# ANNUAL INFORMATION FORM

**For the year ended November 30, 2022**

**Dated as at March 30, 2023**

## LI-FT POWER LTD.

("**Li-FT**" or the "**Company**")

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## ITEM 1: GENERAL

### 1.1 Effective Date of Information

All information in this AIF is as of March 30, 2023 unless otherwise indicated.

### 1.2 Forward Looking Statements

***Cautionary Statement Regarding Forward-Looking Statements***

This AIF contains "forward-looking statements" concerning anticipated developments and events that may occur in the future. All statements, other than statements of historical fact, are forward looking statements. Forward-looking statements include, but are not limited to, statements with respect to:

- the future price of lithium products;
- the estimation of mineral resources and realization of mineral reserve estimates;
- the development, expansion and assumed future results of exploration and operations from the Company's mineral projects;
- success of exploration activities;
- permitting timelines;
- currency fluctuations;
- requirements for additional capital and the Company's expectations regarding its ability to raise capital;
- government regulation of mining operations;
- environmental risks;
- unanticipated reclamation expenses;
- title disputes or claims;
- limitations on insurance coverage;
- effects of the COVID-19 pandemic; and
- the Company's plans and expectations for its properties.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this AIF, the Company has made various material assumptions, including but not limited to (i) obtaining necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business and economic conditions; (iv) the Company's ability to successfully execute its plans and intentions; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) the accuracy of the interpretation of drilling and other results on the Company's mineral projects; (viii) anticipated results of exploration activities and (ix) predictable changes to market prices for lithium products and other battery metals and other predicted trends regarding factors underlying the market for such products.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others:

- the Company's actual financial position and results of operations may differ materially from the expectations of the Company's management;
- the Company expects to incur significant ongoing costs and obligations relating to its mineral projects;
- the Company may not be able to secure additional financing for current and future operations and capital projects;
- inherent uncertainties and risks associated with mineral exploration;
- the possibility that future exploration, development or mining results will not be consistent with the Company's expectations;
- volatility in the market prices for lithium products, other battery metals and other natural resources;
- the risk that the Company's title to its properties could be challenged;
- the Company may not be able to effectively manage its growth and operations, which could materially and adversely affect its business;
- the Company faces competition from other companies where it will conduct business that may have a higher capitalization, more experienced management or may be more mature as a business;
- risks related to the Company's ability to attract and retain qualified personnel;

- uncertainties related to global financial and economic conditions;
- risks related to the COVID-19 pandemic;
- risks associated with the Company being subject to government regulation, including changes in regulation, including changes in environmental laws and regulations;
- competition for, among other things, capital acquisitions of resources, undeveloped lands and skilled personnel;
- uninsured risks and hazards;
- risks relating to environmental regulation and liabilities;
- the Company will continue to sell shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders;
- the Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest;
- the market price for Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control; and
- the Company does not anticipate paying cash dividends in the near future;

as well as those factors discussed in Item 4.3 entitled "Risk Factors" in this AIF and in the documents incorporated by reference herein.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this AIF and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

### 1.3 Incorporated by Reference

Incorporated by reference into this Annual Information Form ("**AIF**") are:

(a) the audited financial statements of the Company for the years ended November 30, 2022 and November 30, 2021;

(b) management's discussion and analysis of the Company for the year ended November 30, 2022;

(c) the business acquisition report prepared by the Company in respect of the acquisition of 1361516 B.C. Ltd. ("**136**") on December 30, 2022;

(d) the technical report titled "NI 43-101 Technical Report on the Yellowknife Lithium Project, Northwest Territories Canada" (the "**Yellowknife Report**") dated December 30, 2022 and prepared by Thomas Hawkins PhD, P.Geo; and

(e) the technical report titled "NI 43-101 Technical Report for the Rupert Lithium Project" (the "**Rupert Report**") dated April 28, 2022 and prepared by Don Cummings, P. Geo, OGQ Member 2183;

all of which were filed via SEDAR and are accessible for review at www.sedar.com. Copies may also be obtained from the Company upon request. See "*Additional Information*" in this AIF.

Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Annual Information Form to the extent that a statement contained herein or in any other subsequently filed document which also is incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Annual Information Form.

### 1.4 Currency

Unless otherwise indicated, all references to "$" or "dollars" in this AIF refer to Canadian dollars and. The Company's accounts are maintained in Canadian dollars.

