



## **Li-FT POWER LTD.**

**Condensed Interim Consolidated Financial Statements**

**For the three and six months ended May 31, 2025 and 2024**

**(Unaudited - Expressed in thousands of Canadian dollars unless  
otherwise noted)**

**LI-FT POWER LTD.**

Condensed Interim Consolidated Statements of Financial Position

As at May 31, 2025 and November 30, 2024

(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

	Note	May 31, 2025	November 30, 2024
<b>Assets</b>		<b>\$</b>	<b>\$</b>
<b>Current</b>			
Cash and cash equivalents	4	14,563	21,011
Amounts receivable		97	65
Prepaid expenditures	5	998	814
<b>Total current assets</b>		<b>15,658</b>	<b>21,890</b>
<b>Non-current</b>			
Right-of-use leased assets		83	116
Exploration and evaluation properties	7	267,108	261,676
Equipment		294	343
<b>Total Assets</b>		<b>283,143</b>	<b>284,025</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	8	1,587	2,056
Lease liabilities		76	71
Flow-through share premium liability	11	6,247	7,605
<b>Total current liabilities</b>		<b>7,910</b>	<b>9,732</b>
<b>Non-current</b>			
Lease liabilities		21	60
Deferred income tax liability		15,324	14,625
<b>Total Liabilities</b>		<b>23,255</b>	<b>24,417</b>
Share capital	9	261,534	260,993
Share-based payment reserve	9	6,110	4,938
Accumulated deficit		(7,756)	(6,323)
<b>Total Equity</b>		<b>259,888</b>	<b>259,608</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>283,143</b>	<b>284,025</b>

Going concern (Note 2)

Subsequent events (Note 15)

Approved and authorized for issuance by the Board of directors on July 24, 2025 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 Loss and Comprehensive Loss

For the three and six months ended May 31, 2025 and 2024

(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

		Three months ended		Six months ended	
	Note	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
<b>Operating Expenses</b>					
Amortization		41	40	82	92
Director fees	10	42	25	78	48
Exploration expenses		-	24	-	24
Filing fees		57	71	97	127
Investor relations		159	238	295	2,890
Management, consulting fees and salaries	10	214	126	387	377
Office expenses		121	100	194	170
Professional fees		188	142	284	183
Share-based compensation	9	275	344	713	997
Travel expense		88	75	171	169
<b>Loss from operations</b>		<b>(1,185)</b>	<b>(1,185)</b>	<b>(2,301)</b>	<b>(5,077)</b>
Finance expenses and other		(3)	(5)	(7)	(11)
Foreign exchange		(8)	(6)	(15)	74
Interest income		132	83	310	245
<b>Loss before income taxes</b>		<b>(1,064)</b>	<b>(1,113)</b>	<b>(2,013)</b>	<b>(4,769)</b>
Deferred income tax recovery		47	272	580	2,007
<b>Net and comprehensive loss for the period</b>		<b>(1,017)</b>	<b>(841)</b>	<b>(1,433)</b>	<b>(2,762)</b>
<b>Net loss per share, basic and diluted</b>		<b>(0.02)</b>	<b>(0.02)</b>	<b>(0.03)</b>	<b>(0.07)</b>
<b>Weighted average shares outstanding, basic and diluted</b>		<b>47,335,337</b>	<b>40,896,238</b>	<b>47,261,161</b>	<b>41,528,086</b>

*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 six months ended May 31, 2025 and 2024

(Unaudited - Expressed in thousands of Canadian dollars, except share and per share amounts)

