Li-FT POWER LTD.

Consolidated Financial Statements

For the Thirteen Months Ended December 31, 2025 and Twelve Months Ended November 30, 2024

(Expressed in thousands of Canadian dollars unless otherwise noted)

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Independent Auditor's Report

To the Shareholders of Li-FT Power Ltd.

Opinion

We have audited the consolidated financial statements of Li-FT Power Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and November 30, 2024, and the consolidated statements of net income (loss) and comprehensive income (loss), changes in shareholders' equity, and cash flows for the 13-month and 12-month periods then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025 and November 30, 2024, and its consolidated financial performance and its consolidated cash flows for the periods then ended in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively "IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company has incurred losses from inception and does not currently have the financial resources to sustain its operations and exploration programs. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Assessment of Impairment Indicators for Exploration and Evaluation Properties

Description of the key audit matter

At each reporting date, management assesses the Company's exploration and evaluation properties for indicators of impairment in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources* ("IFRS 6"). This assessment involves judgment, including whether the rights to tenure for the areas of interest are current, and the Company's ability and intention to continue to evaluate and develop the area of interest. We have therefore considered this a Key Audit Matter due to the judgment involved in the assessment of indicators of impairment.

Please refer to Notes 3(b) and 3(c) to the consolidated financial statements for the Company's accounting policies on exploration and evaluation properties and Notes 4(i)(b) and 9 which details the critical judgments used in assessing impairment indicators and other details relating to the exploration and evaluation properties.

How the key audit matter was addressed in the audit

Our approach in addressing this matter included the following procedures, among others:

- Obtained and examined management's assessment of impairment indicators under IFRS 6;
- Obtained an understanding of the current exploration program and any associated risks through discussions with management and technical staff and review of publicly available project updates and supporting documentation;
- Assessed that the Company's right to tenure for the areas of interest are current, which included obtaining supporting documentation and performing title search for the exploration licenses;
- Considered the Company's ability and intention to continue to evaluate the areas of interest, which included performing an assessment of the Company's provisional budget, discussions with management as to their intentions and the strategy of the Company, relevant market factors, and comparison of these to other corroborating information; and
- Assessed the adequacy of the disclosures in the consolidated financial statements, including disclosures related to significant judgments and estimates.

Other Information

Management is responsible for the other information. The information, other than the consolidated financial statements and our auditor's report thereon, included the Management Discussion and Analysis (the "MD&A").

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the MD&A prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Rob Scupham.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
February 6, 2026

Li-FT POWER LTD.

Consolidated Statements of Financial Position
As at December 31, 2025 and November 30, 2024
(Expressed in thousands of Canadian dollars unless otherwise noted)

	Note	December 31, 2025	November 30, 2024
Assets		**$**	**$**
Current			
Cash and cash equivalents	5	1,816	21,011
Amounts receivable	6	590	65
Prepaid expenditures	7	861	814
Short-term investments	8	3,750	-
Total current assets		**7,017**	**21,890**
Non-current			
Right-of-use leased assets		44	116
Exploration and evaluation properties	10	279,769	261,676
Equipment		238	343
Total Assets		**287,068**	**284,025**
Liabilities and Shareholders' Equity			
Current			
Accounts payable and accrued liabilities	11	3,226	2,056
Lease liabilities		54	71
Flow-through share premium liability	14	-	7,605
Total current liabilities		**3,280**	**9,732**
Non-current			
Lease liabilities		-	60
Deferred income tax liability	17	19,414	14,625
Total Liabilities		**22,694**	**24,417**
Share capital	12	261,597	260,993
Share-based payment reserve	12	6,776	4,938
Accumulated deficit		(3,999)	(6,323)
Total Equity		**264,374**	**259,608**
Total Liabilities and Shareholders' Equity		**287,068**	**284,025**

Going concern (Note 2)
Subsequent events (Note 19)

