**RESEARCH UPDATE**

**GROUNDED LITHIUM CORP. (TSXV: GRD)**

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| Market Statistics | |
|---|---|
| Price | $ 0.17 |
| 52 week Range | $0.14 - $0.50 |
| Daily Vol (3-mo. average) | 71,750 |
| Market Cap (M): | $ 11.5 |
| Enterprise Value (M): | $ 10.8 |
| Shares Outstanding: (M) | 69.7 |
| Retail Ownership | 69.0% |
| Institutional Ownership | 17.0% |
| Insider Ownership | 14.0% |

| Financial Summary | |
|---|---|
| Cash (M) | $ 0.6 |
| Cash/Share | $ 0.01 |
| Debt (M) | $ - |
| Equity (M) | $ 3.9 |
| Equity/Share | $ 0.06 |


**Company Description**

Grounded Lithium (TSXV: GRD) is a publicly traded, Alberta-headquartered lithium resource company focused on supplying lithium into the rapidly developing electricity-powered economy. Within the accelerating energy transition industry, lithium is a critical metal in the manufacturing of Electric Vehicle batteries. They focus on lithium extraction from the production of subsurface brines, where Western Canada's potential remains undeveloped. The Grounded Lithium team is dedicated to generating value through a balanced model of exploration, production, and strategic acquisitions of formations bearing lithium-rich brines in Western Canada.

## COMPANY UPDATES

**Significant Progress:** Grounded Lithium Corp. has accomplished a number milestones since the start of 2023 that we believe warrant a re-rating of the stock. Year to date GLC has selected a DLE provider in Koch Technology Solutions ("Koch" or "KTS") and announced the results of its much-anticipated PEA. In 2H23 and into FY24 we also expect the Company to appreciate as the market digests the PEA results, the Company expands its resource base, and a path to commercial production solidifies.

**DLE Selection:** Current demand estimates for lithium far exceed current supply options. This is even more acute in North America where Grounded operates. One of the critical components of operating a lithium brine operation is the Direct Lithium Extraction method used. With the selection of Koch, GLC has taken a large step towards serving this demand. This will allow Grounded to get their operations to full economic production on a timescale that will benefit from the supply/demand imbalance. With a 98% lithium extraction recovery rate, the next step is for KTS to deploy a several months long field pilot. The results of this pilot will help inform the overall commerciality of the project.

**Clean balance sheet:** It is noticeable that the Company does not have any liens on their property, nor have they engaged in any royalty agreements. Additionally, there is no debt on the balance sheet, putting GLC in a strong position going forward. We also note that the Company has enough working capital to maintain operations through near-term catalyst, in part due to the low cash burn rate. We think that this strong balance sheet along with management's personal investment into the project shows the alignment between investors and management.

**Impressive PEA Results:** The PEA was highlighted by several encouraging results, most notably the after tax NPV of $1.0B and an internal after-tax IRR of 48.5%. These outcomes are based on an LHM price/ton of $25,000, a discount rate of 8%, and capital investment of $335.0M. Most notable of these variables is the LHM price/ton of $25,000, which is significantly lower than current spot rates. When we consider the highest sensitivity provided with an LHM price/ton of $35,000 it returns an after tax NPV of $1.6B. We believe this NPV is closer to our estimate of the current Phase 1 NPV. Given that these results only consider 24 of GRD's 300 sections of land holdings, we view this as a very positive step towards realizing the KLP's otential.

**Valuation:** We value GRD using an EV/NPV multiple in comparison to peer companies EV/NPV multiples. When we apply our EV/NPV multiple to Phase 1 it results in a valuation range of C$0.55 to C$1.10 with a midpoint of C$0.82. When we adjust this value for the likely expansion beyond Phase 1 it results in a valuation range of C$0.72 to C$1.43 with a midpoint of C$1.08. We believe this increased range is more accurate and is further supported by the Arizona Lithium acquisition in December 2022, which would value GRD at ~C$1.04.

## Business Overview

Grounded Lithium Corp. ("Grounded", "GLC", "GRD", or "the Company") is a lithium brine explorer and developer based out of Calgary, Alberta that is focused on supplying lithium to the developing electric powered economy. The Company currently has a significant land position in Western Canada consisting of over 333 sections equal to ~86,000 hectares of land with 4.2mn tons of inferred Lithium Carbonate Equivalent ("LCE"). This project involves the Duperow Formation in southwestern Saskatchewan, an area that is well understood and is a top candidate for large accumulations of lithium brine.

Grounded became a publicly traded company following the reverse merger with VAR Resources Corp. ("VAR") in August of 2022. At the time 100% of Groundeds voters were in favor of the transaction with the Company commencing trading on the TSX.V exchange on August 25, 2022 under the trading symbol GRD.

On December 9, 2022 the Company also began trading on the OTCQB under the symbol "GRDAF".

