

*This short form base shelf prospectus has been filed under legislation in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. Other than in limited circumstances where an exemption from the delivery requirements is available in connection with “at-the-market” distributions, the legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*Unless otherwise specified in the applicable prospectus and/or pricing supplement, the securities to be offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws. Accordingly, these securities may not be offered or sold within the United States (as such term is defined in Regulation S under the U.S. Securities Act) or to a U.S. Person (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. Unless otherwise specified in the applicable prospectus and/or pricing supplement, this short form base shelf prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “Plan of Distribution”.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

**Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the President of Grounded Lithium Corp. at Suite 500, 400-5th Avenue S.W., Calgary, Alberta T2P 0L6, and are also available electronically at [www.sedar.com](http://www.sedar.com).

## SHORT FORM BASE SHELF PROSPECTUS

New Issue

June 22, 2023



**\$25,000,000**

**Common Shares  
Preferred Shares  
Debt Securities  
Warrants  
Subscription Receipts  
Units**

Grounded Lithium Corp. (“Grounded” or the “Company”) may from time to time offer and issue (i) common shares (“Common Shares”), (ii) preferred shares (“Preferred Shares”); (iii) debt securities (“Debt Securities”), (iv) warrants to purchase Common Shares, Preferred Shares or Debt Securities (“Warrants”), (v) subscription receipts (“Subscription Receipts”) or (vi) any combination of such securities or units (“Units”) comprised of one or more of such securities (the Common Shares, Preferred Shares, Debt Securities, Warrants, Subscription Receipts and Units are collectively referred to as the “Securities”) with an aggregate offering price not to exceed \$25,000,000 (or its equivalent in U.S. dollars or any other currency or currency unit used to denominate the Securities at the time of

offering) during the 25 month period that this short form base shelf prospectus (the “**Prospectus**”), including any amendments hereto, remains valid.

The Company’s head office is Suite 500, 400-5<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 0L6 and registered and records office is 4000, 421-7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 4K9.

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in an accompanying shelf prospectus supplement (a “**Prospectus Supplement**”) and may include, where applicable (i) in the case of Common Shares, the number of Common Shares offered, the offering price (in the event the offering is a fixed price distribution) or the manner of determining the offering price (in the event the offering is a non-fixed price distribution), whether the Common Shares are being offered for cash and any other specific terms, (ii) in the case of Preferred Shares, the designation of the particular class or series, as applicable, the number of Preferred Shares offered, the offering price, whether the Preferred Shares are being offered for cash, the dividend rate, if any, any terms for redemption or retraction, any exchange or conversion terms and any other specific terms, (iii) in the case of Debt Securities, the aggregate principal amount and ranking of Debt Securities being offered, the issue and delivery date, the maturity date, the offering price, the interest provisions, the currency or currency unit for which the Debt Securities may be purchased, the authorized denominations, the covenants, the events of default, any terms for redemption or retraction, any exchange or conversion rights attached to the Debt Securities, the method of distribution, the form of Debt Securities, whether the Debt Securities will be secured by any of the Company’s assets or guaranteed by any other person and any other specific terms, (iv) in the case of Warrants, the offering price, whether the Warrants are being offered for cash, the designation, the number and the terms of the Common Shares, Preferred Shares or other Securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, the dates and periods of exercise and any other specific terms, (v) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, whether the Subscription Receipts are being offered for cash, the procedures for the exchange of the Subscription Receipts for Securities, the currency in which the Subscription Receipts are issued and any other specific terms, or (vi) in the case of Units, the number of Units offered, a description of the Units including the Securities comprising the Units, the offering price or manner of determining the offering price and any other specific terms. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the Securities will be included in the Prospectus Supplement describing the Securities.

This Prospectus, supplemented by a Prospectus Supplement, may qualify an “at-the-market distribution”, as defined under National Instrument 44-102 – Shelf Distributions (“**NI 44-102**”).

This Prospectus does not qualify for issuance Debt Securities, or Securities convertible or exchangeable into Debt Securities, in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance Debt Securities, or Securities convertible or exchangeable into Debt Securities, in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers’ acceptance rate, or to recognized market benchmark interest rates or a U.S. Federal funds rate.

All information omitted from this Prospectus in accordance with applicable securities legislation will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus other than in limited circumstances where delivery is not required pursuant to NI 44-102 in connection with “at-the-market” distributions. Each Prospectus Supplement will be deemed to be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of such Prospectus Supplement and only for the purposes of the distribution of the Securities to which such Prospectus Supplement pertains.

The Company’s Common Shares are listed and posted for trading on the TSX Venture Exchange (“**TSXV**”) under the symbol “GRD” and on the OTCQB Venture Market (“**OTCQB**”) under the symbol “GRDAF”.

**There is currently no market through which Securities, other than the Common Shares, may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus. This may affect the pricing of the Securities, other than the Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of these Securities and the extent of issuer regulation. See “Risk Factors”.**

This Prospectus constitutes a public offering of the Securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell the Securities in those jurisdictions. The Company may offer and sell the Securities to or through underwriters or dealers purchasing as principals, and may also offer and sell certain Securities directly to other purchasers or through agents pursuant to exemptions from registration or qualification under applicable securities laws. See “*Plan of Distribution*”. A Prospectus Supplement relating to each issue of Securities offered thereby will identify each underwriter, dealer or agent, as the case may be, engaged by the Company in connection with the offering and sale of the Securities and will set forth the terms of the offering of such Securities, including the method of distribution, the proceeds to the Company and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms relating to the offering of such Securities.

