Li-FT POWER LTD.

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and May 31, 2025

(Expressed in thousands of Canadian dollars unless otherwise noted)

Li-FT POWER LTD.
Condensed Interim Consolidated Statements of Financial Position
As at June 30, 2026 and December 31, 2025
(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

	Note	June 30, 2026	December 31, 2025
Assets		**$**	**$**
Current			
Cash		18,814	1,816
Amounts receivable		576	590
Prepaid expenditures and other assets	4	15,259	861
Short-term investments	6	3,390	3,750
Total current assets		**38,039**	**7,017**
Non-current			
Exploration and evaluation properties	5 & 7	478,023	279,769
Equipment		1,354	238
Right-of-use leased assets		210	44
Total Assets		**517,626**	**287,068**
Liabilities and Shareholders' Equity			
Current			
Accounts payable and accrued liabilities	8	3,569	3,226
Lease liabilities		59	54
Total current liabilities		**3,628**	**3,280**
Non-current			
Deferred consideration payable	7	1,500	-
Deferred income tax liability		20,757	19,414
Lease liabilities		154	-
Total Liabilities		**26,039**	**22,694**
Share capital	9	491,661	261,597
Share-based payment reserve	9	16,516	6,776
Accumulated deficit		(16,590)	(3,999)
Total Equity		**491,587**	**264,374**
Total Liabilities and Shareholders' Equity		**517,626**	**287,068**

Going concern (Note 2)
Subsequent events (Note 14)

Approved and authorized for issuance by the Board of directors on August 13, 2026 by:

/s/ Paul Gruner
Paul Gruner, Director

/s/ Andree St-Germain
Andree St-Germain, Director

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

Li-FT POWER LTD.
Condensed Interim Consolidated Statements of Net Loss and Comprehensive Loss
For the three and six months ended June 30, 2026 and May 31, 2025
(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

		Three months ended		Six months ended	
		June 30,	May 31,	June 30,	May 31,
	Note	2026	2025	2026	2025
Operating Expenses					
Amortization		57	41	98	82
Director fees	10	53	42	106	78
Filing fees		213	57	268	97
Investor relations		375	159	627	295
Management, consulting fees and salaries	10	1,708	214	2,110	387
Office expenses		187	121	328	194
Professional fees		385	188	510	284
Share-based compensation	9	2,243	275	6,592	713
Travel expense		328	88	498	171
Loss from operations		**(5,549)**	**(1,185)**	**(11,137)**	**(2,301)**
Fair value change on FVTPL investments		240	-	(360)	-
Finance expenses and other		(1)	(3)	(33)	(7)
Foreign exchange		(31)	(8)	(53)	(15)
Interest income		106	132	135	310
Investment and other		201	-	201	-
Loss before income taxes		**(5,034)**	**(1,064)**	**(11,247)**	**(2,013)**
Deferred income tax recovery (expense)		(334)	47	(1,343)	580
Net and comprehensive loss for the period		**(5,368)**	**(1,017)**	**(12,590)**	**(1,433)**
Net loss per share, basic and diluted		(0.08)	(0.02)	(0.21)	(0.03)
Weighted average shares outstanding, basic and diluted		68,069,531	47,335,337	59,187,262	47,261,161

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

Li-FT POWER LTD.

Condensed Interim Consolidated Statement of Changes in Shareholders' Equity
For the six months ended June 30, 2026 and May 31, 2025
(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	Total
		$	$	$	$
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)	-	-	1,172	-	1,172
Net loss and comprehensive loss for the period	-	-	-	(1,433)	(1,433)
Balance, May 31, 2025	**47,335,337**	**261,534**	**6,110**	**(7,756)**	**259,888**
Balance, December 31, 2025	**47,353,125**	**261,597**	**6,776**	**(3,999)**	**264,374**
Shares issued for exploration and evaluation properties (Note 9)	3,000,000	17,390	-	-	17,390
Acquisition of Winsome Resources Ltd. (Note 5)	27,858,584	166,873	-	-	166,873
Proceeds from equity placements, net of issuance costs (Note 9)	8,488,300	45,552	-	-	45,552
Stock options exercised (Note 9c)	18,478	240	(185)	-	55
Deferred share units settled (Note 9e)	1,530	9	(9)	-	-
Share based payments (Note 9)	-	-	9,934	-	9,934
Net loss and comprehensive loss for the period	-	-	-	(12,590)	(12,590)
Balance, June 30, 2026	**86,720,017**	**491,661**	**16,516**	**(16,590)**	**491,587**

