

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1: Name and Address of Reporting Issuer**

Grid Metals Corp.  
3335 Yonge Street, Suite 304  
Toronto, ON M4N 2M1

**Item 2: Date of Material Change**

November 17, 2021

**Item 3: News Release**

The news releases announcing the material change were released on November 17, 2021 through Canadian Newswire and subsequently filed on the System for Electronic Document Analysis and Retrieval. Copy of the press release is attached hereto.

**Item 4: Summary of Material Change**

Grid Metals Corp. (“**Grid Metals**” or the “**Company**”) announced that it has entered into a term sheet with Lithium Royalty Corp. (“**LRC**”) to finance its lithium assets in Manitoba and Ontario. Upon closing Grid Metals will receive 1) proceeds US\$1.25 Million from the sale of a 25% interest in its lithium projects, 2) US\$2.25 million from the grant of project royalties on its lithium assets, and 3) CAD \$1,650,356 from completion of a private placement from LRC with all proceeds advanced to Grid Metals at closing. Total funding to Grid Metals in CAD \$ equivalent is approximately CAD \$6.3 million. The transaction also envisions the creation of a lithium focused spin-out company.

**Item 5: Full Description of Material Change**

Grid Metals announced that it has entered into a term sheet with Lithium Royalty Corp. (“**LRC**”) (a leading pure play battery royalty and streaming company) to finance its lithium assets in Manitoba and Ontario. The closing of the transaction outlined in the term sheet will be subject to final due diligence of LRC and documentation. Upon closing Grid Metals will receive 1) proceeds US\$1.25 Million from the sale of a 25% interest in its lithium projects, 2) US\$2.25 million from the grant of project royalties on its lithium assets, and 3) CAD \$1,650,356 from completion of a private placement from LRC with all proceeds advanced to Grid Metals at closing. Total funding to Grid Metals in CAD \$ equivalent is approximately CAD \$6.3 million. The transaction also envisions the creation of a lithium focused spin-out company.

Key terms of the transaction which pertains only to the lithium assets of Grid Metals are as follows:

- LRC will purchase a 2% Gross Overriding Royalty on lithium and rare metals over the Company's Mayville Lithium Property for US\$1.25 million, and on its Campus Creek Lithium Property for US\$ 1 million, with proceeds to be directed to exploration on those properties.
- LRC will purchase 25% project interests (including offtake rights) in 1) the Mayville Lithium Property for US\$1.25 million, and 2) the Campus Creek Lithium Property for US\$250,000. Thereafter a joint venture will be established thereafter for each property with Grid Metals and LRC funding their proportionate project interests.
- LRC will fund a 9.9% private placement into Grid Metals calculated on a fully diluted basis at a price of 10 day VWAP preceding the announcement (see private placement details below).
- Grid Metals will form a new lithium subsidiary focused on exploration and development to house its lithium assets. The intention would be to list or sell this subsidiary in the future. LRC will have an option to acquire up to 20% of the new company at a commercially reasonable agreed upon price between Grid Metals and LRC.

The proposed transaction is subject to regulatory approval, preparation of satisfactory documentation and final due diligence of LRC. The targeted closing date for the transaction is on or around January 12, 2021.

At closing and subject to due diligence and documentation LRC will subscribe for a private placement of 13,962,404 shares in the private placement at an issue price of \$ 0.1182 per share for proceeds of \$1,650,356. There are no warrants issuable as part of the private placement. There will be a hold period of four months and one day on all securities issued under the private placement portion of the transaction. No finder's fees were paid in respect of the Private Placement. The share issuance is also subject to the approval the TSX Venture Exchange.

See the attached Press Release for more information.

**Item 6: Reliance of subsection 7.1(2) of NI 51-102**

Not applicable.

**Item 7: Omitted Information**

Not applicable.

**Item 8: Executive Officer**

For further information please contact:

Robin Dunbar, President

Telephone: (416) 955-4773

**Item 9: Date of Report**

November 17, 2021

## **GRID METALS CORP. ANNOUNCES TERMS FOR CAD \$6.3 MILLION FUNDING AGREEMENT WITH LITHIUM ROYALTY CORP.**

**November 17, 2021 GRID METALS CORP. (TSXV:GRDM)(OTCQB:MSMGF) (“Grid “ or the “Company”)** today announced it has entered into a term sheet with Lithium Royalty Corp. (“LRC”) (a leading pure play battery royalty and streaming company) to finance its lithium assets in Manitoba and Ontario. **The closing of the transaction outlined in the term sheet will be subject to final due diligence of LRC and documentation.** Upon closing Grid will receive 1) proceeds US\$1.25 Million from the sale of a 25% interest in its lithium projects, 2) US\$2.25 million from the grant of project royalties on its lithium assets and 3) C\$ 1,650,356 from completion of a private placement from LRC with all proceeds advanced to Grid at closing. Total funding to Grid in CAD \$ equivalent is approximately CAD \$ 6.3 million. The transaction also envisions the creation of a lithium focused spin-out company.

