months ended March 31,	2024	2023
Operating activities		
Loss for the year	\$ (507,607)	\$ (1,682,288)
Adjustments for:		
Share-based compensation (<i>notes 9 & 11</i>)	192,509	179,205
Change in restricted share unit (<i>note 9</i>)	(142,087)	-
Depreciation (<i>notes 6 & 7</i>)	26,353	26,354
Finance expense (including accretion) (<i>note 13</i>)	941	3,695
Interest paid	(83)	(22)
Restricted share units vested (<i>note 9</i>)	(37,666)	-
Changes in non-cash working capital (<i>note 12</i>)	55,884	(257,780)
Net cash used in operating activities	(411,756)	(1,730,836)
Financing activities		
Exercise of finders warrants (<i>note 11</i>)	-	1,029
Lease liability payments (<i>note 7</i>)	(28,696)	(28,696)
Net cash used in financing activities	(28,696)	(27,667)
Investing activities		
Expenditures on exploration and evaluation (<i>note 8</i>)	800,000	(193,637)
Short-term investments (<i>note 3</i>)	(250,000)	2,000,000
Changes in non-cash working capital (<i>note 12</i>)	-	(110,904)
Net cash from investing activities	\$ 550,000	\$ 1,695,459
Change in cash	\$ 109,548	\$ (63,044)
Cash, beginning of period	219,241	683,396
Cash, end of period	\$ 328,789	\$ 620,352
Cash and cash equivalents		
Unrestricted cash	302,318	594,799
Restricted cash – security for credit cards	26,471	25,553
Cash and cash equivalents	\$ 328,789	\$ 620,352

See accompanying notes which are an integral part of these condensed interim financial statements.

GROUNDED LITHIUM CORP.

SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024 and March 31, 2023

1. NATURE OF OPERATIONS AND GOING CONCERN

Grounded Lithium Corp. (“Grounded” or the “Company”) was incorporated on October 26, 2020 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The Company’s principal business is the acquiring, exploring and developing of mineral properties in Canada, with a specific focus on lithium. The development of these assets includes processes to purify and recover lithium metal directly from brine liquids. The Company owns and controls approximately 81,228 net hectares with plans to selectively grow this land position through subsequent transactions.

The head office is located at Suite 500, 400 – 5th Avenue S.W., in Calgary, Alberta and our registered office is at Suite 4000, 421 – 7th Ave SW, Calgary, Alberta.

Going Concern

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”). The going concern basis of presentation assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company is in the exploration stage and has not earned revenue from operations. During the three-month period ended March 31, 2024, the Company incurred a net loss of \$507,607 and had net cash used from operating activities of \$411,756. In addition, the Company has a deficit of \$12,049,987.

The above factors indicate that a material uncertainty exists that may cast significant doubt about the Company’s ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company’s own resources and external market conditions.

The Company’s ability to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business, meet its corporate administrative obligations and continue its exploration activities in the 2024 fiscal year, is dependent upon management’s ability to obtain additional financing, through various means including, but not limited, to equity financing. No assurance can be given that any such additional financing will be available, or that it can be obtained on terms favourable to the Company.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate for these financial statements, then adjustments would be necessary to the carrying amounts of assets and liabilities, the reported expenses and the classifications used in the statements of financial position.

On January 15, 2024, the Company entered into an Earn-In Option Agreement (the “Earn-in”) on the Kindersley Lithium Project (“KLP”) with Denison Mines Corp. (“Denison”). Under the Earn-in Option Agreement, Denison has the option to earn up to a 75% working interest in the KLP over three phases by funding up to \$2,350,000 of cash payments to GLC and funding project expenditures of up to \$12,000,000 for the KLP. This transaction mitigates the going concern risks noted above.

GROUNDING LITHIUM CORP.

SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024 and March 31, 2023

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These condensed interim financial statements are unaudited and have been prepared in accordance with IAS 34, "Interim Financial Reporting". The condensed interim financial statements do not include all the information and footnotes required by IFRS for a complete set of financial statements. The condensed interim financial statements have been prepared using the same accounting policies and methods of computation as disclosed in the Company's December 31, 2023 financial statements except as stated below and should be read in conjunction with those financial statements. The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts and expenses during the reported period. Actual results may differ from these estimates.

The condensed interim financial statements were authorized for distribution by the Company's Board of Directors on May 21, 2024.

