



Li-FT POWER LTD.

Condensed Interim Consolidated Financial Statements
For the three and nine months ended August 31, 2023 and 2022

(Expressed in thousands of Canadian dollars)

(Unaudited)

Li-FT POWER LTD.

Condensed Interim Consolidated Statements of Financial Position

As at August 31, 2023 and November 30, 2022

(Unaudited)

(Expressed in thousands of Canadian dollars)

	Note	August 31, 2023	November 30, 2022
Assets			
Current			
Cash		17,654	5,442
Amounts receivable		734	26
Prepaid expenditures	3	11,039	16
Total current assets		29,427	5,484
Non-current			
Exploration and evaluation properties	5	219,598	10,004
Property and equipment		11	-
Total assets		249,036	15,488
Liabilities and shareholders' equity			
Current			
Accounts payable and accrued liabilities	7	1,555	230
Flow-through share premium liability	8	9,069	3,294
Loans payable	9	-	550
Total liabilities		10,624	4,074
Share capital			
Share capital	6	231,420	12,225
Share-based payment reserve	6	1,922	5
Retained earnings (Accumulated deficit)		5,070	(816)
Total equity		238,412	11,414
Total liabilities and shareholders' equity		249,036	15,488

Subsequent events (Note 12)

Approved and authorized for issuance by the Board of directors on October 26, 2023 by:

/s/ Kenneth Scott

Kenneth Scott, Director

/s/ Iain Scarr

Iain Scarr, Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Li-FT POWER LTD.

Condensed Interim Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss)
For the three and nine months ended August 31, 2023 and 2022
(Unaudited)
(Expressed in thousands of Canadian dollars)

		Three months ended		Nine months ended	
	Note	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
Operating expenses					
Director fees	7	30	-	90	-
Project evaluation		-	49	19	49
Filing fees		44	32	102	37
Investor relations		143	-	307	-
Management, consulting fees and salaries	7	181	68	494	116
Office expenses		60	58	132	66
Professional fees		54	42	342	101
Share-based compensation	6	379	-	494	-
Travel expense		55	-	210	6
Loss from operating activities		(946)	(249)	(2,190)	(375)
Finance expenses	9	(2)	-	(5)	-
Interest income		540	3	854	6
Foreign exchange loss		(2)	-	(11)	-
Loss before income taxes		(410)	(246)	(1,352)	(369)
Deferred income tax recovery	8	5,859	-	7,238	-
Net and comprehensive income (loss)		5,449	(246)	5,886	(369)
Net income (loss) per share, basic and diluted	6	0.14	(0.01)	0.16	(0.02)
Weighted average shares outstanding, basic and diluted		39,240,732	17,684,489	36,144,847	17,106,537

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Li-FT POWER LTD.

Condensed Interim Consolidated Statement of Changes in Shareholders' Equity

For the nine months ended August 31, 2023 and 2022

(Unaudited)

(Expressed in thousands of Canadian dollars)

	Number of common shares	Share capital	Share-based payment reserve	Retained earnings	Total
		\$	\$	\$	\$
Balance, November 30, 2021	15,165,000	2,422	11	(77)	2,356
Proceeds from private placements (Note 6)	619,750	897	-	-	897
Shares issued for exploration and evaluation properties (Note 5)	1,751,913	3,504	-	-	3,504
Stock option exercise	275,000	20	(6)	-	14
Net loss for the period	-	-	-	(369)	(369)
Balance, August 31, 2022	17,811,663	6,843	5	(446)	6,402
Balance, November 30, 2022	18,465,063	12,225	5	(816)	11,414
Shares issued for exploration and evaluation property (Note 4 & 5)	18,173,169	199,500	-	-	199,500
Proceeds from brokered placement (net of issuance costs) (Note 6)	2,602,500	32,708	-	-	32,708
Flow-through share premium liability (Note 8)	-	(13,013)	-	-	(13,013)
Share based payments (Note 6)	-	-	1,922	-	1,922
Net income for the period	-	-	-	5,886	5,886
Balance, August 31, 2023	39,240,732	231,420	1,922	5,070	238,412

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

LI-FT POWER LTD.