Approved and authorized for issuance by the Board of directors on February 6, 2026 by:

/s/ Paul Gruner	*/s/ Andree St-Germain*
Paul Gruner, Director	Andree St-Germain, Director

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

Li-FT POWER LTD.
Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss)
For the thirteen months ended December 31, 2025 and the twelve months ended November 30, 2024
(Expressed in thousands of Canadian dollars unless otherwise noted)

	Note	December 31, 2025	November 30, 2024
		$	**$**
Operating expenses			
Amortization		177	174
Director fees	13	161	98
Exploration expenses		-	24
Filing fees		173	152
Investor relations		991	5,009
Management, consulting fees and salaries	13	1,227	811
Office expenses		407	315
Professional fees		437	389
Share-based payments	12	1,220	1,682
Travel expense		390	305
Write down of terminated option agreement		-	1,408
Loss from operations		**(5,183)**	**(10,367)**
Gain on sale of exploration and evaluation properties	10	4,996	-
Fair value change on FVTPL investments	8	270	-
Finance and other expenses		(312)	(80)
Foreign exchange		(53)	46
Interest income		442	348
Loss on sale of investments	8	(573)	-
Loss before income taxes		**(413)**	**(10,053)**
Deferred income tax recovery	17	2,737	997
Net income (loss) and comprehensive income (loss)		**2,324**	**(9,056)**
Net income (loss) per share, basic	12	0.05	(0.21)
Net income (loss) per share, diluted	12	0.05	(0.21)
Weighted average shares outstanding, basic		**47,305,650**	**42,322,668**
Weighted average shares outstanding, diluted		**48,252,625**	**42,322,668**

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

Li-FT POWER LTD.

Consolidated Statement of Changes in Shareholders' Equity
For the thirteen months ended December 31, 2025 and the twelve months ended November 30, 2024
(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 exploration and evaluation properties (Note 10 & 12)	12,000	33	-	-	33
Proceeds from equity placements, net of issuance costs (Note 12)	6,209,160	30,979	-	-	30,979
Flow-through share premium liability (Note 14)	-	(9,931)	-	-	(9,931)
Share-based payments (Note 12)	-	-	2,391	-	2,391
Net income and comprehensive income for the year	-	-	-	(9,056)	(9,056)
Balance, November 30, 2024	**47,085,337**	**260,993**	**4,938**	**(6,323)**	**259,608**
Shares issued for exploration and evaluation properties (Note 10 & 12)	264,044	755	-	-	755
Share-issuance costs	-	(164)	-	-	(164)
Deferred share units settled (Note 12)	3,744	13	(13)	-	-
Share-based payments (Note 12)	-		1,851	-	1,851
Net loss and comprehensive loss for the year	-		-	2,324	2,324
Balance, December 31, 2025	**47,353,125**	**261,597**	**6,776**	**(3,999)**	**264,374**

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

Li-FT POWER LTD.
Consolidated Statements of Cash Flows
For the thirteen months ended December 31, 2025 and the twelve months ended November 30, 2024
(Expressed in thousands of Canadian dollars unless otherwise noted)

