GRID METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the December 31, 2021 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 April 28, 2021.

2. SUMMARY

Grid Metals Corp. is focused on mineral exploration and development of mineral properties in Manitoba and Ontario, Canada. The battery metals focus is on nickel, copper, platinum group metals and lithium. 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.

The Company strategy is to focus its financial and technical resources on its properties that have the greatest potential of being developed into valuable mining assets. The evaluation of the prospects of each of its properties will be affected by exploration results, commodity prices, results of ongoing technical work, assessment of competitors projects, financial constraints and social concerns among other factors. During 2020 and 2021 the Company focused mainly on palladium exploration at its East Bull Lake property and to a lesser extent on the Bannockburn Nickel property. Although the Company believes that these projects continue to have significant technical merit the Company intends to shift primary focus to its Manitoba properties in the Bird River Greenstone Belt. While the commodity focus is similar (primarily nickel, copper, platinum group metals while adding lithium) the Manitoba properties have resources and economic parameters already defined and also have significant exploration upside in the opinion of the Company.

The Company also is of the opinion that its lithium properties are of potential economic interest given the high grade and consistent mineralization in the known pegmatite dykes as well as the location in the Winnipeg River pegmatite field that hosts the world class Tanco pegmatite, which currently has a lithium spodumene circuit in operation.

2021 Exploration Activity

During 2020 and 2021 the Company conducted active exploration at its 100% owned the East Bull Lake Palladium Property located west of Sudbury. A total of 30 holes were drilled at East Bull during 2020 and 2021 targeting primary palladium mineralization. The Company believes the exploration potential remains high at East Bull for both nickel-copper-PGM bearing massive sulfides in the footwall zone of the East Bull Lake intrusion and immediately overlying palladium-rich disseminated sulfides. A large number of new drill targets have been outlined based on the concept of structural trap sites for both types of sulfide mineralization along the base of the intrusion – drawing on strong similarities between the East Bull Lake intrusion and the nearby world-class Sudbury nickel-copper-PGM deposits.

In 2021 Grid also conducted a drill program at the exploration-stage Bannockburn Nickel Project located near Matachewan south of Timmins in northeastern Ontario. The exploration target at Bannockburn is bulk tonnage disseminated nickel sulfide mineralization. The Company drilled 8 drill holes in 2021 all of which intercepted wide intervals of low-grade disseminated nickel mineralization. Currently the Company is completing a mineralogical study to characterize the deportment of the nickel from the bulk tonnage zone at the property prior to completing any additional exploration at the property.

Focus for 2022

The outlook for nickel, copper and lithium in the next decade years appears to be very robust in particular due to the dramatic increase in the demand for these metals required for batteries used in electrification and energy storage. The focus in 2022 will be to progress the Makwa Mayville Nickel Copper PGM project through advanced exploration and an updated economic study. The Company will also complete initial drilling and field surveys at the Donner Lake Lithium property. With favourable results at Donner Lake the company expects to complete sufficient drilling to calculate an initial 43-101 compliant mineral resource.

On January 12, 2022 the Company sold a 25% property interest as well as a royalty and completed a private placement in a financing arrangement with Lithium Royalty Corp. A portion of the funds raised will be used to fund lithium exploration in Manitoba. The focus initially will be on testing the size and grade potential of two known lithium-enriched pegmatite dykes at the Donner Lake Lithium Property.

The Mayville Property and Donner Lake Property share a common boundary which will enable efficiencies in exploration and potential, future mining activities**.**

The Bird River area is an excellent place to explore and develop mineral properties. Grid's southeastern Manitoba properties are located near infrastructure including roads and rail. There is an established mining community in the area that services the Tanco Mine, which is currently Canada's only lithium spodumene producer. The Province of Manitoba is proactive in working with the First Nations communities and mining companies. The province also has abundant renewable energy available – mostly hydroelectric power. The company believes that the environmental and social factors will become increasingly important to investors and customers in the future.

