



**Financial Statements**

**For the Three Months Ended March 31, 2025 and 2024**

## **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, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 171,812	\$ 144,971
Restricted cash	27,171	26,999
Short-term investments (note 3)	100,000	100,000
Accounts receivable (note 4)	124,558	525,110
Prepaid expenses (note 5)	15,493	24,731
<b>Total current assets</b>	<b>439,034</b>	<b>821,811</b>
Property and equipment (note 6)	8,102	10,803
Exploration and evaluation assets (note 8)	2,081,318	2,081,249
<b>Total non-current assets</b>	<b>2,089,420</b>	<b>2,092,052</b>
<b>Total assets</b>	<b>\$ 2,528,454</b>	<b>\$ 2,913,863</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 249,868	\$ 692,831
Restricted share unit liability (note 9)	14,083	48,255
<b>Total current liabilities</b>	<b>263,951</b>	<b>741,086</b>
Decommissioning liability (note 10)	8,459	8,321
Restricted share unit liability (note 9)	-	14,478
<b>Total liabilities</b>	<b>272,410</b>	<b>763,885</b>
<b>Shareholders' Equity</b>		
Share capital (note 11)	12,120,932	12,076,957
Warrants (note 11)	949,981	949,981
Contributed surplus (note 11)	1,771,017	1,739,318
Deficit	(12,585,886)	(12,616,278)
<b>Total equity</b>	<b>2,256,044</b>	<b>2,149,978</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,528,454</b>	<b>\$ 2,913,863</b>

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 LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian dollars)

Three months ended March 31,	2025	2024
<b>Revenue</b>		
Interest income ( <i>note 13</i> )	\$ 2,792	\$ 3,682
Management fee	105,502	-
	108,294	3,682
<b>Expenses</b>		
Share-based compensation ( <i>notes 9 &amp; 11</i> )	40,163	192,509
Wages and benefits	1,347	98,276
Investor relations	-	94,606
Consulting fees	28,358	60,461
Professional fees	13,505	59,369
Other G&A expenses	23,273	58,227
Subsurface mineral lease rentals	-	44,151
Director fees	-	37,183
Depreciation ( <i>notes 6 &amp; 7</i> )	2,701	26,353
Operating overhead recoveries	(18,375)	(18,700)
	90,972	652,435
Results from operating activities	17,322	(648,753)
Change in restricted share unit ( <i>note 9</i> )	13,139	142,087
Finance expense ( <i>note 13</i> )	(69)	(941)
Income (loss) before income taxes	30,392	(507,607)
<b>Income (loss) and comprehensive income (loss)</b>	<b>\$ 30,392</b>	<b>\$ (507,607)</b>
Income (loss) and comprehensive income (loss) per share ( <i>note 11(c)</i> )		
Basic and diluted	\$ -	\$ (0.01)

*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, 2025	78,279,227	\$12,076,957	\$949,981	\$1,739,318	\$(12,616,278)	\$2,149,978
Restricted share units settled ( <i>note 11</i> )	1,381,000	43,975	-	-	-	43,975
Share-based compensation ( <i>note 11</i> )	-	-	-	31,699	-	31,699
Income and comprehensive income	-	-	-	-	30,392	30,392
<b>Balance at March 31, 2025</b>	<b>79,660,227</b>	<b>\$12,120,932</b>	<b>\$949,981</b>	<b>\$1,771,017</b>	<b>\$(12,585,886)</b>	<b>\$2,256,044</b>

	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)
<b>Balance at March 31, 2024</b>	<b>78,279,227</b>	<b>\$12,076,957</b>	<b>\$949,981</b>	<b>\$1,398,362</b>	<b>\$(12,049,987)</b>	<b>\$2,375,313</b>