3. SHORT-TERM INVESTMENTS

Short-term investments with original maturity dates of 365 days or less and are used by the Company in the management of short-term commitments.

	Three months ended March 31, 2024	Year ended December 31, 2023
Balance, beginning of period	\$ -	\$ -
GIC, maturity date January 29, 2025 4.25%	250,000	-
Balance, end of period	\$ 250,000	\$ -

4. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	Three months ended March 31, 2024	Year ended December 31, 2023
Earn-in agreement receivable	\$ 81,926	\$ -
GST receivable	14,636	12,031
Interest receivable	1,805	-
Other	2,415	1,575
Balance, end of period	\$ 100,782	\$ 13,606

GROUNDED LITHIUM CORP.
SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024 and March 31, 2023

5. PREPAID EXPENSES

Prepaid expenses consist of various payments that will be amortized over the monthly period to which they relate:

	Three months ended March 31, 2024	Year ended December 31, 2023
Subsurface mineral permit rentals	\$ 14,180	\$ 58,332
Investor relation fees	-	50,000
Communications and software	24,513	22,391
Insurance	11,771	23,565
Saskatchewan Government abandonment deposit	10,200	10,200
Office lease deposit	9,565	9,565
Balance, end of period	\$ 70,229	\$ 174,053

6. PROPERTY AND EQUIPMENT

	Total
Cost	
Balance at December 31, 2022	\$ 40,369
Additions	-
Balance at December 31, 2023	\$ 40,369
Additions	-
Balance at March 31, 2024	\$ 40,369
Accumulated depreciation:	
Balance at December 31, 2022	\$ (7,961)
Depreciation for the period	(10,803)
Balance at December 31, 2023	\$ (18,764)
Depreciation for the period	(2,700)
Balance at March 31, 2024	\$ (21,464)
Net carrying value:	
Balance December 31, 2023	\$ 21,605
Balance March 31, 2024	\$ 18,905

As at March 31, 2024, no impairment indicators were identified and therefore an impairment test was not performed.

GROUNDLED LITHIUM CORP.

SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024 and March 31, 2023

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company leases office space with a lease term from November 2022 to June 2024. The lease payments are discounted using the Company's incremental borrowing rate of ten percent at the inception of the lease to calculate the lease liability. The undiscounted cash flows relating to the lease liabilities included in the statement of financial position are \$28,696 (discounted \$28,460) in 2024.

Right-of-use Assets

	Total
Cost	
Balance, December 31, 2022	\$ 141,918
Depreciation	(94,612)
Balance at December 31, 2023	\$ 47,306
Depreciation	(23,653)
Balance at March 31, 2024	\$ 23,653

Lease Liability

	Total
Balance, December 31, 2022	\$ 160,396
Office rent payments	(114,784)
Interest expense	10,751
Balance at December 31, 2023	\$ 56,363
Office rent payments	(28,696)
Interest expense	793
Balance at March 31, 2024	\$ 28,460

8. EXPLORATION AND EVALUATION ASSETS ("E&E Assets")

The following table summarizes the Company's E&E asset expenditures in its Kindersley Lithium Project as at March 31, 2024:

	Three months ended March 31, 2024	Year ended December 31, 2023
Cost		
Balance, beginning of period	\$ 2,881,800	\$ 2,461,365
Property acquisition	-	428,328
Earn-in agreement proceeds	(800,000)	-
Production testing/completions	-	23,168
Subsurface mineral permits	-	310
Drilling costs	-	40
Decommissioning asset	(459)	(156)
Balance, end of period	\$ 2,081,341	\$ 2,913,055
Impairment expense	-	(31,255)
Balance, end of period	\$ 2,081,341	\$ 2,881,800

GROUNDING LITHIUM CORP.

SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024 and March 31, 2023

On March 16, 2023 the Company closed the acquisition of an additional 33 sections (8,498 hectares) of acreage contiguous to the Company's existing landholdings in the KLP in Western Saskatchewan. The purchase price of \$425,000 (before closing adjustments) was comprised of cash consideration of \$175,000 and the issuance of 779,557 Common Shares at a fair value of \$250,000. The transaction was accounted for as a property acquisition and not a business combination.