Unless otherwise specified in the applicable Prospectus Supplement, each series or issue of Securities will be a new issue of Securities. The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to the prevailing price of a specified security in a specified market or at prices to be negotiated with purchasers, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be increased or decreased by the amount, if any, by which the aggregate price paid for the Securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriter, dealer or agent to the Company. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution.

In connection with any offering of the Securities, the underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. These transactions may be commenced, interrupted or discontinued at any time. See “*Plan of Distribution*”.

**Investing in the Securities involves certain risks. Prospective purchasers of the Securities should carefully consider all the information in this Prospectus and in the documents incorporated by reference in this Prospectus. See “Risk Factors”.**

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## CAUTION REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking information and forward-looking statements (collectively, “**forward-looking statements**”) that relate to the Company’s current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “might”, “will”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict” or “likely”, or the negative or grammatical variations of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business, prospects and financial needs. These forward-looking statements include, among other things, statements relating to business objectives, expected growth, results of operations, performance, business projects, opportunities, financial results, the potential use of proceeds of offerings hereunder, and the terms of Securities.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this Prospectus, the Company has made various material assumptions, including but not limited to the Company’s expectation that its operations will be in Western Canada; general business and economic conditions; the availability of equity and other financing on reasonable terms; the Company’s ability to attract and retain skilled labour and staff; the Company’s ongoing relations with its employees and with its business partners; future prices of lithium; the timing and results of exploration and drilling programs; the accuracy of mineral reserve and mineral resource estimates; the geology and geophysical data of the Company’s locations; production costs; the accuracy of budgeted exploration and development costs and expenditures; the price of other commodities and consumables such as fuel; future currency exchange rates and interest rates; operating conditions being favourable, including whereby the Company is able to operate in a safe, efficient and effective manner; political and regulatory stability; the receipt of governmental and third party approvals and permits on favourable terms; the availability of equipment; the absence of natural disasters, adverse weather conditions, accidents, unanticipated transport costs or delays in the development of projects and other factors; the absence of an outbreak or escalation of infectious diseases or other similar health threats, including the novel coronavirus, that could result in the suspension or shutdown of the Company’s operations; and the availability of water, gas, electricity or other power supply, chemicals and other critical supplies. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, investors should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company’s expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under “*Risk Factors*” in this Prospectus, the AIF (as defined below) and Annual MD&A (as defined below), which include:

- (a) unexpected problems may arise due to technical difficulties and operational difficulties which impact the production, transport or sale of the Company’s products;
- (b) geographic and weather conditions can impact the production of the Company’s products;
- (c) current global and credit conditions may impact commodity prices and consumption more than the Company currently predicts;
- (d) the Company’s exposure to operating hazards and risks in an extractive industry;
- (e) the Company may be unable to obtain additional financing on acceptable terms or not at all;
- (f) uncertainty in the calculation of mineral reserves, resources and metal recovery estimates;
- (g) dependence on adequate infrastructure;
- (h) unexpected delays due to the limited availability of drilling equipment and personnel;

- (i) uncertainty regarding future exploration and development activities, including that drilling may not result in commercial projects;
- (j) the Company cannot provide assurance that a market will continue to develop or exist for the Common Shares and, if such market continues to develop, what the market price of the Common Shares will be;
- (k) the market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control;
- (l) if the Company is unable to attract and retain key personnel, it may not be able to compete effectively;
- (m) the Company's ability to meet contractual obligations and conditions precedent under agreements, permits, options and joint ventures;
- (n) the Company's ability to obtain certain licenses and permits;
- (o) the failure by the Company to reach suitable commercial arrangements with third parties;
- (p) the risk that reservoir flow modelling and other modelling conducted by or on behalf of the Company may not prove to adequately depict future well performance;
- (q) the Company faces competition from other companies where it will conduct business and those companies may have a greater capitalization, more experienced management or may be more mature as a business; and
- (r) the Company may become subject to litigation, which may have a material adverse effect on the Company's reputation, business, results from operations and financial condition.

The above list is not exhaustive of the factors that may affect any of the forward-looking statements of the Company. If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under "*Risk Factors*" in this Prospectus, the AIF and Annual MD&A should be considered carefully by readers.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management of the Company to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "*Risk Factors*".

**All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements.**

#### **DOCUMENTS INCORPORATED BY REFERENCE**

**Information has been incorporated by reference into this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference**

may be obtained on request without charge from the President of the Company at the address set forth on the cover page of this Prospectus, and are also available electronically at [www.sedar.com](http://www.sedar.com) (“SEDAR”).