Condensed Interim Consolidated Statements of Cash Flows

For the nine months ended August 31, 2023 and 2022

(Unaudited)

(Expressed in thousands of Canadian dollars)

	August 31, 2023	August 31, 2022
	\$	\$
Cash flows from operating activities		
Net income (loss) for the period	5,886	(369)
Adjustments for:		
Share-based payments (Note 6)	494	-
Deferred income tax recovery (Note 8)	(7,238)	-
Changes in non-cash working capital items:		
(Increase) in amounts receivable	(708)	(17)
(Increase) in prepaid expenses	(98)	(20)
Increase (decrease) in accounts payable and accrued liabilities	236	(30)
Net cash used in operating activities	(1,428)	(436)
Cash flows from investing activities		
Exploration and evaluation expenditures	(29,037)	(3,070)
Exploration and evaluation acquisition cost	(600)	-
Acquisition of property and equipment	(11)	-
Cash received on acquisition of Yellowknife Lithium	10,375	-
Net cash generated (used) in investing activities	(19,273)	(3,070)
Cash flows from financing activities		
Proceeds from financings, net (Note 6)	32,708	911
Proceeds from loan received (Note 9)	505	-
Settlement of loans payable (Note 9)	(300)	-
Net cash provided by financing activities	32,913	2,731
Change in cash	12,212	(775)
Cash, beginning	5,442	1,156
Cash, end	17,654	381
Interest paid in cash	3	-
Interest received in cash	854	-
Shares issued for exploration and evaluation acquisitions	199,500	3,504

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended August 31, 2023 and 2022
(Unaudited)
(Expressed in thousands of Canadian dollars)

1. NATURE OF OPERATIONS

Li-FT Power Ltd. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on May 28, 2021. The Company is an exploration stage company engaged in the acquisition, exploration, and development of mineral properties with a focus on Lithium. The Company is listed on the Canadian Stock Exchange (“CSE”) with the symbol LIFT, on the OTC Pinks with the symbol LIFFF and on the Frankfurt Stock Exchange with the symbol WS0.

The head office of the Company is located at 1218 – 1030 West Georgia Street, Vancouver, BC V6E 2Y3. The registered address and records office of the Company is located at 2080-777 Hornby Street, Vancouver, BC V6Z 1S4.

2. BASIS OF PRESENTATION

Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company's and its subsidiaries' functional currency, except where otherwise indicated. All values are rounded to the nearest thousand dollars, except per share values.

The unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended August 31, 2023, were approved and authorized for issue by the Board of Directors on October 26, 2023.

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting, under International Financial Reporting Standards issued by the International Accounting Standards Board (“IFRS”). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent audited annual financial statements of the Company. These condensed interim consolidated financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended November 30, 2022, which were prepared in accordance with IFRS.

Basis of Consolidation

For the current financial year beginning on December 1, 2022, these condensed interim consolidated financial statements include the accounts of the Company and its Canadian subsidiaries as follows:

Subsidiary	Ownership interest	Jurisdiction	Nature of Operations
Yellowknife Lithium Ltd.	100%	BC, Canada	Mining and exploration
EREX International Ltd.	100%	BC, Canada	Mining and exploration

Following the acquisition described in Note 4, intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the condensed interim consolidated financial statements.

Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended August 31, 2023 and 2022
(Unaudited)
(Expressed in thousands of Canadian dollars)

2. BASIS OF PRESENTATION (continued)

Significant Accounting Judgements and Estimates

The Company makes estimates about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments, the recognition and valuation of provisions for decommissioning liabilities, the valuation of all liability and equity instruments including warrants and stock options, the recoverability and measurement of deferred tax assets and liabilities and the ability to continue as a going concern. In addition, Management has applied judgment in allocating the fair value recognized in the Yellowknife Lithium Project acquisition transaction to the different tenement areas which the Company now has the mineral rights to explore and develop.

The critical judgements and estimates applied in the preparation of these financial statements are consistent with those disclosed in Note 3 of the audited consolidated financial statements for the year ended November 30, 2022.