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

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

Three months ended March 31,	2025	2024
<b>Operating activities</b>		
Income (loss) for the year	\$ 30,392	\$ (507,607)
Adjustments for:		
Share-based compensation ( <i>notes 9 &amp; 11</i> )	40,163	192,509
Change in restricted share unit ( <i>note 9</i> )	(13,139)	(142,087)
Depreciation ( <i>notes 6 &amp; 7</i> )	2,701	26,353
Finance expense (including accretion) ( <i>note 13</i> )	69	941
Interest paid ( <i>note 13</i> )	-	(83)
Restricted share units vested ( <i>note 9</i> )	-	(37,666)
Changes in non-cash working capital ( <i>note 12</i> )	(17,123)	55,884
<b>Net cash from (used in) operating activities</b>	<b>43,063</b>	<b>(411,756)</b>
<b>Financing activities</b>		
Lease liability payments ( <i>note 7</i> )	-	(28,696)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(28,696)</b>
<b>Investing activities</b>		
Expenditures on exploration and evaluation ( <i>note 8</i> )	-	800,000
Short-term investments ( <i>note 3</i> )	-	(250,000)
Changes in non-cash working capital ( <i>note 12</i> )	(16,050)	-
<b>Net cash from investing activities</b>	<b>\$ (16,050)</b>	<b>\$ 550,000</b>
Change in cash	\$ 27,013	\$ 109,548
Cash, beginning of period	171,970	219,241
Cash, end of period	\$ 198,983	\$ 328,789
<b>Cash and cash equivalents</b>		
Unrestricted cash	171,812	302,318
Restricted cash – security for credit cards	27,171	26,471
<b>Cash and cash equivalents</b>	<b>\$ 198,983</b>	<b>\$ 328,789</b>

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

# **GROUNDING LITHIUM CORP.**

## **SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended March 31, 2025 and March 31, 2024

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### **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 4000, 421 – 7<sup>th</sup> Avenue S.W., in Calgary, Alberta and our registered office is at Suite 4000, 421 – 7<sup>th</sup> 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, 2025, the Company incurred a net income of \$30,392 and had net cash from operating activities of \$43,063. In addition, the Company has a deficit of \$12,585,886.

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.

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, 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. The operating overhead recovery stems from the rate charged back to the former employees of the Company, who are now independent contractors to the Company, for services performed for the KLP under the Earn-in.

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 2025 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.

# **GROUNDING LITHIUM CORP.** **SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended March 31, 2025 and March 31, 2024

## **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, 2024 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 23, 2025.

## **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, 2025	Year ended December 31, 2024
Balance, beginning of period	\$ 100,000	\$ -
GIC, maturity date January 29, 2025 4.25%	(100,000)	100,000
GIC, maturity date January 29, 2026 2.11%	100,000	-
Balance, end of period	\$ 100,000	\$ 100,000

## **4. ACCOUNTS RECEIVABLE**

Accounts receivable is comprised of the following:

	Three months ended March 31, 2025	Year ended December 31, 2024
Earn-in agreement receivable	\$ 100,520	\$ 441,402
Management fee receivable	10,165	-
GST receivable	9,111	81,566
Interest receivable	4,762	2,142
Balance, end of period	\$ 124,558	\$ 525,110



# **GROUNDLED LITHIUM CORP.** **SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended March 31, 2025 and March 31, 2024

## **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, 2025	Year ended December 31, 2024
Communications and software	\$ -	\$ 1,082
Insurance	5,293	13,449
Lease liability rating deposit	10,200	10,200
Balance, end of period	\$ 15,493	\$ 24,731

## **6. PROPERTY AND EQUIPMENT**

	Total
<b>Cost</b>	
Balance at December 31, 2023	\$ 40,369
Additions	-
Balance at December 31, 2024	\$ 40,369
Additions	-
<b>Balance at March 31, 2025</b>	<b>\$ 40,369</b>
<b>Accumulated depreciation:</b>	
Balance at December 31, 2023	\$ (18,764)
Depreciation for the period	(10,802)
Balance at December 31, 2024	\$ (29,566)
Depreciation for the period	(2,701)
<b>Balance at March 31, 2025</b>	<b>\$ (32,267)</b>
<b>Net carrying value:</b>	
Balance December 31, 2024	\$ 10,803
Balance March 31, 2025	\$ 8,102

As at March 31, 2025, no impairment indicators were identified and therefore an impairment test was not performed.

