GRID METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the June 30, 2022 interim unaudited condensed consolidated financial statements of Grid Metals Corp. ("Grid" or the "Company"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address future exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Additional information can be found on SEDAR, www.sedar.com. All amounts are in Canadian dollars, unless otherwise noted.

1. DATE

The date of this MD&A is August 29, 2022

2. SUMMARY

Grid Metals Corp. is focused on mineral exploration and development of properties in Manitoba and Ontario, Canada. The metals focus is on nickel, copper, platinum group metals and lithium which are critical metals used in electric vehicle batteries and emissions reduction. The primary properties that as of the date hereof are currently under active exploration and development are (1) the PEA-stage **Makwa-Mayville Nickel Copper PGM Cobalt** Project; and (2) the exploration-stage **Donner Lake Lithium** Property. Both projects are located in the Bird River Greenstone Belt in southeastern Manitoba. Grid commenced an exploration drill program at both properties in January 2022.

Makwa Mayville is the property currently best positioned to be developed into a producing mining asset given its existing mineral resources and positive results from the initial economic studies completed to date. The drilling completed in the first quarter of 2022 will help to define the potential for additional resources at the Makwa part of the property. Exploration drilling is planned for the Mayville part of the property later in the year. In addition, the Company believes that there will be significant synergies between the Makwa-Mayville and Donner Lake properties given their locations and potential to share infrastructure costs. Drilling that was completed at Donner Lake in the first part of 2022 will help determine the potential for a lithium resource there with encouraging results announced to date.

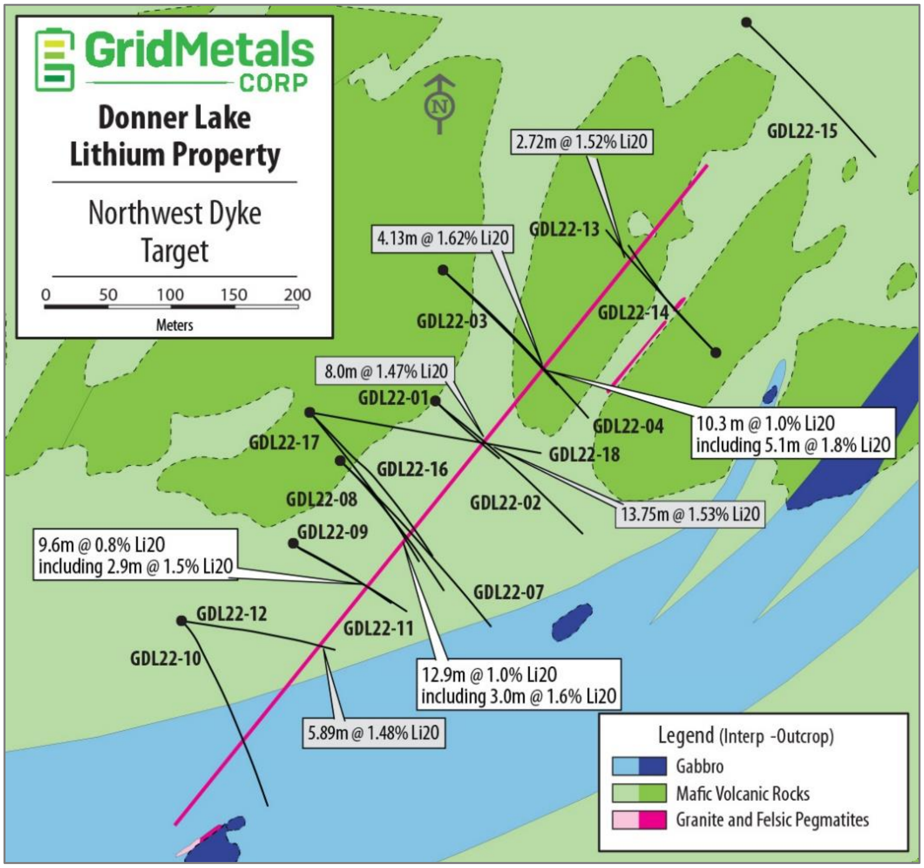
2022 To Date - Summary of Activity

Sale of Bannockburn Nickel Property – On June 7, 2022 sold its 100% interest in the Bannockburn Nickel Property (the "Bannockburn Sale") located near Matachewan Ontario to Canada Nickel Company Inc. ("Canada Nickel"). Under the terms of the transaction Canada Nickel will acquire 100% of the Bannockburn Property in return for issuance to Grid of two million (2,000,000) of Canada Nickel's common shares at a deemed price of $2.01 per Canada Nickel share, the closing price of Canada Nickel's common shares on June 7, 2021.

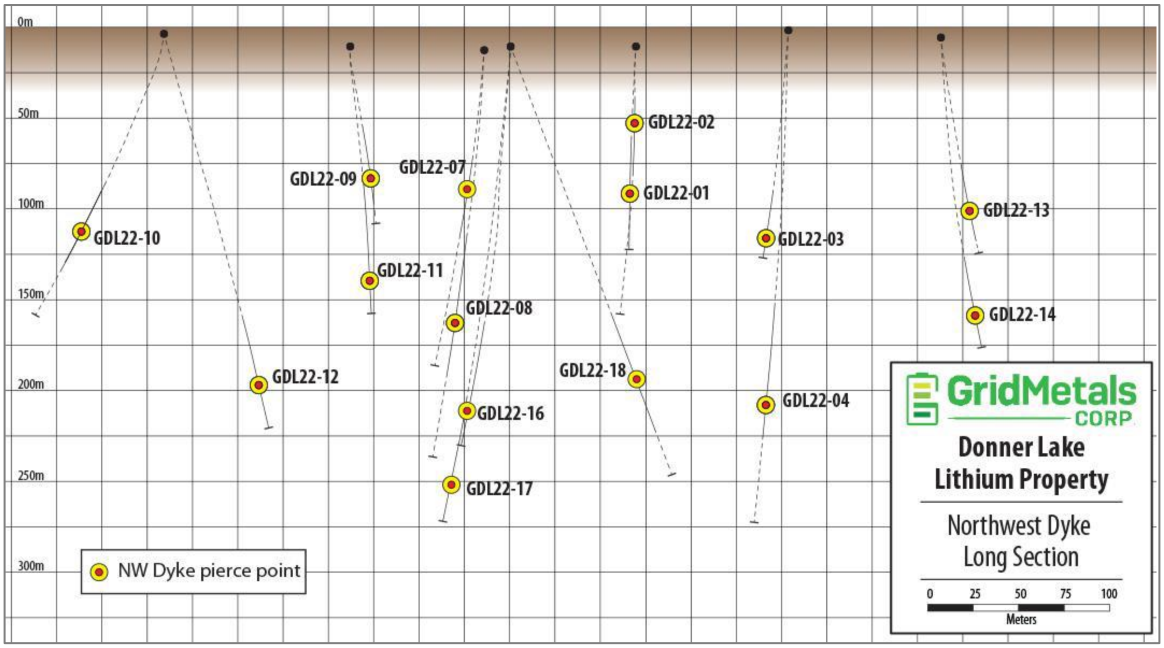
Lithium Royalty Corp. Financing - On January 12, 2022 the Company sold a 25% property interest in its Donner Lake and Campus Creek lithium properties as well as a 2% gross overriding royalty and completed a private placement in a financing arrangement with Lithium Royalty Corp ("LRC") which raised a total of C$6.3 million (the "LRC Financing"). Lithium Royalty Corp. is a leading financier involved in lithium projects around the world. For Grid the financing was less dilutive than a straight equity financing and enabled the Company to proceed with a drill program on its Donner Lake Lithium project and other activities.

Donner Lake Lithium Drilling - The Donner Lake drill program consisted of a total of eighteen drill holes which targeted the Northwest Dyke and an adjacent pegmatite dyke cluster. All of these dykes are classified as "LCT" (lithium-cesium-tantalum) type pegmatites. Four historical holes drilled in the 1950s intersected the Northwest Dyke and each returned encouraging lithium grades over several metres.