3. PREPAID EXPENDITURES

The Company's prepaid expenses as at August 31, 2023 and November 30, 2022 consist of the following amounts:

	August 31, 2023	November 30, 2022
	\$	\$
Cash advance to Operator of Quebec exploration (1)	2,504	-
Cash advance to Operator of Yellowknife exploration (1)	8,265	-
Deposits related to exploration programs	155	-
Other prepaid expenses	115	16
Total Prepaid expenses	11,039	16

(1) Balances presented are net of amounts incurred on exploration and evaluation expenditures during the period.

4. ACQUISITION OF YELLOWKNIFE LITHIUM PROJECT

On December 30, 2022, the Company, through a wholly-owned subsidiary, completed its amalgamation with 1361516 B.C. Ltd. (the "Target") and received all the outstanding common shares of this privately held mineral exploration company, which owns the Yellowknife Lithium Project located in the Northwest Territories, in exchange for 18,000,000 common shares of Li-FT Power Ltd. (the "Yellowknife Lithium Transaction"). The Yellowknife Lithium Transaction was conducted by way of an amalgamation arrangement, which ultimately resulted in the Target becoming a wholly-owned subsidiary of Li-FT Power Ltd.

Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended August 31, 2023 and 2022

(Unaudited)

(Expressed in thousands of Canadian dollars)

4. ACQUISITION OF YELLOWKNIFE LITHIUM PROJECT (continued)

For accounting purposes, the amalgamation with the Target has been recorded as an asset acquisition as the Target is not considered to be a business when applying the guidance within IFRS 3 *Business Combinations*.

The consideration paid and the fair value of identifiable assets acquired and liabilities assumed from the Target were as follows:

Total share consideration paid (Note 6)	\$198,000
Assets acquired and liabilities assumed	
Cash received	10,375
Settlement of pre-existing relationship	755
Accounts payable	(46)
Exploration and evaluation assets (Note 5)	186,916
Net asset acquired	\$198,000

Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended August 31, 2023 and 2022
(Unaudited)
(Expressed in thousands of Canadian dollars)

5. EXPLORATION AND EVALUATION PROPERTIES

Exploration and evaluation properties include the following amounts as at August 31, 2023 and November 30, 2022.

	Yellowknife Lithium Project	Cali Project	Rupert Project	Pontax Project	Moyenne Project	Total
	\$	\$	\$	\$	\$	\$
Balance, November 30, 2021	-	-	1,232	-	-	1,232
Acquisition costs	-	-	5,737	25	-	5,762
Exploration and evaluation expenditures						
Claims, taxes and holding costs	-	-	34	-	-	34
Salaries and share based payments	-	-	923	-	-	923
Drilling, exploration and technical consultation	-	-	1,077	-	-	1,077
Assaying, field supplies and environmental consultation	-	-	741	-	-	741
Travel and other project expenses	-	-	235	-	-	235
Total exploration and evaluation expenditures	-	-	3,010	-	-	3,010
Balance, November 30, 2022	-	-	9,979	25	-	10,004
Acquisition costs	169,466	18,000	1,525	25	-	189,016
Exploration and evaluation expenditures						
Claims, taxes and holding costs	475	-	23	12	6	516
Salaries and share based payments	1,747	59	656	318	13	2,793
Drilling, exploration and technical consultation	10,701	148	1,659	476	23	13,007
Assaying, field supplies and environmental consultation	3,770	2	113	14	2	3,901
Travel and other project expenses	243	23	68	27	-	361
Total exploration and evaluation expenditures	16,936	232	2,519	847	44	20,578
Balance, August 31, 2023	186,402	18,232	14,023	897	44	219,598

Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended August 31, 2023 and 2022

(Unaudited)

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5. EXPLORATION AND EVALUATION PROPERTIES (continued)

The Company holds interests in two mineral properties in the Northwest Territories, being the Yellowknife property and the Cali property and three mineral properties in Quebec, being the Rupert property, the Pontax property and the Moyenne property. Key agreements for each are more particularly described below.

(i) NORTHWEST TERRITORIES

YELLOWKNIFE LITHIUM PROJECT

On December 30, 2022, the Company completed the acquisition of 1361516 B.C. Ltd. and the core of the Yellowknife Lithium Project (see Note 4). The Yellowknife Lithium Project is comprised of 13 mineral leases that cover most of the lithium pegmatites that make up the Yellowknife Pegmatite Province ("YPP"). The Property is subject to a 2% gross overriding royalty and in the case of 11 of the mineral leases, a 2% net profits royalty.