2021 – Activities

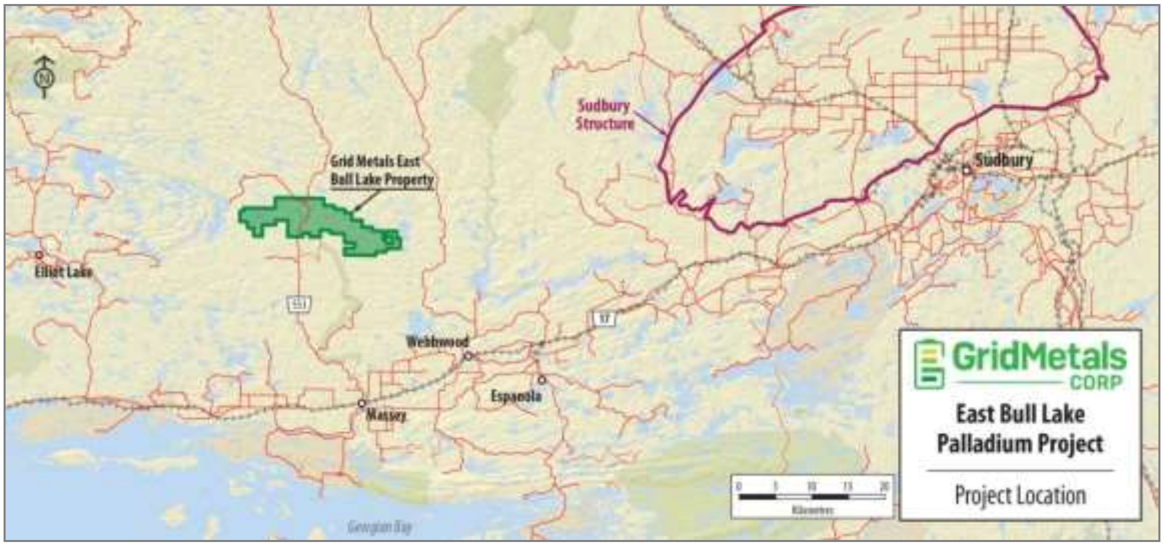
East Bull Lake Palladium Property

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 sulfidemineralization. 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 onthe "Shib Property" covering eight mining claims at the east end of the intrusion. In order for the Company to earn a 100% interest in the Shib property it would need to make, at its option, additional cash payments and share issuances on each of the subsequent 2 anniversary dates as follows:

- April 27, 2022 - $30,000 and 50,000 shares,
- April 27, 2023 - $40,000.

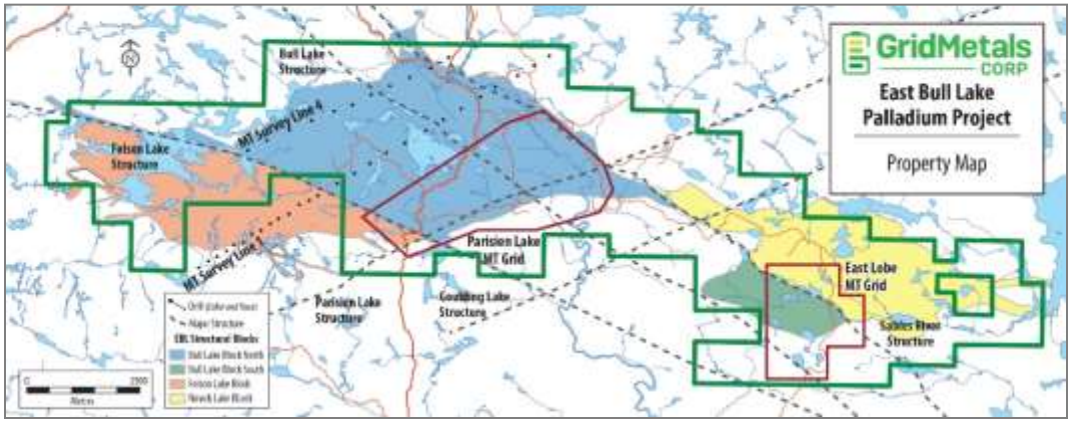
The East Bull Lake property is subject to underlying royalties held by the original optionors of the property of up to 3%.



Above: *location of East Bull Lake Palladium Property*

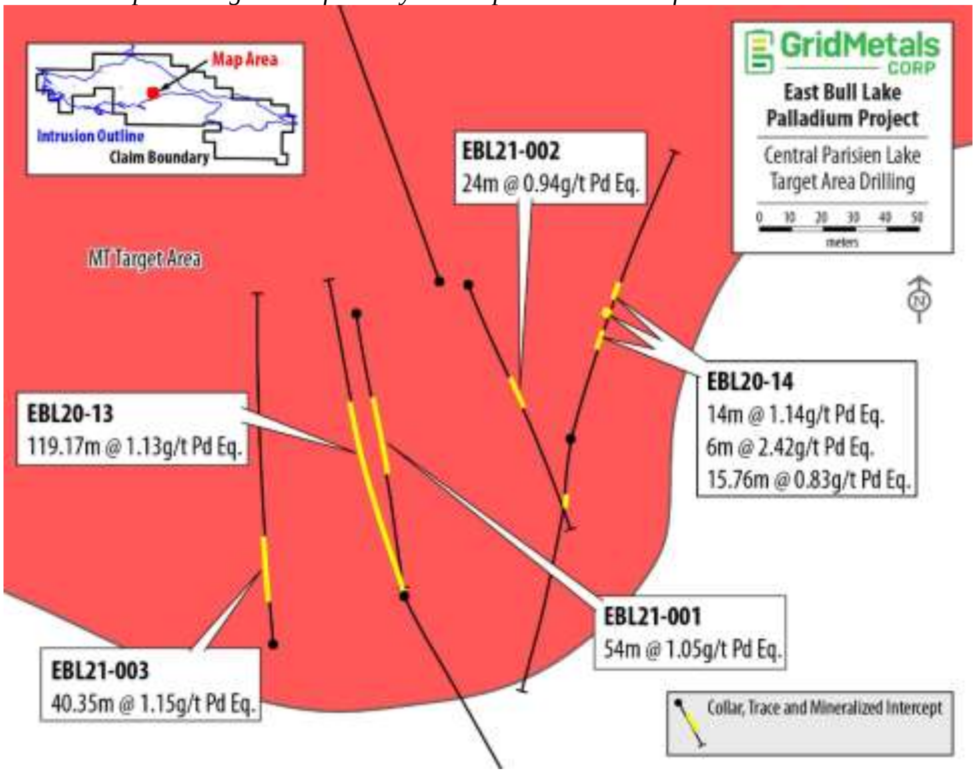
Details of drilling at East Bull are summarized in the Company' January 28, 2021, March 3, 2021 and April 9, 2021 and June 17, 2021 news releases – see www.sedar.com. Drilling during 2021 was following up on drill hole EBL20-13 which intersected 119 metres averaging 0.75 g/t Pd, 0.21 g/t Pt, 0.04 g/t 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.

