**Li-FT POWER LTD.**

Management's Discussion and Analysis

For the year ended November 30, 2022 and the period from the date of incorporation on May 28, 2021 to November 30, 2021

*The following management discussion and analysis ("MD&A") should be read in conjunction with the financial statements and accompanying notes ("Financial Statements") of LI-FT POWER LTD. (the "Company") for the year ended November 30, 2022. Results have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting standards Board ("IASB"). All monetary amounts are reported in Canadian dollars unless otherwise indicated. This MD&A is dated March 29, 2023.*

*This MD&A contains forward-looking information. See "Forward-Looking Information" and "Risks and Uncertainties" for a discussion of the risks, uncertainties and assumptions relating to such information.*

*On June 24, 2022, the Company completed its Initial Public Offering ("IPO") and its shares were listed on the Canadian Securities Exchange commenced trading on June 27, 2022 under the symbol "LIFT".*

**FORWARD-LOOKING STATEMENTS**

This report may contain forward-looking statements. The words "expect," "anticipate," "estimate," "may," "will," "should," "intend," "believe," "target," "budget," "plan," "projection" and similar expressions are intended to identify such forward-looking statements. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present during operations, or if and when an undeveloped project is actually developed.

Forward-looking statements involve a number of known and unknown risks and uncertainties including statements regarding the outlook of LI-FT Power Ltd.'s business and results of operations. By their nature, these risks and uncertainties could cause actual results, performance and achievements to differ materially from those indicated. Such factors include, without limitation, risks inherent in mineral exploration, changes in commodity prices, geological and metallurgical assumptions (including with respect to size, grade and recoverability of mineral resources and mineral reserves), the Company's history of operating losses and uncertainty of future profitability, uncertainty of access to additional capital, environmental risks, as well as the world's physical and financial health in dealing with COVID-19. In making the forward-looking statements in this MD&A, the Company has applied material assumptions, including without limitation, the assumption that any additional financing needed will be available on reasonable terms.

Additional factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, but are not limited to, weak commodity prices and general metal price volatility; the state of the global economy and economic and political events, including the deterioration of the global capital markets, affecting supply and demand; and securing and the nature of regulatory permits and approvals and the costs of complying with environmental, health and safety laws and regulations.

The Company cannot assure investors that any of these assumptions will prove to be correct.

LI-FT Power Ltd. disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as is required by applicable securities regulations. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date the statements were made, and are also advised to consider such forward looking statements while considering the risk factors set forth in this MD&A.

**DESCRIPTION OF BUSINESS**

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.

The head office of the Company is located at Suite 300-1055 West Hastings Street, Vancouver, British Columbia V6E 2E9, and the registered and records office of the Company is located at Suite 2080-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

**PROJECT OVERVIEW**

**YELLOWKNIFE LITHIUM PROJECT**

On November 23, 2022, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with 1361516 B.C. Ltd. (the "Target"), a private company holding a 100% interest in the Yellowknife Lithium Project (the "Project" or the "Properties"), whereby the Company will acquire all the issued and outstanding shares of the Target.

The Yellowknife Lithium Project is comprised of fourteen (14) mineral leases that cover most of the lithium pegmatites that make up the Yellowknife Pegmatite Province ("YPP"). The YPP has been noted to be one of the largest lithium resources in the Western world (Page, 1987 - Equinox Resources). Numerous spodumene-bearing pegmatites with strike lengths up to 1,800 meters and widths up to 40 meters outcrop in a spectacular fashion within the Project and are plainly visible from satellite imagery. The YPP also benefits from excellent existing infrastructure, including roads, rail and a skilled labour force that could support the development of this project.

Lithium mineralization hosted in spodumene-bearing pegmatites of the Yellowknife Pegmatite Province (YPP) was first discovered in the 1940's and intermittently explored through to the 1980's. Canadian Superior Exploration Limited (CSEL), the exploration arm of Superior Oil, completed systematic mapping, spodumene crystal counts, trenching, channel sampling and diamond drilling in the area from 1975 to 1979. CSEL estimated an overall resource potential for the YPP of 49 million tons at an average grade of 1.40% $Li_2O$ (calculated to a vertical depth of 152m) of which 75% is located within the Yellowknife Project (Lasmanis, 1978). This estimate was not prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and was prepared prior to the current CIM Definition Standards for Mineral Resources and Mineral Reserves. Further, a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves; and the Company is not treating the historical estimate as current mineral resources or mineral reserves. Additional confirmation drilling will be necessary to achieve a resource estimate which will be compliant with the requirements of NI 43-101.The historical estimate should not be relied upon and there can be no assurance that any of historical resources, in whole or in part, will ever become economically viable.