On February 18, 2023, the Company entered into an option agreement (the "YLP Option Agreement") with a private company holding a 100% interest in the Thompson-Lundmark Project (the "Property"), which comprises additional contiguous mineral leases, whereby the Company has been granted the sole and exclusive right to acquire a 100% interest in the Property (the "YLP Option"). The Property is subject to a 1.5% net smelter royalty upon exercise of the YLP Option, and of which one third (0.5%) may be purchased by the Company at any time for \$500 in cash. The Company will retain a right of first refusal on the royalty.

In order to exercise the YLP Option, the Company must make aggregate cash payments of \$3,000 and incur exploration expenditures on the Property over a two-year period as follows:

- a) \$550 cash payment due on execution of the YLP Option Agreement (paid on signing);
- b) \$700 cash payment to be paid and \$50 in exploration expenditures to be incurred by the first anniversary of the YLP Option Agreement; and
- c) \$1,750 cash payment to be paid and an additional \$1,250 in exploration expenditures to be incurred by the second anniversary of the YLP Option Agreement.

CALI PROJECT

The Cali Project, acquired as part of the Yellowknife Lithium acquisition on December 30, 2022, is comprised of a certain mineral lease and several mineral claims within the Little Nahanni pegmatite field, located in Northwest Territories near the Yukon border. The Property is subject to a 2% gross overriding royalty.

(ii) QUEBEC

RUPERT PROJECT

The Rupert Project has been accumulated by entering into the following agreements:

(a) Rupert Option Agreement

On June 11, 2021, the Company entered into a definitive option agreement with Kenorland Minerals Ltd. ("Kenorland") pursuant to which the Company was granted the option to acquire up to a 100% interest in and to certain mineral claims at the Rupert, Pontax and Moyenne Projects (collectively known as the "Rupert Option Agreement").

Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended August 31, 2023 and 2022
(Unaudited)
(Expressed in thousands of Canadian dollars)

5. EXPLORATION AND EVALUATION PROPERTIES (continued)

QUEBEC - RUPERT PROJECT - Rupert Option Agreement (continued)

In order to exercise the Rupert Option Agreement, the Company agreed to pay \$200 in cash (paid) and to issue to Kenorland 9.9% of the Company's issued and outstanding shares upon closing (issued) and such number of additional common shares to maintain Kenorland's pro rata interest in the Company at 9.9% prior to the listing of the Company's common shares on a recognized stock exchange. This pro-rata commitment ended once the Company listed on the CSE in July 2022.

Upon the exercise of the Rupert Option Agreement, the Company is required to grant to Kenorland a 2% net smelter royalty in respect of the Rupert Property.

The Company is responsible for all operations conducted at the Rupert Property and has the exclusive right to manage and operate all programs. On closing, the Company entered into an operator agreement with Kenorland pursuant to which the Company engaged Kenorland as operator of the Rupert Property for an initial term of two years. The Company has agreed to pay an operator's fee to Kenorland equal to 10% of all exploration costs.

On February 2, 2022, the Company issued 1,751,913 common shares valued at \$3,504 to Kenorland pursuant to the Rupert Option Agreement related to the Rupert Property (Note 6).

(b) James Bay Option Agreement

On August 11, 2021, the Company entered into a property option agreement (the "James Bay Option") to acquire a 100% undivided interest in and to certain mineral claims (the "James Bay Property"), subject to 2% net smelter returns royalty (the "NSR").

The James Bay Option may be exercised by the Company by making cash payments to the optionors in an aggregate amount of \$100 as follows:

- (i) \$20, upon the execution and delivery of the James Bay Option by all parties (paid);
- (ii) An additional \$25, on or before the first anniversary of the James Bay Option (paid);
- (iii) An additional \$25, on or before the second anniversary of the James Bay Option (paid);
- (iv) An additional \$30, on or before the third anniversary of the James Bay Option.

(c) Whabouchi Purchase Agreement

On April 12, 2022, the Company entered into a mineral property purchase agreement with 9228-6202 Quebec Inc. to acquire a mineral claim located in James Bay, Quebec (the "Whabouchi Claims").