The following documents of the Company filed with the securities commissions or similar authorities in each of the provinces and territories of Canada are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the annual information form of the Company for the year ended December 31, 2022 dated May 4, 2023 (the “**AIF**”);
- (b) the audited consolidated financial statements of the Company for the years ended December 31, 2022 and 2021, together with the notes thereto and the auditors’ report thereon;
- (c) the management discussion and analysis of the financial condition and results of operations of the Company for the year ended December 31, 2022 (the “**Annual MD&A**”);
- (d) the interim financial statements of the Company for the three months ended March 31, 2023 and 2022 together with the notes thereto (the “**Interim Financial Statements**”);
- (e) the management’s discussion and analysis of the Company for the three months ended March 31, 2023 and 2022 (the “**Interim MD&A**”);
- (f) the material change report dated January 11, 2023 with respect to the automatic exercise of 12,000,000 special warrants of the Company; and
- (g) the management information circular dated June 28, 2022 in respect of the annual and special meeting of shareholders held on August 18, 2022 (the “**Circular**”); provided, however, that the following disclosure is not incorporated by reference in this Prospectus:
  - (i) all references to and statements derived from the technical report entitled “*NI 43-101 Technical Report: Resource Assessment – Kindersley Lithium Project (Saskatchewan, Canada)*” effective April 15, 2022 and dated June 28, 2022 prepared with respect to the KLP (as defined herein) in the Circular, including, without limitation, the information contained in “*Schedule C – Information Concerning Grounded – Technical Report*” of the Circular;
  - (ii) the annual financial statements of VAR (as defined herein) for the years ended October 31, 2021 and October 31, 2020, except for the auditors’ report thereon which is incorporated by reference herein, and the interim financial statements of VAR for the three months ended January 31, 2021 contained in “*Schedule “E” – VAR Financial Statements*” of the Circular;
  - (iii) the financial statements of GLC (as defined herein) for the period from incorporation on October 26, 2020 to December 31, 2021, except for the auditors’ report thereon which is incorporated by reference herein, and the interim financial statements of GLC for the three months ended March 31, 2022 contained in “*Schedule “G” – Grounded Financial Statements*” of the Circular;
  - (iv) the management’s discussion and analysis of VAR for the years ended October 31, 2020 and October 31, 2021 and the management’s discussion and analysis of VAR for the three months ended January 31, 2021 contained in “*Schedule “F” – MD&A of VAR*” of the Circular;
  - (v) the management’s discussion and analysis of GLC for the period from incorporation on October 26, 2020 to December 31, 2021 and the management’s discussion and analysis

of GLC for the three months ended March 31, 2022 contained in “*Schedule “H” – MD&A of Grounded*” of the Circular; and

- (vi) the unaudited consolidated pro forma financial statements as at January 31, 2021 contained in “*Schedule “I” – Pro Forma Financial Statements*” of the Circular.

**Any statement in this Prospectus or contained in a document incorporated or deemed to be incorporated by reference in this Prospectus is deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Prospectus, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseded statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.**

When the Company files a new annual information form and audited consolidated financial statements and related management’s discussion and analysis with, and where required, they are accepted by, the applicable securities regulatory authorities during the time that this Prospectus is valid, the following documents will be deemed no longer incorporated by reference in this Prospectus for purposes of future offers and sales of securities under this Prospectus: any previous annual information form, any previous audited consolidated financial statements and related management’s discussion and analysis, all unaudited interim consolidated financial statements or reports and related management’s discussion and analysis, all material change reports filed prior to the commencement of the Company’s financial year in which the new annual information form is filed, and any information circular filed prior to the commencement of the Company’s financial year in respect of which the new annual information form is filed.

Investors should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. The Company has not authorized anyone to provide investors with different or additional information. The Company is not making an offer of Securities in any jurisdiction where the offer is not permitted by law.

## **MARKETING MATERIALS**

Any document of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference into a short form prospectus, including any annual information forms, material change reports (except confidential material change reports), business acquisition reports, interim financial statements, annual financial statements and the independent auditor’s report thereon, management’s discussion and analysis and information circulars of the Company and any template version of “marketing materials” (as defined in National Instrument 41-101 — *General Prospectus Requirements* (“**NI 41-101**”)) filed with securities commissions or similar authorities in Canada after the date of this Prospectus and prior to the completion or withdrawal of the distribution of Securities shall be deemed to be incorporated by reference into this Prospectus, except to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in the prospectus or the applicable prospectus supplement.

**Certain “marketing materials” (as that term is defined under NI 41-101) may be used in connection with a distribution of Securities under this Prospectus and the applicable Prospectus Supplement(s). Any “template version” of any “marketing materials” (as those terms are defined in NI 41-101) that is provided in connection with a distribution of Securities and filed by the Company with applicable regulatory authorities after the date of the applicable Prospectus Supplement for the offering and before the termination of the distribution of such Securities will be deemed to be incorporated by reference into that Prospectus Supplement.**

## CURRENCY AND FINANCIAL STATEMENT PRESENTATION

The Company's financial statements and financial information are presented in Canadian dollars. All dollar amounts referenced in this Prospectus, unless otherwise indicated, are expressed in Canadian dollars.

Certain information incorporated by reference in this Prospectus with respect to the includes non-GAAP financial measures, which are not defined under International Financial Reporting Standards ("IFRS"). Please refer to the Annual MD&A and Interim MD&A which are incorporated by reference in this Prospectus, for definitions and reconciliations of these non-GAAP measures and an explanation of why the Company believes the non-GAAP financial measures provide useful additional information related to the operating results of the Company. Prospective investors are cautioned that non-GAAP financial measures should not be construed as an alternative to the IFRS consolidated statements of income or other IFRS statements. Further, these measures do not have any standardized meaning and the Company's method of calculating each measure may not be comparable to calculations used by other companies bearing the same description.

## TECHNICAL INFORMATION

The disclosure in this Prospectus (including in the documents incorporated by reference) of a scientific or technical nature relating to Kindersley Lithium Project (the "**KLP**") is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in the technical report titled "*NI 43-101 Technical Report: Resource Assessment of the Kindersley Lithium Project in Saskatchewan, Canada for Grounded Lithium Corp. (As of March 15, 2023)*" with an effective date of March 15, 2023 and a report date of March 15, 2023 (the "**Technical Report**") in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and other information that has been prepared by or under the supervision of Doug Ashton, P. Eng., Suryanarayana Karri, P. Geoph., Alexey Romanov, P. Geo. and Meghan Klein, P. Eng. (collectively, the "**Authors**"), each of whom are a "qualified person" (as such term is defined in NI 43-101) and are included in this Prospectus with the consent of such persons. The Technical Report has been filed on SEDAR and can be reviewed at [www.sedar.com](http://www.sedar.com). The Company's mineral reserves and mineral resources estimates are classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") adopted by the CIM Council and in accordance with the requirements of NI 43-101.