Superior Oil was acquired by Mobil in 1984 which led to the divestment of the CSEL mineral properties and the claims holding the largest lithium pegmatites were transferred to a private company owned by the Target. In 1985, the private company entered into an option agreement with Equinox Resources Ltd. who collected bulk samples in 1987 for initial metallurgical testing. The results from initial metallurgical testing were positive and Equinox recommended a full feasibility study. Equinox was later acquired by Hecla Mining Company and the YPP lithium deposits reverted to the private company. Since 1987, very little exploration work was completed on any of the pegmatites.

In addition to the Yellowknife Project, the Target held the Cali lease located in the Little Nahanni Pegmatite Field in the Mackenzie mountains in Northwest Territories near the Yukon border. The Little Nahanni Pegmatite Field has been noted to have greater than 275 complex rare element pegmatites over an area of 13 by 2.5 kilometers. CSEL also held the Cali pegmatite in the 1970's that was subsequently acquired during the portfolio acquisition in 1983.

The Cali pegmatite was mapped by CSEL in 1977 and was described as outcropping over a 500-meter strike length, having a 300-meter outcropping vertical extent, and having up to 100 meter width. Panels of metasedimentary country rock occur within the spodumene-bearing pegmatite which has been described to have 60 meters of pegmatite dyke material. Float mapping suggests that the lithium bearing dyke could be up to 1,200 meters in strike length.

In November 2022, the Company staked four mineral claims that adjoin the Cali lease, bringing the combined area to 2,341.2 hectares.

On February 21, 2023, the Company acquired an option to purchase a 100% interest in 13 mineral leases covering 991 hectares that comprise the Thompson-Lundmark Project (the "Property") and one lease, covering 115 hectares to the north of the Property. The terms of the Option require the Company to make Aggregate cash payments of $3 million and exploration expenditures of $1.3 million over the two years term of the option agreement. A 1.5% NSR will be retained by the vendor of the Property, one third of which can be purchased at any time for $500,000. The Company also has a first right of refusal on the royalty.

The Thompson-Lundmark Property is contiguous with Li-FT's Ki mineral lease that hosts the Ki lithium pegmatite occurrence, part of Li-FT's Yellowknife Lithium Project (YLP), in the Northwest Territories. The lithium pegmatite dykes exposed on the Thompson-Lundmark Property have widths, on surface, up to 25 meters and are on strike with Li-FT's Ki lithium pegmatite that has reported an intersect of 13 meters at 1.80% $Li_2O$ in a single diamond drill hole from the 1970's. Outcrops of the Ki pegmatite within the Ki lease have been described to contain 15 to 20% spodumene content approximately 40 meters from the Property boundary. The dykes add 600 meters of strike length to the Ki pegmatite system for a total of 1.5 kilometers which will be one of the targets for systematic follow-up drilling commencing in the next months.

## RUPERT PROJECT

The Rupert Project, in its entirety, covers approximately 155,533 hectares or 1,555 square kilometers of mineral tenure in the James Bay region of Quebec. The Rupert Project is composed of three separate project areas: the Pontax Lithium Project, the Moyenne Lithium Project, and the Rupert Project. The Rupert Project area straddles the Whabouchi Trend whereas the Pontax and Moneynne Lithium Projects straddle the Pontax trend and covers the boundary between the La Grande and Nemiscau geologic subprovincse.

The Whabouchi Trend covers approximately 950 square kilometers of the Lac des Montagnes greenstone belt which hosts the Whabouchi Li-pegmatite deposit (53.6 Mt at 1.45% $Li_2O$ total resources and reserves). The Pontax Trend covers approximately 350 square kilometers of the Pontax greenstone belt which hosts several Li pegmatite showings. The geology of the Pontax trend is similar to the Whabouchi Trend and has similar characteristics for Li prospectivity. The Moyenne Trend covers an east-trending shear zone which has potential to host Li pegmatites.