	Number of common shares	Share capital	Share-based payment reserve	(Accumulated deficit)/ retained earnings	Total
		\$	\$	\$	\$
<b>Balance, November 30, 2023</b>	<b>40,864,177</b>	<b>239,912</b>	<b>2,547</b>	<b>2,733</b>	<b>245,192</b>
Shares-issued for cash (net of issuance costs) (Note 9)	1,869,160	10,240	-	-	10,240
Flow-through share premium liability (Note 11)	-	(3,629)	-	-	(3,629)
Share-based payments (Note 9)	-	-	1,406	-	1,406
Net loss and comprehensive loss for the period	-	-	-	(2,762)	(2,762)
<b>Balance, May 31, 2024</b>	<b>42,733,337</b>	<b>246,523</b>	<b>3,953</b>	<b>(29)</b>	<b>250,447</b>
<b>Balance, November 30, 2024</b>	<b>47,085,337</b>	<b>260,993</b>	<b>4,938</b>	<b>(6,323)</b>	<b>259,608</b>
Shares issued for exploration and evaluation properties (Note 7 & 9)	250,000	705	-	-	705
Share-issuance costs	-	(164)	-	-	(164)
Share-based payments (Note 9)	-	-	1,172	-	1,172
Net loss and comprehensive loss for the period	-	-	-	(1,433)	(1,433)
<b>Balance, May 31, 2025</b>	<b>47,335,337</b>	<b>261,534</b>	<b>6,110</b>	<b>(7,756)</b>	<b>259,888</b>

*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 six months ended May 31, 2025 and 2024

(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

	May 31, 2025	May 31, 2024
	\$	\$
<b>Cash flows from operating activities</b>		
Net loss for the year	(1,433)	(2,762)
Adjustments for:		
Amortization	82	92
Share-based payments (Note 9)	713	997
Deferred income tax recovery	(659)	(2,564)
<b>Changes in non-cash working capital items:</b>		
Decrease (increase) in amounts receivable	(32)	2,330
Decrease (increase) in prepaid expenditures	23	(92)
Decrease in accounts payable and accrued liabilities	(662)	(458)
<b>Total cash used in operating activities</b>	<b>(1,968)</b>	<b>(2,457)</b>
<b>Cash flows from investing activities</b>		
Exploration and evaluation expenditures	(4,252)	(18,121)
Exploration and evaluation acquisition costs	(30)	(750)
Equipment purchases	-	(433)
<b>Total cash used in investing activities</b>	<b>(4,282)</b>	<b>(19,304)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	-	10,691
Share issuance costs	(164)	(451)
Repayment of lease liabilities	(28)	(40)
Interest paid on lease liability	(6)	(10)
<b>Total cash used in financing activities</b>	<b>(198)</b>	<b>10,190</b>
<b>Change in cash and cash equivalents</b>	<b>(6,448)</b>	<b>(11,571)</b>
<b>Cash and cash equivalents, beginning</b>	<b>21,011</b>	<b>17,737</b>
<b>Cash and cash equivalents, end</b>	<b>14,563</b>	<b>6,166</b>
<b>Supplemental information / non-cash flow items</b>		
Share-based compensation relating to exploration and evaluation properties	513	1,061
Change in prepaid expenses relating to exploration and evaluation properties	207	(3,677)
Change in accounts payable and accrued liabilities relating to exploration and evaluation properties	(193)	324
Interest received in cash	296	229
Shares issued for exploration and evaluation acquisitions	713	-

*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 six months ended May 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

### 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 Toronto Stock Exchange - Venture ("TSX-V") with the symbol "LIFT", on the OTC Pinks with the symbol "LIFF" and on the Frankfurt Stock Exchange with the symbol "WS0".

The head office of the Company and principal address is Suite 1218–1030 West Georgia Street, Vancouver, British Columbia V6E 2Y3. The registered address and records office of the Company is located at Suite 830-999 West Broadway, Vancouver, British Columbia V5Z 1K5.

### 2. BASIS OF PRESENTATION AND GOING CONCERN

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") and Interpretations (collectively IFRS accounting standards). 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, 2024, which were prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from carrying values as shown in these condensed interim consolidated financial statements and do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities, and these adjustments may be material, should the Company be unable to continue as a going concern. The Company has incurred losses from inception and does not currently have the financial resources to sustain its operations and exploration programs. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

The unaudited 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 condensed interim consolidated financial statements of the Company for the interim period ended May 31, 2025, were approved, and authorized for issue by the Board of Directors on July 24, 2025.

#### Basis of Consolidation

For the current financial year beginning on December 1, 2024, 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	Mineral exploration
EREX International Ltd.	100%	BC, Canada	Mineral exploration

## Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

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### 2. BASIS OF PRESENTATION AND GOING CONCERN (continued)

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the condensed interim consolidated financial statements.