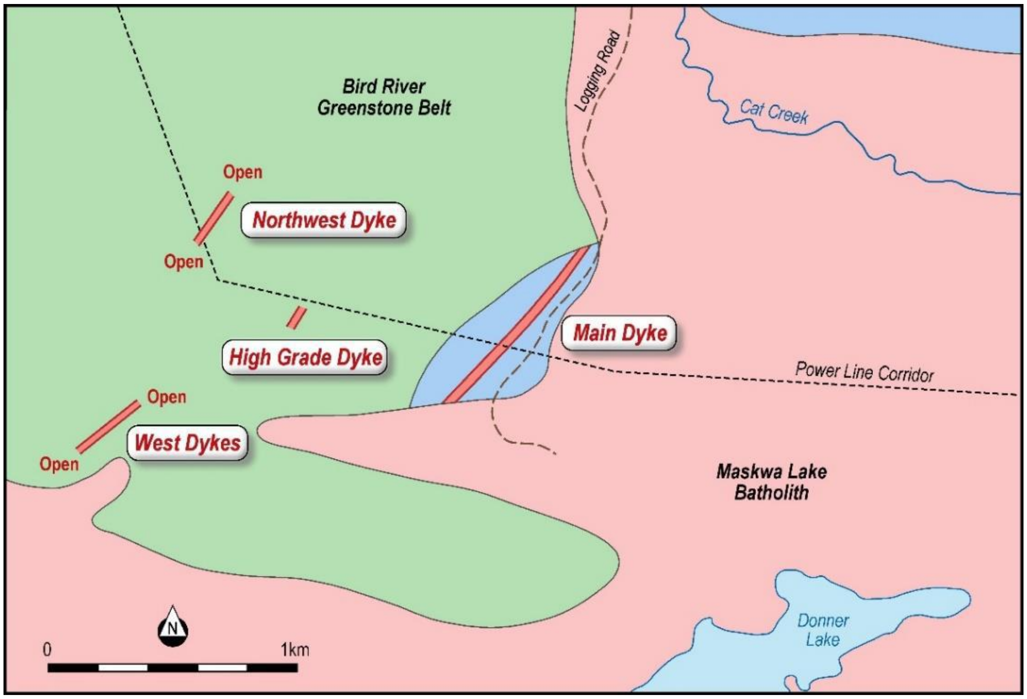
A total of sixteen drill holes were drilled to test the Northwest Dyke. The Company has released all of the results from this program. The Northwest Dyke shows good continuity and lithium grades along strike for approximately 600 metres and to a maximum vertical depth of ~ 250 metres. The location of the drill holes is shown in plan view and on a long section as follows:



Above: Plan view of 2022 drilling at the Northwest Dyke, Donner Lake Lithium Property.

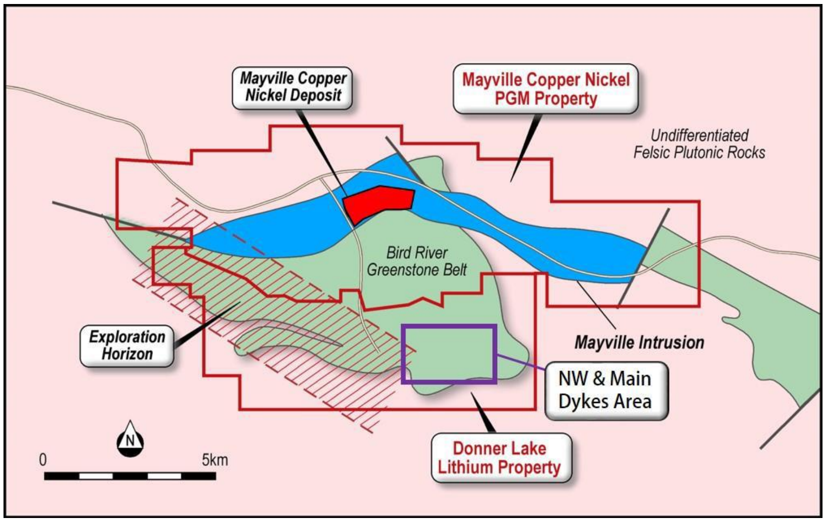


Above: Long section of the Northwest Dyke at the Donner Lake Lithium Property



Above: Location of known pegmatite dykes at the Donner Lake Lithium Property

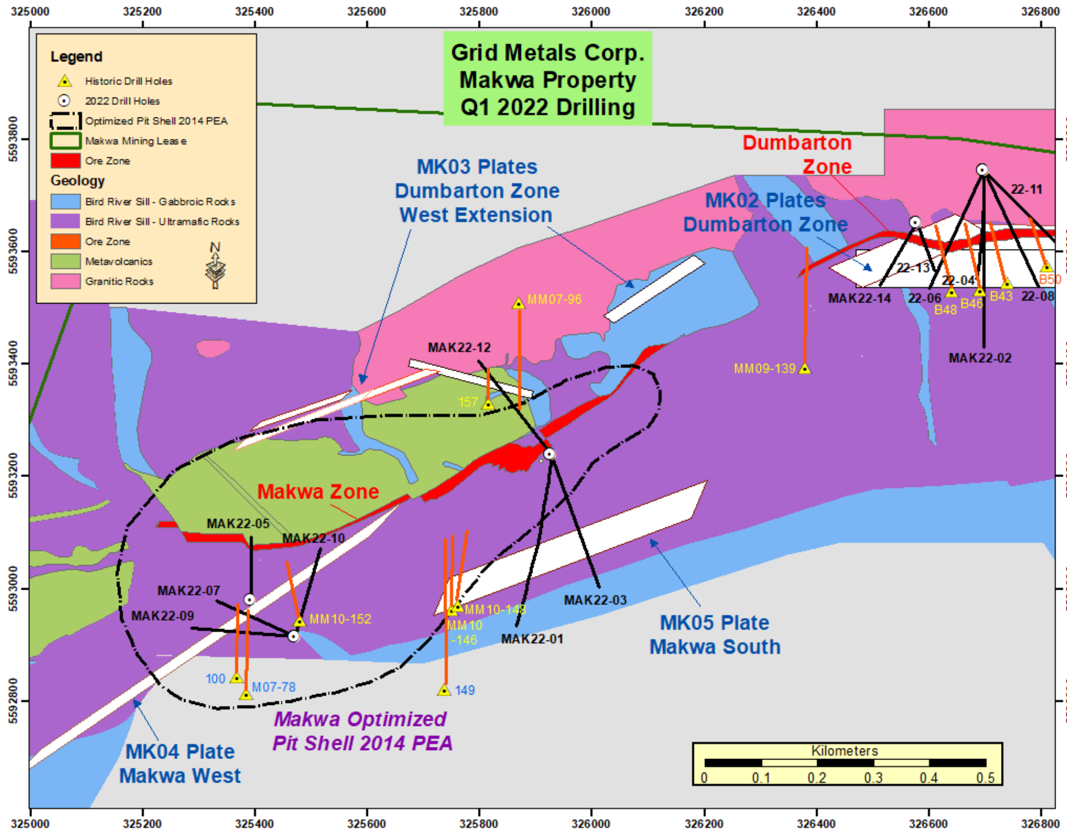
Two drill holes were drilled to test the West Dykes area as part of the winter 2022 drill program. Several narrow pegmatite bodies were intersected in both holes and some of these returned highly anomalous lithium grades interpreted to reflect the presence of additional LCT-type pegmatite dykes in the area.



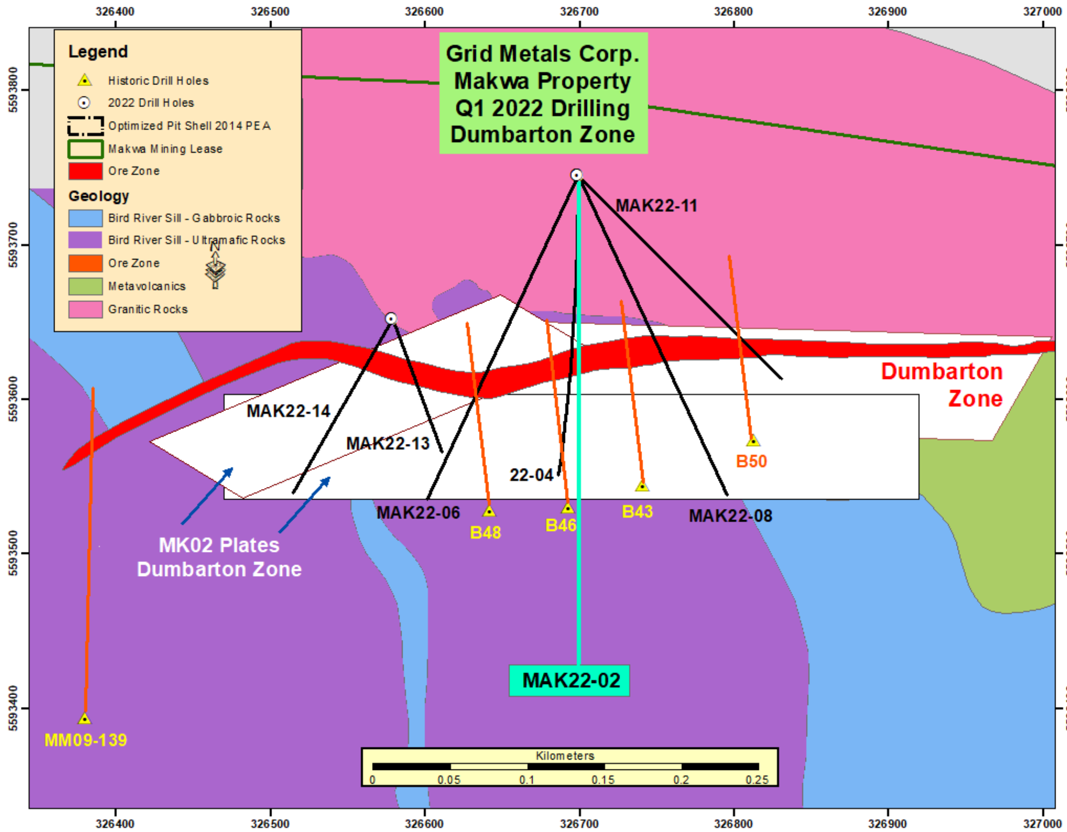
Above: Exploration target area (hatched) in the southwest part of the Donner Lake Lithium Property.

