POWR LITHIUM CORP.

Management's Discussion and Analysis

For the three and six months ended February 29, 2024 and February 28, 2023

(Expressed in Canadian dollars, except where noted)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of POWR Lithium Corp. (formerly Clear Sky Lithium Corp.) (the "Company") has been prepared by management, in accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations* as at April 19, 2024 ("MD&A Date"). This MD&A provides analysis of the Company's financial results for three and six months ended February 29, 2024 and February 28, 2023, and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six months ended February 29, 2024 and February 28, 2023 (the "Financial Statements"), as well as the audited consolidated financial statements for the years ended August 31, 2023 and 2022 (the "Annual Financial Statements"), and the related notes contained therein which have been prepared under International Financial Reporting Standards, as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are presented in Canadian dollars, the presentation and functional currency of the Company and its subsidiaries.

In this MD&A, "POWR" or the words "we", "us", or "our", collectively refer to the Company and it's subsidiaries. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The six months ended February 29, 2024 and February 28, 2023 are referred to as "YTD 2024" and "YTD 2023", respectively.

Management is responsible for the preparation and integrity of the Company's financial statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management is responsible for ensuring that information disclosed externally, including the information contained within the Company's financial statements and MD&A, is complete and reliable.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "intend", or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to:

- our business plan and investment strategy; and
- general business strategies and objectives.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this document which includes, but is not limited to:

- taxes and capital, operating, general & administrative and other costs;
- general business, economic and market conditions;
- the ability of the Company to obtain the required capital to finance its investment strategy and meet its commitments and financial obligations;
- the ability of the Company to obtain services and personnel in a timely manner and at an acceptable cost to carry out activities; and
- the timely receipt of required regulatory approvals.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on them as there can be no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially to those described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- meeting current and future commitments and obligations;
- general business, economic and market conditions;
- the uncertainty of estimates and projections relating to future costs and expenses;
- changes in, or in the interpretation of, laws, regulations or policies;
- the ability to obtain required regulatory approvals in a timely manner;
- the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and
- other risks and uncertainties described elsewhere in this document.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "Risk and Uncertainties" herein. The forward-looking information contained in this document is made as at the date hereof and, except as required by applicable securities law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

BUSINESS OVERVIEW

POWR Lithium Corp. (formerly Clear Sky Lithium Corp.) (the "Company") is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the Business Corporations Act of British Columbia on June 25, 2018 and changed its name from Clear Sky Lithium Corp. to POWR Lithium Corp. on January 30, 2023. The address of the Company's registered and records office is 1021 West Hastings Street, 9th floor, Vancouver, BC, V6E 0C3.

The Company's common shares trade on the Canadian Securities Exchange (the "CSE") under the symbol "POWR", on the OTC Markets Exchange under the symbol "CSKYF", and on the Frankfurt Stock Exchange under the symbol "6JX".

The Company is considered to be in the exploration stage with respect to its interests in exploration and evaluation assets. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development and upon future profitable production.

INVESTOR RELATIONS

The Company has engaged Stride Report Inc. ("Stride") (Principal: Raafat Nasser; address: 1120-625 Howe Street, Vancouver, BC V6C 2T6), an arm's length party to the Company, to provide digital marketing services for a term of six months commencing on October 5, 2023. The services will include the development, publishing, and management of digital content in Canada, Germany and the United States and other related services (collectively, the "Services"). In consideration for providing the Services, the Company has paid $735,000 to Stride.

EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	ELi Property	Halo Project	Total
	$	$	$
Balance, August 31, 2022	127,500	1,707,220	1,834,720
Acquisition costs	-	533,150	533,150
Finder's fee shares	-	33,936	33,936
Balance, February 29, 2024 and August 31, 2023	**127,500**	**2,274,306**	**2,401,806**

A summary of the Company's exploration and evaluation expenditures for the three months ended February 29, 2024 is as follows:

	ELi Property	Halo Project	Total
	$	$	$
Drilling	-	68,990	68,990
Geological consulting	-	8,848	8,848
Geophysics, sampling and assays	-	33,924	33,924
	-	**111,762**	**111,762**

A summary of the Company's exploration and evaluation expenditures for the three months ended February 28, 2023 is as follows:

	ELi Property	Halo Project	Total
	$	$	$
Geophysics, sampling and assays	54	24,046	24,100
Permitting	-	6,161	6,161
	54	**30,207**	**30,261**

