

Grid Metals Announces Maiden Mineral Resource at Donner Lake Lithium Property

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Lease Agreement Signed for True North Mill Provides Additional Flexibility for Future Lithium Production

TORONTO, July 18, 2023 - [Grid Metals Corp.](#) (TSXV:GRDM)(OTCQB:MSMGF) ("Grid" or the "Company") is pleased to announce a maiden National Instrument 43-101 compliant Mineral Resource Estimate ("MRE") on its 75% owned Donner Lake Lithium Project in Manitoba, Canada of 6.81 million tonnes ("MMt") (Inferred) grading 1.39% Li₂O. In addition, the Company has signed a binding lease agreement (the "Agreement") with 1911 Gold Corporation ("1911 Gold") to use its nearby True North mill for the production of lithium spodumene concentrate. Today's announcement further Grid's objectives of enabling near term production and growing its lithium business in southeastern Manitoba with:

- Maiden resource of 6.81 MMt (Inferred) at 1.39% Li₂O
- Lease of the True North mill - an existing processing facility will be reconfigured to enable lithium spodumene production
- True North mill is a permitted gold mill utilizing a flotation circuit with nominal annual capacity of 475,000 tonnes. Mill is leased for up to five years plus a two-year cancellation period.
- True North tailings facility is also permitted (with an additional permit required to reconfigure mill and tailings to process lithium).
- Contract signed with leading lithium processing engineering firm Primero Group to complete scoping level mill reconfiguration study in the next 90 days.
- Grid also has ongoing discussions with Tantalum Mining Company of Canada Limited for toll milling available resources at the currently operating Tanco Mine - 35 km south of Donner Lake - a second potentially complimentary lithium processing option
- Donner Lake resource remains open for expansion, and ongoing property exploration is focused on generating new exploration targets.

Robin Dunbar, CEO of Grid Metals, commented, "We believe the resource and mill lease announced today are essential building blocks for the development of a lithium production business focused in southeastern Manitoba. Our exploration team has done a great job delineating a significant high-grade initial resource in eighteen months at Donner Lake. We now have a resource at Donner Lake and two potential low capital cost processing options within trucking distance. Going forward, we will look to utilize the excellent infrastructure in the area and the well-defined permitting process in Manitoba. Our First Nation relationships are also key as we move forward with this exciting project. We feel that Grid Metals offers a unique opportunity in the junior lithium developer space to expedite production by leveraging nearby existing milling infrastructure."

Discussion of Key Points:

- Global maiden resource estimate of 6.81 MMt grading 1.39% Li₂O consists of 2.10 MMt grading 1.42% Li₂O of Open Pit resources (cut-off grade of 0.3% Li₂O) and 4.71 MMt grading 1.37% Li₂O of below pit underground resources (cut-off grade of 0.5% Li₂O) from the Main Dyke and Northwest ("NW") Dyke.
- The mineral resources are hosted by steeply dipping pegmatite dykes that are exposed at surface and display consistent widths, spodumene content and lithium grade.
- Lithium mineralization at the Main and NW dykes remains open to depth with strong Li₂O values in many of the deepest holes.
- The Company has identified a number of other exploration drill targets at Donner Lake and has an extensive land position it is actively exploring.
- The True North mill is part of an integrated, fully permitted gold mine, mill and tailings complex last operational in November 2022. It is located 85 km by road from the Donner Lake Property. An application to permit the processing of lithium material at the True North mill will be required.

- Primero Group Ltd. ("Primero"), one of the pre-eminent engineering consulting firms in the lithium industry, has been engaged to complete a plant reconfiguration scoping-level study to assess the viability and cost of reconfiguring the True North mill to process spodumene-bearing material. This study is expected to be substantially complete before the end of the 90-day due diligence period (stipulated in the Agreement with 1911 Gold) and the signing of a more detailed definitive lease agreement.
- In addition, Grid is in continuing discussions with the Tantalum Mining Corporation of Canada Limited to reach a definitive agreement regarding terms of toll milling of Donner Lake feed at the Tanco minesite. Grid Metals has a pre-production MOU with Tanco to process lithium material at its operational lithium circuit (see October 17, 2022 press release entitled "[Grid Metals Corp. Signs Pre-Production MOU With Tanco Lithium Mine](#)").