**James Bay Option Agreement**

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

The option may be exercised by the Company by making cash payments to the optionors in an aggregate amount of $100,000, as follows:

A. $20,000, upon the execution and delivery of the agreement by all parties (paid);
B. An additional $25,000, on or before the first anniversary of the agreement (paid);
C. An additional $25,000, on or before the second anniversary of the agreement;
D. An additional $30,000, on or before the third anniversary of the agreement; and

**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 will be granted the option to acquire up to a 100% interest in and to certain mineral claims (the "Rupert Property").

In order to exercise the option, the Company agrees to pay $200,000 in cash (paid) and 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.

Upon the exercise of the option, the Company will grant to Kenorland a 2% net smelter royalty in respect of the Rupert Property.

The Company will be responsible for all operations conducted at the Rupert Property and shall have 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 will engage Kenorland as operator of the Rupert Property for an initial term of two years. The Company will 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 $3,503,826 to Kenorland pursuant to the option agreement related to the Rupert Property.

**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").

In consideration for the sale, transfer, assignment and conveyance of the Property and the Property Rights, the Company paid an aggregate of $15,000 in cash.

**Ravenclan Purchase Agreement**

On January 13, 2022, the Company entered into a mineral property purchase agreement with Marino Specogna and Ravenclan Ltd. to acquire eight mineral claims located in James Bay, Quebec (the "Ravenclan Claims").

In consideration for the sale, transfer, assignment and conveyance of the Property and the Property Rights, the Company paid an aggregate of $10,000 in cash.

**PONTAX PROJECT**

The Pontax Project is within an area that was affected by the marine incursion of the Tyrell Sea at the end of the last glaciation. Topographic lows are infilled with glaciomarine sediments and topographic highs usually have outcropping till. Till on topographic highs may have been reworked by the Tyrell Sea, which could cause variability in till geochemistry results.

On July 20, 2022, the Company entered into a mineral property purchase agreement with Harfang Exploration Inc. ("Harfang") to acquire 70% interest of Pontax mineral claims located in the James Bay region in Quebec (the "Pontax Property").

In accordance with the agreement, the Company may exercise the first option to earn 51% interest by making payments in an aggregate amount of $100,000, as follows:

a. $25,000 in cash (paid) upon the execution and delivery of the agreement by both parties;
b. an additional $25,000 on or before the first anniversary date;
c. an additional $25,000 on or before the second anniversary date;
d. an additional $25,000 on or before the third anniversary date; and
e. incurring $1,650,000 in expenditures on the Pontax Property during the first option period.

Upon the exercise of the first option, Harfang will 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 acceptance shall be accompanied by a payment of $50,000 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 will 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 shall incur an additional $3,350,000 in expenditures on the Pontax Property.

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 property.

**MOYENNE PROJECT**

The Moyenne Project has more discreet and discontinuous geochemical anomalies than the Pontax and Rupert Projects (see press release dated November 9, 2022 for Rupert till results). The Company will design a modest follow-up exploration program to screen low-level anomalism in the Moyenne Project area.

**Lac des Montagnes Option Agreement**

On September 22, 2022 (the "effective date"), the Company into an option agreement (the "Option Agreement") with 9219-8845 Quebec Inc. ("9219") and Steve LaBranche (collectively with 9219, the "Optionors") pursuant to which Li-FT will be granted the option (the "Option") to acquire a 100% interest in and to the Lac des Montagnes Lithium Property, comprised of 348 mineral claims located near Nemaska Village in the Province of Quebec (the "Lac des Montagnes Property"). The Lac de Montagnes property is located in the same prolific lithium belt that hosts the Nemaska Lithium Whabouchi Deposit, a world-class lithium deposit in Quebec, Canada. With the completion of the Lac des Montagnes land transaction, Li-FT now has 216,000 hectares of prospective land in this lithium district.

