Grounded Lithium Corp

Condensed Interim Financial Statements

For the Six Months Ended June 30, 2026 and 2025

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.

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Assets		
Current assets		
Cash	**$ 201,069**	$ 41,050
Restricted cash	**10,020**	28,712
Short-term Investments *(note 3)*	**-**	100,000
Accounts receivable (*note 4*)	**405,365**	57,280
Prepaid expenses (*note 5)*	**34,792**	17,220
Total current assets	**651,246**	244,262
Property and equipment (*note 6*)	**23,517**	-
Exploration and evaluation assets (*note 7*)	**2,062,245**	2,090,679
Total non-current assets	**2,085,762**	2,090,679
Total assets	**$ 2,737,008**	$ 2,334,941
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities (*note 8*)	**$ 765,289**	$ 246,675
Restricted share unit liability (*note 9*)	**-**	59,991
Total current liabilities	**765,289**	306,666
Decommissioning liability *(note 10)*	**8,651**	7,641
Total liabilities	**773,940**	314,307
Shareholders' Equity		
Share capital (*note 11*)	**12,186,492**	12,120,932
Warrants (*note 11*)	**949,981**	949,981
Contributed surplus (*note 11*)	**1,942,352**	1,868,542
Deficit	**(13,115,757)**	(12,918,821)
Total equity	**1,963,068**	2,020,634
Total liabilities and shareholders' equity	**$ 2,737,008**	$ 2,334,941

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

Nature of Operations and Going Concern (see note 1)

Subsequent Event (see note 19)

GROUNDED LITHIUM CORP.
CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars*)*

	Three months ended June 30		Six months ended June 30	
	2026	2025	**2026**	2025
Revenue				
Interest income (*note 14)*	**$ -**	$ -	**$ 314**	$ 2,792
Petroleum sales *(note 13)*	**10,885**	-	**10,885**	-
Management fee *(note 15)*	**5,575**	12,460	**9,557**	117,962
	16,460	12,460	**20,756**	120,754
Expenses				
Share-based compensation *(note 11)*	**47,125**	24,576	**78,682**	64,739
Consulting fees	**34,430**	34,142	**66,733**	62,500
Other G&A expenses	**33,103**	33,276	**53,125**	57,896
Professional fees	**51,169**	37,572	**64,514**	51,077
Depletion & Depreciation (*note 6)*	**2,930**	2,700	**2,930**	5,401
Operating expenses	**3,150**	-	**3,150**	-
Capital overhead recovery *(note 1)*	**-**	-	**(16,358)**	-
Operating overhead recov. *(note 1)*	**(22,738)**	(21,200)	**(41,763)**	(39,575)
	149,169	111,066	**211,013**	202,038
Results from operating activities	**(132,709)**	(98,606)	**(190,257)**	(81,284)
Change in restricted share unit (*note 9)*	**-**	(4,695)	**(697)**	8,444
Finance expense (note 14)	**(234)**	(69)	**(318)**	(138)
Loss on non-monetary *(note 7)*	**-**	-	**(5,664)**	-
Loss before income taxes	**(132,943)**	(103,370)	**(196,936)**	(72,978)
Loss and comprehensive loss	**$ (132,943)**	$ (103,370)	**$ (196,936)**	$ (72,978)
Loss and comprehensive loss per share *(note 11(c))*				
Basic and diluted	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)

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

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

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total Equity
Balance, at January 1, 2026	79,660,227	$12,120,932	$949,981	$1,868,542	$(12,918,821)	$2,020,634
Restricted share units settled *(note 11)*	819,500	65,560	-	-	-	65,560
Share-based compensation (*note 11*)	-	-	-	73,810	-	73,810
Income and comprehensive income	-	-	-	-	(196,936)	(196,936)
Balance at June 30, 2026	**80,479,727**	**$12,186,492**	**$949,981**	**$1,942,352**	**$(13,115,757)**	**$1,963,068**