### 1.5 Accounting Principles

All financial information in this AIF is prepared in accordance with International Financial Reporting Standards.

## ITEM 2: CORPORATE STRUCTURE

### 2.1 Names, Address and Incorporation

The Company was incorporated under the *Business Corporations Act* (British Columbia)(the "**BCBCA**") on May 28, 2021.

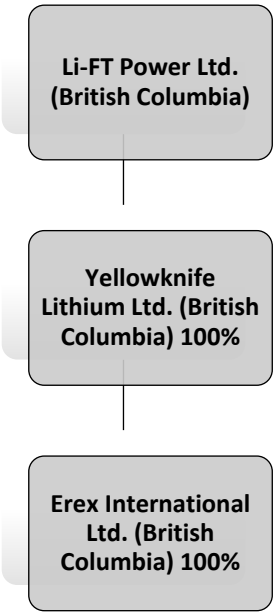
The head office of the Company is located at Suite 300-1055 West Hastings Street, Vancouver, British Columbia V6E 2E9, and the registered and records office of the Company is located at Suite 2080-777 Hornby Street, Vancouver, British Columbia V6Z 1S4.

The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol "LIFT", and is a reporting issuer in British Columbia and Ontario.

## 2.2 Intercorporate Relationships

The Company currently has two wholly-owned subsidiaries.

The diagram below represents the corporate structure of the Company:




# ITEM 3: GENERAL DEVELOPMENT OF THE BUSINESS

## 3.1 Three Year History

Li-FT is a CSE listed lithium exploration company with projects in Northwest Territories and Quebec.

***Overview***

The Company is a mineral exploration company involved in the identification, acquisition and exploration of mineral properties located in Quebec. The Company is exploring for lithium. At present, the Company's mineral properties are not at a commercial development or production stage.

The Company holds interests in six mineral properties as follows:

(a) the Rupert property, located in the James Bay Region in Quebec, in which the Company holds a 100% interest subject to a 2% net smelter royalty held by Kenorland Minerals Ltd. ("**Kenorland**") a 2% net smelter royalty held by two private individuals over a small portion of the claims and a 3% net smelter royalty held by two private individuals over a differing small portion of the claims;

(b) the Pontax property, also located in the James Bay region in Quebec, in which the Company holds the sole and exclusive option to acquire up to a 70% interest in the property from Harfang Exploration Inc. ("**Harfang**");

(c) the Lac des Montagnes property, located in the James Bay region in Quebec, in which the Company holds the sole and exclusive option to acquire up to a 100% interest in the property from Steve LaBranche and 92198845 Quebec Inc., subject to a 2% net smelter royalty;

(d) the Yellowknife property, located in Northwest Territories, in which the Company holds a 100% interest through its wholly owned subsidiary Erex International Ltd. ("**Erex**"), subject to a 2% net profits royalty (the "**Erex NPI**") and an overriding 2% gross production royalty (the **Erex GPR**");

(e) the Cali property, located in Northwest Territories, in which the Company holds a 100% interest through Erex, subject to the Erex NPI and Erex GPR; and

(f) the Thompson-Lundmark property, located in Northwest Territories, in which the Company holds the sole and exclusive option to acquire up to a 100% interest in the property, subject to a 1.5% net smelter royalty and the Erex GPR.

The Company's material mineral properties are the Rupert property and the Yellowknife property.

***Mineral Property Acquisitions***

Rupert Property

The Rupert project (the "**Rupert Property**") is comprised of claims staked by the Company as well as groups of claims acquired through acquisitions and options as described below.

*The Kenorland claims*

On June 11, 2021, the Company entered into an option agreement (the "**Kenorland Option Agreement**") with Kenorland pursuant to which the Company was granted by Kenorland an option to acquire a 100% interest in and to 2,984 claims now forming part of the Rupert Project (the "**Kenorland Claims**"). which gives the Company the right to acquire up to a 100% interest in the Kenorland Claims.

In order to exercise the option, the Company paid $200,000 in cash to Kenorland and issued 1,751,913 common shares in its capital to Kenorland, representing 9.9% of the issued and outstanding common shares of the Company at its listing on the CSE on June 24, 2022. The Company also granted to Kenorland a 2% net smelter royalty (the "**Kenorland Royalty**") on the Kenorland Claims as well as any additional claims or mineral rights acquired by the Company within a two kilometer area of interest. The option was exercised in full on June 27, 2022

Concurrently with the execution of the Kenorland Option Agreement, the Company entered into an operator services agreement dated June 11, 2021 with Kenorland (the "**Operator Services Agreement**") pursuant to which the Company engaged Kenorland as operator of the Kenorland Claims for an initial term of two years. The Company will pay an operator's fee to Kenorland equal to 10% of all exploration costs.