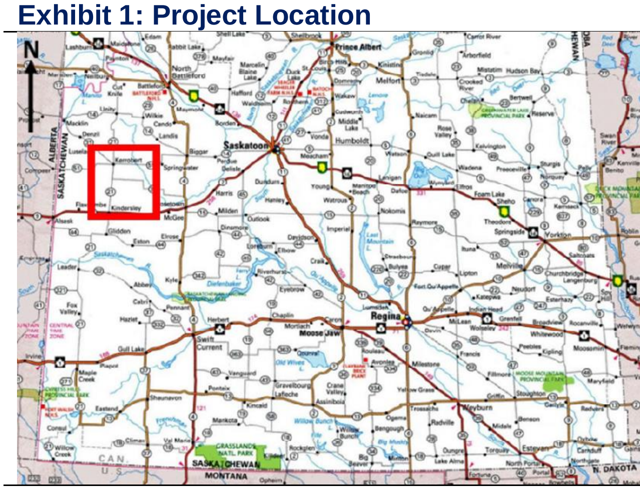
## Kindersley Project

### Location and History

The Kindersley Project ("the Project" or "KLP") focuses on the Duperow formation, a large active aquifer system that is an ideal candidate for sourcing subsurface lithium enriched brines. GLC is the sole owner of the Kindersley Project with their mineral rights position located in southwestern Saskatchewan. Between their Crown and Freehold mineral rights the Project spans ~78,000 hectares.

This location is conveniently located near the town of Kindersley, Saskatchewan through a network of highways that are open year-round. This allows for year-round operation of the Project. The town of Kindersley will provide all of the general services for the project and is well suited to do so as the town and surrounding communities have a long history of supporting the oil and gas industry in the region. The Project also has access to a stable three-phase power infrastructure across the entire area, with access to nearby rail line in addition to natural gas pipelines, should GLC wish to supply its own power.

**Exhibit 1: Project Location**




*Source: NI 43-101 Technical Report*

There are no records of historic mining projects targeting lithium extraction in the area. GLC is the initial owner and operation of the Project which is classified as a greenfield development project.

Historically the area has been used for oil and gas exploration projects with the first drilled well dating back to 1928. Since then, over 16,000 wells have been drilled, all targeting oil and gas. Due to the similar nature of drilling required to penetrate underground aquifers for lithium brine, the Company can base portions of their volumes and production rates based on the historical production that the oil and gas industry saw at the Duperow formation. This is highlighted by the shallowness of the aquifer and strong implied fluid dynamics.

**Exhibit 2: Breakdown of Company Land Holdings**

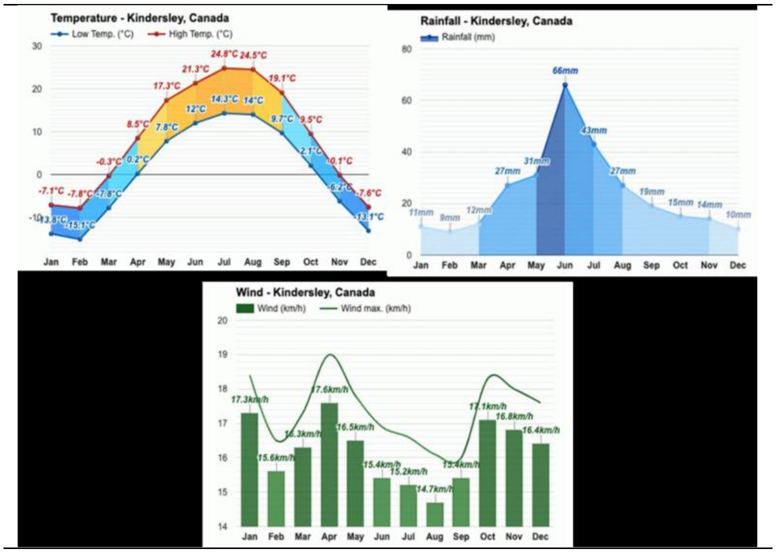
| Mineral Rights Type | WI (%) | Area (Ha) |
|---|---|---|
| Crown | 100% | 8,498.84 |
| Freehold | 100% | 77,476.93 |
| **Total** | | 85,975.77 |

*Source: NI 43-101 Technical Report, Company Reports*

Regional challenges are primarily concerned with logistics due to potential weight restrictions put on local roads in the region, primarily starting in the first week of March. These weight restrictions are due to winter weather and can last for up to six weeks. While these potential restrictions could cause logistical challenges, it is notable that the oil and gas operator in the region have laid a blueprint for strategically handling these restrictions using proactive management of transporting heavy equipment outside of the impacted months.

The climate is not expected to pose a challenge as the project is located only 683 meters above sea level on average. This low elevation, coupled with a climate characterized by warm humid summers and dry cold winters will allow the project to operate year-round.

**Exhibit 3: Climate Variations**




*Source: NI 43-101 Technical Report*

## Current Operations and Estimates

Resource estimates from the Technical Report show an inferred LCE of 4.2mn tons, along with strong fluid dynamics that could produce up to 19,500 barrels per day. Most recently the Company has released its Preliminary Economic Assessment (PEA), which yielded encouraging results for the KLP. Highlighted among the results is an after-tax NPV of $1.0B at the base case. These positive results along with the selection of a DLE provider prepares GRD for the next phase of the project which includes a Pre-Feasibility Study, a field pilot for the DLE technology, and the constant expansion of the resource base.