Fair value of land acquired		Total
Purchase price	\$	425,000
Closing adjustments		3,328
Total	\$	428,328

Consideration		
Shares issued (779,557 shares at \$0.3207 per share)	\$	250,000
Cash		178,328

Exploration and evaluation assets consist of the Company's exploration projects for which the determination of proved or probable reserves is indeterminable at this time.

Production testing/completion costs relate to the Company's first lithium test well and fluid sampling from oil and gas operators' wells within the greater KLP area, to better define grade and deliverability parameters. The majority of the costs were incurred for service rig time, production testing and equipment rentals.

In November 2023 the Company decided to surrender a subsurface mineral permit in the Rosetown area and impaired \$31,255 of costs associated with this permit.

On January 15, 2024 the Company entered into an Earn-In Option Agreement (the "Earn-in") on the KLP with Denison Mines Corp. ("Denison"). Under the Earn-in Option Agreement, Denison has the option to earn up to a 75% working interest in the KLP over three phases by funding up to \$2,350,000 of cash payments to GLC and funding project expenditures of up to \$12,000,000. Each phase of the Earn-In is associated with both a cash payment and required KLP expenditure amounts, both at increasing levels. Cash payments will be treated as a reduction to the E&E assets.

As at March 31, 2024, no impairment indicators were identified and therefore an impairment test was not performed.

GROUNDED LITHIUM CORP.

SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024 and March 31, 2023

9. RESTRICTED SHARE UNIT LIABILITY

A reconciliation of the restricted share unit liability is provided below:

	Three months ended March 31, 2024	Year ended December 31, 2023
Balance, beginning of period	\$ -	\$ -
Reclass from contributed surplus (i)	167,537	-
Restricted share unit granted (ii)	87,200	-
Revaluation of restricted share unit (iii)	(142,087)	-
Balance, end of period	\$ 112,650	\$ -

- (i) On February 8, 2023 the Company granted 1,018,000 Restricted Share Units ("RSU's") at \$0.30 per share to certain employees, officers and directors. RSU's vest equally on the 12 and 24 month anniversaries from the date of the grant. On February 8, 2024 the Company settled 509,000 Restricted Share Units ("RSU's") with a cash payment of \$37,666 or \$0.07 per share to certain employees, officers and directors. The settlement of the RSU's in cash, as permitted under the Equity Incentive Plan, caused a reporting modification from an equity classified award to a liability classified award which is measured at fair market value at each balance sheet date. The Company had recognized \$205,203 of share-based compensation on these restricted share units in 2023 at \$0.30 per share so the remaining \$167,537 was reclassified from contributed surplus to a liability;
- (ii) On March 4, 2024 the Company granted 1,744,000 Restricted Share Units ("RSU's") at \$0.06 per share to certain employees, officers and directors. RSU's vest equally on the 12 and 24 month anniversaries from the date of the grant Actual share price on March 4, 2024 was \$0.05 per share; and
- (iii) On March 31, 2024, the Company recorded a mark-to-market adjustment for the remaining 2,252,998 of restricted share units at \$0.05 per share.

10. DECOMMISSIONING LIABILITY

The Company's decommissioning provision results from ownership interests in lithium assets including well site, gathering systems and processing facilities. The total provision is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. The Company estimated the total undiscounted amount required to settle its decommissioning provision at March 31, 2024 to be approximately \$10,200 (December 31, 2023 - \$10,200) with the abandonment expected to commence in 2042. A discount rate of 2.96 percent (December 31, 2023 – 3.02 percent) and an inflation rate of 2.10 percent (December 31, 2023 – 2.10 percent) was used to calculate the decommissioning provision.

A reconciliation of the decommissioning provision is provided below:

	Three months ended March 31, 2024	Year ended December 31, 2023
Balance, beginning of period	\$ 8,602	\$ 8,492
Provisions made during the period	-	-
Change in discount rate	(459)	(156)
Accretion	65	266
Balance, end of period	\$ 8,208	\$ 8,602

GROUNDING LITHIUM CORP.

SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024 and March 31, 2023

11. SHARE CAPITAL

The Company is authorized to issue an unlimited number of Common Shares. All issued shares are fully paid. No dividends were declared or paid in the period.

a) Issued and outstanding

	Three months ended March 31, 2024		Year ended December 31, 2023	
	Number of Common Shares	Amount	Number of Common Shares	Amount
Balance, beginning of period	76,613,873	\$ 11,968,709	68,872,750	\$ 11,071,609
Issue of Common Shares (i)	-	-	779,557	250,000
Issue of Common Shares (ii)	-	-	4,116	1,692
Issue of Common Shares (iii)	-	-	6,957,450	645,408
Issue of Common Shares (iv)	1,665,354	108,248	-	-
Share issue costs	-	-	-	-
Balance, end of period	78,279,227	\$ 12,076,957	76,613,873	\$ 11,968,709

- (i) On March 16, 2023, the Company announced the closing of its acquisition of an additional 33 sections (8,498 hectares) of acreage contiguous to the Company's existing landholdings in the KLP in Western Saskatchewan. The purchase price of \$425,000 was comprised of cash consideration of \$175,000 and the issuance of 779,557 shares based on the 10-day volume-weighted average trading price of the shares on the TSX Venture Exchange as of the closing date (see *note 7*);
- (ii) On March 17, 2023 4,116 common shares were issued at \$0.25 per share for proceeds of \$1,029 for the exercise of 4,116 finders' warrants. Upon exercise of the finders' warrants, \$663 was reclassified from contributed surplus to common shares;
- (iii) On September 26, 2023, the Company completed a \$765,220 non-brokered private placement of units at a price of \$0.11 per unit. Each unit entitles the holder to one Common Share of the Company and one-half Common Share purchase Warrant. Each Warrant shall be exercisable to acquire one Common Share at a price of \$0.18 per Warrant for a period of 24 months from the closing of the Offering. The \$765,220 of proceeds were allocated using the relative fair value method between the value of the common shares \$765,220 (6,957,450 common shares multiplied by the share price of \$0.11 per share when the private placement was announced) and the value of the warrants using Black Scholes model of \$142,054. The allocation resulted in \$645,408 being allocated to common shares and \$119,812 to warrants; and
- (iv) On March 4, 2024, the Company announced that it settled an outstanding payable with a major vendor critical to the commercial operations of the KLP through the issuance of Common Shares. In total, 1,665,354 of Common Shares were issued fully satisfying the financial obligation.

GROUNDING LITHIUM CORP.
SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024 and March 31, 2023 *(unaudited)*

b) Share-based compensation plans

Equity Incentive Plan (the “Plan”)

The Plan provides flexibility to grant equity-based incentive awards in the form of stock options, as well as restricted share units, deferred share units and performance share units. The Plan is a fixed 20% plan, allowing for a maximum of 20% of the February 15, 2024 issued and outstanding common shares of the Company to be reserved for issuance. There were 76,613,873 shares outstanding and therefore a maximum of 15,322,774 Shares may be issued upon exercise or settlement of all security-based compensation arrangements of the Company.

Compensation costs attributable to stock options granted are measured at their fair value at the grant date and are expensed over the expected vesting time-frame with a corresponding increase to contributed surplus. Upon exercise of the stock options, consideration paid by the holder thereof together with the amount previously recognized in contributed surplus is recorded as an increase to share capital

The following table summarizes the activity under the Company’s Plan:

	Three months ended March 31, 2024		Year ended December 31, 2023	
	Number of Options	Weighted Average Exercise Price (\$/share)	Number of Options	Weighted Average Exercise Price (\$/share)
Balance, beginning of period	5,523,100	\$ 0.24	4,049,100	\$ 0.22
Granted (i)	-	-	1,474,000	0.30
Granted (ii)	4,066,000	0.06	-	-
Balance, end of period	9,589,100	\$ 0.16	5,523,100	\$ 0.24
Exercisable, end of period	3,015,497	\$ 0.23	2,053,766	\$ 0.23

- (i) On February 8, 2023, the Company granted 1,474,000 stock options. The options granted are exercisable at an average price of \$0.30 per option and expire five years after their grant date. The options vest in equal 1/3 tranches on the 6, 12, and 18 month anniversaries from the date of issuance.
- (ii) On March 4, 2024, the Company granted 4,066,000 stock options. The options granted are exercisable at an average price of \$0.06 per option and expire five years after their grant date. The options vest in equal 1/3 tranches on the 6, 12, and 18 month anniversaries from the date of issuance.