	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 *(note 11)*	1,381,000	43,975	-	-	-	43,975
Share-based compensation (*note 11*)	-	-	-	51,927	-	51,927
Income and comprehensive income	-	-	-	-	(72,978)	(72,978)
Balance at June 30, 2025	**79,660,227**	**$12,120,932**	**$949,981**	**$1,791,245**	**$(12,689,256)**	**$2,172,902**

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)

(unaudited)	Three months ended June 30 **2026**	2025	Six months ended June 30 **2026**	2025
Operating activities				
Loss for the period	**$ (132,943)**	$ (103,370)	**$ (196,936)**	$ (72,978)
Adjustments for:				
Share-based compensation (*note 11)*	**47,125**	24,576	**78,682**	64,739
Change in restricted share unit *(note 9)*	**-**	4,695	**697**	(8,444)
Depletion & Depreciation (*note 6*)	**2,930**	2,700	**2,930**	5,401
Finance expense *(including accretion*)	**234**	69	**318**	138
Loss on non-monetary transaction	**-**	-	**5,664**	-
Interest paid (*note 14*)	**(153)**	-	**(163)**	-
Changes in non-cash working capital *(note 12)*	**162,334**	25,672	**166,009**	8,549
Net cash from (used in) operating activities	**79,527**	(45,658)	**57,201**	(2,595)
Investing activities				
Expenditures on expl. and evaluation (*note 7*)	**(1,462)**	-	**(2,822)**	-
Short-term investments	**-**	-	**100,000**	-
Changes in non-cash working capital *(note 12)*	**(86,242)**	51,951	**(13,052)**	35,901
Net cash from (used in) investing activities	**$ (87,704)**	$ 51,951	**$ 84,126**	$ 35,901
Change in cash and cash equivalents	**$ (8,177)**	$ 6,293	**$ 141,327**	$ 33,306
Cash and cash equivalents, beginning of period	**219,266**	198,983	**69,762**	171,970
Cash and cash equivalents, end of period	**$ 211,089**	$ 205,276	**$ 211,089**	$ 205,276
Cash and cash equivalents				
Unrestricted cash	**$ 201,069**	$ 177,209	**$ 201,069**	$ 177,209
Restricted cash – security for credit card	**10,020**	28,067	**10,020**	28,067
	$ 211,089	$ 205,276	**$ 211,089**	$ 205,276

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

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 77,604 net hectares with plans to selectively grow this land position through subsequent transactions.

The head office is located at Suite 4000, 421 – 7th 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 six-month period ended June 30, 2026, the Company incurred a net loss of $196,936 and had net cash from operating activities of $57,201. In addition, the Company has a deficit of $13,115,757.

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.

On January 14, 2026 the Company announced it had entered into a definitive agreement (the "Agreement") with a related company dated December 30, 2025 to acquire a minority interest in oil and gas mineral rights in Saskatchewan with the strategic rationale to supplement cash flow and working capital reserves as the KLP continues to advance with Denison. Under the Agreement, Grounded remitted approximately $25,000 in cash consideration and received a 30% mineral interest in approximately four sections located in south-central Saskatchewan near Lloydminster, an area with a history of low-risk, conventional, shallow, medium to heavy oil targets. The related company, Analogy Capital Advisors Inc. ("Analogy Capital") is an entity co-owned and controlled by Mr. John D. Wright, Chairman of GLC. As such, the acquisition is a non-arm's length transaction. Analogy Capital controls a 70% working interest in these sections, therefore, post-acquisition, Analogy Capital will retain a 40% working interest. The remaining 30% is owned by an unrelated third-party corporate entity (the "Third Party"). No finders fees were paid on the acquisition.

As a second and immediate step dated December 30, 2025, Grounded and the Third Party farmed-out their combined 60% interest to a newly created limited partnership, the Saskatchewan Renewal Drilling Limited Partnership #1 ("SRDLP") on terms acceptable to Grounded. The capital overhead recovery stems from the rate charged back to Analogy Capital and SRDLP for operating the operations associated with drilling and completing the two wells in the first quarter of 2026.