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

A. $300,000 in cash and 225,000 Li-FT Shares within five (5) business days of the effective date (paid)
B. an additional $1,500,000 in value of Li-FT Shares on the 6-months anniversary of the effective date (issued 173,169 common shares)
C. an additional $1,500,000 in value of Li-FT Shares on the 12-months anniversary of the effective date

## SELECTED ANNUAL FINANCIAL INFORMATION

The following selected annual financial information is derived from the audited financial statements of the Company. The figures have been prepared in accordance with IFRS.

| | **Year ended November, 2022** | **Year Period from May 28, 2021, to November 2021** |
|---|---|---|
| | $ | $ |
| Total revenues | - | - |
| General and administrative expenses | 754,090 | (77,650) |
| Loss before other items | **(754,090)** | **(77,650)** |
| Finance expense | (740) | - |
| Interest Income | 15,599 | - |
| Foreign exchange gain | 732 | 348 |
| Net loss and comprehensive loss | **(738,499)** | **(77,302)** |
| Net loss per share – Basic & fully diluted | (0.04) | (0.01) |
| Totals assets | 15,488,408 | 2,388,819 |
| Total liabilities | 4,074,656 | 32,673 |

## SELECTED QUARTERLY FINANCIAL INFORMATION

The following selected financial information is derived from the audited consolidated financial statements of the Company. The figures have been prepared in accordance with IFRS.

| | For the Quarters Ended | | | | |
|---|---|---|---|---|---|
| | Nov 30, 2022 | Aug 31, 2022 | May 31, 2022 | Feb 28, 2022 | Nov 30, 2021 |
| | $ | $ | $ | $ | $ |
| Total revenues | - | - | - | - | - |
| Net loss | (368,936) | (246,975) | (66,160) | (56,428) | (77,302) |
| Net income (loss) per share | (0.02) | (0.01) | (0.00) | (0.00) | (0.01) |
| Total assets | 15,488,408 | 8,223,853 | 6,655,887 | 6,763,817 | 2,388,819 |

The variation seen over the quarters is primarily dependent upon the success of the Company's ongoing business development, property evaluation and acquisition program and the timing and results of the Company's exploration activities on its current properties. The increase in net loss from the quarter ended May 31, 2022 to the quarter ended August 31, 2022 is due to the Company's successful listing on the CSE and operating as a public Company. The further increase in net loss for the quarter ended November 30, 2022 has resulted from the Company's successful growth to acquiring and exploring several properties in Canada, also evidenced by the continuous increase in total assets.

## RESULTS OF OPERATIONS

### For the three months ended November 30, 2022 and 2021

Net loss and comprehensive loss for the three months ended November 30, 2022, was $368,936 compared to $9,602 for the three months ended November 30, 2021. The comprehensive loss was mainly attributable to the following:

- Consulting fees increased by $207,082, from $975 during the three months ended November 30, 2021, to $208,057 for the three months ended November 30, 2022. This was mainly due to the increase in corporate activities and additional consulting fees paid for corporate development.

- Professional fees increased by $89,890, from $32,673 during the three months ended November 30, 2021, to $122,563 for the three months ended November 30, 2022. The professional fees incurred were mainly related to the listing process of the Company's securities on the CSE as well as negotiations relating to agreements for mineral property acquisitions.

- Office expenses increased by $46,752, from $1,054 during the three months ended November 30, 2021, to $47,806 for the three months ended November 30, 2022. This was mainly due to the increase in corporate activities and office management activities.

### For the year ended November, 2022 and the period from the date of incorporation on May 28, 2021 to November 30, 2021

Net loss and comprehensive loss for the year ended November 30, 2022, was $738,499 compared to $77,302 for the period ended November 30, 2021. The increase in comprehensive loss was mainly attributable to the following (not withstanding that the comparative period is only a 6-months period):

- Consulting fees increased by $314,418, from $9,975 during the period ended November 30, 2021 to $324,393 for the year ended November 30, 2022. This was mainly due to the increase in corporate activities and additional consulting fees paid for corporate development.

- Professional fees increased by $190,556, from $32,673 during the period ended November 30, 2021, to $223,229 for the year ended November 30, 2022. The increase in professional fees was mainly due to the listing process of the Company's securities on the CSE.

- Exploration Expenses increased by $49,353, from $Nil during the period ended November 30, 2021, to $49,353 for the year ended November 30, 2022. The exploration expenses incurred were related to exploration activities at different mineral properties prior to acquisition by the Company.

- Office expenses increased by $156,061, from $1,054 during the period ended November 30, 2021 to $157,115 for the year ended November 30, 2022. The increase was mainly due to the increase in corporate activities.

**LIQUIDITY AND CAPITAL RESOURCES**

As at November 30, 2022, the Company had working capital of $1,409,508 (November 30, 2021 – $1,123,746).