	December 31, 2025	November 30, 2024
	$	$
Cash flows from operating activities		
Net income (loss) for the year	2,324	(9,056)
Adjustments for:		
Amortization	177	174
Write down of terminated option agreement (Note 10)	-	1,408
Share-based payments (Note 12)	1,220	1,682
Fair value change on FVTPL investments (Note 8)	(270)	-
Gain on sale of exploration and evaluation properties (Note 10)	(4,996)	-
Loss on sale of short-term investments (Note 8)	573	-
Deferred income tax recovery (Note 17)	(2,816)	(1,728)
Changes in non-cash working capital items:		
Decrease (increase) in amounts receivable	(525)	2,662
Decrease (increase) in prepaid expenditures	(389)	578
Increase (decrease) in accounts payable and accrued liabilities	(63)	377
Total cash used in operating activities	**(4,765)**	**(3,903)**
Cash flows from investing activities		
Exploration and evaluation acquisition costs	(55)	(805)
Exploration and evaluation expenditures	(17,741)	(22,516)
Equipment purchases	-	(440)
Proceeds on sale of exploration and evaluation properties (Note 10)	700	-
Proceeds from sale of short-term investments (Note 8)	2,907	-
Total cash used in investing activities	**(14,189)**	**(23,761)**
Cash flows from financing activities		
Proceeds from issuance of shares (Note 12)	-	31,387
Share issuance cost	(164)	(350)
Repayment of lease liabilities	(66)	(80)
Interest paid on lease liability	(11)	(19)
Total cash provided by financing activities	**(241)**	**30,938**
Change in cash and cash equivalents	**(19,195)**	**3,274**
Cash and cash equivalents, beginning	**21,011**	**17,737**
Cash and cash equivalents, end	**1,816**	**21,011**
Supplemental information / non-cash flow items		
Share-based compensation relating to exploration and evaluation properties	536	1,341
Change in prepaid expenses relating to exploration and evaluation properties	344	(3,239)
Change in accounts payable and accrued liabilities relating to exploration and evaluation properties	(1,233)	(522)
Disposal of mineral claims to Power Metallic Mines Inc.	2,664	-
Power Metallic Mines Inc. value of shares received from disposal of mineral claims	6,960	-
Interest received in cash	434	319

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

(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.

In December 2025, the Company announced the change in its fiscal year end from November 30 to December 31, effective as of December 31, 2025. Accordingly, for the 2025 reporting period, the Company will report its audited financial statements for the thirteen month period ended December 31, 2025, along with its comparative figures for the twelve month period ended November 30, 2024.

2. BASIS OF PRESENTATION AND GOING CONCERN

These consolidated financial statements of the Company, including comparatives, have been prepared in accordance with accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively "IFRS accounting standards") 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 and these 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 advantageous to the Company.

The 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 consolidated financial statements of the Company for the thirteen months ended December 31, 2025, were approved, and authorized for issue by the Board of Directors on February 6, 2026.

Basis of Consolidation

For the current financial period beginning on December 1, 2024, these 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

Following the acquisition described in Note 9, intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

(a) New accounting standards issued but not effective

The IASB 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 is a new standard that will provide new presentation and disclosure requirements and replace 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.

(b) Exploration and evaluation properties

The Company is currently in the exploration stage in respect of its exploration and evaluation properties. Exploration and evaluation expenditures include the costs of acquiring licenses, option payments, costs incurred to explore and evaluate properties, and the fair value, upon acquisition, of exploration and evaluation properties acquired in a business combination or a business combination accounted for as an asset acquisition. The Company capitalizes expenditures associated with the acquisition of exploration and evaluation assets through asset acquisition and the costs of significant property acquisitions to the extent that such costs can be directly attributed to an area of interest where it is considered likely that such costs will be recoverable by future mining or sale of the acquired property. Development costs relating to specific exploration and evaluation properties are capitalized once management has made a development decision and as approved by the Board when technical feasibility and commercial viability is confirmed via NI 43-101 compliant report. From time to time, the Company may acquire or dispose of exploration and evaluation property interests pursuant to the terms of option agreements. Where such options are exercisable entirely at the discretion of the optionee, the related amounts are recorded in the period they are paid or received. The Company does not accrue costs to maintain mineral interests in good standing. Expenditure recoveries are recorded in the period that reasonable assurance of the receipt of such recovery is received.

(c) Impairment of exploration and evaluation properties

The carrying values of exploration and evaluation properties are reviewed at the end of each reporting period for indications of impairment. Exploration and evaluation properties are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Should indications of impairment exist, the recoverable amount of the asset is estimated as the higher of fair value less selling costs and value-in-use. Fair value is estimated as the net amount that would be realized from the sale of the asset to a knowledgeable and willing arm's length party. Value-in-use is determined using estimated future cash flows, discounted using a pre-tax discount rate that reflects the time value of money and risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount by an impairment charge that is recognized in profit or loss for the period.