GROUNDING LITHIUM CORP.
SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024 and March 31, 2023

The following table summarizes information regarding stock options outstanding at March 31, 2024:

Options Outstanding at March 31, 2024				Options Exercisable at March 31, 2024		
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price (\$/share)	Number Exercisable	Weighted Average Exercise Price (\$/share)	
\$0.06	4,066,000	4.9	\$0.06	-	\$0.06	
\$0.10	638,200	2.7	\$0.10	425,467	\$0.10	
\$0.18	1,360,900	2.8	\$0.18	907,368	\$0.18	
\$0.25	50,000	2.8	\$0.25	33,332	\$0.25	
\$0.29	2,000,000	3.6	\$0.29	666,666	\$0.29	
\$0.30	1,474,000	3.9	\$0.30	982,664	\$0.30	
	9,589,100	4.0	\$0.17	3,015,497	\$ 0.23	

The weighted average fair value of each stock option granted and the assumptions used in the Black-Scholes option pricing model are as follows:

	Three months ended March 31, 2024	Year ended December 31, 2023
Risk-free interest rate (%)	4.10	3.92
Expected life (years)	5	5
Expected volatility (%)	86	87
Expected forfeiture rate (%)	5	5
Expected dividend yield (%)	-	-
Fair value of stock options granted (\$/share)	0.04	0.21

Expected volatility is based on management's evaluation of comparable companies in the public markets.

Share-based compensation from options recognized in net loss during the period ended March 31, 2024 was \$79,018 (March 31, 2023 - \$120,282).

Performance Warrants

The Company has issued performance warrants to certain directors, officers, employees and advisors of the Company.

Compensation costs attributable to performance warrants granted are measured at their fair value at the grant date and are expensed over the expected vesting time-frame with a corresponding increase to contributed surplus. Upon exercise of the performance warrants, consideration paid by the holder thereof together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

GROUNDING LITHIUM CORP.
SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024 and March 31, 2023

The following table summarizes the activity under the Company's performance warrants:

	Three months ended March 31, 2023		Year ended December 31, 2023	
	Number of Performance Warrants	Weighted Average Exercise Price (\$/warrant)	Number of Performance Warrants	Weighted Average Exercise Price (\$/warrant)
Balance, beginning of period	3,360,000	\$ 0.75	3,360,000	\$ 0.75
	-	-	-	-
Balance, end of period	3,360,000	\$ 0.75	3,360,000	\$ 0.75
Exercisable, end of period	2,452,728	\$ 0.74	1,545,467	\$ 0.71

Share-based compensation from performance warrants recognized in net loss during the period ended March 31, 2024 was \$26,291 (March 31, 2023 - \$26,291).

The following table summarizes information regarding performance warrants outstanding at March 31, 2024:

Performance hurdle	Outstanding			Exercisable	
	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price (\$/share)	Number Exercisable	Weighted Average Exercise Price (\$/share)
\$0.25	159,550	4.7	\$ 0.25	159,550	\$ 0.25
\$0.40	680,450	4.8	0.40	453,632	0.40
\$0.50	159,550	4.7	0.50	159,550	0.50
\$0.65	680,450	4.8	0.65	453,632	0.65
\$0.75	159,550	4.7	0.75	159,550	0.75
\$0.90	680,450	4.8	0.90	453,632	0.90
\$1.00	159,550	4.7	1.00	159,550	1.00
\$1.15	680,450	4.8	1.15	453,632	1.15
	3,360,000	4.8	\$ 0.75	2,452,728	\$ 0.74

Finders' Warrants

The following table summarizes the activity under the Company's finders' warrants:

	Three months ended March 31, 2024		Year ended December 31, 2023	
	Number of Finders' Warrants	Weighted Average Exercise Price (\$/warrant)	Number of Finders' Warrants	Weighted Average Exercise Price (\$/warrant)
Balance, beginning of period	2,347,746	\$ 0.19	2,351,862	\$ 0.19
Exercised (i)	-	-	(4,116)	(0.25)
Balance, end of period	2,347,746	\$ 0.19	2,347,746	\$ 0.19
Exercisable, end of period	2,347,746	\$ 0.19	2,347,746	\$ 0.19

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- (i) On March 17, 2023 4,116 finders' warrants were exercised at \$0.25 per share for proceeds of \$1,029. Upon the exercise of the finders' warrants, \$663 was reclassified from contributed surplus to common shares.