A summary of the Company's exploration and evaluation expenditures for the six months ended February 29, 2024 is as follows:

	ELi Property	Halo Project	Total
	$	$	$
Drilling	-	413,906	413,906
Geological consulting	-	8,848	8,848
Geophysics, sampling and assays	-	33,924	33,924
Mining claims and maintenance	115	228	343
	115	**456,906**	**457,021**

A summary of the Company's exploration and evaluation expenditures for the six months ended February 28, 2023 is as follows:

	ELi Property	Halo Project	Total
	$	$	$
Geological consulting	59,235	7,247	66,482
Geophysics, sampling and assays	5,443	79,539	84,982
Mining claims and maintenance	-	1,669	1,669
Permitting	-	6,161	6,161
	64,678	**94,616**	**159,294**

ELi Property

The ELi Property is a sediment-hosted lithium deposit is located in central Nevada and about one hour south of Eureka, a regional mining center. Access to the property is good and both exploration and exploitation activities can be conducted year-round. Initial sampling of over 150 surface samples returned average lithium values of 342 ppm (max 1,023 ppm, min 45 ppm) and are contained within a sedimentary sequence of Miocene mudstone and claystone.

The origin of this lithium deposit is suspected to be similar to the Clayton Valley deposit located about 200 km to the south. Both projects are reasonably well represented by the USGS preliminary deposit model, which describes the primary characteristics as light-colored, ash-rich, lacustrine (lake) rocks containing swelling clays, occurring within hydrologically closed basins in an arid climate with some abundance of proximal silicic volcanic rocks (in the hanging wall at ELi property). For more information, please refer to the National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("NI 43-101") Technical Report: Eli Sedimentary Hosted Lithium Deposit, Nye & Eureka Counties, Nevada on SEDAR+.

During Q4 2022, POWR competed a detailed mapping project over the ELi property which focused on understanding the surficial exposure of claystone on the property to provide a clearer understanding of exploration vectors and geological controls on mineralization. During this mapping, a larger sample was collected at the ELi site for metallurgical studies.

To increase the understanding of the clay types on the ELi property, POWR engaged ActLabs to complete a clay speciation study on the property. The X-Ray Diffraction (XRD) results provided mineral abundances and detailed clay speciation that were used to support metallurgy work. The Company initiated bench scale metallurgy test work through its partnership with MDS Technical Corp. and their initial review indicates that the sample represents a mineralogical blend specifically suitable to their patented process that aims to leach, concentrate, and purify lithium from claystone, with the ultimate objective of producing battery grade lithium carbonate.

Halo Project

On August 4, 2022, the Company entered into an option agreement with Halo Lithium LLC (the "Optionor") to acquire a 100% interest in 98 mineral claims located in Esmeralda and Nye Counties, Nevada, (the "Halo Project"). The option agreement requires a series of cash payments, reimbursement of expenses and share consideration as follows:

- $319,914 (US$250,000) cash, $97,917 (US$76,518) reimbursement of expenses, and 1,865,269 common shares of the Company payable within five days of the effective date of the agreement (fully paid and issued). The fair value of this first tranche of shares was measured as $1,212,425 based on a $0.65 per share market price on the date of issuance.
- US$200,000 cash and 1,250,000 common shares of the Company payable on or before the August 4, 2023 (fully paid and issued). The fair value of this second tranche of shares was measured as $268,750 based on a $0.215 per share market price on the date of issuance.
- US$200,000 cash and 500,000 common shares of the Company payable on or before the August 4, 2024.

The claims are subject to a 1% net smelter royalty ("NSR") to the Optionor, subject to a buyback right whereby the Company is entitled to purchase one half of the NSR from the Optionor for a cash payment of US$1,000,000 any time prior to the commencement of commercial production.

Pursuant to the Halo Project option agreement, the Company incurred finder's fees requiring the issuance of common shares ("Finder's fee shares") in separate tranches as follows:

- 118,406 common shares due within five days of August 4, 2022 (issued).
- 75,000 common shares and common shares equal to US$12,000 due on August 4, 2023 (issued).
- 30,000 common shares and common shares equal to US$12,000 due on August 4, 2024.

