Li-FT POWER LTD.

Consolidated Financial Statements

For the years ended November 30, 2023 and 2022

(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. (the "Group"), which comprise the consolidated statement of financial position as at November 30, 2023, and the consolidated statements of net income (loss) and comprehensive income (loss), changes in shareholders' equity and cash flows for the year 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 Group as at November 30, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

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 Group 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 Group 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 Group'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 matters described below to be the key audit matters to be communicated in our report.

Accounting for Acquisition Transaction

Description of the key audit matter

The Group completed one amalgamation transaction during the year. Through the application of IFRS 3 *Business Combinations* ("IFRS 3") and IFRS 10 *Consolidated Financial Statements* ("IFRS 10"), management determined that the acquisition should be accounted for as an asset acquisition. Management is required to exert significant judgment and estimation with respect to determining whether the transaction meets the criteria for a business combination, determining who is the acquirer for accounting purposes and calculating the fair value of the consideration paid and the assets acquired and liabilities assumed. We have therefore considered this a Key Audit Matter due to the judgment and estimation involved in determining the accounting and fair value assessments.

Refer to Notes 4(i)(c) and 8 to the consolidated financial statements for the critical accounting estimates and judgements applied and other details relating to the asset acquisition transaction.

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 accounting assessment of the transaction in accordance with IFRS 3 and IFRS 10, corroborating the facts therein to supporting evidence.
- Obtained and examined the relevant transaction documents to understand terms, facts and circumstances related to the acquisition transaction.
- Assessed management's purchase price allocation, including the fair value of consideration paid, as well as the fair values determined for any assets acquired and liabilities assumed.
- Performed procedures to assess the existence of any related party or other relationships between the Company and the acquired entities in accordance with IAS 24 *Related Party Disclosures*.
- Assessed the adequacy of disclosures in the consolidated financial statements, including disclosures related to significant judgments and estimates.

Assessment of Impairment Indicators for Exploration and Evaluation Properties

Description of the key audit matter

At each reporting date, management assesses the Group'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 Group'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(a) and 3(b) to the consolidated financial statements for the Group's accounting policy 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 remating 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, technical staff and review of technical reports.

- 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 cash flow forecast models, discussions with management as to their intentions and the strategy of the Company, and comparison of these to other audited information.

- Assessed the adequacy of the disclosures in the consolidated financial statements, including disclosures related to significant judgments and estimates.

Other Matter

The consolidated financial statements of the Group for the year ended November 30, 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on March 29, 2023.

Other Information

Management is responsible for the other information. The information other than the financial statements and our auditor's report thereon, included in 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 the consolidated financial statements in accordance with IFRS, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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
March 27, 2024

Li-FT POWER LTD.

Consolidated Statements of Financial Position
As at November 30, 2023 and 2022
(Expressed in thousands of Canadian dollars unless otherwise noted)

	Note	November 30, 2023	November 30, 2022
Assets		**$**	**$**
Current			
Cash and cash equivalents	5	17,737	5,442
Amounts receivable	6	2,581	26
Prepaid expenditures	7	4,631	16
Total current assets		**24,949**	**5,484**
Non-current			
Right-of-use leased assets		449	-
Exploration and evaluation properties	9	236,304	10,004
Equipment		11	-
Total Assets		**261,713**	**15,488**
Liabilities and Shareholders' Equity			
Current			
Accounts payable and accrued liabilities	10	2,238	230
Lease liabilities		183	-
Flow-through share premium liability	13	5,885	3,294
Loans payable	14	-	550
Total current liabilities		**8,306**	**4,074**
Non-current			
Lease liabilities		131	-
Deferred income tax liability	17	8,084	-
Total Liabilities		**16,521**	**4,074**
Share capital	11	239,912	12,225
Share-based payment reserve	11	2,547	5
Retained earnings (accumulated deficit)		2,733	(816)
Total Equity		**245,192**	**11,414**
Total Liabilities and Shareholders' Equity		**261,713**	**15,488**

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

Approved and authorized for issuance by the Board of directors on March 27, 2024 by:

/s/ Kenneth Scott

Kenneth Scott, Director

/s/ Iain Scarr

Iain Scarr, Director

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

Li-FT POWER LTD.

Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss)
For the years ended November 30, 2023 and 2022
(Expressed in thousands of Canadian dollars unless otherwise noted)

		Year ended	
		November 30,	**November 30,**
	Note	**2023**	**2022**
		$	**$**
Operating expenses			
Amortization		52	-
Director fees	12	115	-
Project evaluation		19	49
Filing fees		195	-
Investor relations		964	-
Management, consulting fees and salaries		778	324
Office expenses		244	157
Professional fees		564	223
Share-based payments	11	758	-
Travel expense		359	-
Loss from operations		**(4,048)**	**(754)**
Other (expenses) income			
Finance expenses and other	14	(266)	(1)
Foreign exchange		(15)	1
Interest income	5	1,059	16
Loss before income taxes		**(3,270)**	**(738)**
Deferred income tax recovery	17	6,819	-
Net income (loss) and comprehensive income (loss) for the year		**3,549**	**(738)**
Net income (loss) per share, basic and diluted	11	0.10	(0.04)
Weighted average shares outstanding, basic, and diluted		**36,231,197**	**17,353,935**

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

Li-FT POWER LTD.

Consolidated Statement of Changes in Shareholders' Equity
For the years ended November 30, 2023 and 2022
(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, 2021	**15,165,000**	**2,422**	**11**	**(77)**	**2,356**
Proceeds from private placements, net of issuance costs (Note 11)	1,048,150	7,690	-	-	7,690
Shares issued for exploration and evaluation properties (Note 11)	1,976,913	5,387	-	-	5,387
Stock options exercised (Note 11)	275,000	20	(6)	-	14
Flow-through share premium liability (Note 13)	-	(3,294)	-	-	(3,294)
Net loss and comprehensive loss for the year	-	-	-	(738)	(738)
Balance, November 30, 2022	**18,465,063**	**12,225**	**5**	**(816)**	**11,414**
Shares issued for exploration and evaluation properties (Note 9 & 11)	18,359,114	201,000	-	-	201,000
Proceeds from brokered placements, net of issuance costs (Note 11)	4,040,000	44,180	-	-	44,180
Flow-through share premium liability (Note 13)	-	(17,494)	-	-	(17,494)
Share-based payments (Note 11)	-	-	2,542	-	2,542
Net income and comprehensive income for the year	-	-	-	3,549	3,549
Balance, November 30, 2023	**40,864,177**	**239,912**	**2,547**	**2,733**	**245,192**

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

Li-FT POWER LTD.
Consolidated Statements of Cash Flows
For the years ended November 30, 2023 and 2022
(Expressed in thousands of Canadian dollars unless otherwise noted)

	November 30, 2023	November 30, 2022
	$	$
Cash flows from operating activities		
Net income (loss) for the year	3,549	(738)
Adjustments for:		
Amortization	52	-
Share-based payments (Note 11)	758	-
Deferred income tax recovery (Note 17)	(6,819)	-
Changes in non-cash working capital items:		
Increase in amounts receivable	(2,554)	(27)
Increase in prepaid expenditures	(844)	(16)
Increase in accounts payable and accrued liabilities	378	198
Total cash used in operating activities	**(5,480)**	**(583)**
Cash flows from investing activities		
Exploration and evaluation expenditures	(36,187)	(3,385)
Exploration and evaluation acquisition costs	(600)	-
Property and equipment purchases	(11)	-
Cash received in acquisitions (Note 8)	10,375	-
Total cash used in investing activities	**(26,423)**	**(3,385)**
Cash flows from financing activities		
Proceeds from issuance of shares (Note 11)	47,438	7,897
Share issuance cost	(3,258)	(208)
Proceeds from exercise of options, net (Note 11)	-	15
Repayment of lease liabilities, net of finance cost	(187)	-
Proceeds from loan received (Note 14)	505	550
Settlement of loans payable (Note 14)	(300)	-
Total cash provided by financing activities	**44,198**	**8,254**
Change in cash and cash equivalents	**12,295**	**4,286**
Cash and cash equivalents, beginning	**5,442**	**1,156**
Cash and cash equivalents, end	**17,737**	**5,442**
Supplemental information / non-cash flow items		
Share-based compensation relating to exploration and evaluation properties	1,784	-
Change in prepaid expenses relating to exploration and evaluation properties	3,771	-
Change in accounts payable and accrued liabilities relating to exploration and evaluation properties	(1,584)	-
Interest received in cash	1,030	-
Shares issued for exploration and evaluation acquisitions	201,000	5,387

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 OTCQX with the symbol "LIFFF" and on the Frankfurt Stock Exchange with the symbol "WS0".