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 2026 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.

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, 2025 financial statements except as stated below and should be read in conjunction with those financial statements.

Non-Monetary Transactions

The Company measures an asset exchanged or transferred in a non-monetary transaction using the fair value of the asset given up and the fair value of the asset received.

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 August 18, 2026.

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.

	Six months ended June 30, 2026	Year ended December 31, 2025
Balance, beginning of period	**$ 100,000**	$ 100,000
GIC, maturity date January 29, 2025 4.25%	**-**	(100,000)
GIC, maturity date January 29, 2026 2.11%	**-**	100,000
GIC, maturity January 29, 2026	**(100,000)**	-
Balance, end of period	**$ -**	$ 100,000

4. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	Six months ended June 30, 2026	Year ended December 31, 2025
Earn-in agreement receivable	**$ 61,744**	$ 40,162
Management fee receivable	**5,854**	3,854
Joint venture receivable	**-**	3,345
GST receivable	**23,492**	6,085
Production revenue receivable	**314,275**	-
Interest receivable	**-**	3,834
Balance, end of period	**$ 405,365**	$ 57,280

5. PREPAID EXPENSES

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

	Six months ended June 30, 2026	Year ended December 31, 2025
Communications and software	**$ 4,617**	$ 558
Insurance	**3,863**	6,462
Deposit for oil and gas operations	**16,112**	-
Lease liability rating deposit	**10,200**	10,200
Balance, end of period	**$ 34,792**	$ 17,220

6. PROPERTY AND EQUIPMENT

	Total
Cost	
Balance at December 31, 2024	$ 40,369
Additions	-
Balance at December 31, 2025	$ 40,369
Transfer from exploration and evaluation assets	26,447
Balance at June 30, 2026	**$ 66,816**
Accumulated depreciation:	
Balance at December 31, 2024	$ (29,566)
Depreciation for the period	(10,803)
Balance at December 31, 2025	$ (40,369)
Depletion for the period	(2,930)
Balance at June 30, 2026	**$ (43,299)**
Net carrying value:	
Balance December 31, 2025	$ -
Balance June 30, 2026	$ 23,517

As at June 30, 2026, no impairment indicators were identified and therefore an impairment test was not performed.

At June 30, 2026, the Company transferred $26,447 of costs from E&E category to Property and Equipment category because reserves were assigned to the oil and gas mineral rights once the two wells commenced production in April 2026.

7. EXPLORATION AND EVALUATION ASSETS ("E&E")

The following table summarizes the Company's E&E asset expenditures on it's three CGU's:

	Six months ended June 30, 2026	Year ended December 31, 2025
Cost		
Balance, beginning of period	**$ 2,090,679**	$ 2,081,249
Land acquisition costs	**2,822**	28,511
Non-monetary addition from farm-out	**22,714**	-
Non-monetary disposition from farm-out	**(28,378)**	-
Transfer to property, plant & equipment	**(26,447)**	-
Decommissioning asset	**855**	(958)
Balance, end of period	**$ 2,062,245**	$ 2,108,802
Impairment expense	**-**	(18,123)
Balance, end of period	**$ 2,062,245**	$ 2,090,679

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 December 23, 2025, the Company surrendered non-core lithium mineral permits that were outside the KLP area resulting in an impairment of $18,123 being recorded for the year ended December 31, 2025

On January 14, 2026, the Company announced it had entered into a definitive agreement dated December 30, 2025 to acquire a minority interest (30%) in oil and gas mineral rights in Saskatchewan. Under the agreement the Company remitted approximately $25,000 and received approximately four sections located in south-central Saskatchewan near Lloydminster. As a second and immediate step dated December 30, 2025, Grounded and the Third Party farmed-out their combined 60% interest to a newly created limited partnership on terms acceptable to Grounded for a 1.5% working interest before payout on the two wells drilled and completed in the first quarter of 2026. During the first quarter of 2026, the Company exchanged oil and gas mineral rights that had a carrying amount of $28,378 for a working interest in two oil and gas wells which had a fair value of $22,714 at the date of exchange. The oil and gas wells were recorded at fair value and a loss of $5,664 was recognized as a result of the exchange.