In particular, and without limiting the generality of the forgoing, the term "inferred mineral resources" used or referenced in this Prospectus is a Canadian mineral disclosure term as defined in accordance with NI 43-101 under the guidelines set out in the CIM "*Definition Standards for Mineral Resources and Mineral Reserves*" as amended and adopted May 10, 2014.

## THE COMPANY

### Overview

VAR Resources Corp. ("**VAR**"), as the Company was known prior to the RTO (as defined below), was incorporated under the *Business Corporations Act* (British Columbia) on November 21, 1983. On August 22, 2022, pursuant to articles of amalgamation, VAR amalgamated with the private company Grounded Lithium Corp. ("**GLC**") to form the Company, constituting the reverse takeover of the VAR by GLC (the "**RTO**"). In connection with the RTO, the Company changed its name to "Grounded Lithium Corp." and continued into Alberta under the laws of the Province of Alberta.

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

See "*Description of the Business*" in the AIF, which is incorporated by reference herein, for a description of the business and operations of the Company.

## ***Recent Developments***

On March 16, 2023, Grounded announced the closing of the acquisition of 33 sections (8,498 hectares) of land (the “**Hub City Acquisition**”) contiguous to the Company’s existing landholdings in the KLP from Hub City Lithium Corp. (“**Hub City**”), which is a majority owned subsidiary of EMP Metals Corp. (CSE: EMPS, OTCQB: EMPPF). The incremental inferred mineral resource base on the acquired sections was approximately 482,000 tonnes of lithium carbonate equivalent. The purchase price of the Hub City Acquisition was \$425,000 consisting of cash consideration of \$175,000 and the issuance of 779,557 Common Shares to Hub City.

## ***Kindersley Lithium Project***

The principal business carried on by the Company is the exploration of mineral resources on the Company’s principal property, the KLP, which is an exploration stage property prospective for lithium. The KLP consists of approximately 78,000 ha of crown and freehold mines and mineral permits and leases in Saskatchewan within the greater Western Canadian Sedimentary Basin.

See “*Technical Report*” in the AIF, which is incorporated by reference herein, for a detailed description of the KLP.

## **CONSOLIDATED CAPITALIZATION**

Except for the 779,557 Common Shares issued to Hub City in connection with the Hub City Acquisition and 1,474,000 stock options and 1,018,000 restricted share units granted pursuant to the Company’s equity incentive plan, there have been no material changes in the share and loan capital of the Company, on a consolidated basis since the date of the Interim Financial Statements, which are incorporated by reference in this Prospectus.

The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the Company’s share and loan capitalization that will result from the issuance of Securities pursuant to such Prospectus Supplement.

## **USE OF PROCEEDS**

With respect to the advancement of the KLP, this may include completing work recommended by Qualified Persons under the NI 43-101 technical reports filed in respect of the properties and for potential acquisitions of land and property around the project. The amount of net proceeds expected to be received from the sale of Securities, and each of the principal purposes for which the Company will use those net proceeds, will be set forth in the applicable Prospectus Supplement. The Company may, from time to time, issue securities (including Securities) other than pursuant to this Prospectus.

As of the date of this Prospectus, the Company is in the exploration stage with respect to its mineral property interests and has not, as yet, achieved commercial production. The Company has limited cash resources, as compared with its planned expenditures, has incurred operating losses and negative cash flows from operations in the past, and will require additional funding in order to continue operations. The Company anticipates the proceeds raised in connection with the sale of the Securities will be used to fund activities that will contribute to negative cash flow in the near term, including ongoing operations and discretionary capital programs. The Company further anticipates that it will remain in a state of negative operating cash flow until commercial production is achieved, at which time the Company anticipates beginning to generate positive cash flow.

The capital expenditures required to commercialize the KLP are significant. The Company will require funding in excess of the aggregate offering amount under this Prospectus to commercialize the KLP. If the Company does not secure sufficient funding to commercialize the KLP, the Company’s business and financial condition will be materially and adversely affected. See “*Risk Factors*” herein and in the AIF. Commercializing the KLP is also dependent on favourable feasibility analysis.

## PLAN OF DISTRIBUTION

The Company may sell Securities: (i) to or through underwriters or dealers, (ii) directly to purchasers, (iii) through agents, or (iv) through a combination of any of these methods of sale.

The distribution of the Securities of any series may be effected from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to the prevailing price of a specified security in a specified market or at prices to be negotiated with purchasers, including sales in transactions that are an “at-the-market distribution” as defined in National Instrument 44-102 – *Shelf Distributions*, including sales made directly on the TSXV or other existing trading markets for the Securities, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be increased or decreased by the amount, if any, by which the aggregate price paid for the Securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriter, dealer or agent to the Company. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution. A Prospectus Supplement may provide that the Securities issued thereunder will be “flow-through” securities within the meaning of the *Income Tax Act* (Canada). The particular terms of any such offering of “flow-through” securities will be described in such Prospectus Supplement.

In connection with the sale of the Securities, underwriters, dealers or agents may receive compensation from the Company or from other parties, including in the form of underwriters’, dealers’ or agents’ fees, commissions or concessions. Underwriters, dealers and agents that participate in the distribution of the Securities may be deemed to be underwriters for the purposes of applicable Canadian securities legislation and any such compensation received by them from the Company and any profit on the resale of the Securities by them may be deemed to be underwriting commissions.

The Prospectus Supplement relating to each distribution of Securities will also set forth the terms of the offering of the Securities, including to the extent applicable, the initial offering price, the proceeds to the Company, the underwriters’, dealers’ or agents’ compensation or other discount or selling concession to be allowed or re-allowed to underwriters or dealers. Any underwriters, dealers or agents with respect to a particular offering of Securities will be named in the Prospectus Supplement relating to such offering.