The fair value of the first tranche of the Finder's fee shares was measured as $76,964 based on the $0.65 per share market price on the date of issuance. The fair value of the second tranche of the Finder's fee shares was measured at $33,936 based on the $0.215 per share market price on the date of issuance.

The Halo Project consists of 98 claims totalling 819 hectares (2,024 acres) and is located 6km northwest of Tonopah within Big Smoky Valley on the boundary of Nye and Esmeralda Counties. The project is south of American Lithium's TLC project and north of American Battery Technology Tonopah Flats project. The nearby regional centre of Tonopah offers ready access to skilled labour, electricity, and transport logistics.

The project site is partially overlain by a flat alluvial outwash plane. The lithium-bearing rocks within the project area are referred to as tuffaceous and other young tertiary sedimentary rocks in digital geologic models generated by the Nevada Bureau of Mines. This Pliocene to Miocene-age unit is believed to have a strong volcanic component. In Esmeralda County this Miocene-aged unit is referred to as Siebert Tuff. It corresponds to units Ts3 and Tts from the 1978 State map and is present in all counties of Nevada.

During Q4 2022, the Company completed a preliminary prospecting program on the property that included reconnaissance and minor sampling/mapping. The Company engaged consultants Mira Geoscience and Axiom Exploration Group to start planning a geophysics program at Halo with the aim of better understanding the surficial cover, claystone depth and depth to basement. The field work portion of the geophysics program was completed in early 2023. The interpretation and modeling of the collected data was completed by Mira Geoscience. The Company enlisted Westland Engineering & Environmental Services to start the drill permitting process.

Drilling permit was granted by the Bureau of Land Management on September 1, 2023 and is good for two years. POWR paid the required surface reclamation bond of US$16,605, which was accepted by the Bureau of Land Management on Sept 11, 2023.

The disclosure of the above geological information in this MD&A has been reviewed and approved by Anna Hicken, P. Geo, a consultant for the Company and a Qualified Person ("QP") for the purposes of NI 43-101. The metallurgical and processing information in this MD&A has been provided to the Company by MDS Technical Corp.

On October 11, 2023, POWR engaged Falcon Drilling for a planned 3,300ft (~1,000m) diamond drilling campaign. This fiscal 2024 drilling program started on October 31, 2023 and was completed on November 13, 2023. The company completed 884 meters in 4 HQ core holes across the project area. Hole depths ranged from 153.6 to 245.4 metres and all holes traversed a thick sequence of finely laminated claystone and siltstone. Logging, cutting and sampling were conducted by POWR's technical team at their logging facility in Tonopah. A total of 490 samples (including internal QAQC) were retrieved by American Assay Laboratories and delivered to their analytical facilities in Sparks, Nevada.

The geological information disclosure relating to the fiscal 2024 drilling program in this MD&A has been reviewed and approved by Robert Johansing, P. Geo, a consultant for the Company and a Qualified Person ("QP") for the purposes of NI 43-101.

Notes:

All sampling completed by POWR within the exploration program are subject to a company standard of internal quality control and quality assurance programs which include the insertion of certified reference materials, blank materials and pulp duplicate analysis. All samples are sent to American Assay Labs located in Reno, Nevada where they are processed for lithium analysis by ICP-5AM48. American Assay Labs quality systems conform to requirements of ISO/IEC Standard 17025 guidelines and meets assay requirements outlined for NI 43-101. Data verification of the analytical results included a statistical analysis of the standards and blanks that must pass certain parameters for acceptance to ensure accurate and verifiable results.

Surface claystone samples are selective in nature and may not represent the true grade or style of mineralization across the entire property.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

A summary of the Company's results of operations and selected information from the financial statements is as follows:

	Q2 2024	Q2 2023	**YTD 2024**	YTD 2023
	$	$	**$**	$
Bank charges	**416**	452	**765**	1,207
Consulting and management fees	**39,146**	157,400	**168,834**	336,033
Exploration and evaluation expenditures	**111,762**	30,261	**457,021**	159,294
General and administrative	**54,027**	68,079	**103,728**	117,053
Legal and professional fees	**55,618**	90,829	**109,482**	155,144
Marketing	**382,550**	37,149	**642,158**	229,631
Share-based compensation	**401,627**	351,901	**1,061,152**	425,309
Transfer agent and regulatory fees	**8,810**	14,408	**18,444**	26,358
	1,053,956	750,479	**2,561,584**	1,450,029
Other income (expenses)				
Foreign exchange	**3,543**	(1,676)	**2,163**	(4,033)
Interest income	**-**	-	**1,465**	-
Net loss and comprehensive loss	**(1,050,413)**	(752,155)	**(2,557,956)**	(1,454,062)
Weighted average number of common shares - basic and diluted	**49,826,900**	32,712,053	**47,563,790**	31,503,954
Net loss per share - basic and diluted	**(0.02)**	(0.02)	**(0.05)**	(0.05)