At June 30, 2026, the Company transferred $26,447 of costs from E&E category to Property and Equipment category because reserves were assigned to the oil and gas mineral rights once the two wells commenced production in April 2026.

As at June 30, 2026 and June 30, 2025, no impairment indicators were identified and therefore an impairment test was not performed.

8. ACCOUNTS PAYABLE

Accounts payable is comprised of the following:

	Six months ended June 30, 2026	Year ended December 31, 2025
Trade payable	**$ 384,284**	$ 150,243
Joint venture payable	**244,039**	-
Accrued liabilities	**62,975**	76,058
GST payable	**58,463**	4,846
Advance	**15,528**	15,528
Balance, end of period	**$ 765,289**	$ 246,675

9. RESTRICTED SHARE UNITS LIABILITY

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

	Six months ended June 30, 2026	Year ended December 31, 2025
Balance, beginning of period	**$ 59,991**	$ 62,733
Share-based compensation (i)	**4,872**	28,304
RSU's cancelled (iv)	**-**	(1,316)
RSU's settled with shares (iii)	**(65,560)**	(43,975)
Revaluation of restricted share unit (ii)	**697**	14,245
Balance, end of period	**$ -**	$ 59,991

(i) 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;

(ii) On December 31, 2025, the Company recorded a mark-to-market loss for the remaining 749,899 RSU's at $0.08;

On March 4, 2026, the Company recorded a mark-to-market loss for the remaining 819,500 RSU's at $0.08;

(iii) 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 issued 872,000 Common Shares to settle the restricted share units which vested on March 4, 2025 for $0.03 per share;

On March 30, 2026, the Company issued 819,500 Common Shares to settle the restricted share units which vested on March 4, 2026 for $0.08 per share; and

(iv) A Director resigned on June 18, 2025 upon which the Company cancelled 52,500 RSU's on September 15, 2025.

10. DECOMMISSIONING LIABILITY

The Company's decommissioning provision results from ownership interests in resource 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 June 30, 2026 to be approximately $11,100 (December 31, 2025 - $10,200) with the abandonment expected to commence in 2042. A discount rate of 3.77 percent (December 31, 2025 –3.85 percent) and an inflation rate of 2.10 percent (December 31, 2025 – 2.10 percent) was used to calculate the decommissioning provision.

A reconciliation of the decommissioning provision is provided below:

	Six months ended June 30, 2026	Year ended December 31, 2025
Balance, beginning of period	**$ 7,641**	$ 8,321
Provisions made during the period for farm-out wells	**778**	-
Change in discount rate	**77**	(958)
Accretion	**155**	278
Balance, end of period	**$ 8,651**	$ 7,641

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

	Six months ended June 30, 2026		Year ended December 31, 2025	
	Number of Common Shares	**Amount**	Number of Common Shares	Amount
Balance, beginning of period	**79,660,227**	**$ 12,120,932**	78,279,227	$ 12,076,957
Issue of Common Shares (i)	**-**	**-**	509,000	17,815
Issue of Common Shares (ii)	**-**	**-**	872,000	26,160
Issue of Common Shares (iii)	**819,500**	**65,560**	-	-
Balance, end of period	**80,479,727**	**$ 12,186,492**	79,660,227	$ 12,120,932

(i) 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.

(ii) 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.