**Exhibit 4: PEA Sensitivity Analysis**

OFAT Sensitivity Analysis - CAPEX

| ($ thousands) | Low Case CAPEX -40% USD | Low Case CAPEX -20% USD | Base Case CAPEX USD | High Case CAPEX +20% USD | High Case CAPEX +40% USD |
|---|---|---|---|---|---|
| CAPEX | $ 201,295 | $ 268,394 | $ 335,492 | $ 402,590 | $ 469,689 |
| NPV@8% - Btax | $ 1,473,192 | $ 1,418,999 | $ 1,364,630 | $ 1,310,615 | $ 1,256,423 |
| NPV@8% - Atax | $ 1,067,559 | $ 1,025,042 | $ 982,395 | $ 940,007 | $ 897,328 |
| IRR (%) - Btax | 92 | 71 | 58 | 49 | 42 |
| IRR (%) - Atax | 76 | 59 | 49 | 41 | 36 |

OFAT Sensitivity Analysis - OPEX

| ($ thousands) | Low Case OPEX -40% USD | Low Case OPEX -20% USD | Base Case OPEX USD | High Case OPEX +20% USD | High Case OPEX +40% USD |
|---|---|---|---|---|---|
| OPEX | $ 25,735 | $ 34,313 | $ 42,891 | $ 51,469 | $ 60,047 |
| NPV@8% - Btax | $ 1,498,577 | $ 1,431,692 | $ 1,364,630 | $ 1,297,922 | $ 1,231,037 |
| NPV@8% - Atax | $ 1,080,176 | $ 1,031,350 | $ 982,395 | $ 933,698 | $ 884,872 |
| IRR (%) - Btax | 62 | 60 | 58 | 56 | 54 |
| IRR (%) - Atax | 52 | 50 | 49 | 47 | 45 |

OFAT Sensitivity Analysis - LHM Price

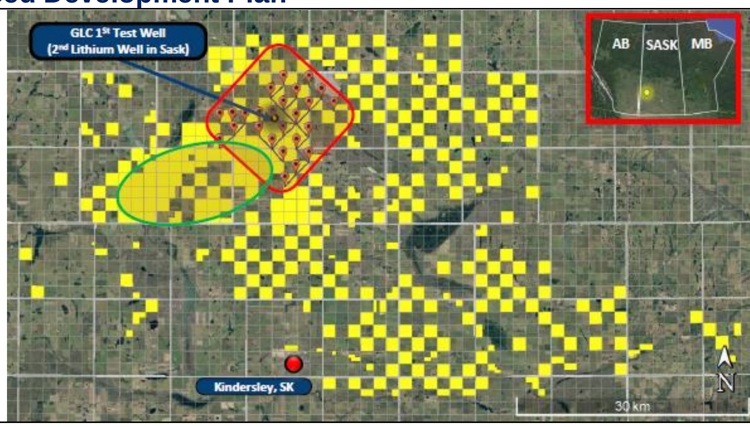
| ($ thousands) | Low Case LHM Price -40% USD | Low Case LHM Price -20% USD | Base Case LHM Price USD | High Case LHM Price +20% USD | High Case LHM Price +40% USD |
|---|---|---|---|---|---|
| LHM Price per tonne | $ 15 | $ 20 | $ 25 | $ 30 | $ 35 |
| NPV@8% - Btax | $ 576,730 | $ 970,769 | $ 1,364,630 | $ 1,758,846 | $ 2,152,885 |
| NPV@8% - Atax | $ 406,465 | $ 694,876 | $ 982,395 | $ 1,270,172 | $ 1,557,821 |
| IRR (%) - Btax | 31 | 45 | 58 | 71 | 83 |
| IRR (%) - Atax | 27 | 38 | 49 | 59 | 68 |

*Source: PEA*

The PEA was highlighted by several encouraging results, most notably the after tax NPV of $1.0B and an internal after-tax IRR of 48.5%. These outcomes are based on an LHM price/ton of $25,000, a discount rate of 8%, and capital investment of $335.0M. Most notable of these variables is the LHM price/ton of $25,000, which is significantly lower than current spot rates. When we consider the highest sensitivity provided with an LHM price/ton of $35,000 it returns an after tax NPV of $1.6B. We believe this NPV is closer to our estimate of the current Phase 1 NPV. Given that these results only consider 24 of GRD's 300 sections of land holdings, we view this as a very positive step towards realizing the KLP's potential.

Additional variables considered when determining the PEA included a mine life of 20 years with a payback period of 3.7 years inclusive of 1.5 years for design engineering and construction. This is based on an annual production of 11,000 tons per year at an annual operating cost of $42.9M.