In consideration for the sale, transfer, assignment and conveyance of the Property and the Property Rights, the Company paid an aggregate of \$15 in cash and granted a 3.0% NSR. The Company has the right at any time to buy back 1.5% of the NSR upon payment of \$2,000 in cash.

(d) Lac des Montagnes Option Agreement

On September 22, 2022, the Company entered into an option agreement (the "Montagnes Option Agreement") with 9219-8845 Quebec Inc. ("9219") and Steve LaBranche (collectively with 9219, the "Montagnes Optionors") pursuant to which the Company was granted the option to acquire a 100% interest in the Lac des Montagnes Lithium Property, located near Nemaska Village in the Province of Quebec (the "Lac des Montagnes Property").

Under the terms of the Montagnes Option Agreement, the Company can earn a 100% interest in the Lac des Montagnes Property by issuing 225,000 common shares to the Montagnes Optionors on closing of the agreement (issued), paying an aggregate of \$300 in cash, due upon signing (paid), and

Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended August 31, 2023 and 2022

(Unaudited)

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5. EXPLORATION AND EVALUATION PROPERTIES (continued)

QUEBEC - RUPERT PROJECT - Lac des Montagnes Option Agreement (continued)

issuing in aggregate fully-paid common shares with a value of \$3,000 to the Optionors. The payment schedule is as follows:

- (i) \$300 in cash (paid) and 225,000 Li-FT Shares (issued and valued at \$1,883) (Note 6) within five business days of the effective date;
- (ii) An additional \$1,500 in value of common shares of the Company on the 6-month anniversary of the effective date (issued 173,169 common shares within the period ended August 31, 2023) (Note 6); and
- (iii) An Additional \$1,500 in value of common shares of the Company on the 12-month anniversary of the effective date.

Immediately upon the exercise of the option, a 2% NSR is required to be granted in favour of the Montagnes Optionors. The Company has the right at any time to buy back 0.5% of the NSR upon payment of \$500 in cash.

PONTAX PROJECT

In addition to the Pontax Project claims acquired through the Rupert Option Agreement with Kenorland, and associated 2% NSR, on July 20, 2022, the Company entered into a mineral property purchase agreement (the "Harfang Agreement") with Harfang Exploration Inc. ("Harfang") to acquire a 70% interest of Pontax mineral claims located in the James Bay region in Quebec (the "Pontax Property").

In accordance with the Harfang Agreement, the Company may exercise the first option to earn 51% interest by making payments in an aggregate amount of \$100, as follows:

- (i) \$25 in cash (paid) upon the execution and delivery of the Harfang Agreement by both parties;
- (ii) an additional \$25 on or before the first anniversary date (paid);
- (iii) an additional \$25 on or before the second anniversary date;
- (iv) an additional \$25 on or before the third anniversary date; and
- (v) incurring \$1,650 in expenditures on the Pontax Property during the first option period which ends on the third anniversary date.

Upon the exercise of the first option, Harfang is contractually required to grant the second option. Within 60 days of the grant of the second option, the Company shall provide Harfang written notice that it either (a) accepts the grant of the second option, which shall be accompanied by a payment of \$50 in cash or through the issuance of common shares, at the Company's discretion or (b) elects not to accept the grant of the second option, in which case a joint venture is to be formed with the initial participating interest of 51% and 49% for the Company and Harfang, respectively.

To exercise the second option and acquire a further 19% interest (for an aggregate 70% interest), the Company is required to incur an additional \$3,350 in expenditures on the Pontax Property by the sixth anniversary of the agreement.

Upon the exercise of the second option, Harfang will have the option of converting its remaining participating interest of 30% into a 2.5% NSR or to form a joint venture to further explore the Pontax property.

Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended August 31, 2023 and 2022
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5. EXPLORATION AND EVALUATION PROPERTIES (continued)

QUEBEC (continued)

MOYENNE PROJECT

The Moyenne Project comprises additional claims acquired through the Rupert Option Agreement with Kenorland, and the associated 2% NSR.

6. SHARE CAPITAL

Authorized Share Capital

The Company has an authorized share capital of an unlimited number of common shares with no par value.