The exploration potential of the Donner Lake Lithium Property remains to be fully tested and, accordingly, the Company initiated a field program in June 2022. The field program is focused on a large, underexplored section of the prospective granite gneiss – greenstone belt contact area that hosts the known LCT-type pegmatites at the Property. Field work will involve geological mapping and lithogechemical surveys. The latter has proven to be highly effective in the past in identifying lithium alteration halos associated with the known LCT-type pegmatites at the Property.

Q1&Q2 2022 Activities Makwa Drill Program - The drill program at Makwa commenced during the first quarter of 2022 and ended in April 2022. The program targeted geophysical anomalies located close to the current pit-constrained nickel resource at the property. The geophysical targets were outlined by an electromagnetic survey completed by the Company in 2018 by the contractor Abitibi Geophysics. Three primary electromagnetic conductors were targeted during the drill campaign and all three conductors are associated with nickel sulfide mineralization that was intersected in limited previous drilling. By the end of the program a total of eighteen drill holes had been completed. The first assay results were rushed by the lab and returned a nickel-copper sulfide intercept that **assayed 15.2m of 0.39% nickel and 0.29% copper from 174.7 metres downhole.** This hole was drilled under the former producing Dumbarton Mine workings. Six other holes were drilled in the Dumbarton Mine area as well.



Above: Drill holes and electromagnetic plates from the 2022 Makwa Nickel drill program



Above: Plan view map showing the location of drill holes targeting the downdip continuation of the past-producing Dumbarton Zone beneath the historic underground mine workings

The other holes at Makwa were drilled to the southeast of the Makwa Pit (targeting an extension of the mineralization to the east) and immediately west of the Makwa Pit. As of the date hereof most of the drilling results had not yet been received.

Other Activity

In June the Company engaged Micon International to complete an updated PEA on the Makwa Mayville project. The new PEA will incorporate metallurgical information acquired subsequent to the completion of the prior PEA study (RPA Associates, 2014) and will consider a base case involving lower annual production rates and higher feed grades.

The Company has completed a compilation and analysis of historical exploration data for the western part of the Fox River Belt where the Company holds three active Mineral Exploration Licenses (MELs). In May the Company began outreach to potential industry partners who have the financial means to support a multi-year exploration effort that the Company believes will be required to unlock the value of the property.

The Company has also completed a compilation and analysis of historical exploration data for two additional MELs located ~30 km to the east of the City of Thompson in northern Manitoba. The Company has started preparing for an airborne magnetic and electromagnetic survey on both properties that is currently planned to take place in the fall of 2022.

Environmental Social and Governance

The Company is committed to increasing its operations, compliance and practices relating to environment, social issues and governance matters going forward. With respect to environmental stewardship the Company looks to minimize the footprint of its on the ground activities and comply and exceed all government regulations relating to its activities.

The Company has an agreement with the Sagkeeng First Nation in whose Traditional Territory the project is located. The purpose of the agreement is to establish a mutually beneficial relationship covering environmental and economic aspects of the project.

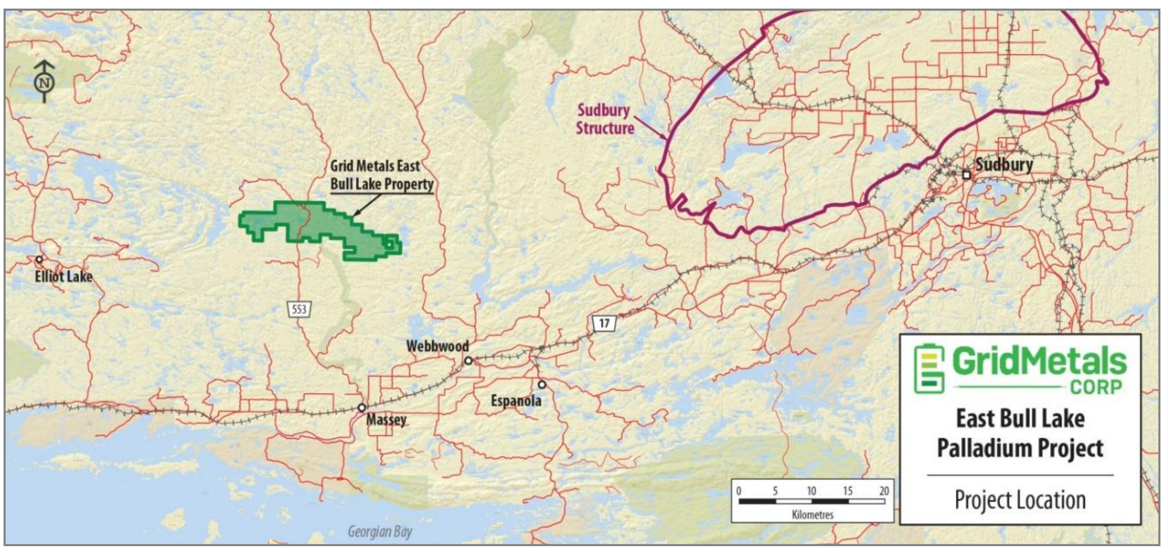
PROPERTY SUMMARIES

East Bull Lake Palladium Property

Overview of Property

The East Bull Lake ("EBL") Palladium Property consists of unpatented mining claims which cover ~80% of the ~22km x ~4 km layered intrusion that hosts widespread, palladium-dominant disseminated sulfide mineralization. Grid focused the exploration at EBL for palladium in the area of the south margin looking for mineralization occurring in embayments or feeder structures in the intrusion. The property consists of unpatented mining claims held 100% by the Company and an option for mineral rights on the "Shib Property" covering eight mining claims at the east end of the intrusion. There are remaining option payments due on the Shib Property.

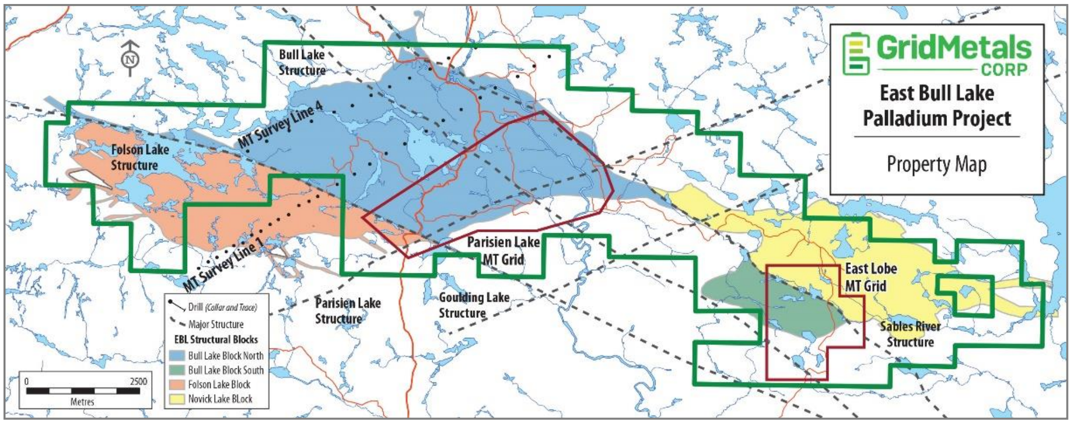
The East Bull Lake property is subject to underlying royalties held by the original optionors of the property of up to 3%.