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

2. BASIS OF PRESENTATION 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 of the International Financial Reporting Interpretations Committee ("IFRIC") 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 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 (Note 19 – Subsequent events describes a financing which completed in March 2024).

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 year ended November 30, 2023, were approved, and authorized for issue by the Board of Directors on March 27, 2024.

Basis of Consolidation

For the current financial year beginning on December 1, 2022, 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 8, 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) 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. Exploration and evaluation expenditures are expensed in the period they are incurred. 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 exploitation 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.

(b) 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. 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.

(c) 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 restoration obligations 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 November 30, 2023 or 2022.

3. MATERIAL ACCOUNTING POLICIES (continued)

(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.

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.

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 a reduction in deferred income tax expenses in the consolidated statements of net income (loss) and comprehensive income (loss).

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.

3. MATERIAL ACCOUNTING POLICIES (continued)

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) Earnings (Loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (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.

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 assessments, 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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(Expressed in thousands of Canadian dollars unless otherwise noted)

recover existing exploration and evaluation costs. Should any of these indicators be present, the exploration and evaluation properties could be impaired.

(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 options and warrants, 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.

5. CASH AND CASH EQUIVALENTS

	November 30, 2023	November 30, 2022
	$	$
Cash	13,712	5,442
Cash Equivalents	4,025	-
Total Cash and Cash Equivalents	**17,737**	**5,442**

The balance at November 30, 2023 consists of $13,712 in cash and $4,025 held in cash equivalent short-term investments on deposit with major Canadian and US banks and other financial institutions (November 30, 2022 – $5,442 in cash and $nil in cash equivalent short-term investments). Short-term investments are redeemable on a monthly basis, with the annual interest rates ranging between 4.59% and 5.50%. Interest income earned during the year ended November 30, 2023 was $1,059 (November 30, 2022 - $16) which primarily related to interest earned from cash deposits and guaranteed investment certificates entered during the 2023 financial year.

6. AMOUNTS RECEIVABLE

The Company's amounts receivable as at November 30, 2023 and November 30, 2022 consist of the following amounts:

	November 30, 2023	November 30, 2022
	$	$
Goods and service tax receivable	1,407	26
Revenue Quebec exploration tax credit (1)	1,144	-
Interest receivable	30	-
Total Amount Receivable	**2,581**	**26**

(1) Subsequent to year-end, the Company received the tax credit from Revenue Quebec.

(Expressed in thousands of Canadian dollars unless otherwise noted)

7. PREPAID EXPENDITURES

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

	November 30, 2023	November 30, 2022
	$	**$**
Cash advance to Operator of Yellowknife exploration (1)	2,494	-
Cash advance to Operator of Quebec exploration (1)	1,432	-
Deposits	19	-
Other prepaid expenditures	686	16
Total Prepaid Expenses	**4,631**	**16**

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

8. 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 *Business Combinations.*

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

Total Share Consideration paid (Note 11)	**$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 (Note 9) – YLP	168,916
Exploration and evaluation properties (Note 9) – Cali	18,000
Net Assets Acquired	**$198,000**

(Expressed in thousands of Canadian dollars unless otherwise noted)