A copy of the Kenorland Option Agreement is available on the Company's profile on SEDAR at www.sedar.com.

*The James Bay Claims*

On August 11, 2021, the Company entered into an option agreement (the "**James Bay Option Agreement**") with Glenn Griesbach and Juanita Tedy Asihto pursuant to which the Company was granted an option to acquire up to a 100% interest in 78 claims held by them (the "**James Bay Claims**").

In order to exercise the option, the Company shall make cash payments in an aggregate amount of $100,000 , as follows:

(i) $20,000, upon the execution and delivery of the James Bay Option Agreement (paid);

(ii) an additional $25,000, on or before August 11, 2022 (paid);

(iii) an additional $25,000, on or before August 11, 2023; and

(iv) an additional $30,000, on or before August 11, 2024.

In accordance with the James Bay Option Agreement, upon completion of the cash payments above, the option will be deemed to be exercised, and an undivided 100% right title and interest in and to the James Bay Claims will automatically vest in the Company, subject to a 2% net smelter royalty granted to the optionors (the "**James Bay Royalty**"), as well as the Kenorland Royalty. The Company has the right to accelerate the cash payments to exercise the option early.

The Company has the right at any time after the exercise of the option to purchase from the optionors 1.5% of the James Bay Royalty for an amount of $1,500,000 payable in cash. In addition, the Company has the right of first refusal to purchase the James Bay Royalty if the optionors wish to sell, assign, transfer, convey or otherwise dispose of or deal with the James Bay Royalty in accordance with the provisions of the James Bay Option Agreement. The James Bay Royalty has a term of 99 years, subject to termination by mutual agreement.

The Company has the right to abandon any of the James Bay Claims at any time by giving written notice to the optionors, provided that no assessment work is required to keep such abandoned James Bay Claims in good standing for a period of 12 months after the date of such written notice. Any such abandoned James Bay Claims will no longer be subject to the James Bay Option Agreement, subject to any obligations and liabilities accrued before the date such James Bay Claims are abandoned by the Company.

The optionors may terminate the James Bay Option Agreement if the Company fails to make any of the cash payments noted above if such failure is not cured within 30 days after the date the particular payment was required to be made. The Company may terminate the James Bay Option Agreement at any time by giving the optionors 30 days' advance written notice, provided that, among other things, all James Bay Claims are left in good standing for a period of 12 months after the date of termination of the James Bay Option Agreement.

A copy of the James Bay Option Agreement is available on the Company's profile on SEDAR at www.sedar.com.

*Ravenclan Claims*

On January 13, 2022, the Company entered into a purchase agreement with Marino Specogna and Ravenclan Ltd., a private Canadian corporation, to acquire eight mineral claims located in James Bay, Quebec (the "**Ravenclan Claims**"). The Company acquired the Ravenclan Claims for a purchase price of $10,000 paid in cash on January 11, 2022. The Ravenclan Claims are subject to the Kenorland Royalty.

A copy of the purchase agreement for the Ravenclan Claims is available on the Company's profile on SEDAR at www.sedar.com.

*Whabouchi Claims*

On April 12, 2022, the Company entered into a purchase agreement with 9228-6202 Quebec Inc., a private Quebec company, to acquire 30 mineral claims located in James Bay, Quebec (the "**9228 Claims**"). The Company acquired the 9228 Claims for a purchase price of $15,000 paid in cash on April 19, 2022 and the grant of a 3.0% net smelter returns royalty on the 9228 Claims, one-half of which may be acquired at any time for payment of $2,000,000 in cash.

A copy of the purchase agreement for the 9228 Claims is available on the Company's profile on SEDAR at www.sedar.com.

Pontax Project

The Company was granted the sole and exclusive option to acquire up to a 70% interest in the mineral claims comprising the Pontax property (the "**Pontax Property**"), pursuant to an option agreement dated July 20, 2022 (the "**Pontax Agreement**") with Harfang. Pursuant to the Pontax Agreement, the Company may exercise a first option to earn an initial 51% interest in the Pontax Property by paying $25,000 in cash on signing (paid), additional payments of $75,000 ($25,000 per year), payable in cash or in common shares at the discretion of the Company and incurring $1,650,000 in exploration expenditures on the Pontax Property on or before the third anniversary of the Pontax Agreement.

