



Li-FT POWER LTD.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended August 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 August 31, 2025 and November 30, 2024

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

	Note	August 31, 2025	November 30, 2024
Assets		\$	\$
Current			
Cash and cash equivalents	4	10,548	21,011
Amounts receivable		174	65
Prepaid expenditures	5	1,280	814
Short-term investments	6	8,400	-
Total current assets		20,402	21,890
Non-current			
Right-of-use leased assets		66	116
Exploration and evaluation properties	7	269,042	261,676
Equipment		270	343
Total Assets		289,780	284,025
Liabilities and Shareholders' Equity			
Current			
Accounts payable and accrued liabilities	8	2,210	2,056
Lease liabilities		79	71
Flow-through share premium liability	11	3,991	7,605
Total current liabilities		6,280	9,732
Non-current			
Lease liabilities		-	60
Deferred income tax liability		18,301	14,625
Total Liabilities		24,581	24,417
Share capital	9	261,534	260,993
Share-based payment reserve	9	6,422	4,938
Accumulated deficit		(2,757)	(6,323)
Total Equity		265,199	259,608
Total Liabilities and Shareholders' Equity		289,780	284,025

Going concern (Note 2)

Subsequent events (Note 15)

Approved and authorized for issuance by the Board of directors on October 23, 2025 by:

/s/ Paul Gruner

Paul Gruner, Director

/s/ Anthony Tse

Anthony Tse, 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, 2025 and 2024
(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

		Three months ended		Nine months ended	
	Note	August 31, 2025	August 31, 2024	August 31, 2025	August 31, 2024
Operating Expenses					
Amortization		41	41	123	133
Director fees	10	39	25	117	73
Exploration expenses		-	-	-	24
Filing fees		11	12	108	139
Investor relations		112	1,217	407	4,107
Management, consulting fees and salaries	10	195	163	582	540
Office expenses		94	69	288	239
Professional fees		54	132	338	315
Share-based compensation	9	227	356	940	1,353
Travel expense		30	55	201	224
Loss from operations		(803)	(2,070)	(3,104)	(7,147)
Gain on sale of exploration and evaluation properties	7	4,996	-	4,996	-
Fair value change on FVTPL investments	6	1,440	-	1,440	-
Interest income		94	53	404	298
Finance expenses and other		(3)	(5)	(10)	(16)
Foreign exchange		(4)	(11)	(19)	63
Income (loss) before income taxes		5,720	(2,033)	3,707	(6,802)
Deferred income tax recovery (expense)		(721)	604	(141)	2,611
Net income (loss) and comprehensive income (loss) for the period		4,999	(1,429)	3,566	(4,191)
Net income (loss) per share, basic and diluted		0.11	(0.03)	0.08	(0.10)
Weighted average shares outstanding, basic and diluted		47,335,337	42,733,337	47,286,067	41,931,297

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, 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
		\$	\$	\$	\$
Balance, November 30, 2023	40,864,177	239,912	2,547	2,733	245,192
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)	-	-	1,861	-	1,861
Net loss and comprehensive loss for the period	-	-	-	(4,191)	(4,191)
Balance, August 31, 2024	42,733,337	246,523	4,408	(1,458)	249,473
Balance, November 30, 2024	47,085,337	260,993	4,938	(6,323)	259,608
Shares issued for exploration and evaluation properties (Note 7 & 9)	250,000	705	-	-	705
Share-issuance costs	-	(164)	-	-	(164)
Share-based payments (Note 9)	-	-	1,484	-	1,484
Net income and comprehensive income for the period	-	-	-	3,566	3,566
Balance, August 31, 2025	47,335,337	261,534	6,422	(2,757)	265,199

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, 2025 and 2024

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

	August 31, 2025	August 31, 2024
	\$	\$
Cash flows from operating activities		
Net income (loss) for the year	3,566	(4,191)
Adjustments for:		
Amortization	123	133
Share-based payments (Note 9)	940	1,353
Fair value change on FVTPL investments (Note 6)	(1,440)	-
Gain on sale of exploration and evaluation properties (Note 7)	(4,996)	-
Deferred income tax recovery	62	(3,167)
Changes in non-cash working capital items:		
Decrease (increase) in amounts receivable	(109)	2,662
Increase in prepaid expenditures	(39)	(154)
Decrease in accounts payable and accrued liabilities	(661)	(385)
Total cash used in operating activities	(2,554)	(3,749)
Cash flows from investing activities		
Exploration and evaluation acquisition costs	(55)	(838)
Exploration and evaluation expenditures	(8,338)	(20,580)
Proceeds on sale of exploration and evaluation properties	700	-
Equipment purchases	-	(440)
Total cash used in investing activities	(7,693)	(21,858)
Cash flows from financing activities		
Proceeds from issuance of shares	-	10,691
Share issuance costs	(164)	(451)
Repayment of lease liabilities	(43)	(60)
Interest paid on lease liability	(9)	(15)
Total cash used in financing activities	(216)	10,165
Change in cash and cash equivalents	(10,463)	(15,442)
Cash and cash equivalents, beginning	21,011	17,737
Cash and cash equivalents, end	10,548	2,295
Supplemental information / non-cash flow items		
Share-based compensation relating to exploration and evaluation properties	544	1,160
Change in prepaid expenses relating to exploration and evaluation properties	427	3,520
Change in accounts payable and accrued liabilities relating to exploration and evaluation properties	(815)	161
Interest received in cash	395	298
Shares issued for exploration and evaluation acquisitions	705	-