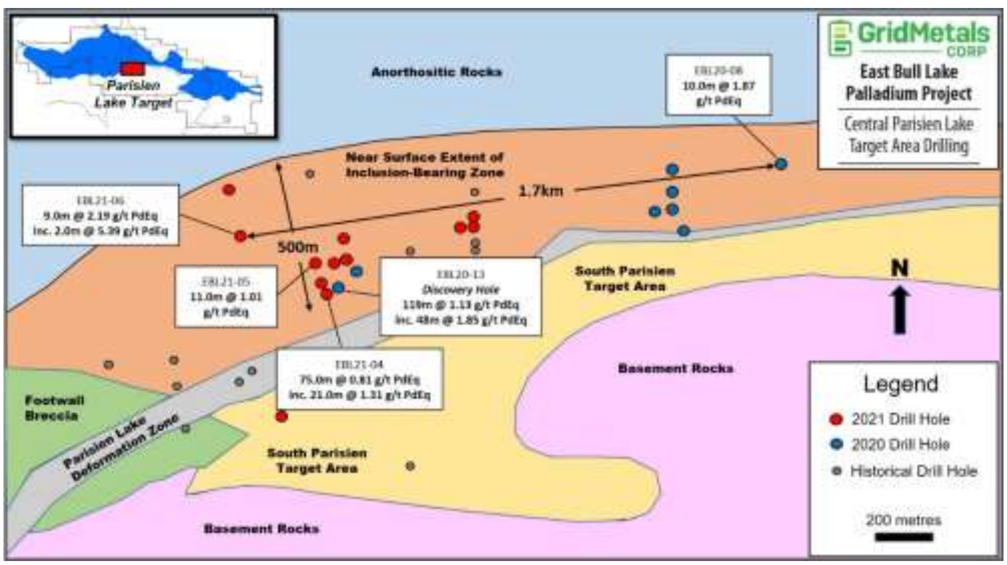
The majority of the holes drilled in 2020/2021 have intersected anomalous to highly elevated palladium, platinum and copper values in an inclusion-bearing zone at the base of the intrusion. The Company believes that this "basal layer" of mineralization is extensive and offers potential for large tonnages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

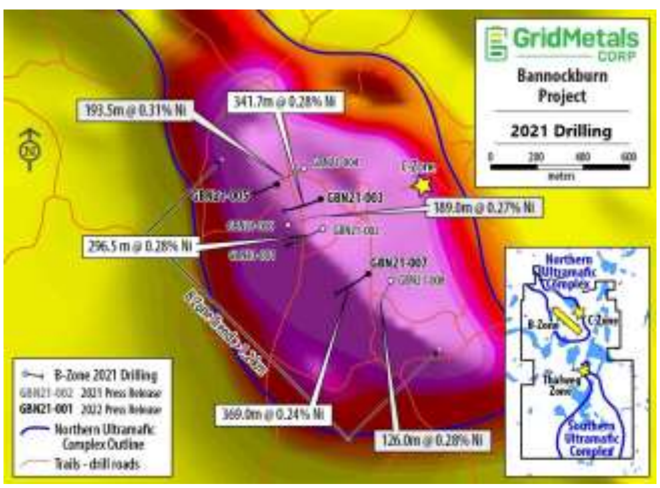
The Company also commissioned a detailed geochemical study of the Parisien Lake area. The key finding of the study is that a genetic relationship appears to exist between local copper- and/or nickel-rich massive sulfide lenses hosted by an extensive footwall breccia zone and overlying, palladium-dominant 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