3. MATERIAL ACCOUNTING POLICIES (continued)

Where an impairment charge is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum of its original carrying value, with the reversal being recognized in profit or loss for the period. The Company recorded an impairment as at November 30 ,2024 related to the termination of its option agreement to acquire Thompson Lundmark Property (Note 10).

(d) Provision for reclamation and remediation

The Company recognizes reclamation and remediation liabilities for legal, statutory, contractual, and constructive obligations associated with the reclamation or rehabilitation of exploration and evaluation properties that the Company is required to settle. The Company recognizes the fair value of liabilities for such obligations in the period in which they occur or in the period in which a reasonable estimate of such costs can be made. The obligation is recorded as a liability with the corresponding expenditure capitalized to underlying exploration and evaluation property. The liability is accreted over time to reflect an interest element in the estimated future cash flows considered in the initial measurement. The Company's estimates of provisions for reclamation and remediation liabilities could change as a result of changes in regulations, the discount rate, the extent of environmental remediation required, the means of reclamation, or the cost estimates. Changes in estimates are recorded in the period in which the estimates are revised. The Company has determined that it had no material reclamation and remediation obligations as at December 31, 2025 or November 30, 2024.

(d) Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(e) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability. The Company’s common shares and stock options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

3. MATERIAL ACCOUNTING POLICIES (continued)

The Company may, from time to time, issue flow-through common shares to finance its Canadian exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share using the residual value method into: i) share capital; and ii) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability.

The Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as deferred income tax recovery and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company indemnifies the subscribers of flow-through shares against certain tax related amounts that become due related to their flow-through subscriptions.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial liability until paid.

(f) Income (loss) per share

Basic income (loss) per share is computed by dividing the net income (loss) applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted earnings (loss) per common share is computed by dividing the net earnings (loss) applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

(g) Share-based payments

The Company's Stock Option Plan (the "Option Plan") provides the Company's employees and consultants with the right to elect to receive common shares in exchange for options surrendered. The Company records compensation expense over the graded vesting period based on the fair value of options granted. Compensation expense is recorded in the statement of earnings (loss) and comprehensive earnings (loss) as share-based payments expense and capitalized to exploration and evaluation properties with a corresponding credit to share-based payment reserve. When stock options are exercised, the proceeds, together with the amount recorded in share-based payment reserve, are recorded in share capital. The fair value of stock options granted is estimated using the Black-Scholes option pricing model, taking into account amounts that are believed to approximate the forfeiture rate, volatility of the trading price of the Company's shares, the expected lives of the awards of share-based payments, the fair value of the Company's stock and the risk-free interest rate, as determined at the grant date. Forfeitures are estimated through the vesting period based on past experience and future expectations, and adjusted upon actual vesting.

(h) Short-term investments

Short-term investments include investments in shares of companies and other investments capable of reasonably prompt liquidation. Short-term investments are measured at fair value through profit and loss and carried at fair value. Unrealized gains and losses are recognized in earnings (loss).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS requires management to make estimates, judgements, and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the period. The Company's most significant accounting judgements relate to the going concern assessment, ongoing viability of its exploration and evaluation properties, determining if an acquisition is a business combination or an asset acquisition, and the assumptions used to estimate share-based compensation.

(i) SIGNIFICANT JUDGEMENT

(a) Going concern

In preparation of these consolidated financial statements on a going concern basis, as disclosed in Note 2, management's critical judgement is that the Company will be able to meet its obligations and continue its operations for the next twelve months. Actual amounts could differ from these estimates.