Above: *location of East Bull Lake Palladium Property*

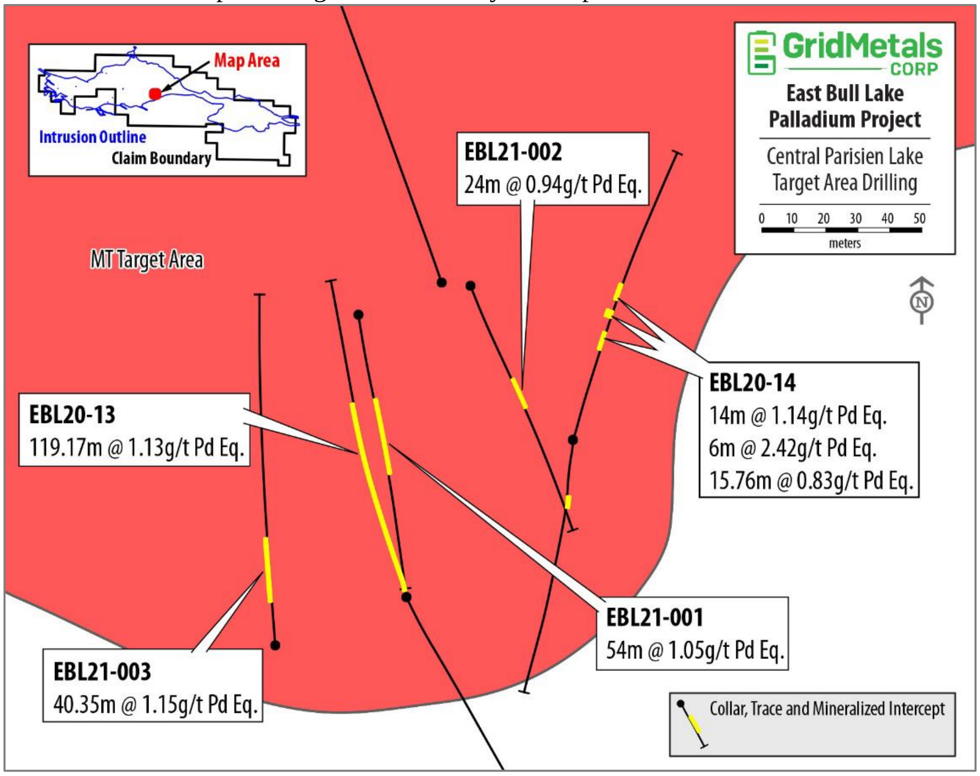
Details of drilling at East Bull are summarized in the Company' January 28, 2021, March 3, 2021 and April 9, 2021 and June 17, 2021 news releases – see www.sedar.com. Drilling during 2021 was following up on drill hole EBL20-13 which intersected 119 metres averaging 0.75 g/t Pd, 0.21 g/t Pt, 0.04 g/t Au, 0.08% Cu and 0.05% Ni (1.13 g/t palladium equivalent grade or Pd Eq) with significant higher-grade sections including 48.0 metres averaging 1.85 Pd Eq that contained 14.0 metres of 2.97 g/t Pd Eq and 3.68 metres averaging 4.54 g/t Pd Eq. The drill hole EBL20-13 represented the best grade thickness yet reported at East Bull.

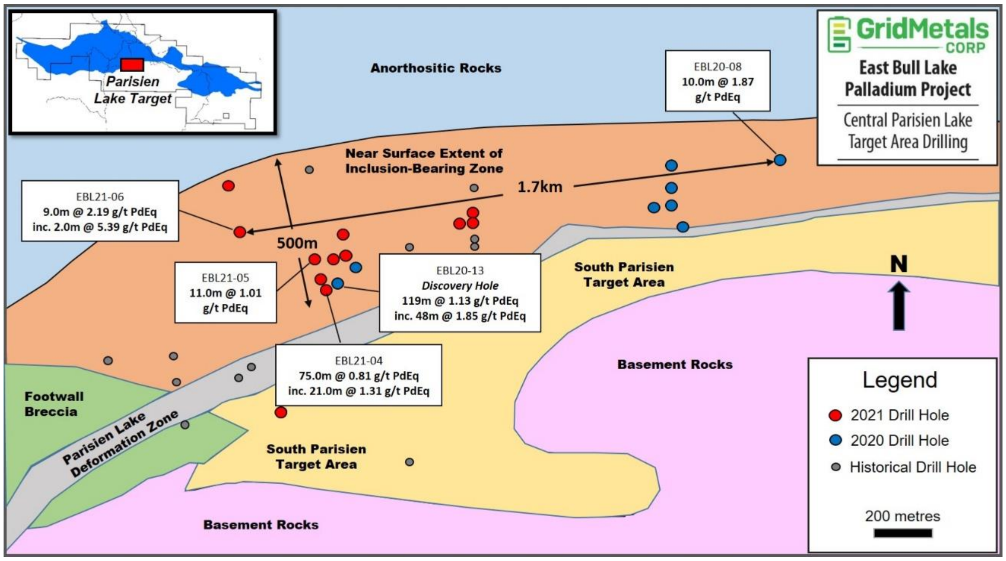
The majority of the holes drilled in 2020/2021 have intersected anomalous to highly elevated palladium, platinum, and copper values in an inclusion-bearing zone at the base of the intrusion. The Company believes that this "basal layer" of mineralization is extensive and offers potential for large tonnages of palladium-rich sulfides at East Bull.



Above: map of the East Bull Lake Intrusion showing property outline and areas that were covered by a magneto-telluric survey completed by Grid in 2020.

Below: map showing some of the key intercepts in the area of EBL20-13





Above: *map showing selected drill holes from the Parisien Lake Deformation Zone at East Bull.*

Following completion of drilling in 2021 a field program of mapping and sampling was completed at the property. Approximately 500 samples from 5 discrete exploration target areas were submitted for assay. The field program further confirmed the prospectivity of the property and extended the Parisien Lake Zone to the west by approximately 2 km.

Grid also completed a metallurgical study that produced a palladium-rich concentrate with good PGE and base metal recoveries and high palladium grades of up to ~100 g/t Pd.

The Company also commissioned a detailed geochemical study of the Parisien Lake area. The key finding of the study is that a genetic relationship appears to exist between local copper- and/or nickel-rich massive sulfide lenses hosted by an extensive footwall breccia zone and overlying, palladium-dominant disseminated sulfide mineralization. The observed geochemical trends indicate that the lower part of the East Bull Lake intrusion hosts Cu-Ni-PGM mineralization that was derived from a large and highly fractionated magmatic sulfide system, with sulfides accumulating in structural traps or embayments along the basal contact as seen in the nearby Sudbury Igneous Complex and its numerous, world-class massive sulfide ore bodies.

Next steps for the East Bull Lake property will be a geophysical review and ranking of the large number of untested conductivity anomalies that are located adjacent to known surface disseminated sulfide mineralization. These anomalies occur within more widespread resistivity anomalies that are interpreted to represent structural troughs in which magmatic sulfides accumulated along the base of the intrusion.

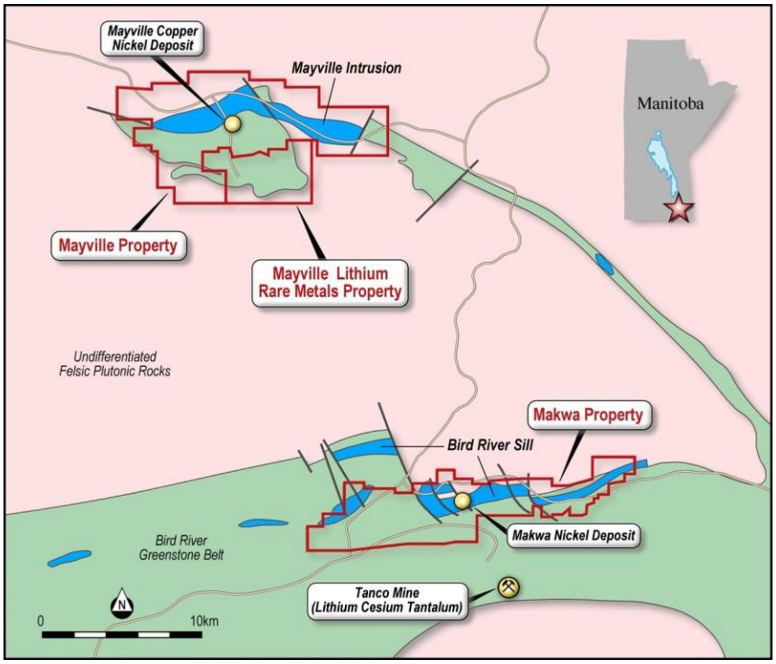
Bannockburn Nickel Project

As stated above, the Company has completed the sale of the Bannockburn Nickel Property to Canada Nickel Company.