(iii) On March 30, 2026, the Company issued 819,500 Common Shares to settle the restricted share units which vested on March 4, 2026 for $0.08 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 June 18, 2025 issued and outstanding common shares of the Company to be reserved for issuance. There were 79,660,227 shares outstanding and therefore a maximum of 15,932,045 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:

	Six months ended June 30, 2026		Year ended December 31, 2025	
	Number of Options	**Weighted Average Exercise Price *($/share)***	Number of Options	Weighted Average Exercise Price *($/share)*
Balance, beginning of period	**11,206,000**	**$ 0.15**	9,589,100	$ 0.17
Granted (i)	**-**	**-**	2,110,900	$ 0.065
Granted (ii)	**2,300,000**	**0.08**	-	-
Cancelled (iii)	**-**	**-**	(494,000)	0.16
Expired (iv)	**(442,800)**	**0.19**	-	-
Balance, end of period	**13,063,200**	**$ 0.14**	11,206,000	$ 0.15
Exercisable, end of period	**9,355,934**	**$ 0.16**	8,471,766	$ 0.16

(i) On August 21, 2025, the Company granted 2,110,900 stock options. The options granted are exercisable at an average price of $0.065 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 May 6, 2026, the Company granted 2,300,000 stock options. The options granted are exercisable at an average price of $0.08 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.

(iii) A Director resigned on June 18, 2025 so the Company cancelled 65,000 stock options with an exercise price of $0.18 per option, 130,000 stock options with an exercise price of $0.29 per option, 55,000 stock options with an exercise price of $0.30 per option and 244,000 stock options with an exercise price of $0.06 per option. All stock options were cancelled on September 15, 2025.

(iv) 89,400 stock options with an exercise price of $0.10 per option, 145,400 stock options with an exercise price of $0.18 per option, 120,000 stock options with an exercise price of $0.29 per option and 88,000 stock options with an exercise price of $0.18 per option expired during the first quarter of 2026.

The following table summarizes information regarding stock options outstanding at June 30, 2026:

Options Outstanding at June 30, 2026				**Options Exercisable at June 30, 2026**	
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life *(years)*	Weighted Average Exercise Price *($/share)*	Number Exercisable	Weighted Average Exercise Price *($/share)*
$0.06	**3,822,000**	**2.7**	**$0.02**	**3,822,000**	**$0.02**
$0.065	**2,110,900**	**4.1**	**$0.01**	**703,634**	**$0.02**
$0.08	**2,300,000**	**4.9**	**$0.01**	**-**	**-**
$0.10	**548,800**	**0.4**	**$0.01**	**548,800**	**$0.01**
$0.18	**1,150,500**	**0.5**	**$0.02**	**1,150,500**	**$0.02**
$0.25	**50,000**	**0.5**	**-**	**50,000**	**-**
$0.29	**1,750,000**	**1.3**	**$0.04**	**1,750,000**	**$0.05**
$0.30	**1,331,000**	**1.6**	**$0.03**	**1,331,000**	**$0.04**
	13,063,200	**2.7**	**$0.14**	**9,355,934**	**$ 0.16**

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

	Six months ended June 30, 2026	Year ended December 31, 2025
Risk-free interest rate *(%)*	**2.91**	2.73
Expected life *(years)*	**5**	5
Expected volatility (%)	**160**	148
Expected forfeiture rate (%)	**5**	5
Expected dividend yield *(%)*	**-**	-
Fair value of stock options granted ($/share)	**0.07**	0.06

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 June 30, 2026 was $73,810 (June 30, 2025 - $49,856).

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.

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

	Six months ended June 30, 2026		Year ended December 31, 2025	
	Number of Performance Warrants	**Weighted Average Exercise Price *($/warrant)***	Number of Performance Warrants	Weighted Average Exercise Price *($/warrant)*
Balance, beginning of period	**3,230,000**	**$ 0.75**	3,360,000	$ 0.75
Cancelled (i)	**-**	**-**	(130,000)	0.75
Expired (ii)	**(380,200)**	**0.74**	-	-
Balance, end of period	**2,849,800**	**$ 0.75**	3,230,000	$ 0.75
Exercisable, end of period	**2,849,800**	**$ 0.75**	3,230,000	$ 0.75

(i) A Director resigned on June 18, 2025 so the Company cancelled 130,000 performance warrants with an average exercise price of $0.75 per performance warrant.