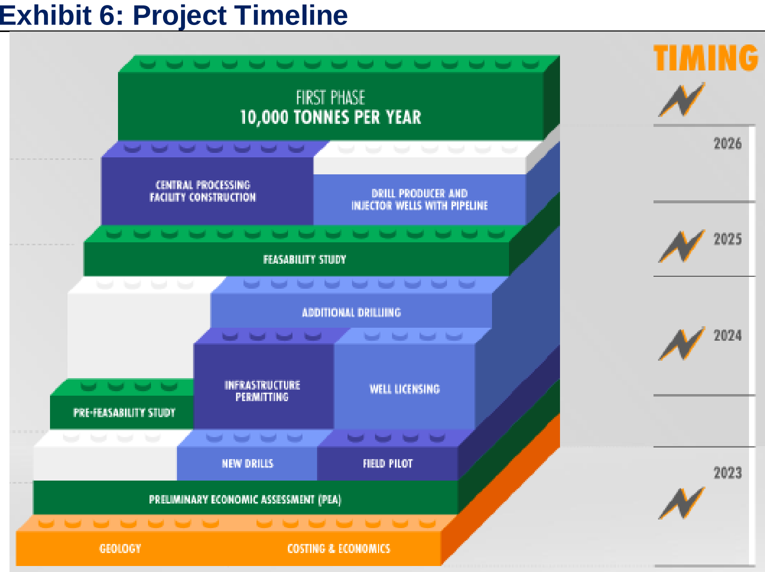
**Exhibit 5: Announced Development Plan**




*Source: June 2023 Company Presentation*

Now that the Company has completed its PEA, GLC is expected to commence production on their Commercial Demonstration Facility, with full production on track to begin in the late 2026 to early 2027 timeframe. Full production is expected to take the shape of a modular design, allowing for lower design, permitting, and financing risks as compared to larger projects. Phase 1 is expected to incorporate 24 of the 300 sections of land holdings that GRD has. This first phase will be critical in determining the capital and operating efficiencies that can be expected for future phases, with future phases expected to be financed with internally generated cash flows. Importantly, the Company has also announced the selection of a DLE provider in Koch Technology Solutions ("Koch" or "KTS"). This brings GLC significantly closer to its production goals.

**Exhibit 6: Project Timeline**

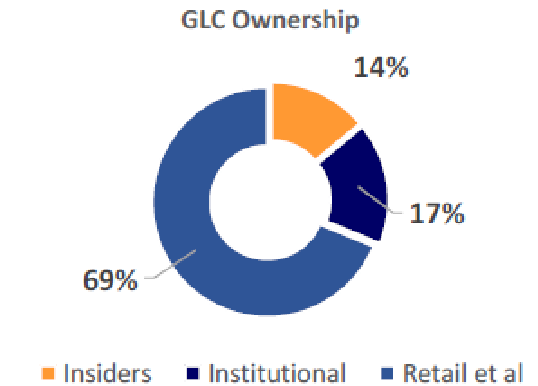



*Source: June 2023 Company Presentation*

### Financing

The Company has not engaged in any royalty agreements, nor have they pledged any part of the Project as collateral for debt financing. Historically, the Company has raised funds through a series of private placements, with management having invested at every level of financing thus far. Management has also indicated that they plan on continuing to invest in all future rounds of private placements. Additionally, there is a potential $8.4mn outstanding, should all dilutive warrants and incentives be exercised.

**Exhibit 7: Company Ownership**




*Source: June 2023 Company Presentation*

## Lithium Market Overview

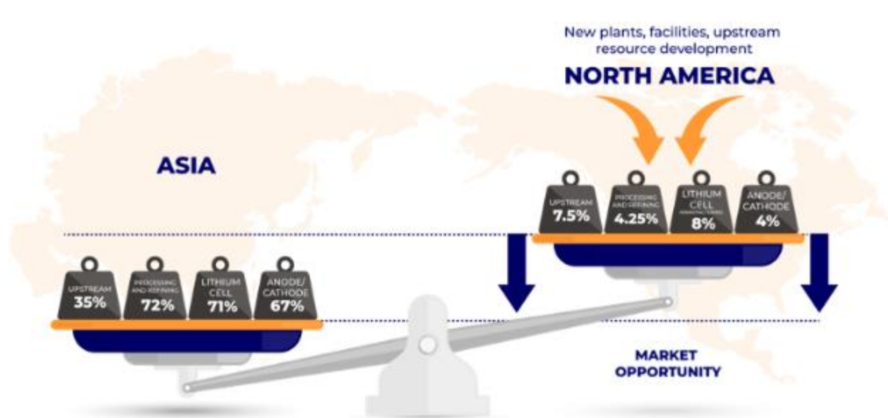
### Overview

The lithium market has been experiencing dramatic macro tailwinds as more and more focus is placed on the global green transition with electric vehicle batteries being one of the main driving forces. Additionally, it is important to note that energy storage and military technologies are also large macro tailwinds. This is exemplified by the large run up in lithium spot prices over the last several years, as the price per ton went from $8,000 to begin 2020 before hitting a high of approximately $82,000 in November 2022.

This imbalance is expected to persist into the foreseeable future with major OEMs continuing to drive demand. This was most recently seen in January of 2023 when General Motors Co. ("GM") entered a transaction with Lithium Americas where GM invested heavily into the Thacker Pass Lithium Project operated by Lithium Americas in an effort to secure lithium resources for their future EV production.