Maiden Resource at Donner Lake

The maiden lithium resource estimate was prepared by SGS Geological Services ("SGS") and is reported in accordance with National Instrument 43-101 ("NI 43-101") standards. The NI 43-101 technical report for the resource estimate will be accessible on SEDAR (www.sedar.com) within 45 days of this news release.

The current mineral resource estimate comprises spodumene-enriched pegmatite from three northwest striking pegmatite dykes including the Main Dyke, a smaller, sub-parallel dyke located ~50 metres north of the Main Dyke (the "Hangingwall Dyke"), and the NW Dyke. The Main Dyke interpretation, including the Hangingwall Dyke, used 57 drillholes totalling 13,478 metres of core. The NW Dyke interpretation used 34 drillholes totalling 7,815 metres of core. The resources cover an approximate strike length of 1,100 metres for the Main Dyke and 700 metres for the NW Dyke, with vertical extents of ~300 metres and ~250 metres, respectively. Open pit resources cover the uppermost ~100 metres in both the Main and NW dykes and are constrained by optimized pit models. Initial metallurgical testwork (see June 26, 2023 press release entitled "[Grid Metals Corp. Reports Positive Metallurgical Test Results from Donner Lake Lithium Property](#)") confirms that spodumene accounts for over 90% of the lithium-bearing minerals in the Main and NW dykes.

The open-pit resources total 2.10 MMt grading 1.42% Li₂O, including 1.14 MMt grading 1.48% Li₂O at the Main and Hangingwall dykes, and 0.96 MMt grading 1.36% Li₂O at the NW Dyke. The underground resources total 4.71 MMt grading 1.37% Li₂O, including 3.67 MMt grading 1.39% Li₂O at the Main Dyke and 1.04 MMt grading 1.11% Li₂O at the NW Dyke. Hole locations are shown in Figure 1. Please refer to Table 1 for additional information. The mineral resources remain open at depth, particularly at the Main Dyke (see longitudinal section, Figure 2, below). In addition, the Company is actively exploring for additional spodumene-bearing pegmatites at Donner Lake and anticipates a new phase of exploration drilling later in the year.

The mineral resource estimate was created and estimated using SGS's proprietary modelling software, Genesis, and the open pit shells were created in Whittle software. The mineralised wireframe was restricted to drill core that had been logged as lithium-bearing pegmatite. The block models were created using a 5m x 3m x 5m block size in the x-, y- and z-planes, respectively. Grade was estimated using inverse distance squared (ID2) methodology and three passes of estimation. All resources are classified as Inferred Resources, consistent with the 2014 CIM Definitions for Mineral Resources and Mineral Reserves.

Table 1: Inferred Mineral Resource Estimate for Donner Lake Lithium Project.

Notes for the Mineral Resource Estimate:

1. The Mineral Resource Estimate (MRE) has an effective date of the June 27, 2023. The Qualified Persons for the MRE are Mr. Rohan Millar, P. Geo. an employee of SGS.
2. The classification of the current Mineral Resource Estimate into Inferred Resource is consistent with current 2014 CIM Definition Standards - For Mineral Resources and Mineral Reserves.
3. All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.
4. All Resources are presented undiluted and in situ, constrained by continuous 3D wireframe models, and are considered to have reasonable prospects for eventual economic extraction.

5. Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
6. It is envisioned that parts of the Donner Lake deposit may be mined using open pit mining methods. In-pit mineral resources are reported at a cut-off grade of 0.3% Li₂O within a conceptual pit shell.
7. The results from the pit optimization are used solely for the purpose of testing the "reasonable prospects for economic extraction" by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the Property. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade.
8. Underground (below-pit) Mineral Resources are estimated from the bottom of the pit and are reported at a base case cut-off grade of 0.5% Li₂O. The underground Mineral Resource grade blocks were quantified above the base case cut-off grade, below the constraining pit shell and within the constraining mineralized wireframes. At this base case cut-off grade the deposit shows good deposit continuity with no orphaned blocks.
9. Bulk density values (specific gravity 2.7 grams per cubic centimetre) were determined based on physical test work from each deposit.
10. The in-pit base case cut-off grade of 0.3% Li₂O considers a lithium concentrate 6% (LC6) Li₂O price of US\$1800/tonne, a mining cost of US\$3.50/t rock and processing, treatment and refining, transportation and G&A cost of US\$45.00/t mineralised material, and an overall pit slope of 55 degrees.
11. The below-pit base case cut-off grade of 0.5% Li₂O considers a lithium concentrate 6% (LC6) Li₂O price of US\$1800/tonne, a mining cost of US\$60.00/t rock and processing, treatment and refining, transportation, and G&A cost of US\$45.00/t mineralised material.
12. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

Figure 1: Plan view map showing surface traces of resource delineation drill holes and the three spodumene-rich pegmatite dykes at Donner Lake that host the current lithium resource estimate.

Figure 2: Longitudinal section, looking northwest, showing pierce points of 2018, 2022 and 2023 Main Dyke drill holes. Interval assays are estimated to represent 50 to 90 percent of the true thickness depending on the dip of the holes.

True North Mill Overview

The True North mill, located in Bissett, Manitoba, sits approximately 85 km by existing all-weather road from the Donner Lake Lithium Project (see Figure 3). The original processing facility at the site was constructed in 1931, but was destroyed by a fire in 1980. The facility was subsequently reconstructed in 1996 with an operating capacity of 900 tonnes per day ("tpd"), and the mill capacity was increased to 2,300 tpd in 2011. Since then, the mill capacity has been scaled back to 1,300 tpd. The mill was last in operation in November 2022 and was reprocessing gold tailings.

The current processing facility consists of crushing, milling, centrifugal gravity concentration, and flotation circuits. Initial metallurgical test results from Donner Lake (see June 26, 2023 press release entitled "[Grid Metals Corp. Reports Positive Metallurgical Test Results from Donner Lake Lithium Property](#)") concluded that standard flotation was the best method for recovering lithium from the Donner Lake samples. Heavy Liquid Separation, as an initial evaluation of the Dense Media Separation process, was conducted, and it was determined that this process may not be of material value for enhancing lithium recovery.

Primero Engineering Engagement - Grid Metals has engaged Primero to complete a plant reconfiguration study including preliminary capital costing analysis. Primero is one of the pre-eminent engineering consulting firms with extensive experience in the lithium sector. Primero has worked with a number of lithium companies including Sigma Lithium, Core Lithium and Sayona Mining, amongst others.

Figure 3: Location of the True North mill in the Rice Lake greenstone belt showing proximity to the Donner Lake lithium property and the City of Winnipeg.

Figure 4: Aerial View Of True North Mill

Figure 5 Primary Mill - True North Mill

Figure 6 Flotation Circuit - True North Mill

Key terms of the lease agreement between Grid Metals and 1911 Gold for the use of the True North Mill.