Makwa Mayville Ni-Cu-PGM-Co Project

The Makwa Mayville Ni-Cu-PGM-Co property is located 145 kilometres northeast of Winnipeg, Manitoba. The property consists of several blocks of mining claims and a mineral lease over the Makwa Nickel Property. There are two NI 43-101 defined resources making up the project resource, *viz.*: (1) Makwa, where the predominant metal is nickel with by-product credits of copper and platinum group metals (mostly palladium); and (2) Mayville which is a copper-dominant copper-nickel sulfide deposit with significant platinum group metals credits. The two deposits are only 35 km apart and the current Technical Report, a Preliminary

Economic Assessment published in 2014, envisaged a central concentrator located at Mayville and treating feed from both deposits. Over the past two decades Grid has spent over $25 million in exploration and development on the two properties.



Above: *Map of Bird River Greenstone belt showing Grid Properties*

As a precursor to resuming exploration at the Property during 2021 the Company renegotiated its Exploration Agreement with the Sagkeeng First Nation on whose traditional territory the Makwa Mayville Property is located. The exploration agreement provides a framework for Grid to engage with Sagkeeng through the exploration permitting and mineral development process. In addition, the agreement will provide other benefits and accommodations so that Sagkeeng is able to meaningfully benefit from the economic development associated with mineral exploration in its traditional territory while respecting cultural and environmental concerns.

In December 2021 the Company received approval for its permit applications for drilling at the both the Makwa and Mayville properties. Drilling commenced at the Makwa property in January 2022.
The drill program was designed to test a number of geophysical anomalies that were generated from a ground electromagnetic survey completed by Grid in 2018. Each of the anomalies to be tested are proximal to the known deposit and represent drill targets with the potential to add additional resources to the property.

Future exploration drilling is planned at the Mayville Property in the resource area and also at exploration targets near the resource area.

The most recent economic study at the Makwa Mayville Project was a Preliminary Economic Assessment completed in April 2014 and authored by RPA Associates. Since 2014 additional metallurgical test work was completed for the Mayville deposit. The testwork concluded that nickel recoveries from the Mayville resource could be significantly improved over the levels that were used in the 2014 PEA.

The current mineral resources for Makwa Mayville as stated in the 2014 PEA are tabulated below.

MINERAL RESOURCE SUMMARY AS OF NOVEMBER 27, 2013
Mustang Minerals Corp. – Makwa-Mayville Project

Class and Deposit	Tonnes (Mt)	Ni (%)	Cu (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Co (%)
Indicated							
Makwa	7.2	0.61	0.13	0.10	0.36	N/A	0.01
Mayville	26.6	0.18	0.44	0.05	0.14	0.05	N/A
Total Indicated	**33.8**	**0.27**	**0.37**	**0.06**	**0.19**	N/A	N/A
Inferred							
Makwa	0.7	0.27	0.08	0.05	0.14	N/A	0.02
Mayville	5.2	0.19	0.48	0.06	0.15	0.04	N/A
Total Inferred	**5.8**	**0.19**	**0.43**	**0.06**	**0.15**	N/A	N/A

Notes:
1. CIM Definition Standards have been followed for classification of Mineral Resources
2. Mineral Resources are reported at a net smelter return (NSR) cut-off value of C$15/tonne at Mayville and C$20.64/tonne at Makwa
3. At Mayville, NSR values are calculated in C$ using factors of $51 per % Cu and $41 per % Ni. These factors are based on metal prices of US$3.40/lb Cu and US$8.50/lb Ni, estimated recoveries and smelter terms, and a US$/C$ exchange rate of 0.97.
4. The Makwa Mineral Resources are estimated using metal prices of US$3.40/lb Cu and US$8.50/lb Ni, estimated recoveries and smelter terms, and a US$/C$ exchange rate of 0.97. The NSR factors used are: $87.33 per % Ni, $29.65 per % Cu, $38.25 per % Co, $0.14 per g/t Pt and 0.08 per g/t Pd.
5. Totals may not add correctly due to rounding.
6. Mineral resources that are not Mineral Reserves do not have demonstrated economic viability.

Mineral Title

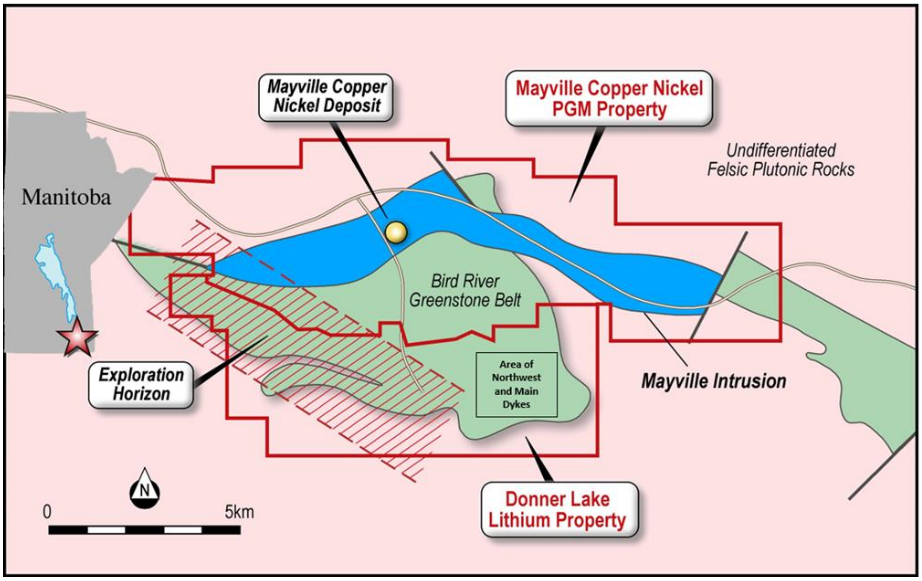
The mineral rights of the **Makwa Property** consist of a mineral lease with an unexpired term of 19 years, a surface lease, and exploration claims held by the Company. An annual payment of approximately $10,000 must be made to the province of Manitoba to keep the mineral lease and surface lease in good standing. There is a 1.0% NSR royalty on the Makwa property. The Company has the option to purchase 0.5% of the NSR royalty for $500,000.

The **Mayville Property** is a copper nickel platinum group metal exploration project located near Lac du Bonnet, in southeast Manitoba. The Company acquired a cumulative 89% interest in the property (consisting of mining claims) in 2005. A direct 60% interest was acquired from a vendor for consideration of $90,000 in cash, a note for $165,000 due 18 months from closing (which was paid during 2006), and 700,000 common shares of the Company (issued in 2005). The additional 29% interest was acquired through the acquisition of a 72.56% interest in Maskwa Nickel Chrome Mines Limited (“MNCM”), a company which holds the remaining 40% interest in the Mayville property subject to a joint venture agreement. The shares in MNCM were acquired through the issuance of 400,000 common shares of the Company and a cash payment of $120,000. A royalty payment in the amount of $210,000 will be due in five equal annual payments upon the commencement of commercial production on any portion of the MNCM property. Subsequent to year end 25% of the lithium rights and a 2% royalty to the Tanco Claims and fifteen of the Mayville mining claims were sold to Lithium Royalty Corp. for US $2.25 million.

Both Makwa and Mayville are located on the Traditional Territory of the Sagkeeng First Nation.

Donner Lake Lithium Property

The Bird River Greenstone Belt in southeastern Manitoba hosts several lithium-cesium-tantalum-enriched (“LCT-type”) pegmatite dykes including the world famous Tanco pegmatite and the producing Tanco Mine. The Tanco Mine has produced lithium, tantalum, and cesium products intermittently since 1968. Currrently, the Tanco Mine is producing lithium spodumene concentrate. There are a number of pegmatite fields in the Bird River Greenstone area in addition to Bernic Lake. There has been intermittent exploration activity in the belt since the 1950's. With the recent rise of lithium prices there has been new activity in the area. New entrants funding exploration in the area include Mineral Resources (ASX:MIN) which is the world's fifth largest spodumene concentrate producer.