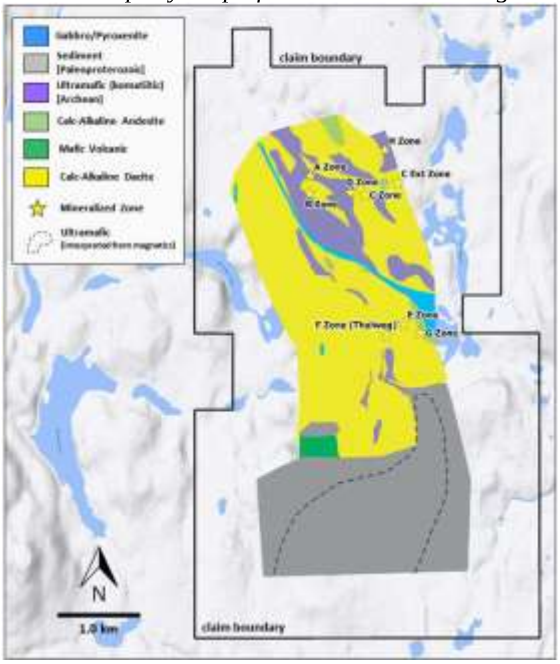
The Bannockburn Nickel Property is located 27 km west of Matachewan Ontario and consists of a claim block consisting of 125 mining claim units comprising about 2,700 hectares. The targets at the property are bulk tonnage, "Crawford-type" (referring to Canada Nickel Company's Crawford nickel deposit) disseminated nickel sulfide and Kambalda-type, high-grade massive nickel sulfide. The property is subject to an underlying royalty of 2% to the property vendor.

During 2021 the Company completed an eight-hole drill program at Bannockburn targeting the B Zone disseminated nickel target. The eight holes were drilled over a strike length of 700 metres. Results showed areas of nickel enrichment in the serpentinized dunite unit over tens to hundreds of metres. Overall the 2021 program was successful in identifying the B Zone disseminated nickel sulfide mineralization over a strike length of 700 metres and a vertical extent of up to 300 metres. The zone remains open along strike and at depth. The Company considered the 2021 drilling results to be similar to those being reported by Canada Nickel Company at its Crawford Nickel Property near Timmins Ontario. These results were in line with historical B Zone drill intersections reported by Grid and a previous owner.



Above: *Drill results from 2021 drilling over property magnetics*

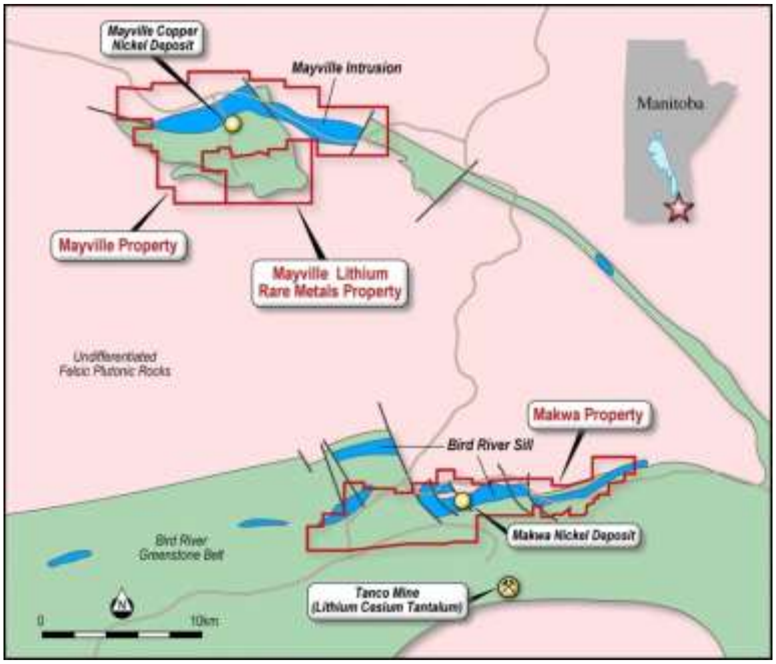
Below: *Property Map of Bannockburn showing areas of mineralization*



The Company has commenced a mineralogical study to examine the potential recovery of nickel from the B Zone. Overall the Bannockburn Nickel property remains an intriguing target for the development of bulk tonnage nickel resources. Key challenges for the property development will be the low overall nickel grade of the B Zone mineralization, its grade-thickness continuity, and its ability to deliver consistent, high nickel recoveries and concentrate grades. In addition, the large footprint and low grade of the B Zone will likely necessitate high mining rates, large concentrator capacity and a large capital investment for project development. A clear positive for the Bannockburn property is the known presence of small but high-grade Kambalda-type nickel deposits associated with massive sulfide accumulations along the base of komatiite lava flows. The large number of untested conductivity anomalies spatially associated with known komatiite units on the property represent a clear opportunity to improve the outlook for any future nickel development project.