Warrants

On September 26, 2023, the Company completed a \$765,220 non-brokered private placement of units at a price of \$0.11 per unit. Each unit entitles the holder to one Common Share of the Company and one-half Common Share purchase warrant. Each warrant shall be exercisable to acquire one Common Share at a price of \$0.18 per Warrant for a period of 24 months from the closing of the Offering. The \$765,220 of proceeds were allocated using the relative fair value method between the value of the common shares \$765,220 (6,957,450 common shares multiplied by the share price of \$0.11 per share when the private placement was announced) and the value of the warrants using Black Scholes model of \$142,054. The allocation resulted in \$645,408 being allocated to common shares and \$119,812 to warrants.

The following table summarizes the activity under the Company's warrants:

	Three months ended ended March 31, 2024		Year ended December 31, 2023	
	Number of Warrants	Weighted Average Exercise Price (\$/warrant)	Number of Warrants	Weighted Average Exercise Price (\$/warrant)
Balance, beginning of period	15,478,721	\$ 0.43	12,000,000	\$ 0.50
Issue of warrants	-	-	3,478,721	0.18
Balance, end of period	15,478,721	\$ 0.43	15,478,721	\$ 0.43

The weighted average fair value of each warrant granted and the assumptions used in the Black-Scholes option pricing model are as follows:

	Three months ended March 31, 2024	Year ended December 31, 2023
Risk-free interest rate (%)	-	4.93
Expected life (years)	-	2
Expected volatility (%)	-	79
Expected forfeiture rate (%)	-	-
Expected dividend yield (%)	-	-
Fair value of warrants granted (\$/share)	-	0.03

Expected volatility is based on management's evaluation of comparable companies in the public markets.

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Restricted Share Units

On February 8, 2023 the Company granted 1,018,000 Restricted Share Units (“RSU’s”) at \$0.30 per share to certain employees, officers and directors. RSU’s vest equally on the 12 and 24 month anniversaries from the date of the grant.

On February 8, 2024 the Company settled 509,000 Restricted Share Units (“RSU’s”) with a payment of \$37,666 or \$0.07 per share to certain employees, officers and directors. The settlement of the RSU’s caused a modification that changed the RSU’s from an equity classified award to a liability classified award which is measured at fair market value each balance sheet date.

On March 4, 2024 the Company granted 1,744,000 Restricted Share Units (“RSU’s”) at \$0.06 per share to certain employees, officers and directors. RSU’s vest equally on the 12 and 24 month anniversaries from the date of the grant. The share price on the date of the grant was \$0.05 per share.

The following table summarizes the activity under the Company’s restricted share units:

	Three months ended March 31, 2024		Year ended December 31, 2023	
	Number of Restricted Shares	Weighted Average Price (\$/RSU)	Number of Restricted Shares	Weighted Average Price (\$/RSU)
Balance, beginning of period	1,018,000	\$ 0.30	-	\$ -
Settled	(509,000)	(0.30)	-	-
Granted	1,744,000	0.06	1,018,000	0.30
Balance, end of period	2,253,000	\$ 0.11	1,018,000	\$ 0.30

Share-based compensation from RSU’s recognized in net loss during the period ended March 31, 2024 was \$87,200 (March 31, 2023 - \$32,632).

(c) Per share amounts

The Company calculates per share amounts based on the weighted average Common Shares outstanding for the three months ended March 31, 2024 and for the three months ended March 31, 2023. For both periods ended March 31, all the stock options, performance warrants and finders’ warrants were anti-dilutive and were omitted from the weighted average number of diluted Common Shares outstanding calculation.

	Three months ended March 31, 2024	Three months ended March 31, 2023
Weighted average Common Shares outstanding	77,126,290	68,603,316
Dilutive stock options and performance warrants outstanding	-	-
Weighted average diluted Common Shares outstanding	77,126,290	68,603,316
Net loss per Common Share		
Net loss	\$ 507,607	\$ 1,682,228
Basic (\$/share)	0.01	0.02
Diluted (\$/share)	0.01	0.02

GROUNDED LITHIUM CORP.
SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024 and March 31, 2023

12. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash working capital comprise:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Change in receivables	\$ (87,176)	\$ (3,978)
Change in prepaid expenses and deposits	103,824	94,999
Change in accounts payable and accrued liabilities	39,236	(459,705)
	\$ 55,884	\$ (368,684)
Change in operating non-cash working capital	55,884	(257,780)
Change in investing non-cash working capital	-	(110,904)

Change in accounts payable and accrued liabilities does not include the \$108,248 of trade payable that relate to the 1,665,354 common shares issued to satisfy the obligation owed to an arm's length party (*note 11 (a)*).