- Term - initial lease term is five years and at the end of the initial five-year term includes a two-year notice period for cancellation; or the lease may be extended by mutual agreement for an additional five years.
- The lease agreement will convey the following rights to Grid:
 - Use of the mill to process lithium material.
 - Right to reconfigure the existing mill circuit to process lithium material provided that the mill is returned to its original working condition at the end of the lease.
 - Right to use the tailings facility.
 - Right to apply for any required permits and to seek all government approvals for the processing of lithium-bearing material and use of the tailings facility.
 - Right to add infrastructure to the mill assets, subject to an obligation to remove any such infrastructure upon termination of the Definitive Agreement.
 - In addition, under certain conditions, Grid would provide cost plus toll milling of gold material for 1911 Gold during the term of the lease.
- Payments by Grid to 1911 Gold:
 - An upfront non-refundable payment of C\$300,000.
 - An equity participation payment in a 1911 Gold private placement of C\$450,000 within 90 days of the signing of the Agreement. The private placement shall be subject to the applicable regulatory approvals.
 - 90 days from signing a total payment of C\$1,000,000 consisting of a C\$250,000 lease payment and C\$750,000 of financial assistance ("FA")
 - Commencing on January 1, 2024 monthly payments covering certain ongoing site expenses for site security, environmental monitoring and maintenance.
 - Up to C\$1,000,000 (FA) for environmental liabilities due on December 31, 2023; C\$1,000,000 (FA) on December 31, 2024 and C\$900,000 (FA) on December 31, 2025.
 - A payment of C\$1,000,000 upon commencement of commercial production by Grid at the mill which shall be defined as the processing of at least 200,000 tonnes of lithium material.
 - A payment of C\$1,000,000 on the fifth anniversary of the lease.
 - A payment of C\$2,000,000 if the Parties agree to extend the lease for an additional five-year period at the end of the first five-year term of the lease.
 - A 1% net smelter returns royalty in favour of 1911 Gold, subject to Grid receiving a right of first refusal on any disposition by 1911 Gold.
 - A fee payment of \$7.50 per tonne of lithium material processed through the mill facility during the term of the lease.
 - Assumption of C\$10,000,000 (FA) of reclamation obligations prorated equally over years 6-10 of the lease (if the lease is extended).
- Termination: Grid may terminate the agreement up to 90 days from signing of the Agreement in its sole discretion after it has made the initial C\$300,000 cash and C\$450,000 equity payment. Thereafter, Grid may terminate the Agreement once it has made cumulative total payments of C\$2,500,000.
- Security Interest: 1911 Gold shall permit Grid to register a floating charge security interest on the mill assets in an amount equal to Grid's total financial assistance payments and capital expenditures after 90 days from signing of the Agreement. Any security registered on the property shall be discharged at the end of the lease.

Permitting of Mining and Milling Operations - Grid is pursuing a two-stage permitting process at Donner Lake. An Advanced Exploration Permit ("AEP") application is the first permit required. The AEP, if approved, will enable a bulk sample of up to 50,000 tonnes from Donner Lake. The second permitting step is an application for an Environmental Act Licence (mining permit). The True North Mill will require an amendment to its existing permits in order to enable the processing of lithium material.

Qualified Persons Statements

The Grid Metals Donner Lake project 2023 Mineral Resource Estimate was prepared by Mr. Rohan Millar, P.Geo. of SGS Geological Services, an Independent Qualified Persons, in accordance with the guidelines of

the Canadian Securities Administrators' National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), with an effective date of the 27th June, 2023.

Dr. Dave Peck, P.Geo., has reviewed and approved the technical content of this release.

About Grid Metals Corp.

Grid Metals is focused on both lithium and Ni-Cu-PGM projects in the Bird River greenstone belt in southeastern Manitoba, approximately 150 km northeast of Winnipeg Manitoba. The company controls two major lithium properties both with known high-grade lithium pegmatites: Donner Lake and Falcon West. The 75% owned Donner Lake Property is situated 35km north of the producing Tanco mine, one of only two lithium-producing mines in Canada. In addition to the lithium assets, the Company controls a PEA stage Ni-Cu-PGM-Co project (Makwa-Mayville) undergoing exploration and development activity. The Donner Lake and Falcon Wet properties are located in the traditional territory of the Sagkeeng First Nation.

On Behalf of the Board of [Grid Metals Corp.](#)

For more information about the Company, please see the Company website at www.gridmetalscorp.com or contact:

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