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

Li-FT POWER LTD.
Condensed Interim Consolidated Statements of Cash Flows
For the six months ended June 30, 2026 and May 31, 2026
(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

	June 30, 2026	May 31, 2025
	$	$
Cash flows from operating activities		
Net loss for the period	(12,590)	(1,433)
Adjustments for:		
Amortization	98	82
Share-based payments (Note 9)	6,592	713
Fair value change on FVTPL investments (Note 6)	360	-
Deferred income tax expense (recovery)	1,343	(659)
Changes in non-cash working capital items:		
Decrease (increase) in amounts receivable	385	(32)
Increase in prepaid expenditures	(1,337)	23
Decrease in accounts payable and accrued liabilities	(1,157)	(662)
Total cash used in operating activities	**(6,306)**	**(1,968)**
Cash flows from investing activities		
Exploration and evaluation acquisition costs	(10,643)	(30)
Exploration and evaluation transaction costs	(2,260)	-
Exploration and evaluation expenditures	(9,360)	(4,252)
Total cash used in investing activities	**(22,263)**	**(4,282)**
Cash flows from financing activities		
Proceeds from issuance of shares (Note 9)	48,166	-
Share issuance cost	(2,614)	(164)
Proceeds from stock options exercised (Note 9)	55	-
Repayment of lease liabilities	(39)	(28)
Interest paid on lease liability	(1)	(6)
Total cash provided by (used in) financing activities	**45,567**	**(198)**
Change in cash and cash equivalents	**16,998**	**(6,448)**
Cash and cash equivalents, beginning	**1,816**	**21,011**
Cash and cash equivalents, end	**18,814**	**14,563**
Supplemental information / non-cash flow items		
Share-based compensation relating to exploration and evaluation properties	2,546	513
Change in prepaid expenses relating to exploration and evaluation properties	14,408	207
Change in accounts payable and accrued liabilities relating to exploration and evaluation properties	(293)	(193)

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

1. NATURE OF OPERATIONS

Li-FT Power Ltd. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on May 28, 2021.

Since April 2, 2026, the Company is also registered as a foreign company in Australia, under Chapter 5B of the Australian Corporations Act with ARBN 696 815 595.

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 TSX Venture Exchange ("TSXV") with the symbol "LIFT", the OTCQX under the symbol "LIFFF", and the Frankfurt Exchange under the symbol "WS0", and the Company's CHESS Depositary Interests ("CDIs") are quoted on the Australian Securities Exchange ("ASX") under the code "LFT". The Company is a reporting issuer in each of the provinces and territories of Canada.

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 2026 reporting period, the Company will report its unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2026, along with its comparative figures for the three and six months ended May 31, 2025.

2. BASIS OF PRESENTATION AND GOING CONCERN

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements follow the same material 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 thirteen months ended December 31, 2025, 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 June 30, 2026, were approved, and authorized for issue by the Board of Directors on August 13, 2026.

(Expressed in thousands of Canadian dollars unless otherwise noted)

2. BASIS OF PRESENTATION AND GOING CONCERN (continued)

Basis of Consolidation

For the current financial period beginning on January 1, 2026, 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
Winsome Resources Ltd.	100%	WA, Australia	Mineral exploration
Winsome Cancet Lithium Inc.	100%	QC, Canada	Mineral exploration
Winsome Adina Lithium Inc.	100%	QC, Canada	Mineral exploration
Winsome Sirmac Lithium Inc.	100%	QC, Canada	Mineral exploration
Miyunaakun Lithium Inc.	100%	QC, Canada	Mineral exploration

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

IFRS 18 - Presentation and Disclosure in Financial Statements, 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 is still assessing the impact of IFRS 18.