Key terms of the transaction which pertains only to the lithium assets of the Grid are as follows:

- LRC will purchase a 2% Gross Overriding Royalty on lithium and rare metals over the Company’s Mayville Lithium Property for US\$1.25 million, and on its Campus Creek Lithium Property for US\$ 1 million, with proceeds to be directed to exploration on those properties.
- LRC will purchase 25% project interests (including offtake rights) in 1) the Mayville Lithium Property for US\$1.25 million, and 2) the Campus Creek Lithium Property for US\$250,000. Thereafter a joint venture will be established thereafter for each property with Grid and LRC funding their proportionate project interests.
- LRC will fund a 9.9% private placement into Grid calculated on a fully diluted basis at a price of 10 day VWAP preceding the announcement. (see private placement details below)
- Grid will form a new lithium subsidiary focused on exploration and development to house its lithium assets. The intention would be to list or sell this subsidiary in the future. LRC will have an option to acquire up to 20% of the new company at a commercially reasonable agreed upon price between Grid and LRC.

“ With a highly prospective lithium portfolio we believe this proposed transaction with LRC will be instrumental in realizing the value of our lithium assets as well as steamlining our project portfolio by creating a new lithium focused entity. In addition the transaction will improve our overall liquidity ” said Robin Dunbar President and CEO of Grid. “ We believe this transaction will be in the best interests of our shareholders as LRC brings financial and technical resources to our lithium projects as well as demonstrated business contacts and acumen in the battery metals field” he added. “

**The proposed transaction is subject to regulatory approval, preparation of satisfactory documentation and final due diligence of LRC. The targeted closing date for the transaction is on or around January 12, 2021.**

**Private Placement** – At closing and subject to due diligence and documentation LRC will subscribe for a private placement of 13,962,404 shares in the private placement at an issue price of \$ 0.1182 per share for proceeds of \$1,650,356. There are no warrants issuable as part of the private placement. There will be a hold period of four months and one day on all securities issued under the private placement portion of the transaction. No finder's fees were paid in respect of the Private Placement. The share issuance is also subject to the approval of the TSX Venture Exchange.

#### **ABOUT LITHIUM ROYALTY CORP**

LRC is a dedicated battery material investor partnering with battery material companies whose assets exhibit high grade, low cost, and key technical attributes that will help drive this once in a hundred year thematic. LRC is predominantly focused on investing in lithium due to extremely low obsolescence risk. LRC brings a wealth of experience and expertise with industry executives, portfolio managers, geologists, chemical engineers, and others as part of its team. LRC is able to originate and execute niche transactions with the aid of its extensive network with the electric vehicle ecosystem.

For more information about LRC please visit <https://lithiumroyaltycorp.com/>

#### **ABOUT GRID METALS CORP.**

Grid Metals Corp. has a portfolio of exploration and development stage properties focused on battery metals which are located in the Provinces of Manitoba and Ontario, Canada. Grid's lithium assets are the Mayville Lithium property which covers Donner Lake lithium pegmatites located on the north arm of the Bird River Greenstone Belt. In Ontario the Company has an option on the Campus Creek Lithium Property near Ignace Ontario.

Grid also has several other properties including the Makwa-Mayville Ni-Cu-PGM-Cobalt project in Manitoba which has a NI 43-101 compliant nickel copper PGM cobalt resource included in a 2014 PEA; the East Bull Lake Palladium Project near Sudbury Ontario and the Bannockburn Nickel Project south of Timmins Ontario.

Dave Peck P. Geo is the qualified person for Grid Metals for purposes of National Instrument 43-101 and has reviewed the contents of this press release.

To find out more about Grid Metals Corp., please visit [www.gridmetalscorp.com](http://www.gridmetalscorp.com).

On Behalf of the Board of Grid Metals Corp.

Robin Dunbar - President, CEO & Director

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*We seek safe harbour.*

*This news release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of the Securities Act (Ontario) (together, "forward-looking statements"). Such forward-looking statements*

*include the Company's closing of the proposed financial transactions, sale of royalty and property interests, the overall economic potential of its properties, the availability of adequate financing and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements expressed or implied by such forward- looking statements to be materially different. Such factors include, among others, risks and uncertainties relating to potential political risk, uncertainty of production and capital costs estimates and the potential for unexpected costs and expenses, physical risks inherent in mining operations, metallurgical risk, currency fluctuations, fluctuations in the price of nickel, cobalt, copper and other metals, completion of economic evaluations, changes in project parameters as plans continue to be refined, the inability or failure to obtain adequate financing on a timely basis, and other risks and uncertainties, including those described in the Company's Management Discussion and Analysis for the most recent financial period and Material Change Reports filed with the Canadian Securities Administrators and available at [www.sedar.com](http://www.sedar.com).*

Neither the TSX Venture Exchange nor its Regulations Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

This news release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.