In connection with certain offerings of Securities, the underwriters may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Securities at a level other than those which otherwise might prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time.

Under agreements which may be entered into by the Company, underwriters, dealers and agents who participate in the distribution of the Securities may be entitled to indemnification by the Company against certain liabilities, including liabilities under the securities legislation of each of the provinces and territories of Canada.

Each distribution of Securities will be a new issue of securities for which (other than the Common Shares) there is no established trading market. Unless otherwise specified in a Prospectus Supplement relating to a series of Securities, the Securities (other than Common Shares) will not be listed on any securities exchange. Certain broker dealers may make a market in the Securities, but will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that any broker dealer will make a market in the Securities of any series or as to the liquidity of the trading market, if any, for the Securities of any series.

Unless otherwise specified in the applicable Prospectus Supplement, this Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities in the United States. Unless otherwise specified in the applicable Prospectus Supplement, the Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, unless the Securities are registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available. Each underwriter, dealer and agent who participates in the distribution will agree not to sell or offer to sell or to solicit any offer to buy any Securities within the United States or to, or for the account or benefit of, a U.S. person, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

## DESCRIPTION OF SHARE CAPITAL

### *General Description of Capital Structure*

The Company is authorized to issue an unlimited number of Common Shares. As at June 21, 2023 there were 69,656,423 Common Shares issued and outstanding.

### *Common Shares*

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

The Securities offered pursuant to this Prospectus may include Common Shares issuable upon exercise of any Debt Securities or Warrants or upon conversion of any Debt Securities or Subscription Receipts.

### *Preferred Shares*

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

## DESCRIPTION OF DEBT SECURITIES

The following description of Debt Securities sets forth certain general terms and provisions of the Debt Securities that may be offered under this Prospectus and in respect of which a Prospectus Supplement may be filed. The Company will provide particular terms and provisions of a series of Debt Securities and a description of how the general terms and provisions described below may apply to that series in the Prospectus Supplement relating to such series. Prospective investors should rely on information in the applicable Prospectus Supplement if it is different from the following information.

Debt Securities will be issued under one or more indentures (each, a "**Debt Indenture**"), in each case between the Company and an appropriately qualified financial institution authorized to carry on business as a trustee (each, a "**Trustee**"). The description below is a summary of the material attributes of the Debt Securities. A detailed summary of the attributes of the Debt Securities will be contained in the applicable Debt Indenture, a copy of which will be filed by the Company with applicable provincial securities commissions or similar regulatory authorities in Canada after it has been entered into and before the issue of any Debt Securities thereunder, and will be available electronically on SEDAR under the Company's profile.

Debt Securities may be offered separately or in combination with one or more other Securities. The Company may also, from time to time, issue Debt Securities and incur additional indebtedness other than pursuant to Debt Securities issued under this Prospectus.

## ***General***

Debt Securities may be issued from time to time in one or more series. The Company may specify a maximum aggregate principal amount for the Debt Securities of any series and, unless otherwise provided in the applicable Prospectus Supplement, a series of Debt Securities may be reopened for issuance of additional Debt Securities of that series.

The Prospectus Supplement will set forth, as applicable, the following terms relating to the Debt Securities being offered:

- the specific designation and any limit on the aggregate principal amount of the Debt Securities;
- the currency or currency units for which the Debt Securities may be purchased and in which the principal and any premium or interest is payable (in either case, if other than Canadian dollars);
- the offering price (at par, at a discount or at a premium) of the Debt Securities;
- the date(s) on which the Debt Securities will be issued and delivered;
- the authorized denominations;
- whether the Debt Securities will be secured by any of the Company's assets or guaranteed by any other person;
- the date(s) on which the Debt Securities will mature, including any provision for the extension of a maturity date, or the method of determining such date(s);
- the rate(s) per annum (either fixed or floating) at which the Debt Securities will bear interest (if any) and, if floating, the method of determining such rate(s);
- the date(s) from which any interest obligation will accrue and on which interest will be payable, and the record date(s) for the payment of interest or the method of determining such date(s);
- if applicable, the provisions for subordination of the Debt Securities to other indebtedness of the Company;
- the identity of the Trustee under the applicable Debt Indenture pursuant to which the Debt Securities are to be issued;
- any redemption terms, or terms under which the Debt Securities may be defeased prior to maturity;
- any repayment or sinking fund provisions;
- any events of default applicable to the Debt Securities;
- whether the Debt Securities are to be issued in registered form or in the form of temporary or permanent global securities, and the basis of exchange, transfer and ownership thereof;
- whether the Debt Securities may be converted or exchanged for other Securities of the Company or any other entity;
- if applicable, the ability of the Company to satisfy all or a portion of any redemption of the Debt Securities, payment of any premium or interest thereon, or repayment of the principal owing upon the maturity through the issuance of Securities of the Company or of any other entity, and any restrictions on the persons to whom such Securities may be issued;

- provisions applicable to amendment of the Debt Indenture; and
- any other material terms, conditions or other provisions (including covenants) applicable to the Debt Securities.

## **DESCRIPTION OF WARRANTS**

The Company may issue Warrants independently or together with other Securities, and Warrants sold with other Securities may be attached to or separate from the other Securities. Warrants will be issued under and governed by the terms of one or more warrant agreements or indentures that the Company will enter into with one or more banks or trust companies acting as warrant agent or trustee that will be named in the applicable Prospectus Supplement.

