

Grounded Lithium Reports Second Quarter 2023 Financial and Operating Results

CALGARY, AB, Aug. 28, 2023 /CNW/ - (TSXV: GRD) (OTCQB: GRDAF) - Grounded Lithium Corp. ("GLC" or the "Company") announces our financial and operating results for the three month period and six month period ended June 30, 2023. Selected financial and operational information is set out below and should be read in conjunction with the Company's June 30, 2023 financial statements and the related management's discussion and analysis, which are available for review at www.sedarplus.com or the Company's website at www.groundedlithium.com.

Second Quarter 2023 Financial and Operational Highlights

- On May 25, 2023, the Company selected Koch Technology Solutions ("KTS"), a Koch Engineered Solutions Company, and its proprietary Li-Pro™ technology as the direct lithium technology of choice for implementation in a future field pilot. Assuming the proposal from KTS is agreed upon by all parties, we would be responsible for work associated with preparations of a functional field pilot, including but not limited to, provision of sufficient feedstock, job site and associated facility requirements such as permits, civil works, buildings, storage tanks, access to utilities, manpower and brine disposal. KTS would provide the pilot extraction equipment, and the right to use the Li-Pro™ technology together with complimentary field support during construction and operations of the specific extraction unit;
- During the quarter, the Company completed the Preliminary Economic Assessment ("PEA") on the Company's Kindersley Lithium Project ("KLP") – Phase 1. The robust economics were announced on July 26, 2023, and included:
 - After-tax net present value of US\$1.0 billion using an 8% discount rate and a capital investment of US\$335 million, implying an after-tax profitability index ("PI") of nearly 4X. A PI of nearly 4X suggests a highly accretive project with further torque to the upside if current spot prices for battery grade lithium material were modeled;
 - After-tax internal rate of return ("IRR") of 48.5%; and
 - Payout of only 3.7 years, inclusive of a 1.5 year design and construction phase. This is extremely rapid given a project of this magnitude and scope.
- The full KLP development involves a phased approach which provides several benefits stemming from economies of scale as each phase drives the funding, performance learnings, capital efficiencies and torque in rates of return. Prudent development of sub-surface resource bases is critical to maximize shareholder value.

Second Quarter 2023 Financial & Operational Results

(CAD\$, except per share amounts and common shares outstanding)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
FINANCIAL RESULTS				
Net comprehensive loss	944,463	602,545	2,626,751	1,192,966
Per share - basic and diluted	0.01	0.02	0.04	0.04
Cash flow used in operating activities	407,588	315,680	2,138,424	1,035,597
Per share - basic and diluted	0.01	0.01	0.03	0.04
Funds flow used in operations	684,960	533,566	2,158,016	1,060,568
Per share - basic and diluted	0.01	0.02	0.03	0.04
Capital expenditures				
Capital expenditures	7,210	21,498	450,847	678,216
Liquidity				
Working capital surplus	166,415	1,829,712	166,415	1,829,712
Common shares outstanding				
Weighted average - basic and diluted	69,656,423	28,119,114	69,132,779	27,367,204
Outstanding, end of period	69,656,423	28,119,114	69,656,423	28,119,114

Operational and Corporate Update

During the quarter the Company achieved several operational accomplishments. This momentum will continue with a commensurate funding strategy. The Company is evaluating a number of alternative strategies to allow it to execute on its stated business goals. In addition to traditional methods of raising capital in which insiders will continue to participate, we actively pursue strategies which include:

- Seeking funds under various government programs which could defray the cost of both drilling and field pilot operations; and
- Seeking funding and partnerships with one or more strategic partners. A strategic partner provides multiple benefits including experience in either responsible resource development or technologies related to our emerging industry, an interest in realizing the robust value identified in our PEA, and/or a desire to support energy transition. The Company maintains current dialogue with a number of qualifying strategic partners.

About Grounded Lithium Corp.

GLC is a publicly traded lithium brine exploration and development company that controls approximately 4.2 million metric tons of lithium

carbonate equivalent of inferred resource over our focused land holdings in Southwest Saskatchewan as of the effective date of the PEA. The PEA, titled "*NI 43-101 Technical Report: Preliminary Economic Assessment Kindersley Lithium Project – Phase 1*" dated August 9, 2023 and effective as of June 30, 2023, reports a Phase 1 NPV₈ after-tax of US\$1.0 billion with an after-tax IRR of 48.5%. GLC's multi-faceted business model involves the consolidation, delineation, exploitation and ultimately development of our opportunity base to fulfill our vision to build a best-in-class, environmentally responsible, Canadian lithium producer supporting the global energy transition shift. U.S. investors can find current financial disclosure and Real-Time Level 2 quotes for the Company on <https://www.otcmarkets.com/>.

Qualified Persons and Technical Report

Scientific and technical information contained in this press release has been prepared under the supervision of Doug Ashton, P.Eng., Suryanarayana Karri, P. Geoph., Alexey Romanov, P. Geo., Meghan Klein, P. Eng., Dean Quirk, P.Eng., Jeffrey Weiss, P.Eng., Chad Hitchings, P.L. Eng., and Michael Munteanu, P.Eng., each of whom is a qualified person within the meaning of NI 43-101.

Forward-Looking Statements

This press release may contain forward-looking statements and forward-looking information within the meaning of applicable Canadian securities laws. The opinions, forecasts, projections and statements about future events or results, are forward looking information, forward-looking statements or financial outlooks (collectively, "**forward-looking statements**") under the meaning of applicable Canadian securities laws. These statements are made as of the date of this press release and the fact that this press release remains available does not constitute a representation by GLC that the Company believes these forward-looking statements continue to be true as of any subsequent date. Although GLC believes that the assumptions underlying, and expectations reflected in, these forward-looking statements are reasonable, it can give no assurance that these assumptions and expectations will prove to be correct. Such statements include, but are not limited to, statements regarding the proposal from KTS to provide the direct lithium extraction technology for the Company's field pilot project, the future price of lithium, seeking funding under government programs, seeking funding and partnership opportunities, and GLC's vision of becoming a best-in-class, environmentally responsible, Canadian lithium producer supporting the global energy transition.

Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are: GLC's expectation that our operations will be in Western Canada, unexpected problems can arise due to technical difficulties and operational difficulties which impact the production, transport or sale of our products; geographic and weather conditions can impact production; the risk that current global economic and credit conditions may impact commodity prices and consumption more than GLC currently predicts; the failure to obtain financing on reasonable terms; volatility in the trading price of the common shares of the Company; the risk that unexpected delays and difficulties in developing currently owned properties may occur; the failure of drilling to result in commercial projects; unexpected delays due to the limited availability of drilling equipment and personnel; and the other risk factors detailed from time to time in GLC's periodic reports. GLC's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

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