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 nine months ended August 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 “LIFFF” 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 August 31, 2025, were approved, and authorized for issue by the Board of Directors on October 23, 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 nine months ended August 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

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

	August 31, 2025	November 30, 2024
	\$	\$
Cash	2,548	3,011
Cash equivalents	8,000	18,000
Total Cash and Cash Equivalents	10,548	21,011

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Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended August 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

5. PREPAID EXPENDITURES

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

	August 31, 2025	November 30, 2024
	\$	\$
Cash advance to Operator of Yellowknife exploration ⁽¹⁾	632	175
Cash advance to Operator of Quebec exploration ⁽¹⁾	483	512
Other prepaid expenditures	165	127
Total Prepaid Expenditures	1,280	814

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

6. SHORT-TERM INVESTMENTS

	August 31, 2025	November 30, 2024
	\$	\$
Fair value, at the beginning of the period	-	-
Initial recognition upon sale of exploration and evaluation properties	6,960	-
Fair value change in the period	1,440	-
Fair value, at the end of the period	8,400	-

The fair value of the Company's short-term investments in Power Metallic Mines Inc. (TSXV ticker symbol "PNPN") as at August 31, 2025, was \$8,400 (November 30, 2024 - \$nil). The 6,000,000 Power Metallic Mines Inc. shares are held as a strategic interest with less than a 10% interest in the investee and were designated as FVTPL.

During the nine months ended August 31, 2025, the Company recognized a change in fair value in short-term investments of \$1,440 (2024: \$nil), in the statement of net income (loss).

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Notes to the Condensed Interim Consolidated Financial Statements
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(Expressed in thousands of Canadian dollars unless otherwise noted)

7. EXPLORATION AND EVALUATION PROPERTIES

Exploration and evaluation properties include the following amounts as at August 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	
	\$	\$	\$	\$	\$	\$	\$
Balance, November 30, 2023	198,998	18,794	-	17,234	1,240	38	236,304
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)
Total exploration and evaluation expenditures	23,906	186	-	678	581	21	25,372
Balance, November 30, 2024	222,904	18,980	-	17,912	1,821	59	261,676
Acquisition costs	353	-	352	30	25	-	760
Exploration and evaluation expenditures							
Claims, taxes and holding costs	277	232	83	275	69	45	981
Salaries and share based payments	560	61	-	78	323	28	1,050
Drilling, exploration, and technical consultation	1,803	70	30	49	727	2	2,681
Assaying, field supplies and environmental consultation	3,865	205	26	3	221	-	4,320
Travel and other project expenses	901	9	-	15	19	-	944
Sale of mineral claims	-	-	-	(2,664)	-	-	(2,664)
Revenue Quebec Exploration Tax Credit	-	-	-	(706)	-	-	(706)
Total exploration and evaluation expenditures	7,759	577	491	(2,920)	1,384	75	7,366
Balance, August 31, 2025	230,663	19,557	491	14,992	3,205	134	269,042

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Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended August 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

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 TL 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.

Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended August 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

7. EXPLORATION AND EVALUATION PROPERTIES (continued)

NORTH ARROW 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.

(ii) QUEBEC

RUPERT PROJECT

The following are the key agreements relating to the Rupert Project:

(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").

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.

(b) Disposal of mineral claims to Power Metallic Mines Inc.

On July 14, 2025, the Company closed a definitive agreement with Power Metallic Mines Inc. for the sale of 313 mineral claims at its Rupert Project in Quebec, which left 2,203 total mineral claims owned by the Company. As consideration, the Company received \$700 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 3,000,000, or one half, being subject to an additional contractual resale restriction ending on July 11, 2026. In addition, the Company was granted a 0.5% net smelter returns (NSR) royalty on the 313 mineral claims, with no buyback provision.

Li-FT Power Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended August 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

7. EXPLORATION AND EVALUATION PROPERTIES (continued)

Total cash consideration received	\$700
Total value of shares received (6,000,000 shares at \$1.16/share)	\$6,960
Total consideration received	\$7,660
Net assets disposed	
Exploration and evaluation properties (Note 7) – Rupert Project	(2,664)
Gain on sale of exploration and evaluation properties	\$4,996

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); and
- (v) incurred \$1,650 in expenditures on the Pontax Property during the first option period which ends on the third anniversary date (satisfied).

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 (see Note 15).

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.

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Notes to the Condensed Interim Consolidated Financial Statements
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(Expressed in thousands of Canadian dollars unless otherwise noted)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	August 31, 2025	November 30, 2024
	\$	\$
Accounts payable	1,586	260
Accrued liabilities	624	1,796
Total Accounts Payable and Accrued Liabilities	2,210	2,056

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 nine months ended August 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.