### 3. MATERIAL ACCOUNTING POLICIES

#### (a) New accounting standards issued but not effective

The International Accounting Standards Board has issued classification and measurement and disclosure amendments to IFRS 9 and IFRS 7 with an effective date for years beginning on or after January 1, 2026 with earlier application permitted. The amendments clarify the date of recognition and derecognition of some financial assets and liabilities and introduce a new exception for some financial liabilities settled through an electronic payment system. Other changes include a clarification of the requirements when assessing whether a financial asset meets the solely payments of principal and interest criteria and new disclosures for certain instruments with contractual terms that can change cash flows (including instruments where cash flows changes are linked to environment, social or governance (ESG) targets).

IFRS 18, Presentation and Disclosure in Financial Statements (IFRS 18) is a new standard that will provide new presentation and disclosure requirements and replace International Accounting Standard 1, Presentation of Financial Statements (IAS 1). IFRS 18 introduces changes to the structure of the income statement; provides required disclosures in financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and provides enhanced principles on aggregation and disaggregation in financial statements. Many other existing principles in IAS 1 have been maintained. IFRS 18 is effective for years beginning on or after January 1, 2027, with earlier application permitted.

The Company has not yet commenced the evaluation of the impact of these new standards/ amendments.

### 4. CASH AND CASH EQUIVALENTS

	May 31, 2025	November 30, 2024
	\$	\$
Cash	3,563	3,011
Cash equivalents	11,000	18,000
<b>Total Cash and Cash Equivalents</b>	<b>14,563</b>	<b>21,011</b>

## Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

### 5. PREPAID EXPENDITURES

The Company's prepaid expenditures as at May 31, 2025 and November 30, 2024 consist of the following amounts:

	May 31, 2025	November 30, 2024
	\$	\$
Cash advance to Operator of Yellowknife exploration <sup>(1)</sup>	555	175
Cash advance to Operator of Quebec exploration <sup>(1)</sup>	339	512
Other prepaid expenditures	104	127
<b>Total Prepaid Expenditures</b>	<b>998</b>	<b>814</b>

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

### 6. ACQUISITION OF DESTAFFANY, LDG AND MACKAY LITHIUM PROJECTS

On January 23, 2025, the Company announced that it has closed the mineral property purchase agreement with North Arrow Minerals (the "Target") (TSX.V:NAR) to acquire the DeStaffany, LDG and Mackay Lithium Projects by issuing 250,000 common shares of the Company valued at \$713 (\$2.85 per share).

The acquisition was accounted for as an asset acquisition as the Target did not meet the definition of a business under IFRS 3.

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

<b>Total Share Consideration paid, net of \$8 transaction costs (Note 9)</b>	<b>\$705</b>
<b>Assets acquired</b>	
Exploration and evaluation properties (Note 7) – DeStaffany	353
Exploration and evaluation properties (Note 7) – LDG	176
Exploration and evaluation properties (Note 7) – Mackay	176
<b>Net Assets Acquired</b>	<b>\$705</b>



## Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements  
For the six months ended May 31, 2025 and 2024  
(Expressed in thousands of Canadian dollars unless otherwise noted)

### 7. EXPLORATION AND EVALUATION PROPERTIES

Exploration and evaluation properties include the following amounts as at May 31, 2025 and November 30, 2024.