During the year ended November 30, 2022, the Company used $583,299 cash for operating activities compared to $10,681 for the period ended November 30, 2021. Funds used for operating activities resulted from the net loss of $738,499 for the year (period ended November 30, 2021 - $77,302) and was reduced by a positive change in non-cash working capital items totaling $155,200 (period ended November 30, 2021 – working capital items totaling $32,673 and non-cash items of $33,948).

During the year ended November 30, 2022, the Company used $3,384,768 cash for investing activities compared to $1,232,400 during the period ended November 30, 2021. Investing activities consist exclusively of exploration and evaluation expenditures, including cash payments for mineral property acquisitions.

During the year ended November 30, 2022, the Company generated cash in the amount of $8,253,425 from financing activities compared to $2,399,500 during the period ended November 30, 2021. Financing activities consist of $7,689,675 proceeds from shares issued, net of share issue costs, $13,750 from stock option exercises and $550,000 from loan proceeds (during the period ended November 30, 2021 - $2,349,500 proceeds from shares issued and $50,000 from stock option exercises.

From time to time the Company works to raise additional capital through private placements and other forms of equity financing. Its ability to fund exploration projects is dependent upon its ability to obtain sufficient funding for operations and is ultimately dependent on the recoverability of the amounts capitalized to mineral exploration properties. The Company has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable, and accordingly, the success of any further exploration or development prospects cannot be assured. Because the Company is not yet a producer, the primary source of future funds is through the sale of additional equity capital and optioning of resource properties. There is no assurance that the Company will be successful in raising sufficient capital to meet its obligations. If it is not successful in raising sufficient capital, it may have to curtail or otherwise limit operations. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

As at November 30, 2022, shareholders' equity totaled $11,413,752 and consisted of share capital in the amount of $12,224,461, contributed surplus in the amount of $5,092 and accumulated deficit in the amount of $815,801.

The following table shows funds available at the time of listing, and the principal planned purpose for available funds compared with approximate actual amounts expended as at November 30, 2022:

| **Principal Purpose** | **Estimated amount proposed to be expended** | **Approximate Actual amount expended as at November 30, 2022** |
|---|---:|---:|
| Estimated remaining expenses of the listing of the Common Shares on the CSE | 59,000 | 69,882 |
| Phase 1 exploration program on the Rupert property | 1,096,000 | 3,009,768 |
| Expenses pursuant to the operator services agreement between the Company and Kenorland Minerals Ltd. | 100,000 | 100,000 |
| Option payment due August 11, 2022 pursuant to an option agreement | 25,000 | 25,000 |
| General and Administrative expenses for the 12 months following listing | 379,000 | 506,927 |
| **Total** | **1,659,000** | **3,711,577** |
| Excess Cash Available | 91,000 | 5,441,777 |

During the year ended November 30, 2022, the Company closed a flow-through private placement for gross proceeds of $7,000,056. These funds will be used to advance the Company's exploration projects in Quebec.

Subsequent to the year ended November 30, 2022, the Company closed a flow-through private placement for gross proceeds of $35,003,625. These funds will be used to advance the Company's exploration projects in the Northwest Territories.

**TRANSACTIONS WITH RELATED PARTIES**

Related parties include the Board of Directors and Officers of the Company, as well as close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

On October 15, 2022, the Company entered into a consulting agreement with 1354195 B.C. Ltd., a company controlled by the CEO of the Company. Pursuant to this consulting agreement, the Company agreed to pay CHF11,111 per month to 1354195 B.C. Ltd. for management services. The Company accrued $23,100 (CHF16,667) for the period from the start of the agreement until November 30, 2022 (2021 - $Nil).

During the year ended November 30, 2022, the Company paid consulting fees of $52,500 to its Corporate Secretary (2021 - $Nil).

During the year ended November 30, 2022, the Company accrued $10,500 in consulting fees for Purple Crown, a company controlled by Julie Hajduk, one of the Company's directors (2021 - $Nil).

Included in accounts payable and accrued liabilities at November 30, 2022 was $45,634 due to related parties (2021 - $Nil)..

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

## SHARE CAPITAL

### Authorized share capital

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

As at November 30, 2022, the Company had 18,465,063 common shares issued and outstanding. As at the date of this MD&A, the Company had 39,240,732 common shares issued and outstanding.