Q2 2024 compared to Q2 2023

During the three months ended February 29, 2024, the Company incurred a net loss and comprehensive loss of $1,050,413 compared to $752,155 in the prior year comparable period. The primary drivers of the increase in net loss were as follows:

- Exploration and evaluation expenditures increased to $111,762 from $30,261 in the prior year comparable period due to drilling activities undertaken at the Halo Project during the current period.
- Marketing increased to $382,550 from $37,149 in the prior year comparable period due to engaging Stride Marketing in October 2023 to provide investor relations activities in the current period.
- Share-based compensation increased to $401,627 from $351,901 in the prior year comparable period due to the periodic vesting of $1,350,000 stock options issued to consultants and 3,725,000 restricted share units granted to directors and consultants on September 29, 2023.

Partially offsetting the increase in net loss was a decrease in consulting and management fees to $39,146 from $157,400 in the prior year comparable period due to slowing of the engagement of consultants while the Company conserved cash.

YTD 2024 compared to YTD 2023

During the six months ended February 29, 2024, the Company incurred a net loss and comprehensive loss of $2,557,956 compared to $1,454,062 in the prior year comparable period. The primary drivers of the increased in net loss were as follows:

- Exploration and evaluation expenditures increased to $457,021 from $159,294 in the prior year comparable period due to drilling activities undertaken at the Halo Project during the current period.
- Marketing increased to $642,158 from $229,631 in the prior year comparable period due to engaging Stride Marketing in October 2023 to provide investor relations activities in the current period.
- Share-based compensation increased to $1,061,152 from $425,309 in the prior year comparable period due to the periodic vesting of $1,350,000 stock options issued to consultants and 3,725,000 restricted share units granted to directors and consultants on September 29, 2023.

Partially offsetting the increase in net loss was a decrease in consulting and management fees to $168,834 from $336,033 in the prior year comparable period due to slowing of the engagement of consultants while the Company conserved cash.

SHARE CAPITAL HIGHLIGHTS

During the six months ended February 29, 2024, the Company completed the following transactions:

- On September 29, 2023, the Company issued 10,000,000 units at $0.20 per unit for gross proceeds of $2,000,000. Of the $2,000,000 gross proceeds, $20,000 was received during the year ended August 31, 2023, and is included under obligation to issue shares within current liabilities as at August 31, 2023. Each unit comprises one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.40 until September 27, 2025. The warrants were valued using a Black-Scholes option pricing model with the following inputs: a share price of $0.20, an exercise price of $0.40, a risk-free interest rate of 4.87%, an expected life of two years, an expected volatility of 114%, and an expected annual dividend yield of 0%. Applying the relative fair value approach, the gross proceeds were allocated as follows: $1,659,231 to common shares and $340,769 to reserves. The Company paid cash finders' fees of $73,003 and issued 427,777 finder's warrants in connection with this transaction. The fair value of the finder's warrants was estimated to be $38,589 using the Black-Scholes option pricing model with the following inputs: a share price of $0.20, an exercise price of $0.40, a risk-free interest rate of 4.87%, an expected life of two years, an expected volatility of 114%, and an expected annual dividend yield of 0%. Therefore, $111,592 of share issuance costs were recorded as a reduction to share capital in connection with this unit issuance.
- Concurrent with the September 29, 2023 private placement, the Company settled outstanding payables totaling $142,750 for consideration of 713,750 units at a price of $0.20. Each unit comprises one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.40 until September 27, 2025. The warrants were valued using a Black-Scholes option pricing model with the following inputs: a share price of $0.20, an exercise price of $0.40, a risk-free interest rate of 4.87%, an expected life of two years, an expected volatility of 114%, and an expected annual dividend yield of 0%. Applying the relative fair value approach, the gross proceeds were allocated as follows: $118,428 to common shares and $24,322 to reserves. 196,678 of these units were issued to the CEO of the Company to settle $39,375 in accounts payables which was outstanding at August 31, 2023.
- The Company issued 352,834 common shares pursuant to the exercise of outstanding warrants for gross proceeds of $35,283. In connection with the exercised warrants, $1,799 was transferred from reserves to share capital.
- On January 30, 2024, the Company issued 3,275,000 common shares pursuant to the conversion of 3,275,000 restricted share units. In connection with the conversion of restricted share units, $753,250 was transferred from reserves to share capital.