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Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended August 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 July 30, 2025, the Company granted 400,000 stock options for a period of five years at an exercise price of \$2.54 per share to an employee of the Company. A third of the options vest on each of the 12, 24, and 36-month anniversary dates.

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 nine months ended August 31, 2025 and year ended November 30, 2024, are as follows:

	August 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	929,500	\$3.17	455,000	\$7.10
Forfeiture	(30,000)	\$3.65	(135,000)	\$9.44
Outstanding, ending	1,894,500	\$3.16	995,000	\$8.84

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Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended August 31, 2025 and 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

9. SHARE CAPITAL (continued)

As at August 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	2.62	\$10.00	April 15, 2028	385,000
80,000	2.68	\$10.00	May 3, 2028	80,000
80,000	2.75	\$10.00	June 1, 2028	80,000
20,000	3.05	\$10.00	September 18, 2028	15,000
15,000	3.27	\$10.00	December 5, 2028	11,250
385,000	3.35	\$7.00	January 8, 2029	227,500
30,000	3.72	\$7.00	May 21, 2029	15,000
469,500	4.30	\$3.65	December 19, 2029	249,750
30,000	4.67	\$3.65	May 31, 2030	-
400,000	4.92	\$2.54	July 30, 2030	-
1,894,500	3.74			1,063,500

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 nine months ended August 31, 2025, share based payments expense is classified within the condensed interim consolidated financial statements as follows: operating expenses - \$940 (2024 - \$1,353) and exploration and evaluation properties \$544 (2024 - \$1,160) for total share-based payments expense - \$1,484 (2024 - \$2,513).

The total fair value of the stock options granted in the nine months period ended August 31, 2025 was estimated to be \$1,730 (weighted average fair value of \$1.86 per option), calculated using the Black-Scholes Option Pricing Model, which used the following weighted average assumptions:

	Nine months ended August 31, 2025
Exercise price	\$3.17
Expected volatility	95%
Expected life of option	5 years
Risk-free annual interest	3.08%
Expected annual dividend	0%
Forfeiture rate	0%

d) Deferred share units

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

	August 31, 2025 Number of units	November 30, 2024 Number of units
Outstanding, beginning	7,544	-
Granted	38,382	7,544
Outstanding, ending	45,926	7,544

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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 nine months ended August 31, 2025, the Company granted 38,382 deferred share units (2024 – 7,544) with a fair value of \$76 (2024 – 20).

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 nine months ended August 31, 2025 and 2024 is as follows:

Service or Item	August 31, 2025	August 31, 2024
	\$	\$
Directors' fees	117	48
Management, consulting fees and salaries	804	475
Share-based compensation (expensed and capitalized)	1,193	1,396
Total	2,114	1,919

Included in accounts payable and accrued liabilities as at August 31, 2025 was \$140 due to related parties (August 31, 2024 - \$97).

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 nine months ended August 31, 2025 and for the year ended November 30, 2024:

	March 27, 2024 ⁽²⁾	November 14, 2024 ⁽²⁾	Total
	\$	\$	\$
Balance as at November 30, 2024 ⁽¹⁾	943	6,662	7,605
Settlement of flow-through share premium liability upon incurring eligible expenditures	(943)	(2,671)	(3,614)
Balance as at August 31, 2025 ⁽¹⁾	-	3,991	3,991

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11. FLOW-THROUGH SHARE PREMIUM LIABILITY (continued)

	November 3, 2022	March 22, 2023	November 17, 2023	March 27, 2024 (2)	November 14, 2024 (2)	Total
	\$	\$	\$	\$	\$	\$
Balance as at November 30, 2023 (1)	151	2,166	3,568	-	-	5,885
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)
Balance as at November 30, 2024 (1)	-	-	-	943	6,662	7,605

(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 August 31, 2025, the Company had \$9,242 (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 \$3,614 (2024 - \$8,014) in the Company's consolidated interim financial statements for the nine months ended August 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).

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12. FINANCIAL INSTRUMENTS (continued)

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. The fair value of short-term investments, which are classified as level 1 within the fair value hierarchy, is determined by obtaining the quoted market price of the short-term investment and multiplying it by foreign exchange rate, if applicable, and the quantity of shares held by the Company.

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 \$10,548 represents the Company's maximum exposure to credit risk as at August 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 August 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.

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14. RISK MANAGEMENT AND CAPITAL DISCLOSURES (continued)

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 nine months ended August 31, 2025.

15. SUBSEQUENT EVENTS

On September 23, 2025, the Company announced it has elected to proceed with the second option in respect of the Pontax Property located in the Eeyou-Istchee James Bay region in Quebec approximately 220 kilometres north of Matagami (the "Pontax Property"), pursuant to an option agreement between the Company and Harfang Exploration Inc. ("Harfang") dated July 20, 2022. The Company satisfied the \$50 in shares by issuing 14,044 common shares of the Company at a deemed price of \$3.56 per share. The Consideration Shares will be subject to a statutory hold period expiring on January 16, 2026, in accordance with applicable securities laws.

Subsequent to August 31, 2025, the Company granted 8,422 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 \$2.30 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.