4. PREPAID EXPENDITURES AND OTHER ASSETS

The Company's prepaid expenditures as at June 30, 2026 and December 31, 2025 consist of the following amounts:

	June 30, 2026	December 31, 2025
	$	$
Cash advance to Operator of Adina-Galinée exploration [(1)]	2,526	-
Cash advance to Operator of Yellowknife exploration [(1)]	156	262
Prepaid deposit for Renard option fee (Note 14)	12,000	-
Other prepaid expenditures and other assets	577	599
Total Prepaid Expenditures and other assets	**15,259**	**861**

(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)

5. ACQUISITION OF WINSOME RESOURCES LTD.

On May 21, 2026, the Company completed the acquisition of all the outstanding common shares of Winsome Resources Ltd. and its subsidiaries (collectively, "Winsome") pursuant to a court-approved scheme of arrangement under the laws of Western Australia (the "Winsome Transaction"). Upon completion of the Winsome Transaction, Winsome became a wholly owned subsidiary of the Company. Winsome's principal asset is its 100% interest in the Adina lithium project, located in the Eeyou Istchee James Bay region of Québec.

The acquisition of Winsome has been accounted for as an asset acquisition as Winsome did not meet the definition of a business in accordance with IFRS 3, *Business combinations.* Accordingly, the consideration transferred has been allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values.

Consideration paid	
	$
Fair value of 28,858,584 common shares issued	166,873
Transaction costs incurred by the Company	2,260
Total share consideration paid	**169,133**

Fair value of identifiable assets acquired from Winsome	
	$
Cash	1,631
Other receivables	155
Other current assets	62
Property, plant and equipment	1,181
Exploration and evaluation properties	166,243
Trade and other payables	(138)
Total share consideration paid	**169,133**

The Adina lithium project is located adjacent to the Galinée property, in which the Company holds a 75% interest.

6. SHORT-TERM INVESTMENTS

	June 30, 2026	**December 31, 2025**
	$	**$**
Fair value, at the beginning of the period	3,750	-
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	(360)	270
Fair value, at the end of the period	**3,390**	**3,750**

The fair value of the Company's short-term investments in Power Metallic Mines Inc. (TSXV ticker symbol "PNPN") as at June 30, 2026, was $3,390 (December 31, 2025, was $3,750). As of December 31, 2025, 3,000,000 PNPN shares were sold of an opening balance of 6,000,000 shares.

During the six months ended June 30, 2026, the Company recognized a change in fair value in short-term investments of $360 in net loss (December 31, 2025: $270), in the statement of net loss.

(Expressed in thousands of Canadian dollars unless otherwise noted)

7. EXPLORATION AND EVALUATION PROPERTIES

Exploration and evaluation properties include the following amounts as at June 30, 2026 and December 31, 2025.

	Adina and Galinée Projects	Yellowknife Lithium Project	Other Northwest Territories Projects	Other Quebec Projects	Total
	Quebec	NWT	NWT	Quebec	
	$	$	$	$	$
Balance, November 30, 2024	**-**	**222,904**	**18,980**	**19,792**	**261,676**
Acquisition costs	-	353	352	105	810
Exploration and evaluation expenditures					
Claims, taxes and holding costs	-	303	505	433	1,241
Salaries and share based payments	-	1,156	117	497	1,770
Drilling, exploration, and technical consultation	-	5,471	308	1,078	6,857
Assaying, field supplies and environmental consultation	-	8,215	536	320	9,071
Travel and other project expenses	-	1,612	9	93	1,714
Sale of mineral claims	-	-	-	(2,664)	(2,664)
Revenue Quebec Exploration Tax Credit	-	-	-	(706)	(706)
Total exploration and evaluation expenditures	-	17,110	1,827	(843)	18,093
Balance, December 31, 2025	**-**	**240,014**	**20,807**	**18,949**	**279,769**
Acquisition costs	170,548	-	-	14,855	185,403
Exploration and evaluation expenditures					
Claims, taxes and holding costs	19	7	3	18	47
Salaries and share based payments	667	1,988	224	280	3,159
Drilling, exploration, and technical consultation	372	5,417	68	29	5,886
Assaying, field supplies and environmental consultation	402	2,625	4	128	3,159
Travel and other project expenses	16	584	-	-	600
Revenue Quebec Exploration Tax Credit		-	-	-	-
Total exploration and evaluation expenditures	172,024	10,621	299	15,310	198,254
Balance, June 30, 2026	**172,024**	**250,634**	**21,106**	**34,259**	**478,023**

7. EXPLORATION AND EVALUATION PROPERTIES (continued)

The Company holds interests in three mineral projects in the Northwest Territories, being the Yellowknife Lithium Project ("YLP"), the LDG-Mackay Project ("LDG-Mackay"), acquired in a transaction with North Arrow Minerals Inc., and the Cali Project. The Company also holds interests in nine mineral projects in Québec, being the Adina Project, the Galinée Project, the Rupert Project, the Pontax Project, the Nottaway Project, the Moyenne Project, the Cancet Project, the Sirmac-Clapier Project, and the Tilly Project. At present, the Company's mineral properties are not at a commercial development or production stage.