Current lithium production is not sufficient to support current demand, with the shortage more acute in North America when compared to Asia. It is estimated that North American battery supply chain is 10-15 years behind that of Asia with the majority of the chemical processing and cell manufacturing located in China. This geographical dissociation provides an opportunity for companies like Grounded Lithium Corp. to take advantage of potential geopolitical tailwinds. Due to GLC operating a lithium brine operation, and with lithium brine operations being easier to bring to market compared to hard ore open pit operations, GLC is strategically positioned to benefit from the near-term need for North American sourced lithium.

**Exhibit 8: Lithium Geographical Imbalance**




*Source: June 2023 Company Presentation*

## Direct Lithium Extraction (DLE)

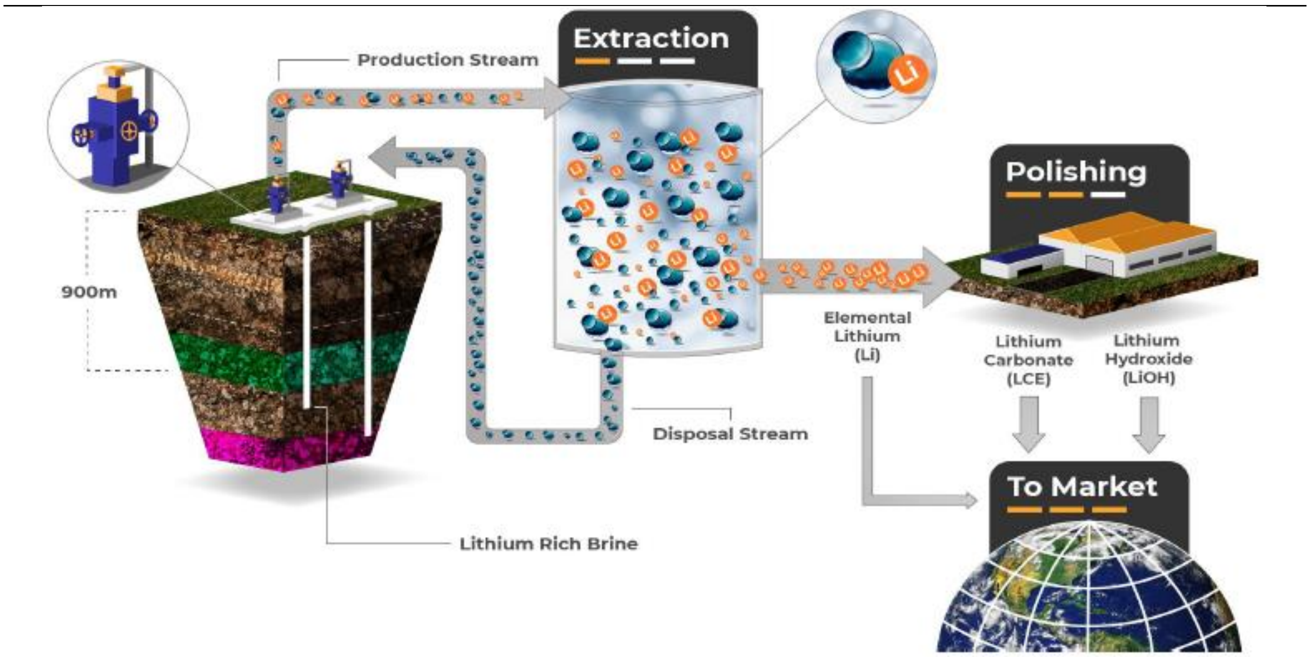
Critical to the economics of a lithium brine operation is the method of lithium extraction from the brine. This typically takes two forms, either using evaporation ponds or through Direct lithium extraction (“DLE”). With the evaporation method the brine is pumped to the surface and held in retention ponds where evaporation removes the water and leaves behind the desired lithium salt. This method can take almost a year to cycle and is not as environmentally friendly as DLE.

Direct lithium extraction on the other hand is considered far more environmentally friendly since the water is returned to the subsurface aquifer after the lithium is extracted. This is due to DLE using a pump to bring lithium brine to the surface where it then interacts with a specific absorbent solution that removes the lithium from the brine. The remaining water is then returned subsurface when the extracted lithium is sent for processing. This results in higher quality lithium as impurities are easier to reject compared to the evaporation method.

One of the challenges with DLE is the chemical specifications needed to extract the lithium. Each lithium brine is unique, requiring a novel absorbent and process for each subsurface reservoir. Notably this challenge is not unique to Grounded as there are 50-70 companies all working with some variation of DLE.

After extensive research the Company has selected Koch Technology Solutions (“Koch” or “KTS”) to be its DLE provider. Testing at the Kindersley Lithium Project showed a lithium extraction recovery rate of 98% on average. Just as positive was the rejection of 99% of other unwanted ions found in the KLP brine. The next step will be for KTS to provide the technology under a staged field pilot where the results will be monitored over the coming months. From there, the field pilot results will be used to help determine a more accurate representation of the commerciality of the project.