SUMMARY OF QUARTERLY RESULTS

A summary of the Company's selected quarterly financial information is as follows:

	Q2 2024	Q1 2024	Q4 2023	Q3 2023
	$	$	$	$
Loss and comprehensive loss	**(1,050,413)**	(1,507,543)	(302,836)	(191,458)
Total assets	**2,748,561**	3,749,657	2,575,071	1,933,987
Working capital surplus (deficiency)	**119,146**	732,649	(489,080)	(280,219)
Net loss per share - basic and diluted	**(0.02)**	(0.03)	(0.01)	(0.01)

	Q2 2023	Q1 2023	Q4 2022	Q3 2022
	$	$	$	$
Loss and comprehensive loss	(752,155)	(701,907)	(984,421)	(183,490)
Total assets	2,013,973	2,207,898	2,498,530	1,376,955
Working capital surplus	(115,590)	149,064	459,774	949,511
Net loss per share - basic and diluted	(0.02)	(0.02)	(0.04)	(0.01)

The loss and comprehensive loss for each quarter is the result of management decisions to pursue various general exploration and marketing activities combined with available funds to pursue these activities. Commencement of the evaluation and exploration expenditures began Q4 2022 for the ELi Property and during Q2 2023 for the Halo Project. The loss and comprehensive loss for Q2 2024 includes the share-based compensation expense of $401,627 due to the periodic vesting of stock options and restricted share and the exploration expenses of $111,762 from Halo Project.

The quarterly trend in total assets and working capital is primarily driven by movements in cash balances due to the Company's financing and operating activities. There is an increase in the total assets during Q1 2024 that is a result of the $2,000,000 private placement completed in September 2023.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The net working capital of the Company at February 29, 2024 was $119,146 compared to a net working capital deficiency of $489,080 at August 31, 2023.

In order to continue as a going concern and to meet its corporate objectives, which primarily consist of investigating new potential properties and exploration work on those potential properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has previously been successful 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. Factors that could affect the availability of financing include the progress and exploration results of the mineral properties, the state of international debt, equity and metals markets, and investor perceptions and expectations.

The Company's financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Sources and uses of cash

	YTD 2024	YTD 2023
	$	$
Cash used in operating activities	**(1,897,198)**	(790,924)
Cash provided by financing activities	**1,942,280**	427,167
Change in cash	**45,082**	(363,757)
Cash, beginning of the period	**75,124**	444,917
Cash, end of the period	**120,206**	81,160

Cash used in operating activities during the current period increased as result of cash spent on corporate overhead expenses including a $735,000 payment to Stride Marketing in October 2023 as well as an increase in cash spent on exploration and evaluation expenditures. Cash provided by financing activities during the current period was the result of a private placement completed in September 2023. These funds were used for working capital purposes and to fund further exploration at the ELi Property and Halo Project. Cash provided by financing activities for prior year comparable period was generated through the exercise of stock options and warrants and was used for working capital purposes.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions as at February 29, 2024 or at the MD&A Date.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements as at February 29, 2024 or at the MD&A Date.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The Company has entered into the following related party transactions during the three and six months ended February 29, 2024 and February 28, 2023:

a) Purchase of services

During the three and six months ended February 29, 2024, the Company was charged $5,001 and $42,501, respectively (February 28, 2023 - $37,500 and $75,000, respectively) for management fees pursuant to a service agreement with Enermetal Ventures Inc., a company of which Patrick Morris, the Company's CEO, is the President. Mr. Morris was appointed as the CEO of the Company on July 27, 2022. On December 12, 2023, Mr. Morris resigned from the position.

During the three and six months ended February 29, 2024, the Company was charged $18,000 and $18,000, respectively (February 28, 2023 - $nil and $nil, respectively) for management fees pursuant to a service agreement with Number Eight Management Ltd., a company of which Matt Chatterton, the Company's CEO, is the President. Mr. Chatterton was appointed the CEO of the Company on December 12, 2023.