(i) QUEBEC: ADINA AND GALINÉE

ADINA PROPERTY

On May 21, 2026, as part of its acquisition of Winsome, the Company acquired a 100% interest in the Adina lithium project located in the Eeyou Istchee James Bay region of Québec, Canada. The Adina property comprises mineral claims hosting spodumene-bearing pegmatites. Prior to the acquisition, exploration activities included resource delineation and extension drilling, together with geotechnical and hydrogeological investigations to support ongoing technical studies. Infrastructure-related planning activities, including studies relating to proposed regional road access, were also in progress. In addition, Miyunaakun Lithium Inc., a wholly owned subsidiary of Winsome, had entered into a collaboration agreement with Eskan Consulting Group in connection with studies relating to proposed regional road access infrastructure in the vicinity of the project.

GALINÉE PROPERTY

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 was subject to customary closing conditions.

On December 24, 2025, the Company entered into a definitive agreement with Azimut Exploration Inc. on the Galinée property, which forms part of the broader Adina project area.

On February 18, 2026, the Company announced that it had closed its acquisition of a 50% interest in the Galinée property from Azimut Exploration Inc. in Québec. Under the terms of the agreement with Azimut Exploration Inc. LIFT has acquired all of Azimut’s rights, title and interest in the Galinée Property, in consideration for the issuance of 2,000,000 common shares of the capital of the Company and the grant of a 1.4% net smelter return royalty on the Galinée Property. In addition, the Azimut Agreement provides a deferred consideration of $1,500 payable in cash or, subject to the conditions set out in the definitive agreement, in common shares of the Company, at the earlier of:

(i) completion of an economic study in respect of the Galinée Property; or

(ii) 18 months following closing. All common shares issued pursuant to the Azimut Agreement will be subject to a statutory hold period of four months and one day in accordance with applicable Canadian securities laws.

7. EXPLORATION AND EVALUATION PROPERTIES (continued)

On March 9, 2026, the Company announced that is closed its acquisition of an additional 25% interest in the exclusive exploration rights commonly known as the Galinée property from SOQUEM Inc. Following closing, LIFT now holds a 75% interest in the Galinée Property, with the remaining 25% interest continuing to be held by SOQUEM. LIFT is the operator of the Galinée Property under a joint venture with SOQUEM.

(ii) 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. 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, prior to the second anniversary cash payment of $1,750, the Company noted an impairment on the project amounting to $1,408.

OTHER NORTHWEST TERRITORIES PROJECTS

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.

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).

7. EXPLORATION AND EVALUATION PROPERTIES (continued)

(iii) OTHER QUEBEC PROJECTS

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.

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, were subject to statutory and contractual resale restrictions, which expired accordance with their terms. In addition, the Company was granted a 0.5% net smelter returns (NSR) royalty on the 313 mineral claims, with no buyback provision.

CANCET PROJECT

On May 21, 2026, through the acquisition of Winsome, the Company acquired a 100% interest in the Cancet lithium greenfield exploration project. The Cancet project consists of mineral claims covering a spodumene-bearing pegmatite trend in the James Bay region. The project is located 155km east of Radisson, in the northwest of the province of Québec, Canada. The project was acquired as part of the overall consideration paid under the Winsome transaction, and no additional consideration was allocated specifically to the Cancet property. It comprises 395 mining claims covering an area of approximately 199.6km^2.

(Expressed in thousands of Canadian dollars unless otherwise noted)

7. EXPLORATION AND EVALUATION PROPERTIES (continued)

SIRMAC-CLAPIER PROJECT

The Company acquired a 100% interest in the Sirmac-Clapier lithium greenfield exploration project as part of the acquisition of Winsome on May 21, 2026. The Sirmac-Clapier property comprises mineral claims prospective for spodumene-bearing pegmatites and forms part of the Company’s expanded Québec exploration portfolio. It is located 350km to the south-west of the Adina Project in Québec, Canada. This project was included in the assets acquired under the Winsome transaction, with no separate consideration assigned to the property. It comprises 79 mining claims covering a total area of approximately 41.4km^2.