A description of the material terms of any Warrants that the Company offers, and the extent to which the general terms and provisions described in this section apply to those Warrants, will be set out in the applicable Prospectus Supplement. The Prospectus Supplement will describe some or all of the following terms relating to the Warrants being offered:

- the designation of the Warrants;
- the aggregate number of Warrants offered and the offering price, if any;
- the designation, number and terms of the Common Shares, Preferred Shares or other Securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- the exercise price of the Warrants;
- the dates or periods on, after or during which the Warrants are exercisable;
- the designation and terms of any Securities with which the Warrants are issued and the number of Warrants that will be issued with each such Security;
- if the Warrants are issued as a Unit with another Security, the date on and after which the Warrants and the other Security will be separately transferable;
- the currency or currency unit in which the offering price, if any, and exercise price are denominated;
- any minimum or maximum amount of Warrants that may be exercised at any one time;
- whether such Warrants will be listed on any securities exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- whether the Warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions; and
- any other terms of the Warrants.

Warrant certificates will be exchangeable for new warrant certificates of different denominations at the office indicated in the Prospectus Supplement. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the securities subject to the Warrants.

### ***Modifications***

The Company may amend the warrant agreements or indentures and the Warrants, without the consent of the holders of the Warrants, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of the outstanding Warrants. Other amendment provisions shall be as indicated in the Prospectus Supplement.

### ***Enforceability***

The warrant agent or trustee, as applicable, will act solely as the Company's agent. The warrant agent or trustee, as applicable, will not have any duty or responsibility if the Company defaults under the warrant agreements or indentures or the warrant certificates. A Warrant holder may, without the consent of the warrant agent or trustee, as applicable, enforce by appropriate legal action on its own behalf the holder's right to exercise the holder's Warrants.

## **DESCRIPTION OF SUBSCRIPTION RECEIPTS**

The Company may issue Subscription Receipts, independently or together with other Securities, and Subscription Receipts sold with other Securities may be attached to or separate from the other Securities. Subscription Receipts will be issued under one or more subscription receipt agreements that the Company will enter into with one or more escrow agents. If underwriters or agents are involved in the sale of Subscription Receipts, one or more of such underwriters or agents may also be parties to the subscription receipt agreement governing those Subscription Receipts. The relevant subscription receipt agreement will establish the terms of the Subscription Receipts.

A Subscription Receipt is a security of the Company that will entitle the holder to receive upon satisfaction of one or more release conditions, and for no additional consideration, a specified number of Securities. A description of the material terms of any Subscription Receipts that the Company offers, and the extent to which the general terms and provisions described in this section apply to those Subscription Receipts, will be set out in the applicable Prospectus Supplement. The Prospectus Supplement will describe some or all of the following terms relating to the Subscription Receipts being offered:

- the designation of the Subscription Receipts;
- the aggregate number of Subscription Receipts offered and the offering price;
- the currency or currency unit in which the Subscription Receipts will be offered;
- the terms, conditions and procedures for which the holders of Subscription Receipts will become entitled to receive Securities;
- the number of Securities that may be obtained upon the conversion of each Subscription Receipt, the anti-dilution provisions that will result in the adjustment of that number and the period or periods during which any conversion must occur;
- the designation and terms of any other Securities with which the Subscription Receipts will be offered and the number of Subscription Receipts that will be offered with each Security;
- the gross proceeds from the sale of such Subscription Receipts, including (if applicable) the terms applicable to the escrow agent holding in escrow all or a portion of the gross proceeds from the sale of such Subscription Receipts, plus any interest earned thereon, pending satisfaction of the release conditions;
- the material income tax consequences of owning, holding and disposing of such Subscription Receipts;
- whether such Subscription Receipts will be listed on any securities exchange;

- procedures for the refund by the escrow agent to holders of Subscription Receipts of all or a portion of the subscription price for their Subscription Receipts, plus any *pro rata* entitlement to interest earned or income generated on such amount, if the release conditions are not satisfied;
- any entitlement of the Company to purchase the Subscription Receipts in the open market by private agreement or otherwise;
- provisions as to modification, amendment or variation of the subscription receipt agreement or any rights or terms attaching to the Subscription Receipts;
- any terms, procedures and limitations relating to the transferability, exchange or conversion of the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts.

## **DESCRIPTION OF UNITS**

The Company may issue Units comprised of one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

A description of the material terms of the Units that the Company offers, and the extent to which the general terms and provisions described in this section apply to those Units, will be set out in the applicable Prospectus Supplement. The Prospectus Supplement will describe some or all of the following terms relating to the Units being offered:

- the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately;
- any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units; and
- whether the Units will be issued as global securities and, if so, who the depositary will be.

## **OTHER MATTERS RELATING TO THE SECURITIES**

### ***General***

The foregoing descriptions of the terms of the Debt Securities, Warrants, Subscription Receipts and Units set forth certain general terms and provisions of such Securities. The particular terms and provisions of the Debt Securities, Warrants, Subscription Receipts and Units offered by any Prospectus Supplement, and the extent to which the general terms and provisions described herein may apply to them, will be described in the Prospectus Supplement filed in respect of such Securities.

The Company reserves the right to include in a Prospectus Supplement specific terms pertaining to Debt Securities, Warrants, Subscription Receipts and Units that are not within the descriptions set forth in this Prospectus, provided that such Securities will not be specified derivatives or asset-backed securities. To the extent that any terms or provisions or other information pertaining to Debt Securities, Warrants, Subscription Receipts and Units described in a Prospectus Supplement differ from any of the terms or provisions or other information described in this Prospectus, the description set forth in this Prospectus shall be deemed to have been superseded by the description set forth in the Prospectus Supplement with respect to those Securities.