(b) Impairment indicators for exploration and evaluations properties

Management must also determine if there are indicators that its rights to explore its exploration and evaluation properties have expired or may expire in the future, that future exploration and evaluation plans are not warranted, or that the development of the properties or portions thereof is unlikely to recover existing exploration and evaluation costs. Should any of these indicators be present, the exploration and evaluation properties could be impaired. As of December 31, 2025, there were no indicators of impairment present.

(c) Business combination or asset acquisition

With each acquisition, the Company has to determine whether it should be accounted for as a business combination or an asset acquisition. As dictated by IFRS 3, the components of a business must include inputs, processes and outputs. Management has assessed its acquisition and has concluded that it did not include all the necessary components of a business. As such, it was recorded as an asset acquisition, being the purchase of exploration and evaluation properties and/or working capital.

(ii) SIGNIFICANT ESTIMATES

(a) Share-based payments

The Company uses the Black-Scholes Option-Pricing Model to estimate the fair value of stock options, which requires the input of subjective assumptions including the expected price volatility of the Company's common shares and the expected life and forfeiture rate of the security. Changes in these subjective input assumptions can materially affect the fair value estimate.

(Expressed in thousands of Canadian dollars unless otherwise noted)

5. CASH AND CASH EQUIVALENTS

	December 31, 2025	November 30, 2024
	$	$
Cash	1,816	3,011
Cash equivalents	-	18,000
Total Cash and Cash Equivalents	**1,816**	**21,011**

The balance at December 31, 2025 consists of $1,816 in cash (November 30, 2024 – $3,011 in cash and $18,000 in cash equivalent guaranteed investment certificates ("GIC"). GIC's are redeemable on a monthly basis, with the annual interest rates ranging between 3.76% and 3.85%. Interest income earned during the thirteen months ended was $442 (November 30, 2024 - $348) which primarily related to interest earned from cash deposits and GIC's entered during the 2025 financial year.

6. AMOUNTS RECEIVABLE

The Company's amounts receivable as at December 31, 2025 and November 30, 2024 consist of the following amounts:

	December 31, 2025	November 30, 2024
	$	$
Goods and service tax receivable	590	42
Interest receivable	-	23
Total Amounts Receivable	**590**	**65**

7. PREPAID EXPENDITURES

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

	December 31, 2025	November 30, 2024
	$	$
Cash advance to Operator of Yellowknife exploration (1)	262	175
Cash advance to Operator of Quebec exploration (1)	83	512
Other prepaid expenditures	516	127
Total Prepaid Expenditures	**861**	**814**

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

(Expressed in thousands of Canadian dollars unless otherwise noted)

8. SHORT-TERM INVESTMENTS

	December 31, 2025	November 30, 2024
	$	$
Fair value, at the beginning of the period	-	-
Initial recognition upon sale of exploration and evaluation properties	6,960	-
Disposal for the period	(2,907)	-
Realized loss from sale of short-term investments	(573)	
Fair value change in the period	270	-
Fair value, at the end of the period	**3,750**	**-**

The fair value of the Company's short-term investments in Power Metallic Mines Inc. (TSXV ticker symbol "PNPN") as at December 31, 2025, was $3,750 (November 30, 2024 - $nil). The 6,000,000 PNPN shares are held as a strategic interest with less than a 10% interest in the investee and were designated as FVTPL. As of December 31, 2025, 3,000,000 of these PNPN shares had been sold.

During the thirteen months ended December 31, 2025, the Company recorded dispositions of $2,907 (2024: $nil) and realized loss of $573 (2024: $nil) from the sale of the Company's short-term investments. In addition, the Company recognized a change in fair value in short-term investments of $270 in net gain (2024: $nil), in the statement of net income (loss).

9. 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 ("YLP") 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.

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.