TILLY PROJECT

The Company acquired a 100% interest in the Tilly lithium greenfield exploration project as part of the acquisition of Winsome on May 21, 2026. The Tilly property comprises mineral claims prospective for spodumene-bearing pegmatites and forms part of the Company's expanded Québec exploration portfolio. It is located approximately 20 km south-east of the Adina Project in Québec, Canada. The project overlies a significant regional structural corridor and shares geological characteristics with the Adina Project that are considered prospective for lithium-caesium-tantalum (LCT) pegmatite mineralization. This project was included in the assets acquired under the Winsome transaction, with no separate consideration assigned to the property. It comprises 91 mining claims covering a total area of approximately 47 km^2.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2026	December 31, 2025
	$	**$**
Accounts payable	1,044	1,334
Accrued liabilities	2,526	1,892
Total accounts payable and accrued liabilities	**3,569**	**3,226**

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 six months ended June 30, 2026:

On January 29, 2026, the Company announced the completion 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 $48,166. 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-flow-through subscription receipts were conditional on closing the Winsome acquisition, which occurred in May 2026. Upon satisfaction of the release conditions, the aggregate proceeds of $36,167 previously held in restricted cash were released to the Company and the subscription receipts were converted into common shares of the Company. The offering also included 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 Company has paid $2,614 in commissions and other capital raise related expenditures related to this brokered financing. No flow-through share premium liability was recognized on issuance, as the flow-through offer price did not exceed the market price of the Company's shares at the closing date. Accordingly, the Company determined that no premium existed to be allocated between share capital and a flow-through premium liability.

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

b) **Shares issued for Exploration and Evaluation Properties**

During the six months ended June 30, 2026

On February 18, 2026, the Company announced that it has closed its acquisition of a 50% interest in the Galinée property from Azimut Exploration Inc. in Québec. Under the terms of the agreement with Azimut Exploration Inc. LIFT has acquired all of Azimut’s rights, title and interest in the Galinée Property, in consideration for the issuance of 2,000,000 common shares of the capital of the Company with a fair value of $5.95 per share, based on the Company’s closing price on February 17, 2026.

On March 9, 2026, the Company announced that is has closed its acquisition of an additional 25% interest in the exclusive exploration rights commonly known as the Galinée property from SOQUEM Inc. Under the terms of the purchase agreement with SOQUEM, consideration for SOQUEM’s 25% interest in the Galinée Property consisted of 1,000,000 common shares of the capital of the Company with a fair value of $5.49 per share, based on the Company’s closing price on March 6, 2026.

9. SHARE CAPITAL (continued)

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).

On May 21, 2026, the Company completed its acquisition of Winsome pursuant to a court-approved scheme of arrangement. As consideration for the acquisition, the Company issued 27,136,492 common shares (including 25,879,073 CDIs and 1,257,419 common shares) to acquire the outstanding Winsome ordinary shares. In addition, the Company issued 722,092 common shares (including 691,694 CDIs and 30,398 common shares) in exchange for the outstanding Winsome options. The fair value of the shares issued formed part of the consideration transferred in the asset acquisition.

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.

For the six months ended June 30, 2026, there was an aggregate of 18,478 stock options exercised at an exercise price of $3.65, including 3,478 options exercised on a cashless basis.

On February 25, 2026, the Company granted 175,000 stock options for a period of five years at an exercise price of $7.20.The options vest 25% on each of the 6,12, 18 and 24-month anniversary dates.

On January 15, 2026, the Company granted 2,065,000 stock options for a period of five years at an exercise price of $7.50. The options vest 25% on grant date and an additional 25% on each 6, 12, and 18-month anniversary dates.

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.