Securities offered under this Prospectus may be issued in certificated form or in book-entry only form.

### *Certificated Form*

Securities issued in certificated form will be registered in the name of the purchaser or its nominee on the registers maintained by the Company's transfer agent and registrar or the applicable Trustee.

### *Book-Entry Only Form*

Securities issued in "book-entry only" form must be purchased, transferred or redeemed through participants ("**participants**") in a depository service of a depository identified in the Prospectus Supplement for the particular offering of Securities. Each of the underwriters, dealers or agents, as the case may be, named in the Prospectus Supplement will be a participant of the depository. On the closing of a book-entry only offering, the Company will cause a global certificate or certificates representing the aggregate number of Securities subscribed for under such offering to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Securities issued in book-entry only form will be entitled to a certificate or other instrument from the Company or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a participant acting on behalf of such purchaser. Each purchaser of such Securities will receive a customer confirmation of purchase from the registered dealer from which the Securities are purchased in accordance with the practices and procedures of such registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its participants having interests in the book-entry only Securities. Reference in this Prospectus to a holder of book-entry only Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

If the Company determines, or the depository notifies the Company in writing, that the depository is no longer willing or able to discharge properly its responsibilities as depository with respect to the book-entry only Securities and the Company is unable to locate a qualified successor, or if the Company at its option elects, or is required by law, to terminate the book-entry system, then such Securities will be issued in certificated form to holders or their nominees.

### ***Transfer, Conversion or Redemption of Securities***

#### *Certificated Form*

Transfer of ownership, conversion or redemptions of Securities held in certificated form will be effected by the registered holder of the Securities in accordance with the requirements of the Company's transfer agent and registrar and the terms of the indenture or certificates representing such Securities, as applicable.

#### *Book-Entry Only Form*

Transfer of ownership, conversion or redemptions of Securities held in book-entry only form will be effected through records maintained by the depository or its nominee for such Securities with respect to interests of participants, and on the records of participants with respect to interests of persons other than participants. Holders who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities may do so only through participants. The ability of a holder to pledge a Security or otherwise take action with respect to such holder's interest in a Security (other than through a participant) may be limited due to the lack of a physical certificate.

### ***Payments and Notices***

#### *Certificated Form*

Any payment of principal, a redemption amount, a dividend and interest on a Security, as applicable, will be made by the Company, and any notices in respect of a Security will be given by the Company, directly to the registered holder of such Security, unless the applicable indenture in respect of such Security provides otherwise.

### *Book-Entry Only Form*

Any payment of principal, a redemption amount, a dividend and interest on a Security, as applicable, will be made by the Company to the depository or its nominee, as the case may be, as the registered holder of the Security and the Company understands that such payments will be credited by the depository or its nominee in the appropriate amounts to the relevant participants. Payments to holders of Securities of amounts so credited will be the responsibility of the participants.

As long as the depository or its nominee is the registered holder of the Securities, the depository or its nominee, as the case may be, will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. In such circumstances, the responsibility and liability of the Company in respect of notices or payments on the Securities is limited to giving or making payment of any principal, redemption, dividend and interest due on the Securities to the depository or its nominee.

Each holder must rely on the procedures of the depository and, if such holder is not a participant, on the procedures of the participant through which such holder owns its interest, to exercise any rights with respect to the Securities. The Company understands that under existing industry practices, if the Company requests any action of holders or if a holder desires to give any notice or take any action which a registered holder is entitled to give or take with respect to any Securities issued in book-entry only form, the depository would authorize the participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by the depository or agreed to from time to time by the Company, any trustee and the depository. Accordingly, any holder that is not a participant must rely on the contractual arrangement it has, directly or indirectly through its financial intermediary, with its participant to give such notice or take such action.

The Company, any underwriters, dealers or agents and any trustee identified in a Prospectus Supplement relating to an offering of Securities in book-entry only form, as applicable, will not have any liability or responsibility for: (i) records maintained by the depository relating to beneficial ownership interests in the Securities held by the depository or the book-entry accounts maintained by the depository; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership; or (iii) any advice or representation made by or with respect to the depository and contained in the Prospectus Supplement or in any indenture relating to the rules and regulations of the depository or any action to be taken by the depository or at the directions of the participants.

### **EARNINGS COVERAGE RATIOS**

Earnings coverage ratios will be provided as required by applicable securities laws in the applicable Prospectus Supplement(s) with respect to the issuance of Debt Securities having a maturity in excess of one year or Preferred Shares pursuant to this Prospectus.

### **PRIOR SALES**

Prior sales will be provided as required in a Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

### **MARKET FOR SHARES**

Trading prices and volume will be provided as required in a Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences to an investor who is a resident of Canada with respect to the acquisition, ownership and disposition of any Securities offered thereunder.

In addition, the applicable Prospectus Supplement may describe certain Canadian federal income tax consequences to an investor who is a non-resident of Canada and who acquires any Securities offered thereunder, including whether the payments of dividends on Common Shares or Preferred Shares or payments of principal, premium, if any, and interest on debt securities will be subject to Canadian non-resident withholding tax.

## **RISK FACTORS**

Prospective purchasers of Securities should carefully consider the risk factors described in this Prospectus, those described in documents incorporated by reference in this Prospectus (including subsequently filed documents incorporated by reference) and those described in a Prospectus Supplement relating to a specific offering of Securities. An investment in the Securities is subject to various risks including those risks inherent to the industries in which the Company operates. If any of the events contemplated by these risk factors occurs, the Company's financial condition could be materially harmed, which could adversely affect the value of the Securities. In addition to the below, discussions of certain risks affecting the Company in connection with its business are provided in the Company's disclosure documents filed with the various securities regulatory authorities which are incorporated by reference in this Prospectus, including the AIF. If any of the events identified in these risks and uncertainties were to actually occur, our business, financial condition or results of operations could be materially harmed.