**Exhibit 9: DLE Process Overview**




*Source: June 2023 Company Presentation*

## Risks

As with any investment, there are certain risks associated with Grounded's operations as well as with the surrounding economic and regulatory environments common to the mining industry and operating in a foreign country.

- Even if Grounded Lithium Corp. does harvest a significant amount of resources from the ground, there is no guarantee that a profitable market will exist for those resources. Lithium is subject to significant price movements in a short period of time.

- The Company has no history of net income, dividends, or cash flow and there can be no assurance that the Company will be profitable going forward. In the case that the Company cannot create enough revenue to sustain on-going business activities, Grounded's only source of financing will be through the sale of existing securities, high-cost borrowing, or sale of its mineral properties.

- Mineral Reserves and grades are estimates only. There are many uncertainties in estimating mineral quantities of mineral reserves that may cause actual results and quantities to differ from those inferred. In the event that these resources are less bountiful than anticipated, any well life estimates or cash flow estimates could be severely reduced.

- The Company is subject to regulatory risk as exploration and development activities are subject to laws and regulations imposed by local and state government authorities. Any future changes in the laws, regulations, agreements, or judicial rulings could impact or stop the Company from continuing to explore and develop its' properties.

## VALUATION SUMMARY

Grounded Lithium Corp. completed their Preliminary Economic Assessment, with initial results announced in July of 2023. In order to complete our valuation analysis, we relied heavily on this PEA in comparison to other lithium resource companies. To standardize the comparison, we used the pre-tax NPV at a discount rate of 8% assuming an average selling price as close to $15,000/ton of LHM for all companies involved. When we look at comp companies on an EV/NPV basis we note that median comps have an enterprise value that is approximately 0.12x of stated NPV. This is in comparison to GRD having an EV approximately 0.02x of NPV. We believe that it is appropriate for GRD to have an EV that is in the range of 0.05x to 0.10x of NPV, even after accounting for the smaller market cap and resource base of GRD as well as the relatively early stage of the project.

| | | | | | | Project Statistics | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Company Name | Symbol | Price (1) | Mrkt Cap ($M) | EV ($M) | EV/NPV | Location | Stage | PreTax NPV ($M) | Discount Rate | Avg. Selling Price |
| LithiumBank Resources Corp. | LBNK | $ 0.93 | $ 35.9 | $ 35.9 | 0.04x | Canada | PEA | $ 821.0 | 8% | $ 18,200 |
| E3 Lithium Limited | TSXV: ETL | $ 1.99 | $ 134.3 | $ 125.6 | 0.11x | Canada | PEA | $1,123.1 | 8% | $ 14,079 |
| Standard Lithium Ltd. | SLI | $ 4.44 | $ 765.8 | $ 697.5 | 0.20x | USA | PEA | $3,410.2 | 8% | $ 15,500 |
| Lake Resources NL | LKE | $ 0.15 | $ 218.1 | $ 131.8 | 0.13x | Argentina | PFS | $1,050.0 | 8% | $ 15,500 |
| Vulcan Energy Resources Limited | VUL | $ 2.93 | $ 489.6 | $ 352.5 | 0.13x | Germany | PFS | $2,800.0 | - | $ 14,900 |
| Century Lithium Corp. | TSXV: LCE | $ 0.64 | $ 93.8 | $ 76.6 | 0.04x | USA | PFS | $2,142.0 | 8% | $ 14,250 |
| | | **Average** | **$ 289.6** | **$ 236.7** | **0.11x** | | | | | |
| | | **Median** | **$ 176.2** | **$ 128.7** | **0.12x** | | | | | |
| Grounded Lithium Corp. | GRD | $ 0.12 | $ 8.7 | $ 8.2 | 0.02x | Canada | PEA | $ 576.7 | 8% | $ 15,000 |

*(1) Previous day's closing price*
*(2) Project Stats from company websites*
*(3) All Values in USD at an exchange rate of $1.32 CAD/USD*
*Source: Company reports, CapitalIQ, Stonegate Capital Partners*

When we apply the above multiples to the Phase 1 NPV of $576.7M, which holds variables constant with peers, it results in a TEV range of $28.8M to $57.7M. This translates to a valuation range of C$0.55 to C$1.10 with a midpoint of C$0.82. This alone makes GRD undervalued vs current prices.