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 a 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 was 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

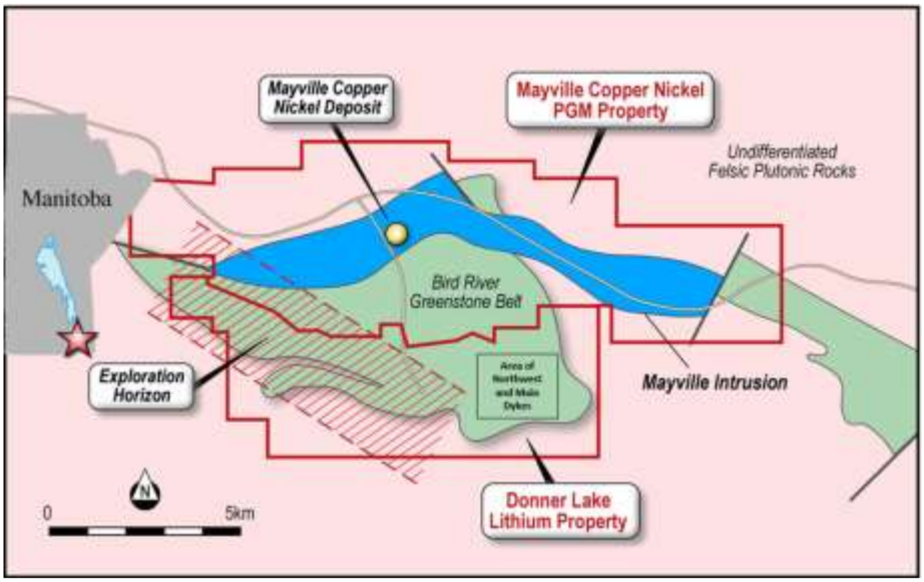
Notes:
1. CIM Definition Standards have been followed for classification of Mineral Resources
2. Mineral Resources are reported at a net smelter return (NSR) cut-off value of C$15/tonne at Mayville and C$20.64/tonne at Makwa
3. At Mayville, NSR values are calculated in C$ using factors of $51 per % Cu 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 south east 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.

The property is located on the Traditional Territory of the Sagkeeng First Nation.



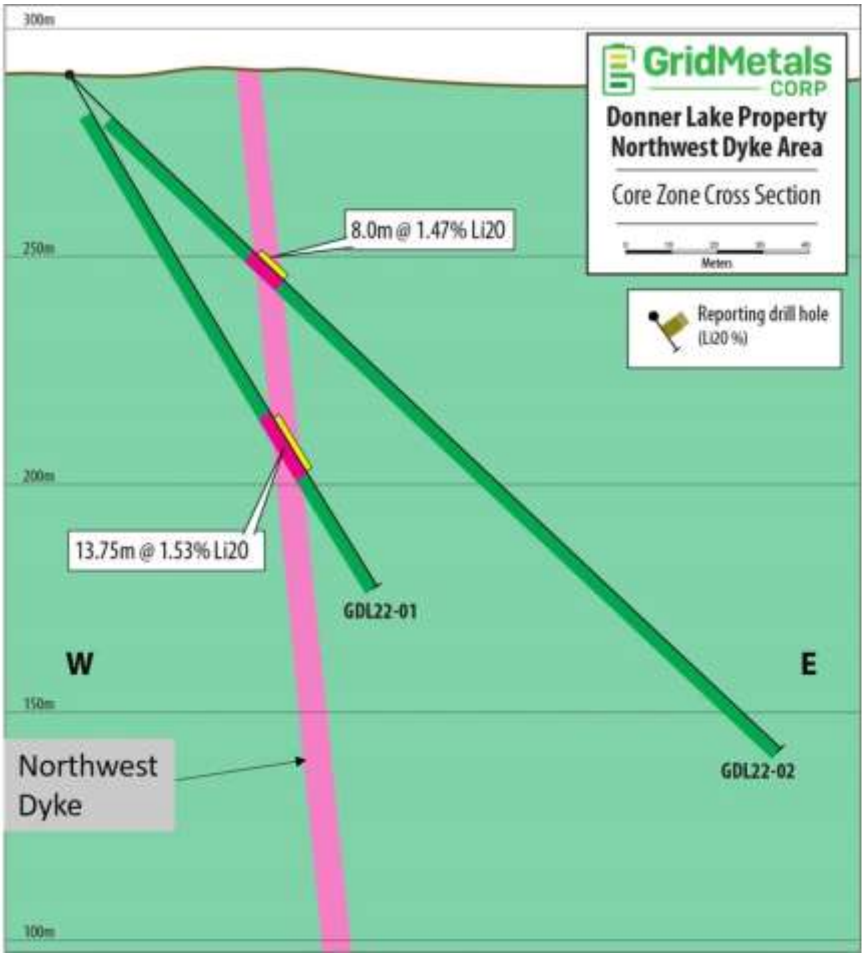
Above: *Location of Donner Lake Lithium Property and Mayville Property*

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 Bernic Lake 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.