# **GROUNDING LITHIUM CORP.** **SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended March 31, 2025 and March 31, 2024

## **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

### **Right-of-use Assets**

	<b>Total</b>
<b>Cost</b>	
Balance, December 31, 2023	\$ 47,306
Depreciation	(47,306)
<b>Balance at December 31, 2024</b>	<b>\$ -</b>

### **Lease Liability**

	<b>Total</b>
Balance, December 31, 2023	\$ 56,363
Office rent payments	(57,392)
Interest expense	1,029
<b>Balance at December 31, 2024</b>	<b>\$ -</b>

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

The following table summarizes the Company's E&E assets on its KLP as at March 31, 2025:

	<b>Three months ended March 31, 2025</b>	Year ended December 31, 2024
<b>Cost</b>		
Balance, beginning of period	\$ 2,081,249	\$ 2,881,800
Royalty disposition	-	(800,000)
Decommissioning asset	69	(551)
Balance, end of period	\$ 2,081,318	\$ 2,081,249
Impairment expense	-	-
Balance, end of period	\$ 2,081,318	\$ 2,081,249

# GROUNDING LITHIUM CORP.

## SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-month period ended March 31, 2025 and March 31, 2024

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.

On January 15, 2024 the Company entered into an Earn-In on the KLP with Denison. Under the Earn-in 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. Denison has previously funded the first \$800,000 cash payment in 2024. As the amount received was in relation to an interest in a capital project the \$800,000 has reduced the E&E balance for the year ended December 31, 2024.

As at March 31, 2025 and March 31, 2024, no impairment indicators were identified and therefore an impairment test was not performed.

### 9. RESTRICTED SHARE UNIT LIABILITY

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

	Three months ended March 31, 2025	Year ended December 31, 2024
Balance, beginning of period	\$ 62,733	\$ -
Reclass from contributed surplus (i)	-	167,537
Share-based compensation (ii)	8,464	55,925
RSU's settled with shares (iv)	(43,975)	-
Revaluation of restricted share unit (iii)	(13,139)	(160,729)
Balance, end of period	\$ 14,083	\$ 62,733

- (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 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;
- (iii) On December 31, 2024, the Company recorded a mark-to-market gain for the remaining 1,568,323 RSU's at \$0.04. On March 31, 2025, the Company recorded a mark-to-market gain for the remaining 469,446 RSU's at \$0.03; and
- (iv) On March 26, 2025, the Company issued 509,000 Common Shares to settle the restricted share units which vested on February 8, 2025 for \$0.035 per share and 872,000 Common Shares to settle the restricted share units which vested on March 4, 2025 for \$0.03 per share.

# **GROUNDING LITHIUM CORP.** **SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended March 31, 2025 and March 31, 2024

## **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, 2025 to be approximately \$10,200 (December 31, 2024 - \$10,200) with the abandonment expected to commence in 2042. A discount rate of 3.23 percent (December 31, 2024 – 3.33 percent) and an inflation rate of 2.10 percent (December 31, 2024 – 2.10 percent) was used to calculate the decommissioning provision.

A reconciliation of the decommissioning provision is provided below:

	Three months ended March 31, 2025	Year ended December 31, 2024
Balance, beginning of period	\$ 8,321	\$ 8,602
Provisions made during the period	-	-
Change in discount rate	69	(551)
Accretion	69	270
Balance, end of period	\$ 8,459	\$ 8,321

## **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, 2025		Year ended December 31, 2024	
	Number of Common Shares	Amount	Number of Common Shares	Amount
Balance, beginning of period	78,279,227	\$ 12,076,957	76,613,873	\$ 11,968,709
Issue of Common Shares (i)	-	-	1,665,354	108,248
Issue of Common Shares (ii)	509,000	17,815	-	-
Issue of Common Shares (iii)	872,000	26,160	-	-
Share issue costs	-	-	-	-
Balance, end of period	79,660,227	\$ 12,120,932	78,279,227	\$ 12,076,957

- (i) 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.

# **GROUNDLED LITHIUM CORP.** **SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended March 31, 2025 and March 31, 2024 *(unaudited)*

- (ii) On March 26, 2025, the Company issued 509,000 Common Shares to settle the restricted share units which vested on February 8, 2025 for \$0.035 per share.
- (iii) On March 26, 2025, the Company issued 872,000 Common Shares to settle the restricted share units which vested on March 4, 2025 for \$0.03 per share.