### Issuance of shares

a) Private Placements

On March 22, 2023, the Company completed a private placement and issued 2,602,500 flow-through shares of the Company at a price of $13.45 per flow-through share for total proceeds of $35,003,625. The Company paid share issue costs of $2,248,528 consisting of commissions and other capital raise related expenditures.

On November 3, 2022, the Company completed a private placement and issued 428,400 flow-through shares of the Company at a price of 16.34 per flow-through share for total proceeds of $7,000,056. The Company paid share issue costs of 207,746 consisting of commissions and other capital raise related expenditures.

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 $594,000.

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 $203,500.

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 $42,000.

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 $60,000.

On September 21, 2021, the Company completed a private placement and issued 5,140,000 common shares of the Company at a price of $0.30 per share for total proceeds of $1,542,000.

On September 14, 2021, the Company completed a private placement and issued 5,675,000 common shares of the Company at a price of $0.10 per share for total proceeds of $567,500.

On August 3, 2021, the Company completed a private placement and issued 1,350,000 common shares of the Company at a price of $0.10 per share for total proceeds of $135,000.

On July 29, 2021, the Company completed a private placement and issued 100,000 common shares of the Company at a price of $0.10 per share for total proceeds of $10,000.
On July 29, 2021, the Company completed a private placement and issued 1,900,000 common shares of the Company at a price of $0.05 per share for total proceeds of $95,000.

b) Share issuance for mineral properties:

On March 22, 2023, the Company issued 173,169 common shares pursuant to the Lac des Montagnes Option Agreement.

On December 30, 2022, the Company completed the amalgamation transaction with 1361516 BC Ltd. ("136"), and issued 18,000,000 common shares to the shareholders of 136 in exchange for all issued and outstanding shares of 136.

On September 22, 2022, the Company issued 225,000 common shares valued at $1,883,250 for to the option agreement related to the Lac des Montagnes Lithium Property.

On February 2, 2022, the Company issued 1,751,913 common shares valued at $3,503,826 to Kenorland pursuant to the option agreement related to the Rupert Property.

c) Exercise of Options

During the year ended November 30, 2022, the Company issued 275,000 common shares of the Company upon exercise of stock options at $0.05 per share for total proceeds of $13,750.

During the period ended November 30, 2021, the Company issued 1,000,000 common shares of the Company upon exercise of stock options at $0.05 per share for total proceeds of $50,000.

**Stock option**

On July 30, 2021, the Company granted 1,500,000 stock options to certain consultants and a director of the Company. The stock options have an exercise price of $0.05 per common share and are exercisable for one year until July 30, 2022. The stock options vested immediately.

The fair value of the stock options was estimated to be $33,948 calculated using the Black-Scholes Option Pricing Model using the following assumptions:

| | **Period ended November 30, 2021** |
|---|---|
| Risk-Free Annual Interest | 0.42% |
| Expected Volatility | 120% |
| Expected Life of Option | 1 year |
| Expected Annual Dividend | 0% |

The following table is a summary of the changes in the Company's stock options for the year ended November 30, 2022 and for the period from May 28, 2021 to November 30, 2021:

| | November 30, 2022 | | November 30, 2021 | |
|---|---|---|---|---|
| | **Number of options exercisable** | **weighted average exercise price** | **Number of options exercisable** | **weighted average exercise price** |
| Outstanding, beginning | 500,000 | $0.05 | - | - |
| Granted | - | - | 1,500,000 | $0.05 |
| Expired | (225,000) | $0.05 | - | - |
| Exercised | (275,000) | $0.05 | (1,000,000) | $0.05 |
| **Outstanding, ending** | **-** | **-** | **500,000** | **$0.05** |

There have been no changes to the Company's stock options since November 30, 2022.

## LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended November 30, 2022, was based on the net loss of $368,936 and the weighted average number of common shares of 18,165,183.

The calculation of basic and diluted loss per share for the year ended November 30, 2022, was based on the net loss of $738,499 and the weighted average number of common shares of 17,245,640.

## CRITICAL JUDGMENTS AND ESTIMATES

The preparation of the Financial Statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

### Significant Judgments

The Company makes estimates about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments, the recognition and valuation of provisions for decommissioning liabilities, the carrying value of exploration and evaluation properties, the valuation of all liability and equity instruments including stock options, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

*Exploration and evaluation expenditures*

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining the point at which a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop the property are capitalized into development assets. The determination may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year when new information becomes available.