Grid optioned 100% of the Donner Lake Lithium mineral rights from Tantalum Mining Corporation of Canada ("Tanco") in 2016. 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 15 surrounding mining claims were sold by Grid and Maskwa Nickel Chrome Mines Limited to Lithium Royalty Corp. for US $2,250,000.

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.



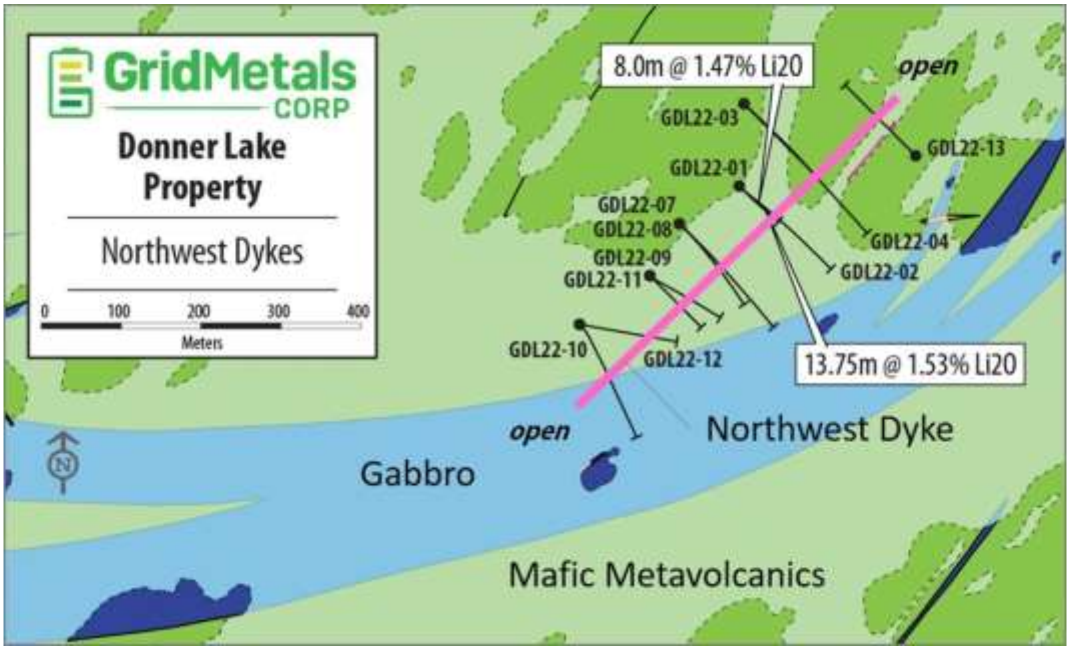
Above: *cross section of first two drill holes at Northwest Dyke from Grid 2022 drilling.*

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 and commenced exploration at the Northwest Dyke in 2022. The Main Dyke drilling intersected a spodumene-bearing lithium pegmatite over a strike length of approximately 800 metres. Grid drilling in 2022 is testing the potential of the Northwest Dyke to host high-grade lithium (spodumene) mineralization similar to that defined in the Main Dyke.

There has been a reasonable amount of historical exploration in the belt focused on tantalum and cesium minerals which generally occur in the same geological formations along with lithium. Significant 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.

Grid will utilize this data to facilitate further geological mapping, sampling and a geochemistry program which will commence in the spring of 2022.