We believe that GRD has significant potential to expand beyond the 24 sections that are included in Phase 1. To account for this, we took our Phase 1 TEVs and increased the values proportionally to potential section expansion using a sensitivity analysis. In doing so we arrived at an expanded TEV range of $37.5M to $75.0M which results in a valuation range of C$0.72 to C$1.43 with a midpoint of C$1.08.

| | EV/NPV | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Multiple** | | **0.05x** | | | **0.08x** | | | **0.10x** | |
| NPV | | 576.7 | | | 576.7 | | | 576.7 | |
| Phase 1 TEV | | $ 28.8 | | | $ 43.3 | | | $ 57.7 | |
| **Section Expansion** | | | | | | | | | |
| Total Sections | 24 | 31 | 38 | 24 | 31 | 38 | 24 | 31 | 38 |
| Expansion % | 100% | 130% | 160% | 100% | 130% | 160% | 100% | 130% | 160% |
| TEV | 28.8 | 37.5 | 46.1 | 43.3 | 56.2 | 69.2 | 57.7 | 75.0 | 92.3 |
| Cash | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Debt | - | - | - | - | - | - | - | - | - |
| Mrkt Cap | $ 29.3 | $ 37.9 | $ 46.6 | $ 43.7 | $ 56.7 | $ 69.7 | $ 58.1 | $ 75.4 | $ 92.7 |
| S/O | 69.7 | 69.7 | 69.7 | 69.7 | 69.7 | 69.7 | 69.7 | 69.7 | 69.7 |
| Price | 0.42 | 0.54 | 0.67 | 0.63 | 0.81 | 1.00 | 0.83 | 1.08 | 1.33 |
| **CAD Price** | **$ 0.56** | **$ 0.72** | **$ 0.89** | **$ 0.83** | **$ 1.08** | **$ 1.32** | **$ 1.10** | **$ 1.43** | **$ 1.76** |

*All Values in USD $M unless specified otherwise, CAD values based on a current exchange rate of $1.32 CAD/USD*

This range is further supported by the Arizona Lithium acquisition of Prairie Lithium Corporation ("Prairie"). This transaction took place in December of 2022 and involved Prairie Lithium Corporations 4.1mn tons of inferred LCE at a price of C$70.6M. It is notable that Prairie is of a similar size to Grounded, operated a DLE technology plant, and is located in Saskatchewan. If we applied this transaction to GLC we would arrive at an approx. market value of C$72.3mn which translates to ~C$1.04 per share.

## BALANCE SHEET

**Grounded Lithium Corp.**
**Consolidated Balance Sheets (CAD $000s)**
**Fiscal Year: December**

| ASSETS | FY 2021 | Q1 Mar-22 | Q2 Jun-22 | Q3 Sep-22 | Q4 Dec-22 | FY 2022 | Q1 Mar-23 |
|---|---|---|---|---|---|---|---|
| Cash | 2,328.2 | 2,329.5 | 1,984.8 | 224.8 | 658.0 | 658.0 | 594.8 |
| Goods and Services Tax Receivable | 7.2 | - | - | - | - | - | |
| Short-term Investments | - | - | - | 2,250.0 | 2,250.0 | 2,250.0 | 250.0 |
| Accounts Receivables | - | 27.9 | 15.3 | 80.7 | 76.7 | 76.7 | 80.7 |
| Prepaid Expenses | - | 231.0 | 181.5 | 179.2 | 382.9 | 382.9 | 287.9 |
| Restricted Cash | - | - | 25.0 | 25.0 | 25.4 | 25.4 | 25.6 |
| **Total Current Assets** | **2,335.5** | **2,588.4** | **2,206.6** | **2,759.8** | **3,393.1** | **3,393.1** | **1,239.0** |
| | | | | | | | |
| Exploration and Evaluation Assets | 159.5 | 788.9 | 810.4 | 1,867.9 | 2,461.4 | 2,461.4 | 2,905.1 |
| Right-of-use Assets | - | - | - | - | 141.9 | 141.9 | 118.3 |
| Property, Plant and Equipment | - | 25.7 | 24.0 | 34.9 | 32.4 | 32.4 | 29.7 |
| **Total Assets** | **2,495.0** | **3,403.0** | **3,041.0** | **4,662.5** | **6,028.7** | **6,028.7** | **4,292.1** |
| | | | | | | | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | | | | |
| Accounts Payable and Accrued Liabilities | 144.9 | 203.6 | 376.9 | 364.8 | 701.8 | 701.8 | 242.1 |
| Lease Liability | - | - | - | - | 104.0 | 104.0 | 106.8 |
| **Total Current Liabilities** | **144.9** | **203.6** | **376.9** | **364.8** | **805.8** | **805.8** | **348.9** |
| | | | | | | | |
| Decommissioning Liability | - | - | - | 8.4 | 8.5 | 8.5 | 8.7 |
| Lease Liability | - | - | - | - | 56.4 | 56.4 | 28.5 |
| **Total Liabilities** | **144.9** | **203.6** | **376.9** | **373.2** | **870.7** | **870.7** | **386.1** |
| | | | | | | | |
| Common Stock - Par Value | 2,596.3 | 3,926.3 | 3,926.3 | 8,957.8 | 11,071.6 | 11,071.6 | 11,323.3 |
| Warrants | - | - | - | - | 830.2 | 830.2 | 830.2 |
| Additional Paid in Capital | 130.4 | 240.2 | 307.5 | 440.4 | 611.4 | 611.4 | 790.0 |
| Deficit | (376.6) | (967.1) | (1,569.6) | (5,108.9) | (7,355.2) | (7,355.2) | (9,037.4) |
| **Total Parent Net Equity** | **2,350.1** | **3,199.4** | **2,664.1** | **4,289.3** | **5,158.1** | **5,158.1** | **3,906.0** |
| **Total Liabilities and Shareholders' Equity** | **2,495.0** | **3,403.0** | **3,041.0** | **4,662.5** | **6,028.8** | **6,028.8** | **4,292.1** |
| | | | | | | | |
| **Liquidity** | | | | | | | |
| Current Ratio | 16.1x | 12.7x | 5.9x | 7.6x | 4.2x | 4.2x | 3.6x |
| Working Capital ($M) | 2,190.6 | 2,384.8 | 1,829.7 | 2,395.0 | 2,587.2 | 2,587.2 | 890.1 |