Upon earning the 51% interest, the Company may exercise a second option to acquire a further 19% interest (for an aggregate 70% interest) by making an additional $50,000 payment, in cash or in common shares at the discretion of the Company on election and incurring a further $3,350,000 in exploration expenditures on the Pontax Property on or before a period ending three years after the exercise of the first option. Upon exercise of the second option, Harfang, has the option to convert its remaining interest in the Pontax Property into a 2.5% net smelter royalty or to form a joint venture on the Pontax Property.

The Company has the right to accelerate the cash payments and exploration expenditures to exercise each of the first and second option early. The Company also retains the right to pay cash in lieu of incurring expenditures within sixty days of the date expenditures were required to be incurred.

The Company has the right to abandon any of claims forming the Pontax Property at any time by giving 60 days written notice to Harfang, which may elect to have such claims transferred back to it without warranty and at its own cost.

A one kilometer area of interest applies to the Pontax Property such that if either Harfang or the Company acquires mineral claims within the area of interest they shall notify the other in writing including all details regarding such claims, including the cost thereof, and the other party may elect within 30 days of such

notice to require such claim be included in the Pontax Property. If the acquiring party is Harfang, the Company shall reimburse all acquisition costs to Harfang, which costs shall constitute expenditures on the Pontax Property. If the Company is the acquiring party, no reimbursements shall occur, but the acquisition costs shall constitute expenditures on the Pontax Property.

Harfang may terminate the Pontax Agreement at any time prior to the exercise of the first option if the Company fails to make any of the cash payments or incur the expenditures noted above if such failure is not cured within 60 days after the date the particular payment was required to be made or expenditures were required to be incurred, subject to any payment of cash in lieu. The Company may terminate Pontax Agreement at any time by providing written notice of same to Harfang, provided that, among other things, all claims forming the Pontax Property are left in good standing for a period of one year after the date of termination of the Pontax Agreement.

A copy of the Pontax Agreement is available on the Company's profile on SEDAR at www.sedar.com.

Lac Des Montagnes Project

The Company was granted the sole and exclusive option to acquire up to a 100% interest in the Lac des Montagnes property, pursuant to an option agreement dated September 22, 2022 (the "**Lac des Montagnes Agreement**") with 92198845 Quebec Inc., a private Quebec corporation, and Steve LaBranche.

The Company may exercise the option by issuing 225,000 common shares and paying an aggregate of $300,000 in cash within five business days of the execution of the Lac des Montagnes Agreement (issued paid) (the "**Effective Date**") and issue further common shares of the Issuer with a value of $3,000,000 to the optionors as follows:

(a) $1,500,000 in value of common shares on the 6th month anniversary of the Effective Date (issued 173,169 common shares); and

(b) an additional $1,500,000 in value of common shares on the 12th month anniversary of the Effective Date.

Upon the exercise of the option, the Company will also grant a 2% net smelter royalty on the Lac des Montagnes property to the optionors.

The Company has the right to accelerate the cash and share payments to exercise the option early.

The Company has the right to abandon any of claims forming the Lac des Montagnes property at any time by providing written notice to the optionors.

The optionors may terminate the Lac de Montagnes Agreement at any time prior to the exercise of the first option if the Company fails to make any of the cash or share payments noted above if such failure is not cured within 30 days after the date the particular payment was required to be made. The Company may terminate Pontax Agreement at any time by providing 30 days written notice of same.

Acquisition of 136

On November 22, 2022, the Company entered into an amalgamation agreement (the "**Amalgamation Agreement**") with 136, and a wholly owned subsidiary of the Company, 1386798 B.C. Ltd. ("**Subco**"). 136 holds all of the issued and outstanding shares of Erex, which in turn holds a 100% interest in the Yellowknife lithium project and the Cali lithium project.

The acquisition of the 136 (the "**Transaction**") was completed by way of a three-corner amalgamation under the BCBCA, whereby, among other things:

(a) Subco, a subsidiary created for the purposes of completing the Transaction, was amalgamated with and into 136, with the amalgamated entity, Yellowknife Lithium Ltd., becoming a wholly owned subsidiary of the Company, and;

(b) each outstanding share of 136 was exchanged for 0.60 of Common Shares, with the Transaction resulting in the issuance of an aggregate of 18,000,000 Common Shares.