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 12)	**$198,000**
Assets acquired and liabilities assumed	
Cash received	10,375
Loan receivable from Li-FT Power Ltd	755
Accounts payable	(46)
Exploration and evaluation properties – YLP	168,916
Exploration and evaluation properties – Cali	18,000
Net assets acquired	**$198,000**

(Expressed in thousands of Canadian dollars unless otherwise noted)

10. EXPLORATION AND EVALUATION PROPERTIES

Exploration and evaluation properties include the following amounts as at December 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	75	-	810
Exploration and evaluation expenditures							
Claims, taxes and holding costs	303	422	83	307	79	47	1,241
Salaries and share based payments	1,156	117	-	103	356	38	1,770
Drilling, exploration, and technical consultation	5,471	130	178	295	779	4	6,857
Assaying, field supplies and environmental consultation	8,215	271	265	96	224	-	9,071
Travel and other project expenses	1,612	9	-	38	55	-	1,714
Sale of mineral claims	-	-	-	(2,664)	-	-	(2,664)
Revenue Quebec Exploration Tax Credit	-	-	-	(706)	-	-	(706)
Total exploration and evaluation expenditures	17,110	949	878	(2,501)	1,568	89	18,093
Balance, December 31, 2025	**240,014**	**19,929**	**878**	**15,411**	**3,389**	**148**	**279,769**

10. 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. and the core of the Yellowknife Lithium Project (see Note 9). 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 “TL Property“), which comprises additional contiguous mineral leases, whereby the Company had been granted the sole and exclusive right to acquire a 100% interest in the TL Property (the “YLP Option“). To exercise the YLP option, the Company was 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.

CALI PROJECT

The Cali Project, acquired as part of the Yellowknife Lithium Project acquisition on December 30, 2022, 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 Property is subject to a 2% gross overriding royalty.

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).

(Expressed in thousands of Canadian dollars unless otherwise noted)

10. EXPLORATION AND EVALUATION PROPERTIES (continued)

(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”).

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.

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**

(c) Nottaway Lithium Project

On January 31, 2025, the Company entered into an agreement with a private individual for an option to purchase the Nottaway Project for the following terms:

Cash payments:
- (i) $30 on signing (paid)
- (ii) $50 on or before the first anniversary (paid subsequent to period end) and;
- (iii) $500 on or before the second anniversary date.

10. EXPLORATION AND EVALUATION PROPERTIES (continued)

Exploration expenditures:

(i) $50 in exploration expenditures by the first anniversary (satisfied subsequent to period end); and
(ii) $200 in exploration expenditures on or before the second anniversary.

Royalty interest:

(i) 1% NSR with 0.5% buyable for $500

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 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) incurring $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.

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.

(Expressed in thousands of Canadian dollars unless otherwise noted)

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2025	November 30, 2024
	$	$
Accounts payable	1,334	260
Accrued liabilities	1,892	1,796
Total accounts payable and accrued liabilities	**3,226**	**2,056**

12. 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 twelve months ended November 30, 2024:

On November 14, 2024, the Company completed 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 brokered 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 thirteen months ended December 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 twelve months 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.

(Expressed in thousands of Canadian dollars unless otherwise noted)

12. 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 thirteen months ended December 31, 2025 and twelve months ended November 30, 2024, are as follows:

	December 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**	**$6.14**	**995,000**	**$8.84**

(Expressed in thousands of Canadian dollars unless otherwise noted)

12. SHARE CAPITAL (continued)

As at December 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	2.29	$10.00	April 15, 2028	385,000
80,000	2.35	$10.00	May 3, 2028	80,000
80,000	2.42	$10.00	June 1, 2028	80,000
20,000	2.72	$10.00	September 18, 2028	20,000
15,000	2.93	$10.00	December 5, 2028	15,000
385,000	3.01	$7.00	January 8, 2029	262,500
30,000	3.39	$7.00	May 21, 2029	22,500
469,500	3.97	$3.65	December 19, 2029	329,625
30,000	4.33	$3.65	May 31, 2030	10,000
400,000	4.58	$2.54	July 30, 2030	-
1,894,500	**3.40**			**1,204,625**

Certain stock options granted were directly attributable to expenditures on the exploration and evaluation properties and were therefore capitalized. For the thirteen months ended December 31, 2025, share based payments expense is classified within the consolidated financial statements as follows: operating expenses - $1,220 (2024 - $1,682) and exploration and evaluation properties $536 (2024 - $1,341) for total share based payments expense - $1,756 (2024 - $3,023).