	Yellowknife Lithium Project	Cali Project	North Arrow Projects	Rupert Project	Pontax Project	Moyenne Project	Total
	NWT	NWT	NWT	Quebec	Quebec	Quebec	
	\$	\$	\$	\$	\$	\$	\$
<b>Balance, November 30, 2023</b>	<b>198,998</b>	<b>18,794</b>	<b>-</b>	<b>17,234</b>	<b>1,240</b>	<b>38</b>	<b>236,304</b>
Acquisition costs	733	-	-	30	75	-	838
Exploration and evaluation expenditures							
Claims, taxes and holding costs	158	7	-	25	6	2	198
Salaries and share based payments	2,584	76	-	287	224	14	3,185
Drilling, exploration, and technical consultation	11,980	70	-	226	116	5	12,397
Assaying, field supplies and environmental consultation	8,846	32	-	485	147	-	9,510
Travel and other project expenses	1,013	1	-	6	13	-	1,033
Write down of terminated option agreement	(1,408)	-	-	-	-	-	(1,408)
Revenue Quebec Exploration Tax Credit	-	-	-	(381)	-	-	(381)
<b>Total exploration and evaluation expenditures</b>	<b>23,906</b>	<b>186</b>	<b>-</b>	<b>678</b>	<b>581</b>	<b>21</b>	<b>25,372</b>
<b>Balance, November 30, 2024</b>	<b>222,904</b>	<b>18,980</b>	<b>-</b>	<b>17,912</b>	<b>1,821</b>	<b>59</b>	<b>261,676</b>
Acquisition costs	353	-	352	30	-	-	735
Exploration and evaluation expenditures							
Claims, taxes and holding costs	94	2	4	178	60	26	364
Salaries and share based payments	430	44	-	65	301	25	865
Drilling, exploration, and technical consultation	952	18	30	44	654	-	1,698
Assaying, field supplies and environmental consultation	1,329	10	-	-	202	-	1,541
Travel and other project expenses	214	-	-	-	15	-	229
<b>Total exploration and evaluation expenditures</b>	<b>3,372</b>	<b>74</b>	<b>386</b>	<b>317</b>	<b>1,232</b>	<b>51</b>	<b>5,432</b>
<b>Balance, May 31, 2025</b>	<b>226,276</b>	<b>19,054</b>	<b>386</b>	<b>18,229</b>	<b>3,053</b>	<b>110</b>	<b>267,108</b>

## **Li-FT Power Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

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### **7. EXPLORATION AND EVALUATION PROPERTIES (continued)**

The Company holds interests in three mineral projects in the Northwest Territories, the Yellowknife Lithium Project ("YLP"), the North Arrow Projects ("NAR"), and the Cali Project, as well as three mineral projects in Quebec referred to as the Rupert Project, the Pontax Project and the Moyenne Project. 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. which incorporated the YLP, comprised of 13 mineral leases. The Property is subject to a 2% gross overriding royalty and in the case of 11 of the 13 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 "TL Property"), which comprises additional contiguous mineral leases to the YLP, to acquire a 100% interest in the TL Property (the "YLP Option"). To exercise the YLP Option, the Company was required to make aggregate cash payments of \$3,000 and incur exploration expenditures on the Property over a two-year period. However, on February 18, 2025, the Company terminated the YLP Option Agreement prior to the second anniversary cash payment of \$1,750 resulting in a write down in the above continuity table

On January 23, 2025, the Company announced that it has closed the mineral property purchase agreement with North Arrow Minerals (TSX.V:NAR) to acquire the DeStaffany, LDG and Mackay Lithium Projects. Given the DeStaffany Projects proximity to YLP's Echo Pegmatite it has been included as part of YLP for accounting purposes. The LDG and Mackay Projects are outside of the YLP Project area and are categorized as "Other NWT Projects" in the above continuity table.

##### **CALI LITHIUM PROJECT**

The Cali Project, acquired as part of the 1361516 B.C. Ltd. acquisition on December 30, 2022 and additional claims were acquired by staking, is comprised of a certain mineral lease and several mineral claims within the Little Nahanni Pegmatite Group, located in Northwest Territories near the Yukon border. The Cali Lithium Project 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 six months ended May 31, 2025 and 2024  
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### **7. EXPLORATION AND EVALUATION PROPERTIES (continued)**

In order to exercise the Rupert Option Agreement, the Company paid \$200 in cash and issued to Kenorland 9.9% of the Company's issued and outstanding shares upon closing. 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.

Following the exercise of the Rupert Option Agreement, the Company granted to Kenorland a 2% net smelter royalty in respect of the Rupert Property.

See Note 15 – Subsequent Events

#### **PONTAX PROJECT**

In addition to the Pontax Project claims acquired through the Rupert Option Agreement with Kenorland, and the associated 2% NSR, on July 20, 2022, the Company entered into an option agreement (the "Harfang Agreement") with Harfang Exploration Inc. ("Harfang") to acquire a 70% interest in the 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 (paid);
- (iv) an additional \$25 on or before the third anniversary date (paid subsequent to period end); and
- (v) incurred \$1,650 in expenditures on the Pontax Property during the first option period which ends on the third anniversary date (satisfied subsequent to period end).

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.