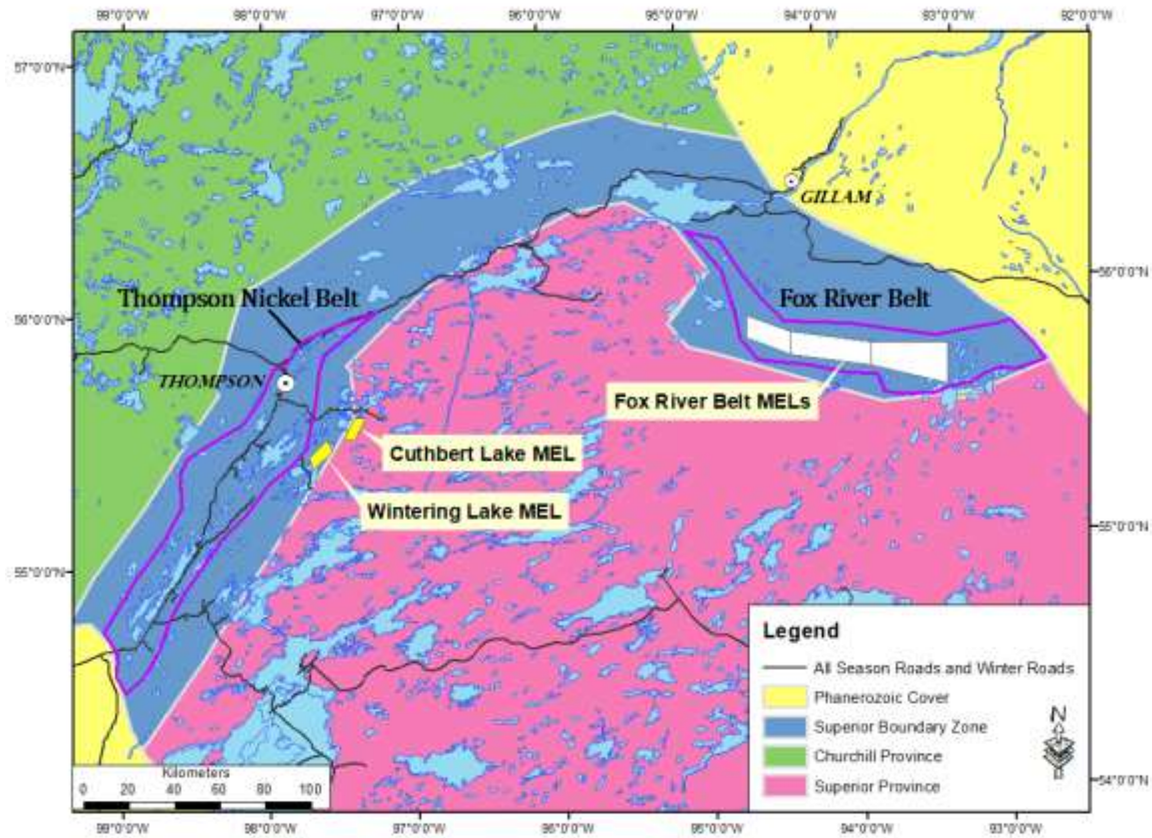
Above: location of 2022 drill holes targeting the Northwest Dyke at the Donner Lake Lithium Property

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.

New 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



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

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.

OTCQB listing

On March 2, 2021 the Company announced that its common shares have been listed for trading on the OTCQB Venture Market under the symbol MSMGF. The OTCQB Venture Market is for entrepreneurial and development stage U.S. and international companies. Investors can find RealTime quotes and market information for the company on www.otcmarkets.com.

Financings

The Company completed financings during 2021 in June 2021 when it raised gross proceeds of $3,500,000 in two tranches of financing (see note 4 to December 31, 2021 financial statements).

3. SELECTED ANNUAL INFORMATION

Expensing Exploration and Evaluation Cost

During the year ended December 31, 2021, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes that expensing such costs as incurred provides more reliable and relevant financial information. Cost of exploration properties, including the cost of acquiring prospective properties and exploration rights, and exploration and evaluation costs are expensed until it has been established that a mineral property is commercially viable. Previously, the Company capitalized these amounts. The Company also applied this change in accounting policy to the underlying policies of its associates, resulting in additional changes. The consolidated financial statements for the year ended December 31, 2020 and this MD&A have been restated to reflect adjustments made as a result of this change in accounting policy.

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	(3,852,669)	(3,202,263)	(853,134)
Net loss after provision for income taxes	(3,852,669)	(3,202,263)	(853,134)
Basic and diluted loss per share	(0.04)	(0.05)	(0.02)
Total assets	3,001,528	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 consolidated financial statements of the Company for the years ended December 31, 2021 and 2020.

			For the three months ended December 31,				For the years ended December 31,	
				Restated (1)				*Restated* (1)
		2021		2020		**2021**		2020
Exploration and evaluation expenses	**$**	**312,963**	$	445,078	**$**	**2,398,422**	$	1,853,584
Net operating expenses		**559,082**		173,054		**1,454,247**		1,348,679
Net loss		**(872,045)**		(618,132)		**(3,852,669)**		(3,202,263)
Net loss per share		**(0.01)**		(0.01)		**(0.04)**		(0.05)
Total assets	**$**	**3,001,528**	$	3,170,526	**$**	**3,001,528**	$	3,170,526

(1) Refer to Note 4 of the Company's audited financial statements for the years ended December 31, 2021 and 2020.

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.

The major expense items for the years ended December 31, 2021 and 2020 are summarized as follows:

			For the three months ended December 31,				For the years ended December 31,	
				Restated (1)				*Restated* (1)
		2021		2020		**2021**		2020
Exploration and evaluation expenses	**$**	**312,963**	$	445,078	**$**	**2,398,422**	$	1,853,584
Office, general and administrative		**152,065**		63,548		**682,871**		432,473
Professional and consulting fees		**147,507**		132,754		**296,485**		237,510
Management fees and directors fees		**122,750**		60,250		**320,500**		286,000
Public company costs		**15,666**		16,305		**129,840**		50,123
Share-based payments		**117,841**		-		**527,840**		493,000
Amortization		**3,252**		10,177		**12,391**		11,153
Flow-through share premium recovery		**-**		-		**(519,761)**		(51,600)
Other income		**-**		(9,980)		**-**		(9,980)
Shareholder indemnification recovery		**4,081**		(100,000)		**4,081**		(100,000)
	$	**872,045**	$	618,132	**$**	**3,852,669**	$	3,202,263

(1) See Note 4 of the Company's audited financial statements for the years ended December 31, 2021 and 2020.