No finder's fees were paid in connection with the Transaction.

Erex holds the 13 mineral leases comprising the Yellowknife project, located near Yellowknife, Northwest Territories (the "**Yellowknife Property**") and the Cali lease, located in Northwest Territories, near the Yukon border. All of the leases held by Erex are subject to the Erex NPI and the Erex GPR. The Erex GPR will apply to all after acquired mineral interests of Erex and 136 in the Northwest Territories.

Please also see "*Significant Acquisitions and Dispositions"* below.

Thompson-Lundmark Project

The Company was granted the sole and exclusive option to acquire up to a 100% interest in the 13 mineral leases comprising Thompson Lundmark property and one mineral lease north of the Thompson Lundmark property (collectively, the "**TL Property**"), pursuant to an option agreement dated February 18, 2023 (the "**Thompson Lundmark Agreement**") with Perlis Enterprise Inc, a private Canadian corporation.

The Company may exercise the option by making aggregate cash payments of $3,000,000 and incurring $1,300,000 in aggregate exploration expenditures on the TL Property as follows:

(a) $550,000 cash payment due on execution of the Thompson Lundmark Agreement (paid); and

(b) $700,000 cash payment due and $50,000 in exploration expenditures incurred on the TL Property, as part of an exploration program comprising channel sampling and mapping, on or before the first anniversary of the Thompson Lundmark Agreement; and

(c) $1,750,000 cash payment due and $1,250,000 in exploration expenditures incurred on the TL Property, as part of an exploration program comprising of a minimum of 2,000 meters of diamond drilling, on or before the second anniversary of the Thompson Lundmark Agreement

Upon the exercise of the option, the Company will also grant a 1.5% net smelter royalty on the Thompson-Lundmark property (the "**TL Royalty**") to Perlis Enterprise Inc., of which 1/3 (0.5%) may be purchased by

the Company at any time for $500,000 in cash. The Company also retains a right of first refusal on the royalty.

In accordance with the Thompson Lundmark Agreement, upon completing the cash payments and incurring the exploration expenditures above, the option will be deemed to be exercised, and an undivided 100% right title and interest in and to the TL Property will automatically vest in the Company, subject to the TL Royalty. The Company has the right to accelerate the cash payments and exploration expenditures to exercise the option early. The Company also retains the right to pay cash in lieu of incurring expenditures within sixty days of the date expenditures were required to be incurred.

The Company is not permitted to surrender or abandon any of the mineral rights forming the TL Property during the option period.

The optionors may terminate the Thomson Lundmark Agreement if:

(a) the Company fails to make any of the cash payments or incur the exploration expenditures noted above if such failure is not cured within 60 days after the date the particular payment was required to be made or expenditures were required to be incurred (subject to any payment of cash in lieu, or

(b) in the event of a material breach by the Company of its covenants, representations and warranties, or

(c) should the Company generally not pay its debs as such debts become due, admit in writing its inability to pay its debts generally or makes a general assignment for the benefit of its creditors or any proceedings be instituted by or against it under bankruptcy and insolvency laws.

The Company may terminate the Thompson Lundmark Agreement at any time by giving the optionors written notice of same, provided that, among other things, all of the leases forming the TL Property are left in good standing for a period of 12 months after the date of termination of the Thomson Lundmark Agreement.

***Recent Financings***

On November 3, 2022, the Company closed a brokered private placement 428,400 Common Shares issued on a “flow-through” basis (each a “**FT Share**”) at a price of $16.34 per FT Share for aggregate gross proceeds of $7,000,056 (the “**November Offering**”). The FT Shares will qualify as “flow-through shares” (within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) and section 359.1 of the *Taxation Act* (Québec)).

The Offering was led by Canaccord Genuity Corp. on behalf of a syndicate of agents. Aggregate cash commissions of $105,000.84 were paid to the agents in connection with the November Offering.

The gross proceeds of the November Offering are to be used by the Company to incur eligible "Canadian exploration expenses" (as defined in the Income Tax Act (Canada)) that qualify as "flow-through critical mineral mining expenditures" (as proposed to be defined in the Income Tax Act (Canada)) related to the projects of the Company in Québec, primarily being the Company’s Rupert project. The qualifying expenditures will be renounced to the subscribers of the FT Shares with an effective date no later than

December 31, 2022 and in the aggregate amount of not less than the total amount of the gross proceeds raised from the issuance of the FT Shares. The Company has expended $Nil of the proceeds of the November Offering on qualifying expenditures.