Share Issuances

a) Private Placements

During the nine months ended August 31, 2023:

On March 22, 2023, the Company closed the brokered private placement of 2,602,500 flow-through common shares of the Company at a price of \$13.45 per flow-through common share for aggregate gross proceeds of \$35,004. The Company paid commissions and other capital raise related expenditures in the amount of \$2,249 in relation to this private placement and recorded a flow-through premium liability of \$13,013 (Note 8). In addition, the Company classified \$47 of legal, professional and filing fees related to this private placement as share issuance costs.

During the year ended November 30, 2022

On November 3, 2022, the Company completed a private placement and issued 428,400 flow-through common shares of the Company at a price of \$16.34 per share for total proceeds of \$7,000. The Company recorded a flow-through premium liability of \$3,294 (Note 8). The Company paid share issue costs of \$207.

On January 14, 2022, the Company completed a private placement and issued 297,000 common shares of the Company at a price of \$2.00 per share for total proceeds of \$594.

On December 24, 2021, the Company completed a private placement and issued 101,750 common shares of the Company at a price of \$2.00 per share for total proceeds of \$204.

On December 23, 2021, the Company completed a private placement and issued 21,000 common shares of the Company at a price of \$2.00 per share for total proceeds of \$42.

On December 20, 2021, the Company completed a private placement and issued 200,000 common shares of the Company at a price of \$0.30 per share for total proceeds of \$60.

b) Shares issued for Exploration and Evaluation Properties

During the nine months ended August 31, 2023:

On March 22, 2023, the Company issued 173,169 common shares valued at \$1,500 in order to satisfy the second payment of its Lac des Montagnes option agreement (Note 5).

Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended August 31, 2023 and 2022
(Unaudited)
(Expressed in thousands of Canadian dollars)

6. SHARE CAPITAL (continued)

On December 30, 2022, the Company issued 18,000,000 common shares valued at \$198,000 to the shareholders of 1361516 B.C. Ltd. to complete the acquisition of the Yellowknife Lithium project (Note 4).

During the year ended November 30, 2022:

On September 22, 2022, the Company issued 225,000 common shares valued at \$1,883 for to the option agreement related to the Lac des Montagnes Lithium Property (Note 5).

On February 2, 2022, the Company issued 1,751,913 common shares valued at \$3,504 to Kenorland pursuant to the option agreement related to the Rupert Property (Note 5).

c) Stock options

The Company has adopted a stock option plan that allows for the granting of stock options to Directors, Officers, employees and certain consultants of the Company for up to 10% of the Company's issued and outstanding common shares. Stock options granted under the plan may be subject to vesting provisions as determined by the Board of Directors.

During the nine months ended August 31, 2023, the Company granted 735,000 stock options (the "Options") to its Directors, Officers, employees and consultants to acquire a total of 735,000 common shares of the Company at an exercise price of \$10.00 per share for a period of five years. The Options vest after two years, with one quarter of the total options vesting at each six-month anniversary

Using the graded vesting method, for the nine months ended August 31, 2023, \$494 (2022, \$nil) of the estimated fair value was recognized as share-based compensation expense in the condensed interim consolidated statements of net income (loss) and comprehensive income (loss), and \$775 (2022, \$nil) of the estimated fair value was capitalized to exploration and evaluation assets.

The total fair value of the stock options was estimated to be \$3,381, calculated using the Black-Scholes Option Pricing Model, which used the following weighted average assumptions:

	Period ended August 31, 2023
Exercise price	\$10.00
Share price at time of grant	\$8.53
Expected volatility	76%
Expected life of option	5 years
Risk-Free annual interest	3.19%
Expected annual dividend	0%
Forfeiture rate	0%

As at August 31, 2023, the following stock options were outstanding:

Number of options	Exercise price	Expiry date	Number of options vested
495,000	\$10.00	April 15, 2028	-
80,000	\$10.00	May 3, 2028	-
80,000	\$10.00	June 1, 2028	-
655,000	\$10.00		-

Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended August 31, 2023 and 2022
(Unaudited)
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6. SHARE CAPITAL (continued)

A summary of the changes in the Company's stock option activities during the period ended August 31, 2023, and the year end November 30, 2022, is as follows:

	August 31, 2023		November 30, 2022	
	Number of options outstanding	Weighted average exercise price	Number of options outstanding	Weighted average exercise price
Outstanding, beginning	-	-	500,000	\$0.05
Granted	655,000	\$10.00	-	-
Exercised	-	-	(275,000)	\$0.05
Expired	-	-	(225,000)	\$0.05
Outstanding, ending	655,000	\$10.00	-	-

d) Performance Share Units

During the nine months ended August 31, 2023, the Company issued 75,000 Performance Share Units (PSU's) as part of an exploration agreement at the Yellowknife Lithium Project. The PSUs were valued at \$653 at the time of issuance and capitalized to exploration and evaluation assets.