The total fair value of the stock options granted in the thirteen months ended, December 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:

	Thirteen months ended December 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 thirteen months ended December 31, 2025 and twelve months ended November 30, 2024 are summarized as follows:

	Thirteen months ended December 31, 2025 Number of units	Twelve months ended November 30, 2024 Number of units
Outstanding, beginning	7,544	-
Granted	54,693	7,544
Settled	(3,744)	-
Outstanding, ending	**58,493**	**7,544**

(Expressed in thousands of Canadian dollars unless otherwise noted)

12. 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 thirteen months ended December 31, 2025, there were 3,744 settled DSUs with a fair value of $13 (November 30, 2024 – $nil)

13. 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 thirteen months ended December 31, 2025 and twelve months ended November 30, 2024 are as follows:

Service or Item	**December 31, 2025**	**November 30, 2024**
	$	**$**
Directors' fees	161	98
Management, consulting fees and salaries	1,766	1,098
Share based compensation (expensed and capitalized)	1,462	2,063
Total	**3,389**	**3,259**

Included in accounts payable and accrued liabilities as at December 31, 2025 was $663 due to related parties (2024 - $204).

14. 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 thirteen months ended December 31, 2025 and twelve months 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)	(6,662)	**(7,605)**
Balance as at December 31, 2025 (1)	**-**	**-**	**-**

(Expressed in thousands of Canadian dollars unless otherwise noted)

14. FLOW-THROUGH SHARE PREMIUM LIABILITY

	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 (Note 12)

As at December 31, 2025, the Company had $nil (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 $7,526 (2024 - $8,014) in the Company's consolidated financial statements for the thirteen months ended December 31, 2025.

15. 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).

(Expressed in thousands of Canadian dollars unless otherwise noted)

15. 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.

16. SEGMENT INFORMATION

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

17. INCOME TAXES

The income taxes recognized in the statement of net income (loss) are as follows:

	December 31, 2025	November 30, 2024
	$	$
Current tax recovery (expense)	-	-
Deferred tax recovery (expense)	2,737	997
Total income tax recovery (expense)	**2,737**	**997**

The provision for income taxes reported differs from the amounts computed by applying statutory Canadian Federal and provincial tax rates to loss before tax due to the following:

	December 31, 2025	November 30, 2024
	$	$
Loss for the year before income taxes	(413)	(10,053)
Statutory tax rate	27.0%	27.0%
Expected income tax recovery at the statutory tax rate	(112)	(2,714)
Permanent differences	1,182	499
Impact of flow through shares	(2,698)	(1,097)
Impact of share issue costs	(44)	(122)
Unrecognized deferred tax assets	(976)	1,755
Other	(89)	682
Income tax recovery	**(2,737)**	**(997)**

(Expressed in thousands of Canadian dollars unless otherwise noted)

17. INCOME TAXES (continued)

The approximate tax effect of each item that gives rise to the Company's recognized deferred tax assets and liabilities are as follows:

	December 31, 2025	November 30, 2024
	$	$
Deferred income tax assets		
Property, plant and equipment	10	-
Non-capital loss carry-forwards	3,617	1,344
Share issue costs	575	786
Other	34	4
	4,202	2,134
Deferred income tax liabilities		
Exploration and evaluation properties	(23,582)	(16,759)
Other	-	-
Net deferred income tax liability	**(19,414)**	**(14,625)**

The Company's movement of net deferred tax liabilities is described below:

	December 31, 2025	November 30, 2024
	$	$
As at December 1	(14,625)	(8,084)
Deferred tax recovery	2,737	997
Deferred tax recovery (reversal of flow through share liability)	(7,526)	(8,195)
Deferred income tax asset through share issuance costs	-	657
Balance as of period end	**(19,414)**	**(14,625)**

As at December 31, 2025, the Company has non-capital losses in Canada totaling approximately $16,583 (2024: $11,933) that expire in 2040 and 2045, which are available to offset future taxable income in Canada.