On the same date, the Company also entered into a loan agreement with an arm's length third party for a $300,000 unsecured principal amount loan to fund its short term non-flow through expenditures. The loan bore interest at a rate of 3% per annum and was repaid by the Company on March 10, 2023.

On March 22, 2023, the Company closed a brokered private placement of 2,602,500 FT Shares at a price of $13.45 per FT Share for aggregate gross proceeds of $35,003,625 (the "**March Offering**"), which includes the full exercise of an over-allotment option granted to the agents to sell an additional 372,000 FT Shares. The FT Shares will qualify as "flow-through shares" (within the meaning of subsection 66(15) of the *Income Tax Act* (Canada).

The Offering was led by Canaccord Genuity Corp. on behalf of a syndicate of agents. Aggregate cash commissions of $2,100,217.50 were paid to the agents in connection with the March Offering.

The gross proceeds of the March Offering are to be used by the Company to incur eligible "Canadian exploration expenses" (as defined in the *Income Tax Act* (Canada)) that qualify as "flow-through critical mineral mining expenditures" (as proposed to be defined in the *Income Tax Act* (Canada)) related to the Yellowknife Project and the Company's projects in Quebec, primarily being the Rupert Property, on or before December 31, 2024. The qualifying expenditures will be renounced to the subscribers of the FT Shares with an effective date no later than December 31, 2023 and in the aggregate amount of not less than the total amount of the gross proceeds raised from the issuance of the FT Shares in the March Offering.

The FT Shares issued in the March Offering are subject to resale restrictions under applicable Canadian securities legislation until July 23, 2023.

### 3.2 Significant Acquisitions and Dispositions

The Company has not completed any significant acquisitions, as such term is defined in National Instrument 51-102 – Continuous Disclosure Obligations since incorporation other than the acquisition of 136 as described above at "*Three Year History*". The Company acquired 136 pursuant to the Amalgamation Agreement between the Company, 136 and Subco, entity incorporated as a subsidiary of the Company for the purposes of completing the acquisition of 136 . The Transaction was completed by way of a three-corner amalgamation under the BCBCA, whereby, among other things:

(a) Subco was amalgamated with and into 136, to form Yellowknife Lithium Ltd, which became a wholly owned subsidiary of the Company; and

(b) Each issued and outstanding shares of 136 was exchanged for 0.60 of a Common Share of the Company, with the Transaction resulting in the issuance of an aggregate of 18,000,000 Common Shares.

136 holds all of the issued and outstanding shares of Erex, which in turn holds a 100% interest in the Yellowknife Property and the Cali lithium project.

A business acquisition report for the Transaction was filed on March 14, 2023 on SEDAR under the

Company's profile at www.sedar.com and is incorporated by reference herein.

## ITEM 4: DESCRIPTION OF THE BUSINESS

### 4.1 General

The Company is a junior exploration company engaged in the business of the exploration and development of lithium pegmatite projects in Quebec and the Northwest Territories. At present, the Company is an exploration stage company with no current operating income cash flow or revenues. There is no assurance that a commercially viable mineral deposit exists on any of the Company's mineral properties.

***Principal Products***

The Company is in the exploration stage and does not mine, produce or sell any mineral products at this time, nor do any of its current properties have any known or identified mineral resources or mineral reserves.

As the Company is an exploration stage company with no producing properties, it has no current operating income, cash flow or revenues. The Company has not undertaken any current resource estimate on any of its projects. There is no assurance that a commercially viable mineral deposit exists on any of the Company's projects. The Company does not expect to receive income from any of its projects within the foreseeable future. The Company intends to continue to evaluate, explore and develop its mineral projects through additional equity or debt financing. The Company's primary objectives are to complete exploration on the Yellowknife Property and the Rupert Property with a view to eventual development. Toward this end, the Company intends to undertake the exploration programs on the Yellowknife Property and the Rupert Property as recommended its qualified persons. If the results of such programs merit further exploration, the Company may commence further exploration programs.

The Company's principal product under exploration is lithium. Lithium and its compounds have several industrial applications, including heat-resistant glass and ceramics, lithium grease lubricants, flux additives for iron, steel and aluminium production, lithium metal batteries, and lithium-ion batteries. The production of lithium ion batteries for electric cars and mobile devices is the primary of these applications with most lithium being used for that purpose.