7. TRANSACTIONS WITH RELATED PARTIES

Related parties include the Board of Directors and Officers of the Company, as well as close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

	Three months ended		Nine months ended	
	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
	\$	\$	\$	\$
Director fees	30	-	90	-
Management, consulting fees and salaries	255	-	565	-
Share based compensation (expensed and capitalized)	418	-	590	-
	703	-	1,245	-

Included in accounts payable and accrued liabilities as at August 31, 2023 was \$120 due to related parties (2022 - \$46).

8. FLOW THROUGH SHARE PREMIUM LIABILITY

On November 3, 2022, the Company completed a private placement and issued 428,400 flow-through common shares of the Company at a price of \$16.34 per share for total proceeds of \$7,000. The flow-through liability associated with these issuances, using the residual method was \$3,294.

On March 22, 2023, the Company completed a private placement and issued 2,602,500 flow-through common shares of the Company at a price of \$13.45 per share for total proceeds of \$35,004. The flow-through liability associated with these issuances, using the residual method was \$13,013.

Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended August 31, 2023 and 2022
(Unaudited)
(Expressed in thousands of Canadian dollars)

8. FLOW THROUGH SHARE PREMIUM LIABILITY (continued)

The following is a continuity schedule of the liability portion of the Company's flow-through share issuances:

	November 3, 2022	March 22, 2023	Total
	\$	\$	\$
Balance at November 30, 2022	3,294	-	3,294
Liability incurred on new flow-through shares issued	-	13,013	13,013
Settlement of flow-through share premium liability upon incurring eligible expenditure	(1,588)	(5,650)	(7,238)
Balance at August 31, 2023	1,706	7,363	9,069

As at August 31, 2023, the Company had \$24,953 (November 30, 2022 – \$7,000) of flow-through expenditure commitments to fulfill the flow-through requirements. The Company reversed the associated flow-through share premium liability and recognised a deferred income tax recovery of \$7,238 (2022 - \$nil) in the Company's condensed interim consolidated financial statements for the period ended August 31, 2023.

9. LOANS PAYABLE

During the year ended November 30, 2022, the Company obtained a loan from an arm's length party in the amount of \$300 that was unsecured, bearing interest at 3% per annum and due within 6 months. During the nine months ended August 31, 2023, the Company incurred interest of \$3 (2022 - \$nil) and repaid a total of \$303 in principal and interest.

During the year ended November 30, 2022, the Company obtained a loan from 1361516 B.C. Ltd., a private company that was acquired by the Company, in the amount of \$250. Prior to the completing the acquisition in Note 4, the Company received an additional loan amount of \$505. On acquisition of Yellowknife Lithium, the aggregate balance of \$755 was eliminated as a settlement of a pre-existing relationship.

10. FINANCIAL INSTRUMENTS

Fair values have been determined for measurement and/or disclosure requirements based on the methods below. The Company characterizes fair value measurements using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

- Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include significant inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash, accounts payable and accrued liabilities and loans payable approximated their fair values because of the short-term nature of these financial instruments. These financial instruments are financial assets and liabilities at amortized cost.

Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended August 31, 2023 and 2022

(Unaudited)

(Expressed in thousands of Canadian dollars)

11. SEGMENTED INFORMATION

The Company's only business activity is exploration and development of exploration and evaluation properties carried out in Canada.

12. SUBSEQUENT EVENTS

On September 18, 2023, the Company granted 20,000 stock options for a period of five years at an exercise price of \$10.00 per share to an employee of the Company. The options vest over a period of two years with one quarter of the total options vesting at each six-month anniversary.

On September 22, 2023, 185,945 shares (with a value of \$1,500) were issued pursuant to the terms of the Lac des Montagnes agreement as described above in Note 5.