(Expressed in thousands of Canadian dollars unless otherwise noted)

9. SHARE CAPITAL (continued)

A summary of the changes in the Company's stock option balances during the six months ended June 30, 2026 and thirteen months ended December 31, 2025, are as follows:

	June 30, 2026		December 31, 2025	
	Number of options outstanding	Weighted average exercise price	Number of options outstanding	Weighted average exercise price
Outstanding, beginning	1,894,500	$6.14	995,000	$8.84
Granted	2,240,000	$7.48	929,500	$3.17
Exercised	(18,478)	$3.65	-	-
Forfeiture	(3,647)	$3.65	(30,000)	$3.65
Outstanding, ending	**4,112,375**	**$6.90**	**1,894,500**	**$6.14**

As at June 30, 2026, the following stock options were outstanding:

Number of options	Weighted average remaining life (Years)	Exercise price	Expiry date	Number of options vested
385,000	2.04	$10.00	April 15, 2028	385,000
80,000	2.10	$10.00	May 3, 2028	80,000
80,000	2.17	$10.00	June 1, 2028	80,000
20,000	2.47	$10.00	September 18, 2028	20,000
15,000	2.68	$10.00	December 5, 2028	15,000
385,000	2.77	$7.00	January 8, 2029	385,000
30,000	3.14	$7.00	May 21, 2029	30,000
447,375	3.72	$3.65	December 19, 2029	454,875
30,000	4.09	$3.65	May 31, 2030	20,000
400,000	4.33	$2.54	July 30, 2030	-
2,065,000	4.84	$7.50	January 29, 2031	516,250
175,000	4.91	$7.20	February 25, 2031	-
4,112,375	**4.07**			**1,986,125**

Certain stock options granted were directly attributable to expenditures on the exploration and evaluation properties and were therefore capitalized. For the six months ended June 30, 2026, share based payments expense is classified within the condensed interim consolidated financial statements as follows: operating expenses - $6,592 (May 31, 2025 - $713) and exploration and evaluation properties $2,546 (May 31, 2025 - $513) for total share based payments expense - $9,138 (May 31, 2025 - $1,172).

The total fair value of the stock options granted in the six months ended, June 30, 2026 was estimated to be $12,790 (weighted average fair value of $5.71 per option), calculated using the Black-Scholes Option Pricing Model, which used the following weighted average assumptions:

(Expressed in thousands of Canadian dollars unless otherwise noted)

9. SHARE CAPITAL (continued)

	Six months ended June 30, 2026
Exercise price	$7.48
Expected volatility	95%
Expected life of option	5 years
Risk-free annual interest	2.88%
Expected annual dividend	0%
Forfeiture rate	0%

d) **Restricted share units**

The movements in restricted share units ("RSUs") for the six months ended June 30, 2026 and thirteen months ended December 31, 2025 are summarized as follows:

	Six months ended June 30, 2026 Number of units	Thirteen months ended December 31, 2025 Number of units
Outstanding, beginning	-	-
Granted	102,300	-
Outstanding, ending	**102,300**	**-**

The RSUs were granted under the Company's share-based compensation plan to a number of employees in lieu of annual cash bonuses and each RSU entitles the holder to receive one common share of the 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. The RSUs vest over a 12-month period and will be settled in equity. For the six months ended June 30, 2026, the Company recognized share-based payments of $762 related to RSUs (December 31, 2025 - $nil).

e) **Deferred share units**

The movements in deferred share units ("DSUs") for the six months ended June 30, 2026 and thirteen months ended December 31, 2025 are summarized as follows:

	Six months ended June 30, 2026 Number of units	Thirteen months ended December 31, 2025 Number of units
Outstanding, beginning	50,604	7,544
Granted	7,889	54,693
Settled	(1,530)	(3,744)
Outstanding, ending	**56,963**	**58,493**

The DSUs were granted under the Company's share-based compensation plan to a number of directors in lieu of interim board fees for the quarter 4, 2025 period. The DSUs vest over a 12-month period and can be settled in cash and equity. The associated compensation cost is based on the underlying share price on the date of grant. During the six months ended June 30, 2026, there were 1,530 settled DSUs with a fair value of $9 (December 31, 2025 - $13), and the Company recognized $34 (December 31, 2025 - $95) in share-based payments.

(Expressed in thousands of Canadian dollars unless otherwise noted)

10. TRANSACTIONS WITH RELATED PARTIES AND KEY MANAGEMENT COMPENSATION

The Company's related parties consist of the Company's Directors and Officers and enterprises which are controlled by these individuals as well as persons performing similar functions. The compensation paid or payable to key management for services during the six months ended June 30, 2026 and six months ended May 31, 2025 are as follows:

Service or Item	June 30, 2026	May 31, 2025
	$	$
Directors' fees	106	78
Management, consulting fees and salaries	1,049	525
Share based compensation (expensed and capitalized)	5,607	921
Total	**6,762**	**1,524**

Included in accounts payable and accrued liabilities as at June 30, 2026 was $496 due to related parties (May 31, 2025 - $83).