Above: Mayville and Donner Lake Property area.

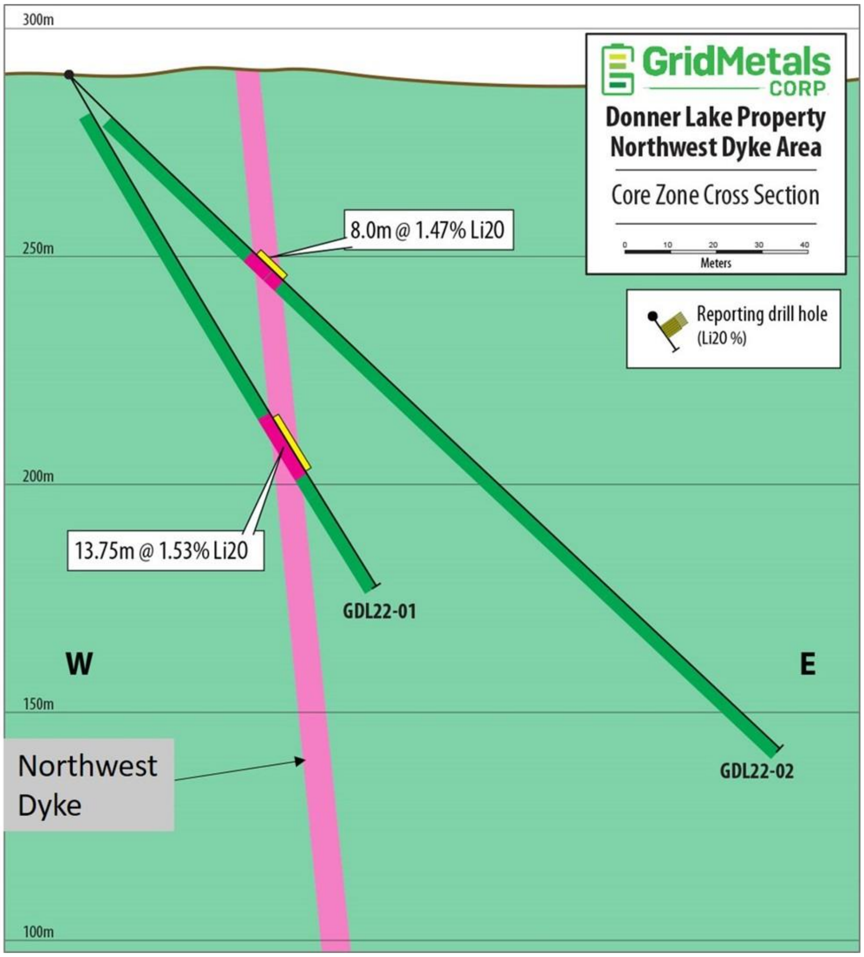
The Donner Lake Lithium Property consists of the lithium and rare metal rights over 6 mining claims optioned from Tantalum Mining Corporation of Canada in 2010 and the lithium and rare metal rights over 34 claims which were formerly part of the Mayville Property. Grid optioned 100% of the Donner Lake lithium and rare metal mineral rights from Tantalum Mining Corporation of Canada ("Tanco") in 2017. Grid had previously acquired the base metal mineral rights to the Tanco Property in 2010. The property at this time consisted of 6 mining claims totaling 748 hectares. Under the option agreement with Grid, Tanco retained a 2% Net Smelter Royalty Return on any products sold from the property and a commercial right of first refusal to purchase any products sold from the property in the future be it ore or lithium concentrates. Subsequent to year end the lithium rights and a 2% gross overriding lithium royalty to 34 surrounding mining claims were sold by Grid and Maskwa Nickel Chrome Mines Limited to Lithium Royalty Corp. for US $2,5000,000.

Grid retains a 75% interest in the Donner Lake Property which is subject to a minority interest held by a 72.4% owned subsidiary of Grid excluding the Tanco Property. Grid retains the base metal rights over the Donner Lake Lithium Property.

Exploration

There are two LCT-type spodumene-bearing dykes that are the current focus of exploration interest at the property. Grid drilled 11 holes at the Main Dyke in 2018. The Main Dyke drilling intersected a spodumene-bearing lithium pegmatite over a strike length of approximately 800 metres. The Company drilled 16 drill holes into the Northwest Dyke starting in February 2022 and two additional holes were drilled in the West Dyke area. All results have been received and they indicate fairly consistent lithium grades and widths over the 600 metres of strike and 250 metres of vertical extent that have thus far been drilled on the Northwest Dyke. In June the Company initiated preliminary metallurgical testwork at XPS – Expert Solutions Laboratory (a Glencore Company) on composite samples from both the Northwest and Main dykes in order to evaluate the potential to produce a saleable spodumene concentrate having a target LiO2 grade of 6%.

There has been a significant amount of historical exploration in the belt focused on tantalum and cesium minerals which generally occur in the same geological formations along with lithium. Geological mapping and geochemical surveys were completed in the area with results filed with the government of Manitoba and available online. A number of prospective geochemical trends featuring lithium anomalies in bedrock outcrops (greenstone units) remain to be tested on the property.



Above: *cross section of first two drill holes at Northwest Dyke from Grid 2022 drilling.*

Grid is utilizing this data to facilitate further geological mapping, sampling and a geochemistry program that commenced in June of 2022.

The overall objective of Grid's exploration activities at Donner Lake is to discover and delineate significant tonnages, e.g., >10 million tonnes of high Li2O-grade LCT-type pegmatite dykes that can produce a quality spodumene concentrate. Specific objectives for the 2022 exploration program include: (1) the discovery of additional spodumene-bearing dykes; (2) complete adequate drilling on the Main and Northwest dykes to support an initial 43-101 compliant Li2O resource estimate; (3) metallurgical testwork to scope the potential to produce a marketable spodumene concentrate; and (4) commence an initial economic study for the project and explore co-development opportunities with the Makwa Mayville Property.

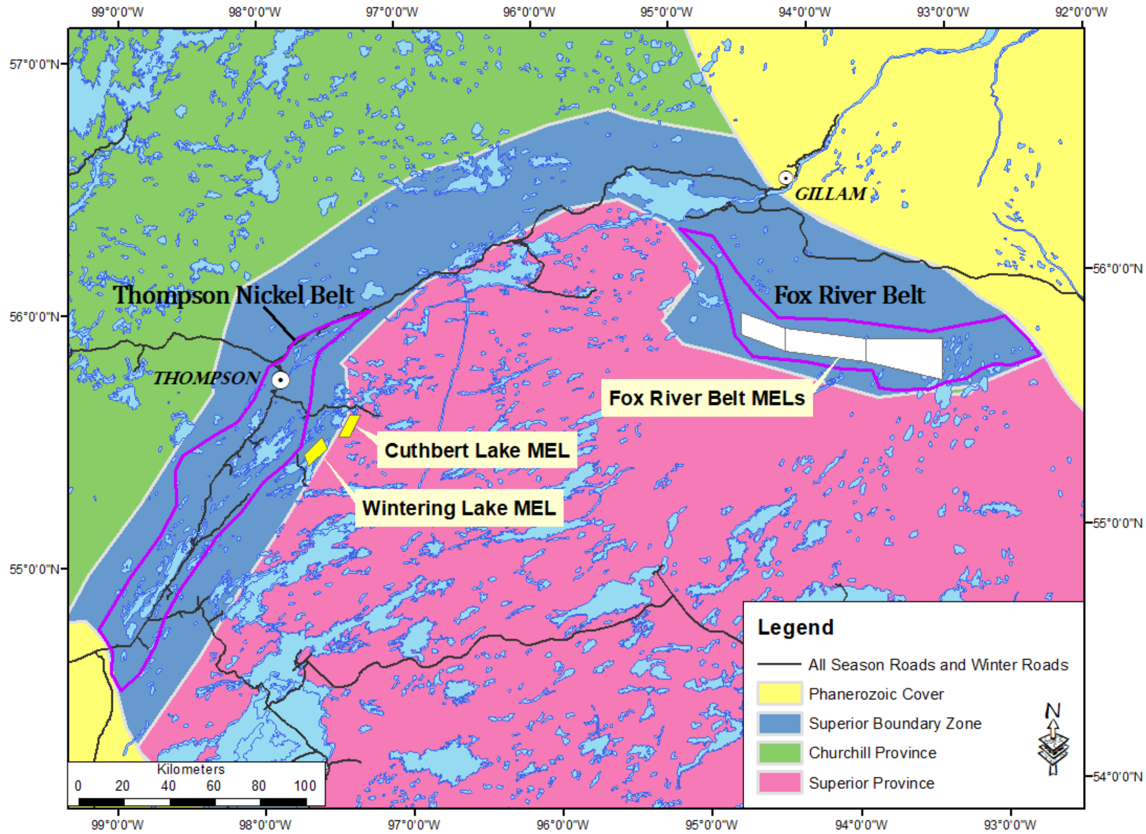
Mineral Exploration Licenses Acquired in Northern Manitoba