13. FINANCE INCOME (EXPENSE)

	Three months ended March 31, 2023	Three months ended March 31, 2023
Finance income:		
Interest income on short-term investments	\$ 3,682	\$ 8,461
Finance expenses:		
Misc. interest	(83)	(22)
Interest on lease liabilities	(793)	(3,608)
Accretion on decommissioning provision	(65)	(65)
	(941)	(3,695)
Net finance income recognized in profit or loss	\$ 2,741	\$ 4,766

14. COMMITMENTS

Grounded has commitments under operating leases for office space as follows:

2024	\$ 28,966
2025	-
2026	-
2027	-
Thereafter	-
	\$ 28,966

GROUNDING LITHIUM CORP.

SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024 and March 31, 2023

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

As at March 31, 2024, the Company's financial instruments include cash, receivables, term deposits, trade payables and accrued liabilities. Cash and receivables are classified as financial assets at amortized cost. Trade payables and accrued liabilities are classified as amortized cost. The carrying value of these financial instruments approximates their fair value due to their short-term maturity.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

The Company's financial instruments are exposed to credit risk, liquidity risk and market risks.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk with respect to its cash and receivables. The Company minimizes its exposure to credit risk by placing its cash with Canadian Schedule 1 chartered banks. As at March 31, 2024, the Company had unrestricted, restricted cash and cashable GIC's of \$578,789 (December 31, 2023 \$219,241).

The Company's secondary exposure to credit risk is on its receivables. As at March 31, 2024, the Company had a receivable of \$81,926 (December 31, 2023 - \$ nil) from its Earn-In Agreement and \$18,8561 (December 31, 2023 - \$13,606) in taxes receivable from Canada Revenue Agency, interest receivable and other receivables. The Company did not have any allowance for doubtful accounts as at March 31, 2024 and did not provide for any doubtful accounts nor was it required to write-off any of the receivable during the period ended March 31, 2024.

As at March 31, 2024, 100 percent of the Company's accounts receivable were under 90 days in age and considered collectible.

Aging

Current (less than 90 days)	\$ 100,782
Past due (over 90 days)	-
Total	\$ 100,782

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Grounded's financial liabilities on the balance sheet consist of accounts payable and accrued liabilities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company tries to achieve this by maintaining sufficient cash to cover current liabilities as they mature.

As at March 31, 2024, the Company had a working capital surplus of \$303,222 (December 31, 2023 - \$67,543 working capital deficit). At March 31, 2024, the Company had a cash equivalent balance of \$578,789 which is sufficient to pay its current liabilities of \$446,578 and to continue operations during 2024.

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SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024 and March 31, 2023

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as of March 31, 2024:

	Carrying amount	Contractual cash flows total	< 1 year	1 – 2 years	2 – 5 years	> 5 years
Accounts payable and other liabilities	\$349,068	\$349,068	\$349,068	\$ -	\$ -	\$ -
Office lease liabilities		28,696	28,696	-	-	-

(c) Market risk

Market risk is the risk that fluctuations in currency rates, interest rates and commodity prices will affect a Company’s income or the value of its financial assets and liabilities.

Foreign currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates.

The Company’s current operations are not exposed to significant foreign currency risk.

Commodity price risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices.

The Company’s current operations are not exposed to significant commodity price risk.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company had no debt outstanding during the period ended March 31, 2024.

(d) Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations. The Company’s policy and objective is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital and contributed surplus, net of accumulated deficit. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements or other financing structures. The Company holds all surplus capital in cash accounts held with major financial institutions.

The Company has not paid or declared any dividends since inception, nor are any contemplated in the foreseeable future.

GROUNDING LITHIUM CORP.
SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-month period ended March 31, 2024 and March 31, 2023

16. RELATED PARTY TRANSACTIONS

During the period ended March 31, 2024, legal services totalling \$53,114 (March 31, 2023 \$52,522) were provided by a law firm in which an Officer of the Company is a partner. As at March 31, 2024, there is \$64,387 (March 31, 2023 - \$ 43,530) included in accounts payable and accruals.

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