9. EXPLORATION AND EVALUATION PROPERTIES

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

	Yellowknife Lithium Project	Cali Project	Rupert Project	Pontax Project	Moyenne Project	Total
	$	$	$	$	$	$
Balance, November 30, 2021	**-**	**-**	**1,232**	**-**	**-**	**1,232**
Acquisition costs	-	-	5,737	25	-	5,762
Exploration and evaluation expenditures						
Claims, taxes and holding costs	-	-	34	-	-	34
Salaries and share based payments	-	-	923	-	-	923
Drilling, exploration, and technical consultation	-	-	1,077	-	-	1,077
Assaying, field supplies and environmental consultation	-	-	741	-	-	741
Travel and other project expenses	-	-	235	-	-	235
Total exploration and evaluation expenditures	-	-	3,010	-	-	3,010
Balance, November 30, 2022	**-**	**-**	**9,979**	**25**	**-**	**10,004**
Acquisition costs	169,466	18,000	3,025	25	-	190,516
Exploration and evaluation expenditures						
Claims, taxes and holding costs	648	-	42	20	1	711
Salaries and share based payments	2,693	118	1,421	471	15	4,718
Drilling, exploration, and technical consultation	18,574	561	2,396	427	22	21,980
Assaying, field supplies and environmental consultation	7,099	89	1,371	235	-	8,794
Travel and other project expenses	518	26	144	37	-	725
Revenue Quebec Exploration Tax Credit	-	-	(1,144)	-	-	(1,144)
Total exploration and evaluation expenditures	29,532	794	4,230	1,190	37	35,784
Balance, November 30, 2023	**198,998**	**18,794**	**17,234**	**1,240**	**37**	**236,304**

9. EXPLORATION AND EVALUATION PROPERTIES (continued)

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

(i) NORTHWEST TERRITORIES

YELLOWKNIFE LITHIUM PROJECT

On December 30, 2022, the Company completed the acquisition of 1361516 B.C. Ltd. and the core of the Yellowknife Lithium Project (see Note 8). The Yellowknife Lithium Project is comprised of 13 mineral leases that cover most of the lithium pegmatites that make up the Yellowknife Pegmatite Province ("YPP"). The Property is subject to a 2% gross overriding royalty and in the case of 11 of the mineral leases, a 2% net profits royalty.

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

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

a) $550 cash payment due on execution of the YLP Option Agreement (paid on signing and included in the YLP acquisition costs of the exploration and evaluation properties table above);
b) $700 cash payment to be paid and $50 in exploration expenditures to be incurred by the first anniversary of the YLP Option Agreement (paid subsequent to year end); and;
c) $1,750 cash payment to be paid and an additional $1,250 in exploration expenditures to be incurred by the second anniversary of the YLP Option Agreement.

CALI PROJECT

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

(ii) QUEBEC

RUPERT PROJECT

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

(a) Rupert Option Agreement

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

9. EXPLORATION AND EVALUATION PROPERTIES (continued)

QUEBEC - RUPERT PROJECT - Rupert Option Agreement (continued)

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

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

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

On February 2, 2022, the Company issued 1,751,913 common shares valued at $3,504 to Kenorland pursuant to the Rupert Option Agreement related to the Rupert Property (Note 11).

(b) James Bay Option Agreement

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

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

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

(c) Whabouchi Purchase Agreement

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

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

(d) Lac des Montagnes Option Agreement

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

9. EXPLORATION AND EVALUATION PROPERTIES (continued)

Under the terms of the Montagnes Option Agreement, the Company can earn a 100% interest in the Lac des Montagnes Property by issuing 225,000 common shares to the Montagnes Optionors on closing of the agreement (issued), paying an aggregate of $300 in cash, due upon signing (paid), and issuing in aggregate fully-paid common shares with a value of $3,000 to the Optionors. The payment schedule is as follows:

(i) $300 in cash (paid) and 225,000 Li-FT Shares (issued and valued at $1,883) (Note 11) within five business days of the effective date;
(ii) An additional $1,500 in value of common shares of the Company on the 6-month anniversary of the effective date (issued 173,169 common shares on the anniversary date) (Note 11); and
(iii) An additional $1,500 in value of common shares of the Company on the 12-month anniversary of the effective date (issued 185,945 common shares on the anniversary date) (Note 11).

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

PONTAX PROJECT

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

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

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

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

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

(Expressed in thousands of Canadian dollars unless otherwise noted)

9. EXPLORATION AND EVALUATION PROPERTIES (continued)

PONTAX PROJECT (continued)

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.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2023	November 30, 2022
	$	$
Accounts payable	1,331	230
Accrued liabilities	907	-
Total accounts payable and accrued liabilities	**2,238**	**230**

11. SHARE CAPITAL

Authorized Share Capital

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

Share Issuances

a) **Brokered and Private Placement Financings**

During the year ended November 30, 2023:

On November 17, 2023, the Company closed the brokered private placement of 1,437,500 flow-through common shares of the Company at a price of $8.65 per flow-through common share for aggregate gross proceeds of $12,434. The Company paid commissions and other capital raise related expenditures in the amount of $811 in relation to this private placement and recorded a flow-through premium liability of $3,568 (Note 13). In addition, the Company classified $151 of legal, professional, and filing fees related to this private placement as share issuance costs.