(ii) 380,200 performance warrants with an average exercise price of $0.74 per performance warrant expired during the first quarter of 2026.

Share-based compensation from performance warrants recognized in net loss during the period ended June 30, 2026 was $ nil (June 30, 2025 - $2,071).

The following table summarizes information regarding performance warrants outstanding at June 30, 2026:

	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	137,200	2.4	$ 0.01	137,200	$ 0.01
$0.40	575,250	2.5	0.08	575,250	0.08
$0.50	137,200	2.4	0.03	137,200	0.03
$0.65	575,250	2.5	0.13	575,250	0.13
$0.75	137,200	2.4	0.04	137,200	0.04
$0.90	575,250	2.5	0.18	575,250	0.18
$1.00	137,200	2.4	0.05	137,200	0.05
$1.15	575,250	2.5	0.23	575,250	0.23
	2,849,800	**2.5**	**$ 0.75**	**2,849,800**	**$ 0.75**

Warrants

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

	Six months ended June 30, 2026		Year ended December 31, 2025	
	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
Expired (i)	**-**	**-**	(3,478,721)	-
Balance, end of period	**-**	**$ -**	-	$ -

(i) On September 26, 2025 3,478,721 warrants at an exercise price of $0.18 per share expired.

Restricted Share Units

On March 26, 2025 the Company settled 509,000 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 RSU's with an issuance of 872,000 Common Shares at a price of $0.03 per share to certain employees, officers and directors.

A Director resigned on June 18, 2025 resulting in the cancellation of 52,500 RSU's on September 15, 2025.

On March 30, 2026 the Company settled 819,500 RSU's with an issuance of 819,500 Common Shares at a price of $0.08 per share to certain employees, officers and directors.

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

	Six months ended June 30, 2026		Year ended December 31, 2025	
	Number of Restricted Shares	**Weighted Average Price *($/RSU)***	Number of Restricted Shares	Weighted Average Price *($/RSU)*
Balance, beginning of period	**819,500**	**$ 0.06**	2,253,000	$ 0.11
Settled	**-**	**-**	(509,000)	0.30
Settled	**-**	**-**	(872,000)	0.06
Cancelled	**-**	**-**	(52,500)	0.06
Settled	**(819,500)**	**0.06**	-	-
Balance, end of period	**-**	**$ -**	819,500	$ 0.06

Share-based compensation from RSU's recognized in net loss during the period ended June 30, 2026 was $4,872 (June 30, 2026 - $12,812).

(c) Per share amounts

The Company calculates per share amounts based on the weighted average Common Shares outstanding for the three and six months ended June 30, 2026 and for the three and six months ended June 30, 2025. For both periods ended June 30, 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 June 30		Six months ended June 30	
	2026	2025	**2026**	2025
Weighted average shares outstanding	**80,479,727**	79,660,227	**80,081,296**	79,019,321
Weighted average diluted shares outstanding	**80,479,727**	79,660,227	**80,081,296**	79,019,321
Net loss per share				
Net loss	**$ 132,943**	$ 103,370	**$ 196,936**	$ 72,978
Basic *($/share)*	**0.00**	0.00	**0.00**	0.00
Diluted *($/share)*	**0.00**	0.00	**0.00**	0.00

12. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash working capital comprise of the following:

	Three months ended June 30		Six months ended June 30	
	2026	2025	**2026**	2025
Change in receivables	**$ 563,639**	$ (51,201)	**$ (348,085)**	$ 349,351
Change in prepaid expense and deposits	**137**	1,390	**(17,572)**	10,628
Change in accounts payable and accrued liabilities	**(487,684)**	127,434	**518,614**	(315,529)
	$ 76,092	$ 77,623	**$ 152,957**	$ 44,450
Change in operating non-cash working capital	**162,334**	25,672	**166,009**	8,549
Change in investing non-cash working capital	**(86,242)**	51,951	**(13,052)**	35,901