#### **MOYENNE PROJECT**

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

**Li-FT Power Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	May 31, 2025	November 30, 2024
	\$	\$
Accounts payable	493	260
Accrued liabilities	1,094	1,796
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>1,587</b>	<b>2,056</b>

**9. 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) Brokered and Private Placement Financings****During the year ended November 30, 2024:**

On November 14, 2024, the Company received a \$21,251 strategic investment by way of a non-brokered private placement financing for 2,694,895 flow-through common shares at a price of \$5.6575 per flow-through common share for gross proceeds of \$15,246 and 1,645,105 common shares at a price of \$3.65 per common share for gross proceeds of \$6,004. The Company has paid commissions and other capital raise related expenditures related to this financing.

On March 27, 2024, the Company closed the completion of a public offering of 1,179,500 flow-through common shares of the Company at a price of \$6.05 per flow-through common share for aggregate gross proceeds of \$7,136. The Company has paid commissions and other capital raise related expenditures related to this brokered financing. Concurrently, the Company also completed a non-brokered private placement financing of 689,660 flow-through common shares of the Company at a price of \$4.35 per flow-through common share for aggregate gross proceeds of \$3,000. No commissions or fees were payable in connection with the non-brokered placement.

**b) Shares issued for Exploration and Evaluation Properties****During the six months ended May 31, 2025**

On January 23, 2025, the Company announced that it has closed the mineral property purchase agreement with North Arrow Minerals (TSX.V:NAR) to acquire the DeStaffany, LDG and Mackay Lithium Projects by issuing 250,000 common shares of the Company valued at \$713 (\$2.85 per share).

**During the year ended November 30, 2024:**

On September 23, 2024, the Company issued 12,000 common shares of the Company valued at \$33 (\$2.78 per share) to Ravenclan Ltd. pursuant to the mineral property purchase agreement to acquire the Shorty West mineral claim, which forms part of the flagship Yellowknife Lithium Project.

## Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

### 9. SHARE CAPITAL (continued)

#### c) Stock options

The Company has adopted an omnibus share incentive 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.

On May 1, 2025, the Company granted 30,000 stock options for a period of five years at an exercise price of \$3.65 per share to an employee of the Company. The options vest 25% on each of the 6, 12, and 18-month anniversary dates.

On December 19, 2024, the Company granted 499,500 stock options for a period of five years at an exercise price of \$3.65 per share to its Directors, Officers, employees, and consultants of the Company. The options vest 25% on the grant date and an additional 25% on each of the 6, 12 and 18-month anniversary dates.

On May 21, 2024, the Company granted 30,000 stock options for a period of five years at an exercise price of \$7.00 per share to an employee of the Company. The options vest 25% on each of the 6, 12, 18 and 24-month anniversary dates.

On January 8, 2024, the Company granted 410,000 stock options for a period of five years at an exercise price of \$7.00 per share to its directors, officers, employees, and consultants of the Company. The vesting terms are structured as follows: 165,000 options vest 25% on the grant date and an additional 25% on each of the 6, 12 and 18-month anniversary dates; and 245,000 options vest 50% on the 12-month anniversary and the remaining 50% vest on the 24-month anniversary dates.

On December 5, 2023, the Company granted 15,000 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 25% on each of the 6, 12, 18 and 24-month anniversary dates.

A summary of the changes in the Company's stock option balances during the six months ended May 31, 2025 and year ended November 30, 2024, are as follows:

	May 31, 2025		November 30, 2024	
	Number of options outstanding	Weighted average exercise price	Number of options outstanding	Weighted average exercise price
Outstanding, beginning	995,000	\$8.84	675,000	\$10.00
Granted	529,500	\$3.65	455,000	\$7.10
Forfeiture	-	-	(135,000)	\$9.44
<b>Outstanding, ending</b>	<b>1,524,500</b>	<b>\$7.04</b>	<b>995,000</b>	<b>\$8.84</b>

**Li-FT Power Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

**9. SHARE CAPITAL (continued)**

As at May 31, 2025, the following stock options were outstanding:

Number of options	Weighted average remaining life (Years)	Exercise price	Expiry date	Number of options vested
385,000		\$10.00	April 15, 2028	385,000
80,000		\$10.00	May 3, 2028	80,000
80,000		\$10.00	June 1, 2028	60,000
20,000		\$10.00	September 18, 2028	15,000
15,000		\$10.00	December 5, 2028	7,500
385,000		\$7.00	January 8, 2029	192,500
30,000		\$7.00	May 21, 2029	15,000
499,500		\$3.65	December 19, 2029	124,875
30,000		\$3.65	May 31, 2030	-
<b>1,524,500</b>	<b>3.69</b>			<b>879,875</b>

Certain stock options granted were directly attributable to expenditures on the exploration and evaluation properties and were therefore capitalized on the Company's balance sheet. For the six months ended May 31, 2025, share based payments expense is classified within the condensed interim consolidated financial statements as follows: operating expenses - \$659 (2024 - \$997) and exploration and evaluation properties \$513 (2024 - \$1,061) for total share-based payments expense - \$1,172 (2024 - \$2,058).

The total fair value of the stock options granted in the six months period ended May 31, 2025 was estimated to be \$987 (weighted average fair value of \$1.86 per option), calculated using the Black-Scholes Option Pricing Model, which used the following weighted average assumptions:

	Six months ended May 31, 2025
Exercise price	\$3.65
Expected volatility	95%
Expected life of option	5 years
Risk-free annual interest	3.10%
Expected annual dividend	0%
Forfeiture rate	0%

**d) Deferred share units**

The movements in deferred share units ("DSUs") for the six months ended May 31, 2025 and for the year ended November 30, 2024 are summarized as follows:

	May 31, 2025 Number of units	November 30, 2024 Number of units
Outstanding, beginning	7,544	-
Granted	17,975	7,544
<b>Outstanding, ending</b>	<b>25,519</b>	<b>7,544</b>

**Li-FT Power Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

**9. SHARE CAPITAL (continued)**

The DSUs were granted under the Company's share-based compensation plan to a number of directors in lieu of interim board fees. The DSUs vest over a 12-month period and will be settled in cash and equity. The associated compensation cost is based on the underlying share price on the date of grant. During the six months ended May 31, 2025, the Company granted 17,975 deferred share units (2024 - nil) with a fair value of \$46 (2024 - nil).

**10. TRANSACTIONS WITH RELATED PARTIES AND KEY MANAGEMENT COMPENSATION**

The Company's related parties consist of the Company's Directors and Officers and enterprises which are controlled by these individuals as well as persons performing similar functions. The compensation paid or payable to key management for services during the six months ended May 31, 2025 and 2024 is as follows:

<b>Service or Item</b>	<b>May 31, 2025</b>	<b>May 31, 2024</b>
	<b>\$</b>	<b>\$</b>
Directors' fees	78	48
Management, consulting fees and salaries	525	475
Share-based compensation (expensed and capitalized)	921	1,396
<b>Total</b>	<b>1,524</b>	<b>1,919</b>

Included in accounts payable and accrued liabilities as at May 31, 2025 was \$83 due to related parties (May 31, 2024 - \$83).

**11. FLOW-THROUGH SHARE PREMIUM LIABILITY**

The following is a continuity schedule summarizing the liability portion of the Company's flow-through share issuances for the six months ended May 31, 2025 and for the year ended November 30, 2024:

	<b>March 27, 2024 <sup>(2)</sup></b>	<b>November 14, 2024 <sup>(2)</sup></b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance as at November 30, 2024 <sup>(1)</sup></b>	<b>943</b>	<b>6,662</b>	<b>7,605</b>
Settlement of flow-through share premium liability upon incurring eligible expenditures	(943)	(415)	(1,358)
<b>Balance as at May 31, 2025 <sup>(1)</sup></b>	<b>-</b>	<b>6,247</b>	<b>6,247</b>

## Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

### 11. FLOW-THROUGH SHARE PREMIUM LIABILITY (continued)

	November 3, 2022	March 22, 2023	November 17, 2023	March 27, 2024 <sup>(2)</sup>	November 14, 2024 <sup>(2)</sup>	Total
	\$	\$	\$	\$	\$	\$
<b>Balance as at November 30, 2023 <sup>(1)</sup></b>	<b>151</b>	<b>2,166</b>	<b>3,568</b>	<b>-</b>	<b>-</b>	<b>5,885</b>
Liability incurred on new flow-through shares issued	-	-	-	3,270	6,662	9,932
Settlement of flow-through share premium liability upon incurring eligible expenditures	(151)	(2,166)	(3,568)	(2,327)	-	(8,212)
<b>Balance as at November 30, 2024 <sup>(1)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>943</b>	<b>6,662</b>	<b>7,605</b>

(1) Balances presented are the remaining flow-through share premium liability at each balance sheet date.