On March 22, 2023, the Company closed the brokered private placement of 2,602,500 flow-through common shares of the Company at a price of $13.45 per flow-through common share for aggregate gross proceeds of $35,004. The Company paid commissions and other capital raise related expenditures in the amount of $2,249 in relation to this private placement and recorded a flow-through premium liability of $13,926 (Note 13). In addition, the Company classified $47 of legal, professional, and filing fees related to this private placement as share issuance costs.

11. SHARE CAPITAL (continued)

During the year ended November 30, 2022

On November 3, 2022, the Company completed a private placement and issued 428,400 flow-through common shares of the Company at a price of $16.34 per share for total proceeds of $7,000. The Company recorded a flow-through premium liability of $3,294 (Note 13). The Company paid share issue costs of $207.

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

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

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

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

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

During the year ended November 30, 2023:

On September 22, 2023, the Company issued 185,945 common shares valued at $1,500 in order to satisfy the third payment of its Lac des Montagnes option agreement (Note 11).

On March 22, 2023, the Company issued 173,169 common shares valued at $1,500 in order to satisfy the second payment of its Lac des Montagnes option agreement (Note 11).

On December 30, 2022, the Company issued 18,000,000 common shares valued at $198,000 ($11.03 per share) to the shareholders of 1361516 B.C. Ltd. to complete the acquisition of the Yellowknife Lithium project (Note 8).

During the year ended November 30, 2022:

On September 22, 2022, the Company issued 225,000 common shares valued at $1,883 for to the option agreement related to the Lac des Montagnes Lithium Property (Note 11).

On February 2, 2022, the Company issued 1,751,913 common shares valued at $3,504 to Kenorland pursuant to the option agreement related to the Rupert Property (Note 11).

c) **Stock options**

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

During the year ended November 30, 2023, the Company granted 675,000 stock options (the "Options") to its Directors, Officers, employees and consultants to acquire a total of 675,000 common shares of the Company at an exercise price of $10.00 per share for a period of five years. The Options vest after two years, with one quarter of the total options vesting at each six-month anniversary.

(Expressed in thousands of Canadian dollars unless otherwise noted)

11. SHARE CAPITAL (continued)

Using the graded vesting method, for the year ended November 30, 2023, $758 (2022, $nil) of the estimated fair value was recognized as share-based payments expense in the consolidated statements of net income (loss) and comprehensive income (loss), and $1,131 (2022, $nil) of the estimated fair value was capitalized to exploration and evaluation properties.

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

	November 30, 2023		November 30, 2022	
	Number of options outstanding	Weighted average exercise price	Number of options outstanding	Weighted average exercise price
Outstanding, beginning	-	-	500,000	$0.05
Granted	675,000	$10.00	-	-
Exercised	-	-	(275,000)	$0.05
Expired	-	-	(225,000)	$0.05
Outstanding, ending	**675,000**	**$10.00**	**-**	**-**

As at November 30, 2023, the following stock options were outstanding:

Number of options	Exercise price	Expiry date	Number of options vested
495,000	$10.00	April 15, 2028	123,750
80,000	$10.00	May 3, 2028	20,000
80,000	$10.00	June 1, 2028	-
20,000	$10.00	September 18, 2028	-
675,000	**$10.00**		**143,750**

The total fair value of the stock options granted in the year ended November 30, 2023 was estimated to be $3,219 (weighted average fair value of $4.77 per option), calculated using the Black-Scholes Option Pricing Model, which used the following weighted average assumptions:

	Year ended November 30, 2023
Exercise price	$10.00
Share price at time of grant	$8.53
Expected volatility	76%
Expected life of option	5 years
Risk-free annual interest	3.19%
Expected annual dividend	0%
Forfeiture rate	0%

(Expressed in thousands of Canadian dollars unless otherwise noted)

12. 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 years ended November 30, 2023 and 2022 is as follows:

Service or Item	November 30, 2023	November 30, 2022
	$	$
Directors' fees	115	-
Management, consulting fees and salaries	778	86
Share based compensation (expensed and capitalized)	1,264	-
Total	**2,157**	**86**

Included in accounts payable and accrued liabilities as at November 30, 2023 was $103 due to related parties (2022 - $46).