In September 2021 the Company acquired the mineral rights for five Mineral Exploration Licenses (MELs) located in northern Manitoba. Three of the licenses cover a large section of the Proterozoic Fox River Belt, situated on the Superior Boundary Zone – host to a majority of Canada's major nickel sulfide mining camps at Thompson Manitoba, Sudbury Ontario, and the Raglan Camp of northern Quebec. The other two licenses cover prospective mafic-ultramafic intrusions and known Ni-Cu-PGE surface showings in the Pikwitonei Granulite Domain directly east of the Thompson Nickel Belt and the mining city of Thompson. A tabulation of the MEL numbers and their size and annual holding costs are given in the table, below.

Type of License	**Regular MEL**	**Special MEL**
Deposit (with application)	$0.50/hectare	$0.50/hectare
Zone	Zone A	Zone B
Annual Assessment Requirement	$1.25/hectare in Year 1 increasing to $7.50 per hectare in Year 360	$0.50/hectare in Year 1 increasing to $4.00 per hectare in Year 5
Initial Ownership Term	3 years	5 years
Renewal Term	3 years	5 years
Grid Property & MEL#	**Thompson East:** 1134A (Cuthbert Lake), 1135A (Wintering Lake)	**Fox River Belt:** 1153B, 1132B, 1133B
Area of Grid MELs	10,500 hectares	102,600 hectares
Year 1 Cost (less deposit)	$7,875	Prepaid in full
Year 1 Anniversary	Sept. 8, 2022	Sept. 8, 2022

In 2022 the Company plans to compile and analyze the significant amount of available assessment data for all of the MELs as an initial step in the exploration of the properties. It is contemplating an airborne geophysical survey on the Thompson East MELs as an important initial step in the exploration of those properties. This survey, if completed, would cover the combined assessment requirements of ~$60,000 for the initial two year holding period from Sept. 2021 to Sept. 2023. The Thompson East MELs are considered to be analogous to the currently producing Nova Bollinger nickel sulfide deposit in Western Australia that is owned by Independence Group (ASX). The Fox River MELs are considered by the Company to represent a direct geological analogue to the prolific Raglan nickel sulfide district in northern Quebec. The ~90 km of prospective Fox River Belt geology covered by the Company's three licenses represent a significant and new opportunity for the Company to make transformative nickel sulfide deposit discoveries. Depending on financing and other conditions, the Company believes it could be ready to drill an initial series of coincident conductivity and magnetic targets at Fox River based on the large amount of historical ground and airborne geophysical data that it has access to and using the Raglan deposit model to guide the selection and ranking of drill targets. This work would more than cover the initial two-year assessment expenditure requirement of ~$200,000 for this large property, with the first year's requirement having been prepaid by the deposit placed with the Manitoba Government with the license applications.

Although the Company remains committed to maintaining a focus on southeastern Manitoba assets, the acquisition of the Fox River MELs represented a very rare opportunity to gain a large land position in both an established (Thompson Belt) and highly prospective frontier belt (Fox River) at a time of increasing investor interest in nickel sulfide projects located in Tier 1 jurisdictions. The Company will be exploring different options at its disposal to fund and manage future exploration of these MELs including, but not limited to, partnering with an established nickel sulfide mining company and vending a NSR royalty.



Above: Location of 5 Mineral Exploration Licenses in northern Manitoba acquired by the Company in September, 2021.

3. SELECTED ANNUAL INFORMATION

Selected audited annual information for the three most recently completed years, all reported under IFRS, are as follows:

Years ended December 31,	2021 $	*Restated* 2020 $	*Restated* 2019 $
Net loss before provision for income taxes	(3,852,670)	(3,202,263)	(853,134)
Net loss after provision for income taxes	(3,852,670)	(3,202,263)	(853,134)
Basic and diluted loss per share	(0.04)	(0.05)	(0.02)
Total assets	3,001,530	3,170,526	1,172,802

4. DISCUSSION OF OPERATIONS

Overview

The following table provides selected financial information that should be read in conjunction with the interim unaudited condensed consolidated financial statements of the Company for the periods ended June 30, 2022 and 2021.

	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	**2022**	2020
Exploration and evaluation expenses	**$ 1,382,550**	$ 828,819	**$ 4,379,848**	$ 1,748,273
Net operating expenses	**(1,802,149)**	(1,552,847)	**(5,718,566)**	(2,268,718)
Other income (loss) and realized gains on transactions	**2,970,152**	-	**7,654,902**	9,044
Net loss	**1,168,003**	(1,552,847)	**1,936,336**	(2,259,674)
Net loss per share	**0.01**	(0.02)	**0.02**	(0.03)
Total assets	**$ 7,205,390**	$ 6,567,500	**$ 7,205,390**	$ 6,567,500

Revenues

None of the Company's properties have advanced to the point where a production decision can be made. As a consequence, the Company has no producing properties and no sales or revenues. From time to time the Company will earn interest from funds on deposit and other income from sale of property interests, such as the LRC Financing.

The major expense items for the periods ended June 30, 2022 and 2021 are summarized as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	**2022**	2021
Exploration and evaluation expenses	**$ 1,382,550**	$ 828,819	**$ 4,379,848**	$ 1,748,273
Office, general and administrative	**199,813**	234,243	**347,863**	355,419
Professional and consulting fees	**122,632**	18,753	**210,962**	69,095
Management fees and directors fees	**76,250**	60,250	**142,500**	135,000
Public company costs	**11,826**	20,063	**72,882**	87,185
Share-based payments	**3,957**	388,550	**554,926**	388,550
Amortization	**5,121**	2,169	**9,585**	4,957
Flow-through share premium recovery	**-**	-	**-**	(519,761)
	$ 1,802,149	$ 1,552,847	**$ 5,718,566**	$ 2,268,718

Exploration and Development Expenditures

For the six months ended June 30, 2022	Makwa	Mayville	East Bull Lake	Donner Lake Lithium	Fox River	Campus Creek	Tanco	Bannockburn	Total
Geological	$ 378,342	$ 50,284	$ 33,305	$ 189,258	$ 29,310	$ -	(11,970)	$ 37,193	$ 705,723
Drilling and related costs	1,583,807	-	-	1,401,206	-	-	-	-	2,985,013
Geophysics	-	-	6,470	-	-	1,952	-	-	8,422
Consulting	123,471	20,040	4,040	286,750	24,984	-	-	-	459,285
Assays	127,565	-	-	59,347	-	5,827	-	16,322	209,061
Acquisition	20,000	-	(7,500)		61,902	286,380	-	-	360,782
Other	79,970		-	58,379	-	-	-	13,944	152,293
JV share of expenses	-	-	-	(498,735)	-	(1,945)	-	-	(500,680)
Total	**$ 2,313,155**	**$ 70,324**	**$ 36,315**	**$ 1,496,205**	**$ 116,196**	**$ 294,159**	**$(11,970)**	**$ 67,459**	**$ 4,379,899**

For the year ended December 31, 2021								
	Makwa	Mayville	Donner Lake Lithium	Northern Nickel	East Bull Lake	Campus Creek	Bannockburn	Total
Geological	$ 53,320	$ 47,153	$ 15,050	$ 3,415	$ -	$ 103,293	$ -	$ 222,232
Drilling program related costs	-	-	-	-	1,377,161	-	699,200	2,076,361
Acquisition	-	23,500	-	78,204	12,250	-	24,500	138,454
Other	-	-	-	-	(38,625)	-	-	(38,625)
Total	**$ 53,320**	**$ 70,653**	**$ 15,050**	**$ 81,619**	**$ 1,350,786**	**$ 103,293**	**$ 723,700**	**$ 2,398,422**

5. SUMMARY OF QUARTERLY RESULTS

Selected financial information for the last 8 fiscal quarters:

	2022 Q2	2022 Q1	2021 Q4	2021 Q3
		$	$	$
Net income (loss)	1,168,003	768,333	(872,045)	(697,756)
Basic and diluted loss per share	0.01	0.02	(0.01)	(0.01)

	2021 Q2	2021 Q1	2020 Q4	2020 Q3
	$	$	$	$
Net loss	(1,552,847)	(706,827)	(1,552,847)	(830,454)
Basic and diluted loss per share	(0.02)	(0.01)	(0.02)	(0.01)

Comments on quarterly results

2022 – Q2
Results for the quarter were net income of $1,168,00 vs a loss of 1,552,847 for the 2021 period. The 2022 period included exploration and evaluation expense of $1,382,550 (2021 - $828,819), share-based compensation of $3,957 (2021 – $388,550), other expenses of $1,049,848 due to the decline of Canada Nickel shares received by the Company pursuant to the sale of its Bannockburn property (2021 - $nil) and a gain of $4,020,000 (2021 - nil) representing proceeds of sale realized by the Company on its sale of the Bannockburn property.