*Source: Company Reports, Stonegate Capital Partners*

# INCOME STATEMENT

**Grounded Lithium Corp.**
**Consolidated Statements of Income (in CAD $000s, except per share amounts)**
**Fiscal Year: December**

| | FY 2021 | Q1 Mar-22 | Q2 Jun-22 | Q3 Sep-22 | Q4 Dec-22 | FY 2022 | Q1 Mar-23 | Q2 E Jun-23 | Q3 E Sep-23 | Q4 E Dec-23 | FY 2023E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenues | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Other revenue & inc | - | - | - | - | 19.2 | 19.2 | 8.5 | 8.9 | 9.1 | 9.3 | 35.8 |
| **Total Revenues** | **-** | **-** | **-** | **-** | **19.2** | **19.2** | **8.5** | **8.9** | **9.1** | **9.3** | **35.8** |
| Professional Fees | 5.8 | 142.7 | 220.7 | 158.9 | 328.3 | 850.6 | 97.4 | 100.0 | 100.0 | 100.0 | 397.4 |
| Wages and benefits | - | 118.5 | 141.4 | 178.6 | 339.9 | 778.4 | 258.8 | 125.0 | 125.0 | 125.0 | 633.8 |
| Net rental expense | 18.2 | 0.6 | 45.4 | 46.8 | 55.8 | 148.5 | 68.9 | 55.0 | 55.0 | 55.0 | 233.9 |
| Consulting fees | 0.4 | 7.2 | 38.3 | 52.4 | 93.1 | 191.0 | 75.0 | - | - | - | 75.0 |
| Share based compensation | - | 61.8 | 67.3 | 68.0 | 115.0 | 312.1 | 179.2 | 70.0 | 70.0 | 70.0 | 389.2 |
| D&A | - | 1.6 | 1.7 | 2.1 | 18.3 | 23.7 | 26.4 | 20.0 | 20.0 | 20.0 | 86.4 |
| Other operating expenses | 7.7 | 24.5 | 87.8 | 3,032.4 | 1,544.3 | 4,689.1 | 981.4 | 245.0 | 245.0 | 245.0 | 1,716.4 |
| Total Operating Expenses | 32.2 | 357.0 | 602.5 | 3,539.3 | 2,494.6 | 6,993.5 | 1,687.1 | 615.0 | 615.0 | 615.0 | 3,532.1 |
| **Operating Income** | **(32.2)** | **(357.0)** | **(602.5)** | **(3,539.3)** | **(2,475.4)** | **(6,974.2)** | **(1,678.6)** | **(606.1)** | **(605.9)** | **(605.7)** | **(3,496.3)** |
| Non-operating income (expenses) | - | (233.5) | - | - | 229.2 | (4.3) | (3.7) | - | - | - | (3.7) |
| **Profit Before Taxes** | **(32.2)** | **(590.5)** | **(602.5)** | **(3,539.3)** | **(2,246.2)** | **(6,978.5)** | **(1,682.3)** | **(606.1)** | **(605.9)** | **(605.7)** | **(3,500.0)** |
| Provision for Income Tax | - | - | - | - | - | - | - | - | - | - | - |
| **Net Income** | **(32.2)** | **(590.5)** | **(602.5)** | **(3,539.3)** | **(2,246.2)** | **(6,978.5)** | **(1,682.3)** | **(606.1)** | **(605.9)** | **(605.7)** | **(3,500.0)** |
| **Basic EPS** | **$ (0.00)** | **$ (0.02)** | **$ (0.02)** | **$ (0.09)** | **$ (0.04)** | **$ (0.14)** | **$ (0.02)** | **$ (0.01)** | **$ (0.01)** | **$ (0.01)** | **$ (0.05)** |
| **Diluted EPS** | **$ (0.00)** | **$ (0.02)** | **$ (0.02)** | **$ (0.09)** | **$ (0.04)** | **$ (0.14)** | **$ (0.02)** | **$ (0.01)** | **$ (0.01)** | **$ (0.01)** | **$ (0.05)** |
| WTD Shares Out - Basic | 48.6 | 26.6 | 28.1 | 40.3 | 57.1 | 48.6 | 68.6 | 68.7 | 68.7 | 68.8 | 68.7 |
| WTD Shares Out - Diluted | 48.6 | 26.6 | 28.1 | 40.3 | 57.1 | 48.6 | 68.6 | 68.7 | 68.7 | 68.8 | 68.7 |

*Source: Company Reports, Stonegate Capital Partners estimates*

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