11. FINANCIAL INSTRUMENTS

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

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

● Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;

● Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

● Level 3 fair value measurements are those derived from valuation techniques that include significant inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash, accounts payable, accrued liabilities, deferred consideration 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.

(Expressed in thousands of Canadian dollars unless otherwise noted)

12. SEGMENT INFORMATION

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

13. 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 totalling $18,814 represents the Company's maximum exposure to credit risk as at June 30, 2026 (December 31, 2025 - $1,816).

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.

The maturities of the Company's financial liabilities as of June 30, 2026 are as follows:

	Total	Less than 1 year	1-5 years	More than 5 years
	$	$	$	
Accounts payable and accrued liabilities	3,569	3,569	-	-
Deferred consideration payable	1,500	-	1,500	-
Lease liabilities	213	59	154	-
Balance as at June 30, 2026	**5,282**	**3,629**	**1,654**	**-**

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.

13. RISK MANAGEMENT AND CAPITAL DISCLOSURES (continued)

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 June 30, 2026 a 10% change in the equity prices of these investments would have an impact of approximately $339 on net loss 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 June 30, 2026 the Company carried immaterial accounts payable balances denominated in foreign currencies, which are subject to currency risk due to fluctuations in the exchange rates with the Canadian dollar. Due to the volatility of the exchange rates between the Canadian dollar , and the U.S. dollar, such exchange rate changes could result in future gains or losses to the Company.

Capital

The Company is in the business of mineral exploration and has no source of operating revenue. The Company has no long-term debt and typically finances its operations through the issuance of capital stock. Capital raised is held in cash in an interest-bearing bank account or guaranteed investment certificate until such time as it is required to pay operating expenses or exploration and evaluation costs. The Company is not subject to any externally imposed capital restrictions. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital as possible for exploration activities. The Company's objectives have not changed during the six months ended June 30, 2026.

14. SUBSEQUENT EVENTS

Renard Option Agreement

On June 23, 2026, the Company entered into a binding call option agreement (the "Option Agreement") with Stornoway Diamonds (Canada) Inc., 11272420 Canada Inc. and Deloitte Restructuring Inc., in its capacity as monitor under proceedings pursuant to the Companies' Creditors Arrangement Act ("CCAA"), providing the Company with the exclusive option to acquire either the assets comprising the Renard mining and processing facility in Québec or, at the Company's election, all of the issued shares of Stornoway Diamonds (Canada) Inc. or 11272420 Canada Inc.

The Option Agreement was subject to approval by the Superior Court of Québec. Subsequent to June 30, 2026, on July 14, 2026, the Superior Court of Québec approved the Option Agreement.

14. SUBSEQUENT EVENTS (continued)

In connection with the Option Agreement, the Company paid an option fee of $12.0 million, which is being held in trust by the monitor pending satisfaction of certain conditions, including authorization from the Ministère des Ressources naturelles et des Forêts relating to the postponement of rehabilitation and restoration work during the option period. Upon satisfaction of these conditions, the Company will be required to fund $18.0 million of estimated care and maintenance costs for the first year of the option period through a deposit held in trust by the monitor. An additional estimated $18.0 million deposit would only be required if the Company elects to continue holding the option beyond the first anniversary of the Option Agreement.

The option is exercisable for a purchase price of $1.00 for a period of two years from the date of the Option Agreement, subject to the terms and conditions of the agreement. As of August 13, 2026, the Company had not exercised the option and no acquisition had been completed.

<u>August 2026 Public Offering</u>

On August 12, 2026, the Company completed a bought deal public offering of 7,935,000 common shares at a price of C$2.90 per common share for gross proceeds of approximately C$23.0 million. The underwriters also hold an over-allotment option exercisable for a period of 30 days following closing to purchase up to an additional 15% of the common shares issued under the offering. The Company intends to use the net proceeds to fund care and maintenance costs associated with the Renard option agreement and for general working capital purposes. As the financing was completed subsequent to June 30, 2026, no adjustment has been recorded in these condensed interim consolidated financial statements.