13. FLOW-THROUGH SHARE PREMIUM LIABILITY

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

	November 3, 2022	March 22, 2023	November 17, 2023	Total
	$	$	$	$
Balance as at November 30, 2022	**3,294**	**-**	**-**	**3,294**
Liability incurred on new flow-through shares issued	-	13,926	3,568	17,494
Settlement of flow-through share premium liability upon incurring eligible expenditures	(3,143)	(11,760)	-	(14,903)
Balance as at November 30, 2023	**151**	**2,166**	**3,568**	**5,885**

As at November 30, 2023, the Company had $18,201 (November 30, 2022 – $7,000) of flow-through expenditure commitments to fulfill the flow-through requirements. The Company reversed the associated flow-through share premium liability and recognised a deferred income tax recovery of $14,903 (2022 - $nil) in the Company's consolidated financial statements for the period ended November 30, 2023.

14. LOANS PAYABLE

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

During the year ended November 30, 2022, the Company obtained a loan from 1361516 B.C. Ltd., a private company that was acquired by the Company, in the amount of $250. Prior to completing the acquisition in Note 8, the Company received an additional loan amount of $505. On acquisition of Yellowknife Lithium, the aggregate balance of $755 was eliminated as a settlement of a pre-existing relationship.

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).

The carrying values of cash and cash equivalents, accounts payable, accrued liabilities, loans payable, 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.

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:

	November 30, 2023	November 30, 2022
	$	**$**
Current tax recovery (expense)	-	-
Deferred tax recovery (expense)	6,819	-
Total Income Tax Recovery (Expense)	**6,819**	**-**

(Expressed in thousands of Canadian dollars unless otherwise noted)

17. INCOME TAXES (continued)

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:

	November 30, 2023	November 30, 2022
	$	**$**
Loss for the year before income taxes	(3,270)	(738)
Statutory tax rate	27.0%	27.0%
Expected income tax recovery at the statutory tax rate	(883)	(199)
Permanent differences	551	(57)
Impact of flow through shares	(5,086)	-
Impact of share issue costs	(880)	-
Unrecognized deferred tax assets	(120)	-
Other	(401)	256
Income tax recovery	**(6,819)**	**-**

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

	November 30, 2023	November 30, 2022
	$	**$**
Deferred income tax assets		
Non-capital loss carry-forwards	959	-
Share issue costs	738	-
Deferred income tax liabilities		
Exploration and evaluation properties	(9,745)	-
Other	(36)	-
Net Deferred Income Tax Liability	**(8,084)**	**-**

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

	November 30, 2023	November 30, 2022
	$	**$**
As at December 1	-	
Current tax recovery (expense)	-	-
Deferred tax recovery (expense)	(8,084)	-
As at November 30	**(8,084)**	**-**

As at November 30, 2023, the Company has non-capital losses in Canada totaling approximately $4,096 (2022: $209) that expire in 2041 and 2043, 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 $17,737 represents the Company's maximum exposure to credit risk as at November 30, 2023 (2022 - $5,442).

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 to ensure that it is able to meet its short-term and long-term obligations as and when they fall due. Cash projections are regularly updated to reflect the dynamic nature of the business. To date, the Company's capital requirements have been met by equity subscriptions. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

Interest Rate Risk

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

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of the Company's financial instruments will fluctuate due to changes in exchange rates. As at November 30, 2023, 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 currency risk 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 year ended November 30, 2023.

19. SUBSEQUENT EVENTS

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 over a period of two years with one quarter of the total options vesting at each six-month anniversary.

On January 4, 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 undergo a phase vesting, with 25% vested on the grant date and additional 25% on each 6/12/18-month anniversary. Another set of 245,000 options follow a distinct vesting schedule, with 50% vesting on the 12-month anniversary and the remaining 50% vesting on the 24-month anniversary.

On March 27, 2024, the Company announced the completion of a brokered financing 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 will pay 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 this placement.