(2) Dates presented correspond to the completion of each flow-through financing tranche (Note 9).

As at May 31, 2025, the Company had \$14,469 (November 30, 2024 – \$18,666) 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 \$1,357 (2024 - \$7,395 in the Company's consolidated financial statements for the six months ended May 31, 2025).

### 12. FINANCIAL INSTRUMENTS

Financial assets are reviewed at the end of each reporting period for objective evidence indicating that changes in the market, economic, or legal environment has had a negative effect on the estimated future cash flows of the asset or group of assets. The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

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 and cash equivalents, accounts payable, accrued liabilities and lease liabilities 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 six months ended May 31, 2025 and 2024  
(Expressed in thousands of Canadian dollars unless otherwise noted)

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### 13. SEGMENT INFORMATION

The Company operates in a single reportable operating segment, being the acquisition, exploration and development of its Canadian exploration and evaluation properties.

### 14. RISK MANAGEMENT AND CAPITAL DISCLOSURES

The Company is exposed to various financial risks as detailed below:

#### Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's primary credit risk is associated with its Canadian cash balances, which are held through major Canadian financial institutions with high investment grade ratings. The carrying value of the Company's cash and cash equivalents totalling \$14,563 represents the Company's maximum exposure to credit risk as at May 31, 2025 (November 30, 2024 - \$21,011).

#### Liquidity Risk

Without operating revenues, the Company is subject to liquidity risk such that it may not be able to meet its obligations under its financial instruments as they fall due (Note 2). The Company manages this risk by maintaining cash balances to ensure that it is able to meet its short-term and long-term obligations as and when they fall due. Cash projections are regularly updated to reflect the dynamic nature of the business. To date, the Company's capital requirements have been met by equity subscriptions. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

#### Interest Rate Risk

Interest rate risk relates to the effect on the Company's financial instruments due to changes in market rates of interest. The Company holds cash and cash equivalents, which earn market rates of interest. The Company considers its interest rate risk in respect of these instruments to be immaterial.

#### Foreign Currency Risk

Foreign currency risk is the risk that the fair value of the Company's financial instruments will fluctuate due to changes in exchange rates. As at May 31, 2025, the Company carried immaterial accounts payable balances denominated in foreign currencies, which are subject to currency risk due to fluctuations in the exchange rates with the Canadian dollar. Due to the volatility of the exchange rates between the Canadian dollar, and the U.S. dollar, such exchange rate changes could result in future gains or losses to the Company.

#### Capital

The Company is in the business of mineral exploration and has no source of operating revenue. The Company has no long-term debt and typically finances its operations through the issuance of capital stock. Capital raised is held in cash in an interest-bearing bank account or guaranteed investment certificate until such time as it is required to pay operating expenses or exploration and evaluation costs. The Company is not subject to any externally imposed capital restrictions. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital as possible for exploration activities. The Company's objectives have not changed during the six months ended May 31, 2025.

**Li-FT Power Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

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**15. SUBSEQUENT EVENTS**

On July 14, 2025, the Company closed a definitive agreement with Power Metallic Mines Inc. for the sale of 313 mineral claims out of the 2,516 total mineral claims at its Rupert Project in Quebec. As consideration, the Company received \$700,000 in cash and 6,000,000 common shares of Power Metallic Mines Inc. (valued at \$1.16 per share on July 14, 2025), all of which are subject to a statutory hold period expiring on November 12, 2025, and ½ of which are subject to an additional contractual resale restriction ending on July 11, 2026, being the date which is 12 months from the closing. In addition, the Company retained a 0.5% net smelter returns (NSR) royalty on the claims, with no buyback provision.

On July 14, 2025, the Company granted 20,407 Deferred Share Units to certain independent directors of the Company in lieu of director fees for the fourth quarter, at a fair market value of \$2.51 per DSU. The DSUs were granted in accordance with the Company's Omnibus Share Incentive Plan, which was approved by shareholders on May 8, 2025.