2022 – Q1
Results for the quarter were net income of $768,333 vs a loss of $706,827 for the 2021 period. The 2022 period included exploration and evaluation expense of $2,997,298 (2021 - $932,954), share-based compensation of $550,969 (2021 – nil), and a gain of $4,677,750 (2021 - nil) realized on the Company's LRC Financing.

2021 – Q4
Results for the quarter were a loss of $872,045 vs $618,132 for the 2020 period. The 2021 period included exploration and evaluation expense of $312,963 (2020 - $445,078), share-based compensation of $117,841 (2020 – nil), management and directors fees of $122,750 (2020 - $60,250), and a shareholder indemnification recovery of nil (2020 - $100,000).

2021 – Q3
Results for the quarter were a loss of $697,756 vs $830,454 for the 2020 period. The 2021 period included exploration and evaluation expense of $313,963 (2020 - $708,376), office, general and administrative payments of $175,415 (2020 – $46,753) due to increased marketing expenses, and $79,883 (2020 - $9,378) professional and consulting fees due mainly to increased project due diligence.

2021 – Q2
Results for the quarter were a loss of $1,576,041 vs $656,206 for the 2020 period. The 2021 period included exploration and evaluation expense of $852,013 (2020 - $464,761) and share-based compensation of $388,550 (2020 - $47,600).

6. LIQUIDITY

The Company has no significant revenues and no expectation of significant revenues in the near term, with the exception of the Transaction described herein. The cash position of the Company is reduced as exploration and overhead expenses are incurred.

The Company has working capital at June 30, 2022 of $6,738,722 (December 31, 2021 – $2,547,071).

7. CAPITAL RESOURCES

During the period ended June 30, 2022, except for the LRC Financing and the Bannockburn Sale described herein, there were no unusual factors that affected the Company's capital resources.

8. OFF-BALANCE SHEET ARRANGEMENTS

At June 30, 2022 and 2021, the Company did not have any off-balance sheet arrangements.

9. TRANSACTIONS BETWEEN RELATED PARTIES

Director's fees, professional fees and other compensation of directors and key management personnel were as follows for the years ended December 31:

	2022	2021
	$	$
Short-term compensation and benefits	**318,752**	277,742
Share-based payments (stock option, RSU and DSU grants)	**444,654**	294,056
Total key management compensation	**763,406**	571,798

Short-term compensation and benefits charged to exploration and evaluation expenditures amounted to $89,869 (2021 – $131,740).

Amounts due to key management personnel included in accounts payable amounted to $29,118 (2021 – $25,470).

Legal fees were charged by a legal firm during the period ended June 30, 2022, of which an officer of the Company is an employee, for legal and corporate secretarial services in the amount of $25,832 (2021 - $43,148). Accounts payable and accrued liabilities includes $nil owing to the legal firm (2021 – $nil).

See also Note 7(b), 9 and 12 to the Company's June 30, 2022 interim unaudited condensed consolidated financial statements.

10. PROPOSED TRANSACTIONS

There are no proposed transactions contemplated as of the date hereof with the exception of the private placement announced on August 22, 2022 (see Subsequent Events).

11. CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Income taxes and recoverability of potential deferred tax assets
The Company is subject to income, value added, withholding and other taxes in various jurisdictions. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting year.

Share-based payments
Management determines the valuation of share-based payments and warrants using market-based valuation techniques. The fair value of the market-based and performance-based share awards and warrants are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments may include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Mineral reserve estimates
The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as

metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operation.

Commitments and contingencies
Refer to Notes 6 and 9 of the Company's June 30, 2022 unaudited interim condensed consolidated financial statements.

12. FINANCIAL ASSETS, AND OTHER INSTRUMENTS

Financial assets
Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either Fair Value through Profit or Loss ("FVPL") or Fair Value through Other Comprehensive Income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of earnings (loss) when the right to receive payments is established.

Subsequent measurement – financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of earnings (loss). The Company's marketable securities are classified as financial assets at FVPL.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities and lease obligations, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of operations.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of operations.

Credit Risk

The Company's credit risk is primarily attributable to accounts receivable. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to the financial instrument included in amounts receivable is remote.

Liquidity Risk

The Company's main source of liquidity is derived from its common stock issuances and exploration property transactions. As at June 30, 2022, the Company had current assets of $7,147,131 (December 31, 2021 - $2,971,169) to settle current liabilities of $408,409 (December 31, 2021 - $438,438). All the Company's financial liabilities have contractual maturities that are subject to normal trade terms. Current liabilities include un-renounced flow through share premium, which will be a non-cash item on settlement, of $167,090 (2021 - $167,090). All of the Company's financial liabilities have contractual maturities that are subject to normal trade terms.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company monitors its cash balances and is satisfied with the creditworthiness of its banks. As a result, the Company's exposure to interest rate risk is minimal.

Market Risk

Foreign Currency Risk

The Company's functional and reporting currency is the Canadian dollar, and all expenditures are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. As the Company's properties are in the exploration stage and to date do not contain any identified mineral resources or reserves, the Company does not hedge against commodity price risk.

Sensitivity Analysis

Management's view with respect to interest rate and foreign exchange risks is as follows:

(i) The Company receives low interest rates on its cash and cash equivalent balances and, as such, the Company does not have significant interest rate risk.

(ii) The Company does not have exposure to foreign exchange risk.

Land access and permitting
The Company is required to obtain permits to conduct exploration and evaluation activities on its properties and part of that process requires consultations with First Nations. In management's view there is uncertainty concerning the First Nation's consultation process, and there are risks of permitting delays. The impact of any delays on the Company's operations is unknown.

Operating Risk
All assets of the Company are either at the exploration or development stage. The Company faces a number of risks to the successful exploration and/or development of its properties. These include the availability of capital, technical risk, permitting risk and environmental risk. There is no certainty the Company will be able to fund or complete the required work in order to build a mine or profitably divest any of its assets. The Company is required to engage with First Nations in order to obtain exploration permits and there is ongoing uncertainty with respect to the permitting process.

13. DISCLOSURE OF OUTSTANDING SHARE DATA

Share Capital

Common Shares
As at June 30, 2022, and the date hereof, there were 109,212,706 common shares of the Company outstanding (December 31, 2021 – 94,492,302).

Warrants
At June 30, 2022 and the date hereof, there were a total of 22,549,681 warrants outstanding (December 31, 2021 – 25,349,681).

Options
At June 30, 2022, and the date hereof, there were a total of 7,480,000 stock options outstanding (December 31, 2021 – 5,930,000).

Subsequent Events
On August 22, 2022 the Company announced a non-brokered private placement arranged by Churchill Strategic Investments of Perth Australia for up to 56 million shares of the Company for gross proceeds of up to C$ 8,520,000 (the "Offering") comprised of ordinary common shares to be sold at a price of $0.12 per share and charitable flow-through shares of the Company (each a "Charity Share") to be sold at a price of $0.21 per Charity Share.

Directors and officers of the Company

Robin E. Dunbar	President, Chief Executive Officer, and Director
Dave Peck	Vice President
Nadim Wakeam	Corporate Secretary
Doug Harris	Chief Financial Officer
Edward Munden	Director
Thomas Meredith	Director

Dave Peck, P.Geo, is the Qualified Person for Grid Metals Corp. for purposes of National Instrument 43-101 and has reviewed the technical content of this document.

Additional Information
Additional information about the Company including the financial statements, press releases and other filings are available on the internet at www.sedar.com and additional supplemental information is available on the Company website at www.gridmetalscorp.com.