## **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, 2025		Year ended December 31, 2024	
	Weighted Average		Weighted Average	
	Number of Options	Exercise Price (\$/share)	Number of Options	Exercise Price (\$/share)
Balance, beginning of period	9,589,100	\$ 0.17	5,523,100	\$ 0.24
Granted (i)	-	-	4,066,000	0.06
Balance, end of period	9,589,100	\$ 0.17	9,589,100	\$ 0.17
Exercisable, end of period	7,567,100	\$ 0.17	5,741,465	\$ 0.20

- (i) 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, 2025 and March 31, 2024 *(unaudited)*

The following table summarizes information regarding stock options outstanding at March 31, 2025:

Options Outstanding at March 31, 2025			Options Exercisable at March 31, 2025		
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Exercise Price (\$/share)	Number Exercisable	Weighted Average Exercise Price (\$/share)
\$0.06	4,066,000	3.9	\$0.06	2,710,666	\$0.06
\$0.10	638,200	1.7	\$0.10	638,200	\$0.10
\$0.18	1,360,900	1.8	\$0.18	1,360,900	\$0.18
\$0.25	50,000	1.8	\$0.25	50,000	\$0.25
\$0.29	2,000,000	2.6	\$0.29	1,333,333	\$0.29
\$0.30	1,474,000	2.9	\$0.30	1,474,000	\$0.30
	9,589,100	3.0	\$0.17	7,567,100	\$ 0.17

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, 2025	Year ended December 31, 2024
Risk-free interest rate (%)	-	4.10
Expected life (years)	-	5
Expected volatility (%)	-	86
Expected forfeiture rate (%)	-	5
Expected dividend yield (%)	-	-
<b>Fair value of stock options granted (\$/share)</b>	-	0.04

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, 2025 was \$29,628 (March 31, 2024 - \$79,018).

## **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, 2025 and March 31, 2024 *(unaudited)*

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

	Three months ended March 31, 2025		Year ended December 31, 2024	
	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	3,360,000	\$ 0.75	2,452,732	\$ 0.74

Share-based compensation from performance warrants recognized in net loss during the period ended March 31, 2025 was \$2,071 (March 31, 2024 - \$26,291).

The following table summarizes information regarding performance warrants outstanding at March 31, 2025:

	Outstanding			Exercisable	
Performance hurdle	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price (\$/share)	Number Exercisable	Weighted Average Exercise Price (\$/share)
\$0.25	159,550	3.7	\$ 0.25	159,550	\$ 0.25
\$0.40	680,450	3.8	0.40	680,450	0.40
\$0.50	159,550	3.7	0.50	159,550	0.50
\$0.65	680,450	3.8	0.65	680,450	0.65
\$0.75	159,550	3.7	0.75	159,550	0.75
\$0.90	680,450	3.8	0.90	680,450	0.90
\$1.00	159,550	3.7	1.00	159,550	1.00
\$1.15	680,450	3.8	1.15	680,450	1.15
	<b>3,360,000</b>	<b>3.8</b>	<b>\$ 0.75</b>	<b>3,360,000</b>	<b>\$ 0.75</b>

## **Finders' Warrants**

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

	Three months ended March 31, 2025		Year ended December 31, 2024	
	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
Expired (i)	-	-	(2,347,746)	(0.19)
Balance, end of period	-	\$ -	-	\$ -
Exercisable, end of period	-	\$ -	-	\$ -

# **GROUNDING LITHIUM CORP.** **SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended March 31, 2025 and March 31, 2024

- (i) On August 21, 2024 2,004,137 finders' warrants at an exercise price of \$0.18 per share expired.
- On November 3, 2024 343,609 finders' warrants at an exercise price of \$0.25 per share expired.

## **Warrants**

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

	Three months ended March 31, 2025		Year ended December 31, 2024	
	Number of Warrants	Weighted Average Exercise Price (\$/warrant)	Number of Warrants	Weighted Average Exercise Price (\$/warrant)
Balance, beginning of period	3,478,721	\$ 0.18	15,478,721	\$ 0.43
Expired (i)	-	-	(12,000,000)	(0.50)
Balance, end of period	3,478,721	\$ 0.18	3,478,721	\$ 0.18

- (i) On November 3, 2024 12,000,000 warrants at an exercise price of \$0.50 per share expired.

## **Restricted Share Units**

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.

On March 26, 2025 the Company settled 509,000 Restricted Share Units ("RSU's") with an issuance of 509,000 Common Shares at a price of \$0.035 per share to certain employees, officers and directors.

On March 26, 2025 the Company settled 872,000 Restricted Share Units ("RSU's") with an issuance of 872,000 Common Shares at a price of \$0.03 per share to certain employees, officers and directors.