During the three and six months ended February 29, 2024, the Company was charged $8,848 and $8,848, respectively (February 28, 2023 - $nil and $14,494, respectively) for exploration and evaluation expenditures pursuant to a geological service agreement with Tigren Inc., a company of which Marco Montecinos, a director of the Company, is the President.

During the three and six months ended February 29, 2024, the Company was charged $22,185 and $48,835, respectively (February 28, 2023 - $32,544 and $56,888, respectively) for professional fees pursuant to an accounting service agreement with Invictus Accounting Group LLP, a company of which Oliver Foeste, the Company's CFO, is the Managing Partner.

b) Key management personnel

A summary of the Company's amounts paid to key management personnel and/or entities over which they have control for the three months ended February 29, 2024 and February 28, 2023 are as follows:

	2024	2023
	$	$
Consulting and management fees provided by a company owned by an officer	**23,001**	37,500
Exploration and evaluation expenditures provided by a company owned by a director	**8,848**	-
Legal and professional fees provided by a company owned by an officer	**22,185**	32,544
Share-based compensation	**10,012**	60,973
	64,046	131,017

A summary of the Company's amounts paid to key management personnel and/or entities over which they have control for the six months ended February 29, 2024 and February 28, 2023 are as follows:

	2024	2023
	$	$
Consulting and management fees provided by a company owned by an officer	**60,501**	75,000
Exploration and evaluation expenditures provided by a company owned by a director	**8,848**	14,494
Legal and professional fees provided by a company owned by an officer	**48,835**	56,888
Share-based compensation	**20,602**	99,506
	138,786	245,888

A summary of the Company's balances due to related parties is as follows:

	February 29, 2024	August 31, 2023
	$	$
Accounts payable and accrued liabilities	**2,448**	76,388

Accounts payable and accrued liabilities due to related parties are non-interest bearing and due on demand.

On September 29, 2023, 196,678 units were issued to the CEO of the Company to settle $39,375 in accounts payables which were outstanding at August 31, 2023.

SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company applied the same significant judgements in applying its accounting policies and is exposed to the same sources of estimation uncertainty as disclosed in notes of the Company's Annual Financial Statements.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payables and accrued liabilities, and obligation to issue shares (presented under current liabilities), which are classified as and subsequently measured at amortized cost. The carrying values of these financial instruments approximate their respective fair values due to the short term of these instruments.

The Company's risk exposures are summarized below:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. The Company's cash is exposed to credit risk. The Company reduces its credit risk by placing cash with financial institutions of high credit worthiness.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common stock or debt as required. The Company is exposed to liquidity risk through its accounts payable and accrued liabilities, and obligation to issue shares (presented in current liabilities). Management mitigates this risk by monitoring its cash position and issuing shares or debt as required.

At February 29, 2024, the Company had working capital of $119,146 (August 31, 2023 - working capital deficiency of $489,080).

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not significantly exposed to market risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's financial assets and financial liabilities are not exposed to interest rate risk as the Company has no financial instruments that are subject to variable interest rates. The Company is not exposed to interest rate risk as at February 29, 2024.

Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies (US$).

A summary of the Company's financial liabilities that are denominated in US$ is as follows:

	February 29, 2024	August 31, 2023
	$	$
Accounts payable and accrued liabilities	**2,448**	29,147

A 5% change in the foreign exchange rates would result in an impact of approximately $122 to the Company's net loss.

SUBSEQUENT EVENT

On March 12, 2024, 175,000 stock options and 100,000 restricted share units expired due to the resignation of the previous CEO.

OUTSTANDING SHARE DATA

A summary of the number of the Company's issued and outstanding equity instruments is as follows:

	February 29, 2024	Date of the MD&A
	#	#
Common shares	52,225,052	52,225,052
Warrants	16,840,947	16,840,947
Stock options	4,400,000	4,225,000
Restricted share units	550,000	450,000

RISK AND UNCERTAINTIES

For a detailed listing of the risk factors faced by the Company, please refer to the annual MD&A for the years ended August 31, 2023 and 2022 filed on SEDAR+ at https://www.sedarplus.ca

OTHER INFORMATION

Additional information about the Company is available on the Company's website at https://www.powrlithium.com and at SEDAR+ at https://www.sedarplus.ca.