### ***Forward-Looking Statements May Prove Inaccurate***

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

Additional information on the risks, assumptions and uncertainties are found in this Prospectus under the heading "*Caution Regarding Forward-Looking Information*".

### ***No Existing Trading Market (other than for Common Shares)***

Other than for Common Shares, there is no market through which the Securities may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus and any Prospectus Supplement. There can be no assurance that an active trading market will develop for Preferred Shares, Debt Securities, Warrants, Subscription Receipts or Units after an offering or, if developed, that such market will be sustained. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation.

The public offering prices of the Securities may be determined by negotiation between the Company and underwriters, dealers, agents or other purchasers based on several factors and may bear no relationship to the prices at which the Securities will trade in the public market subsequent to such offering, if any public market develops. See "*Plan of Distribution*".

### ***Use of Proceeds***

The Company currently intends to use the net proceeds from the sale of the Securities as described under "*Use of Proceeds*". However, the Company retains broad discretion over the actual use of the net proceeds from the sale of the Securities and may elect to allocate net proceeds differently from that described under "*Use of Proceeds*" if determined to be in the Company's best interests to do so. Investors may not agree with how the Company allocates or spends the proceeds from the sale of the Securities. The Company may pursue acquisitions, collaborations or other opportunities that do not result in an increase in the market value of the Company's securities, including the market value of the Securities, and that may increase the Company's losses.

### ***Negative Operating Cash Flow***

The Company is an exploration stage company and has not generated cash flow from operations. The Company is devoting significant resources to the development of its properties, however there can be no assurance that it will generate positive cash flow from operations in the future. The Company currently has negative cash flow from operating activities and expects to continue to incur negative operating cash flow and losses until such time as it achieves commercial production.

### **EXPERTS**

As of the date hereof, none of the Authors, being Doug Ashton, P. Eng., Suryanarayana Karri, P. Geoph., Alexey Romanov, P. Geo. and Meghan Klein, P. Eng., each of whom prepared and/or supervised the preparation of certain disclosure in this Prospectus of a scientific or technical nature relating to the KLP, which is derived from, and in some instances a direct extract from, and based on the assumptions, qualifications and procedures set out in the Technical Report, beneficially own, directly or indirectly, any securities of the Company.

### **LEGAL MATTERS**

Unless otherwise specified in the Prospectus Supplement relating to the Securities, certain legal matters in connection with the offering of Securities will be passed upon on behalf of the Company by McCarthy Tétrault LLP. In addition, certain legal matters in connection with any offering of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of the offering by such underwriters, dealers or agents.

### **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditor of the Company is MNP LLP, Chartered Accountants. MNP LLP has confirmed that it is independent of the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and applicable legislation or regulations.

The Company's transfer agent and registrar is Odyssey Trust Company at its office in Calgary, Alberta.

### **PURCHASER'S STATUTORY RIGHTS**

Subject to such further disclosure as may be provided in the applicable Prospectus Supplement, the following is a description of a purchaser's statutory rights in respect of a purchase of Securities under this Prospectus. Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment (irrespective, in the case of an offering on non-fixed price basis, of the determination at a later date of the purchase price of the Securities distributed). In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. However, purchasers of Securities distributed under an "at-the-market distribution" by the Company do not have the right to withdraw from an agreement to purchase such Securities and do not have remedies of rescission or, in some jurisdictions, revisions of the price or damages for non-delivery of the prospectus, prospectus supplement, and any amendment relating to the Securities purchased by such purchaser because the prospectus, prospectus supplement, and any amendment relating to the Securities purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of NI 44-102. Any remedies under securities legislation that a purchaser of Securities distributed under an "at-the-market distribution" by the Company may have against the Company or its agents for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplement, and any amendment relating to the Securities purchased by a purchaser contains a misrepresentation will remain unaffected by the non-delivery of the prospectus referred to above. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

## CONTRACTUAL RIGHTS OF RESCISSION

Original purchasers of Subscription Receipts and of Debt Securities which are convertible into other securities of the Company or of Warrants offered separately will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such a Subscription Receipt, Debt Security or Warrant. The contractual right of rescission will entitle such original purchasers to receive, in addition to the amount paid on original purchase of the Subscription Receipt, Debt Security or Warrant, as the case may be, the amount paid upon conversion, exchange or exercise, upon surrender of the underlying securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 203 of the *Securities Act* (Alberta), and is in addition to any other right or remedy available to original purchasers under section 203 of the *Securities Act* (Alberta) or otherwise at law.

In an offering of Subscription Receipts, Debt Securities which are convertible into other securities of the Company or Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus is limited, in certain provincial securities legislation, to the price at which such securities are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon a conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal advisor.

**CERTIFICATE OF  
GROUNDED LITHIUM CORP.**

Dated: June 22, 2023

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

*(signed) "Gregg Smith"*

\_\_\_\_\_  
Gregg Smith  
President & Chief Executive Officer

*(signed) "Greg Phaneuf"*

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Greg Phaneuf  
Senior Vice President, Corporate  
Development & Chief Financial Officer

On Behalf of the Board of Directors

*(signed) "John Wright"*

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John Wright  
Director

*(signed) "Dave Antony"*

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Dave Antony  
Director

**CERTIFICATE OF  
THE PROMOTERS**

Dated: June 22, 2023

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

*(signed) "Gregg Smith"*

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Gregg Smith  
Promoter

*(signed) "Greg Phaneuf"*

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Greg Phaneuf  
Promoter