18. 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 $1,816 represents the Company's maximum exposure to credit risk as at December 31, 2025 (November 30, 2024 - $21,011).

18. RISK MANAGEMENT AND CAPITAL DISCLOSURES (continued)

Liquidity Risk

Without operating revenues, the Company is subject to liquidity risk such that it may not be able to meets its obligations under its financial instruments as they fall due (Note 2). The Company manages this risk by maintaining cash balances and short-term investments 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.

Price Risk

Price risk is the risk that the fair value of financial instruments will fluctuate due to changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to the individual instrument or its issuer, or factors affecting all similar instruments traded in the market. The Company's exposure to price risk relates mainly to its investments in publicly traded equity securities. Based on the Company's short-term investments held as at December 31, 2025 a 10% change in the equity prices of these investments would have an impact of approximately $375 on net income for the period.

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 December 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 thirteen months ended December 31, 2025.

19. SUBSEQUENT EVENTS

On December 15, 2025, the Company announced a binding scheme of arrangement to acquire 100% of the issued securities of Winsome Resources Limited (“Winsome”), which holds a 100% interest in the Adina lithium project. Under the terms of the transaction, Winsome shareholders will receive 0.107 of the Company’s common share or equivalent CDI (representing one share of the Company) for each Winsome share held. The transaction remains subject to customary closing conditions.

On December 15, 2025, the Company entered into a non-binding letter of intent with SOQUEM Inc. to acquire 25% interest in the Galinée property. Consideration for SOQUEM’s 25% interest consists of the issuance of 1,000,000 common shares. The transaction is subject to customary closing conditions.

On December 24, 2025, the Company entered into a definitive agreement with Azimut Exploration Inc. in the Galinée property, which forms part of the broader Adina project area. Consideration for Azimut’s 50% interest includes the issuance of 2,000,000 common shares, the granting of a 1.4% net smelter return royalty, and deferred consideration of $1,500,000 payable in cash or shares upon the earlier of completion of an economic study or 18 months. The transaction is subject to customary closing conditions.

Subsequent to December 31, 2025, the Company granted 2,065,000 stock options and 87,300 restricted share units. Each option is exercisable into one common share of the Company at an exercise price of $7.50 per Option and expires in five years from the date of grant. The options vest 25% on grant date and an additional 25% on each 6/12/18-month anniversary. The RSUs were granted in lieu of annual cash bonuses, and each RSU entitles the holder to receive one common share of the

Company upon settlement which will occur 12 months from the date of grant, in accordance with terms of the Plan.

In addition, the Company granted 7,889 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 $7.50 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.

On January 29, 2026, the Company announced the closing of private placement, wherein the Company entered into an underwriting agreement with Canaccord Genuity Corp. for a financing of aggregate gross proceeds of up to $48,167. The offering includes (i) 3,876,000 flow-through subscription receipts priced at $6.88 for gross proceeds of $26,667 and 2,209,300 non-flow-through subscription receipts priced at $4.30 for gross proceeds of 9,500, the flow-through and non-flowthrough subscription receipts are conditional on closing the Winsome acquisition, which is expected to occur in May 2026, and (ii) 775,200 flow-through common shares priced at $6.45 per share for gross proceeds of $5,000 and 1,627,800 non-flow through common shares priced at $4.30 per share for gross proceeds of $7,000.

The underwriters exercised the option to sell up to an additional $6,500 of securities at the applicable offering prices.