Determining whether to test for impairment of mineral exploration properties and deferred exploration assets requires management's judgment regarding the following factors, among others: the year for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next year.

*Impairment of financial assets*

At each reporting date the Company assesses financial assets not carried at fair value through profit or loss to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that one or more events occurred during the year that negatively affected the estimated future cash flows of the financial asset.

Objective evidence that financial assets are impaired can include significant financial difficulty of the issuer or debtor, default or the disappearance of an active market for a security. If the Company determines that a financial asset is impaired, judgment is required in assessing the available information in regard to the amount of impairment; however, the final outcome may be materially different than the amount recorded as a financial asset.

*Decommissioning and restoration costs*

Management is not aware of any material restoration, rehabilitation and environmental provisions as at November 30, 2022. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value and these estimates are updated annually. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the exploration and evaluation property. Such estimates are subject to change based on laws, regulators and negotiations with regulatory authorities.

*Deferred income taxes*

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future years, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that the cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the statement of financial position date, if any, could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company and its subsidiaries operate could limit the ability of the Company to obtain tax deductions in future years.

## FINANCIAL INSTRUMENTS

### Categories of financial instruments

| | November 30, 2022 | November 30, 2021 |
|---|---|---|
| | $ | $ |
| **FINANCIAL ASSETS** | | |
| **FVTPL, at fair value** | | |
| Cash | 5,441,777 | 1,156,419 |
| **Total financial assets** | **5,441,777** | **-** |
| | | |
| **Other liabilities, at amortized cost** | | |
| Accounts payable and accrued liabilities | 230,260 | 32,673 |
| Short-term loan | 550,000 | - |
| **Total financial liabilities** | **780,260** | **32,673** |

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk
- Currency Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them during the period unless otherwise stated in the note.

**General Objectives, Policies and Processes**

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board of Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of two types of risk: interest rate risk and equity price risk.

### Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company borrowed $300,000 principal amount at the rate of 3% per annum. This loan was repaid on March 10, 2023. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. This risk is considered minimal.

| | | November 30, 2022 | | November 30, 2021 |
|---|---|---|---|---|
| | Amount $ | Fixed Rate | Amount $ | Fixed Rate |
| Operating Loan | 300,000 | 3% | - | - |
| Bridge Loan | 250,000 | - | - | - |
| | 550,000 | - | - | - |

### Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with major financial institutions.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate cash to settle its liabilities. The Company continuously monitors both actual and forecasted cash flows and matches the maturity profile of financial assets and liabilities.

As at November 30, 2022 the Company had cash of $5,441,777 (November 30, 2021 - $1,156,419) to settle liabilities of $4,074,656 (November 30, 2021 - $32,673). As such, liquidity risk is considered minimal. Management seeks additional financing through the issuance of equity instruments to continue its operations. There can be no assurance it will be able to do so.

### Currency Risk

The Company might be exposed to currency risk by incurring certain expenditures in currencies other than the Canadian dollar. The Company does not use derivative instruments to reduce its currency risk. During the three months ended November 30, 2022, the Company has not had foreign currency transactions, and therefore was not exposed to currency risk.

## FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### Capital Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes share capital in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

## CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A.

Based on this assessment, it was determined that certain weaknesses may exist in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where potential weaknesses existed. The existence of these potential weaknesses is to be compensated for by senior management monitoring which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), LIFT utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing a Venture Issuer Basic Certificate do not make any representations relating to establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP ("IFRS").

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of LIFT's certifying officers to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided securities legislation.

## RISK FACTORS

The mineral industry involves significant risks. In addition to the risk factors described elsewhere in this MD&A, the risk factors that should be taken into account in considering LI-FT Power Ltd.'s business include, but are not limited to, those set out below. Any one or more of these risks could have a material adverse effect on the future prospects of the Company and the value of its securities.

### Current Global Financial Condition

Current global financial conditions have been subject to increased volatility and turmoil. These factors may affect LI-FT Power Ltd.'s ability to obtain equity financing in the future or, if obtained, to do so on terms favorable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations as well as the trading price of its common shares could be adversely affected.