# **GROUNDLED LITHIUM CORP.** **SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended March 31, 2025 and March 31, 2024

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

	Three months ended March 31, 2025		Year ended December 31, 2024	
	Number of Restricted Shares	Weighted Average Price (\$/RSU)	Number of Restricted Shares	Weighted Average Price (\$/RSU)
Balance, beginning of period	2,253,000	\$ 0.11	1,018,000	\$ 0.30
Settled	-	-	(509,000)	(0.30)
Settled	(509,000)	(0.30)	-	-
Settled	(872,000)	(0.06)	-	-
Granted	-	-	1,744,000	0.06
Balance, end of period	872,000	\$ 0.06	2,253,000	\$ 0.11

Share-based compensation from RSU's recognized in net loss during the period ended March 31, 2025 was \$8,464 (March 31, 2024 - \$87,200).

## **(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, 2025 and for the three months ended March 31, 2024. 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, 2025	Three months ended March 31, 2024
Weighted average Common Shares outstanding	78,371,294	77,126,290
Dilutive stock options and performance warrants outstanding	-	-
Weighted average diluted Common Shares outstanding	78,371,294	77,126,290
Net loss per Common Share		
Net income (loss)	\$ 30,392	\$ (507,607)
Basic (\$/share)	-	(0.01)
Diluted (\$/share)	-	(0.01)

## **12. SUPPLEMENTAL CASH FLOW INFORMATION**

Changes in non-cash working capital comprise:

	Three months ended March 31, 2025	Three months ended March 31, 2024
Change in receivables	\$ 400,552	\$ (87,176)
Change in prepaid expenses and deposits	9,238	103,824
Change in accounts payable and accrued liabilities	(442,963)	39,236
	\$ (33,173)	\$ 55,884
Change in operating non-cash working capital	(17,123)	55,884
Change in investing non-cash working capital	(16,050)	-

# **GROUNDING LITHIUM CORP.** **SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended March 31, 2025 and March 31, 2024

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, 2025	Three months ended March 31, 2024
<b>Finance income:</b>		
Interest income on short-term investments	\$ 2,792	\$ 3,682
<b>Finance expenses:</b>		
Misc. interest	-	(83)
Interest on lease liabilities	-	(793)
Accretion on decommissioning provision	(69)	(65)
	(69)	(941)
<b>Net finance income recognized in profit or loss</b>	<b>\$ 2,723</b>	<b>\$ 2,741</b>

## **14. COMMITMENTS**

Grounded has no financial commitments as at March 31, 2025.

## **15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

As at March 31, 2025, 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, 2025, the Company had unrestricted, restricted cash and cashable GIC's of \$298,983 (December 31, 2024 \$271,970).

The Company's secondary exposure to credit risk is on its receivables. As at March 31, 2025, the Company had a receivable of \$100,520 (December 31, 2024 - \$ 441,402) from the Earn-In Agreement and \$24,038 (December 31, 2024 - \$83,708) 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, 2025 and did not provide for any doubtful accounts nor was it required to write-off any of the receivables during the period ended March 31, 2025.

# **GROUNDING LITHIUM CORP.** **SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended March 31, 2025 and March 31, 2024

As at March 31, 2025, 100 percent of the Company's accounts receivable were under 90 days in age and considered collectible.

<b>Aging</b>	
Current (less than 90 days)	\$ 124,558
Past due (over 90 days)	-
<b>Total</b>	<b>\$ 124,558</b>

## **(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, 2025, the Company had a working capital surplus of \$175,083 (December 31, 2024 - \$80,725 working capital surplus). At March 31, 2025, the Company had a cash equivalent balance of \$298,983 which is sufficient to pay its current liabilities of \$263,951 and to continue operations during 2025.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as of March 31, 2025:

	Carrying amount	Contractual cash flows total	< 1 year	1 – 2 years	2 – 5 years	> 5 years
Accounts payable and other liabilities	\$249,868	\$249,868	\$249,868	\$ -	\$ -	\$ -
Restricted share units	14,083	14,083	14,083	-	-	-

## **(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.

# **GROUNDING LITHIUM CORP.**

## **SELECTED NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended March 31, 2025 and March 31, 2024

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### **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, 2025.

### **(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.

## **16. RELATED PARTY TRANSACTIONS**

During the period ended March 31, 2024, legal services totalling \$5,255 (March 31, 2024 \$53,114) were provided by a law firm in which an Officer of the Company is a partner. As at March 31, 2025, there is \$6,650 (March 31, 2024 - \$ 64,387) included in accounts payable and accruals.

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