13. OIL AND NATURAL GAS REVENUE

	Three months ended June 30		Six months ended June 30	
	2026	2025	**2026**	2025
Oil and natural gas revenue:				
Heavy oil	**$ 16,268**	-	**$ 16,268**	-
Less: Royalty expenses	**(5,383)**	-	**(5,383)**	-
Oil and natural gas revenue, net	**$ 10,885**	$ -	**$ 10,885**	$ -

14. FINANCE INCOME (EXPENSE)

	Three months ended June 30		Six months ended June 30	
	2026	2025	**2026**	2025
Finance income:				
Income on short-term investments	**$ -**	-	**$ 314**	$ 2,792
Finance expenses:				
Misc. interest	**(153)**	-	**(163)**	-
Accretion on decommissioning	**(81)**	(69)	**(155)**	(138)
	(234)	(69)	**(318)**	(138)
Net finance income	**$ (234)**	$ (69)	**$ (4)**	$ 2,654

15. MANAGEMENT FEE

	Three months ended June 30		Six months ended June 30	
	2026	2025	**2026**	2025
Management fee:				
Management fee with Denison	**$ 5,575**	12,460	**$ 9,557**	117,962

16. COMMITMENTS

Grounded has no financial commitments as at June 30, 2026.

17. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

As at June 30, 2026, 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 June 30, 2026, the Company had unrestricted, restricted cash and cashable GIC's of $211,089 (December 31, 2025 $169,762).

The Company’s secondary exposure to credit risk is on its receivables. As at June 30, 2026, the Company had a receivable of $61,744 (December 31, 2025 - $ 40,162) from the Earn-In Agreement, a joint venture receivable of $ nil (December 31, 2025 - $3,345), a production receivable of $314,275 (December 31, 2025 – nil) and $29,346 (December 31, 2025 - $13,773) in taxes receivable from Canada Revenue Agency, interest receivable and other receivables. The Company did not have any allowance for doubtful accounts as at June 30, 2026 and did not provide for any doubtful accounts nor was it required to write-off any of the receivables during the period ended June 30, 2026.

As at June 30, 2026, 100 percent of the Company’s accounts receivable were under 90 days in age and considered collectible.

Aging		
Current (less than 90 days)	$	405,365
Past due (over 90 days)		-
Total	**$**	**405,365**

(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 June 30, 2026, the Company had a working capital deficit of $114,043 (December 31, 2025 - $62,404 working capital deficit).

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as of June 30, 2026:

	Carrying amount	Contractual cash flows total	< 1 year	1 – 2 years	2 – 5 years	> 5 years
Accounts payable and other liabilities	$765,289	$765,289	$765,289	$ -	$ -	$ -
				-	-	-

(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.

<u>Foreign currency exchange rate risk</u>

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 lithium operations are not exposed to any significant commodity price risk as commercial lithium operations are several years away. The Company's oil and gas operations, while minor, are subject to commodity risk exposure.

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 June 30, 2026.

(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.

18. RELATED PARTY TRANSACTIONS

During the period ended June 30, 2026, legal services totalling $44,099 (June 30, 2025 - $31,732) were provided by a law firm in which an Officer of the Company is a partner. As at June 30, 2026, there is $74,803 (June 30, 2025 - $32,306) included in accounts payable and accruals.

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

19. SUBSEQUENT EVENT

On July 30, 2026 the Company announced that it has entered into an agreement with an arms-length third party to provide loan proceeds of $106,000, bearing interest at 12% per annum, on an unsecured basis (the "Facility Loan"). The Facility Loan is repayable in equal instalments over an eighteen (18) month term, with 50% of the Facility Loan supported by a standalone agreement between GLC and the unrelated third party announced in the Company's original oil & gas acquisition and farmout transaction press release. Total facility upgrade costs are estimated at $263,000. The balance of the facility cost upgrades will be funded in part by Analogy Capital Advisors Inc. pursuant to its 40% working interest after consideration of a non-interest-bearing loan provided by the vendor of the facility equipment of approximately $86,000.