Exploration and Development Expenditures

For the three months ended December 31, 2021								
				$				
	Makwa	Mayville	Mayville Lithium	Northern Nickel	East Bull Lake	Campus Creek	Bannockburn	Total
Geological	14,390	38,749	15,050	3,415	-	103,293	-	174,898
Drilling program related costs	-	-	-	-	55,460	-	59,105	114,565
Acquisition	-	23,500	-	-	-	-	-	23,500
Total	14,390	62,249	15,050	3,415	55,460	103,293	59,105	312,963

For the year ended December 31, 2021								
				$				
	Makwa	Mayville	Mayville 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(1):

	2021 Q4	2021 Q3	2021 Q2	2021 Q1
	$	$	$	$
Net loss	(872,045)	(697,756)	(1,576,070)	(706,827)
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)	(0.01)

	2020 Q4	2020 Q3	2020 Q2	2020 Q1
	$	$	$	$
Net loss	(618,132)	(830,454)	(656,206)	(1,097,471)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.02)

(1) See Note 4 of the Company's audited financial statements for the years ended December 31, 2021 and 2020.

Comments on quarterly results

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).

2021 – Q1

Results for the quarter were a loss of $706,827 vs $1,097,471 for the 2020 period. The 2021 period included exploration and evaluation expense of $919,454 (2020 - $235,369), flow through share premium recovery of $519,761 (2020 - $51,600) and share-based compensation of nil (2020 - $445,400)

6. LIQUIDITY

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

The Company has working capital at December 31, 2021 of $2,532,731 (December 31, 2020 – $2,555,509).

7. CAPITAL RESOURCES

During the year ended December 31, 2021, except for the private placements described herein, there were no unusual factors that affected the Company's capital resources.

8. OFF-BALANCE SHEET ARRANGEMENTS

At December 31, 2021 and 2020, 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:

	2021	2020
	$	$
Short-term compensation and benefits	**633,494**	492,540
Share-based payments (stock option, RSU and DSU grants)	**431,663**	396,950
Total key management compensation	**1,065,157**	889,490

Short-term compensation and benefits charged to exploration and evaluation expenditures amounted to $198,250 (2020 – $206,540).

Amounts due to key management personnel included in accounts payable amounted to $23,394 (2020 – $25,795).

Legal fees were charged by a legal firm during the period ended December 31, 2021, of which an officer of the Company is an employee, for legal and corporate secretarial services in the amount of $66,014 (2020 - $56,683). Accounts payable and accrued liabilities includes $nil owing to the legal firm (2020 – $12,720).

Amounts due to related parties included in accounts payable are unsecured, non-interest bearing and due on demand.

See also Note 7(a), 7(b) and 9 to the Company's December 31, 2021 consolidated financial statements.

10. PROPOSED TRANSACTIONS

There are no proposed transactions contemplated as of the date hereof.

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 December 31, 2020 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. As at December 31, 2021, the Company had current assets of $2,971,169 (December 31, 2020 - $3,166,809) to settle current liabilities of $438,438 (December 31, 2020 - $611,300). 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 (2020 - $519,761). 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 December 31, 2021, and the date hereof, there were 94,492,302 common shares of the Company outstanding (December 31, 2020 – 77,882,099).

Warrants

At December 31, 2021 and the date hereof, there were a total of 25,349,681 warrants outstanding (December 31, 2020 – 20,312,040).

Options

At December 31, 2021, and the date hereof, there were a total of 5,930,000 stock options outstanding (December 31, 2020 – 4,655,000).

Subsequent Events

On January 12, 2022 the Company acquired the previously optioned Campus Creek claims (see Note 8) for consideration of $225,000 cash, the issuance of 558,000 common shares and the granting of a 2% net smelter returns royalty.

On January 14, 2022 the Company closed a $6,340,788 funding agreement (the "Funding Agreement") consisting of the following transactions: (i) the issuance of 13,962,404 common shares at an issuance price of $0.1182 for gross proceeds of $1,650,356; (ii) the sale of a 25% interest in the lithium rights to the Company's Mayville (Donner Lake) Lithium property for US$1,250,000 ($1,563,478); (iii) the sale of a 25% interest in the lithium rights to the Company's Campus Creek property for US$250,000 ($312,695); and, (iv) the sale of a gross overriding royalty on lithium and related mineral rights on the Mayville and Campus Creek property for US$2,250,000 ($2,814,259).

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.