***Specialized Skills and Knowledge***

Various aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of exploration and development, geology, drilling, permitting, metallurgy, logistical planning, and accommodation and implementation of exploration programs, as well as legal compliance, finance and accounting. The Company expects to rely upon, consultants and others for exploration and development expertise. The Company does not anticipate any difficulties in locating competent employees and consultants in such fields.

***Market and Marketing***

The Company's principal product under its exploration programs will be lithium, but the Company does not produce, develop or sell any products at this time, nor do any of its properties have any known or

identified mineral reserves. As the Company will not be producing in the foreseeable future, it will not be conducting any marketing activities and does not require a marketing plan or strategy.

***Competitive Conditions***

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. The Company competes with a number of other entities and individuals in the search for and the acquisition of attractive mineral properties. As a result of this competition, the majority of which is with companies with greater financial resources than the Company, the Company may not be able to acquire attractive properties in the future on terms it considers acceptable. Finally, the Company competes for investment capital with other resource companies, many of whom have greater financial resources and/or more advanced properties that are better able to attract equity investment and other capital. The abilities of the Company to acquire attractive mineral properties in the future depends not only on its success in exploring and developing its present properties, but also on its ability to select, acquire and bring to production suitable properties or prospects for exploration, mining and development. Factors beyond the control of the Company may affect the marketability of minerals mined or discovered by the Company. See "*Risk Factors*".

***Components***

All of the raw materials the Company requires to carry on its business are available through normal supply or business contracting channels in Quebec and Northwest Territories. The Company has secured personnel to conduct its currently contemplated programs. It is possible that delays or increased costs may be experienced in order to proceed with drilling activities during the current period. Such delays could significantly affect the Company if, for example, commodity prices fall significantly, thereby reducing the opportunity the Company may have had to develop a particular project had such tests been completed in a timely manner before the fall of such prices. In addition, assay labs are often significantly backlogged, thus significantly increasing the time that the Company waits for assay results. Such delays can slow down work programs, thus increasing field expenses or other costs (such as property payments which may have to be made before all information to assess the desirability of making such payment is known, or causing the Company to not make such a payment and terminate its interest in a property rather than make a significant property payment before all information is available).

***Cycles***

The Company's mineral exploration activities may be subject to seasonality due to adverse weather conditions including, without limitation, inclement weather, snow covering the ground, frozen ground and restricted access due to snow, ice or other weather-related factors.

In addition, the mining business is subject to global economic cycles which affect the marketability of products derived from mining.

***Intangible Properties***

The Company's business will not be substantially dependent on the protection of any proprietary rights or technologies.

***Economic Dependence***

The Company's business is not substantially dependent on a contract to sell a major part of its products or services or to purchase a major part of its requirements for goods, services or raw materials, or on any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends.

It is not expected that the Company's business will be affected in the current financial year by the renegotiation or termination of contracts or sub-contracts.

***Environmental Conditions***

All aspects of the Company's field operations will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. With all projects at the exploration stage, the financial and operational impact of environmental protection requirements is minimal. Should any projects advance to the production stage, then more time and money would be involved in satisfying environmental protection requirements.

***Employees***

As of November 30, 2022, the Company had the following number of employees and contractors:

| **Location** | **Full Time Employees** | **Contractors** |
|---|---|---|
| Canada | 0 | 6 |

The Company utilizes consultants and contractors to carry on most of its activities and, in particular, to supervise certain work programs on its mineral properties. Fieldwork and drilling services are provided by contractors on a seasonal and as-needed basis. The Company also relies on and engages consultants on a contract basis to assist the Company in carrying on its administrative and exploration activities. In addition, contractors and employees may move between locations from time to time as conditions and business opportunities warrant.

***Foreign Operations***

The Company has no foreign operations.

***Lending***

The Company does not currently hold any investments or owe any material long term liabilities. The Company has not adopted any specific policies or restrictions regarding investments or lending. The Company expects that in the immediate future in order to maintain and develop its mineral properties, it will need to raise additional capital which it expects will be completed via equity. If the Company is unable to raise the necessary capital to meet its obligations as they become due, the Company may have to curtail its operations, including obtaining financing at unfavourable terms.

***Bankruptcy and Similar Procedures***

There are no bankruptcies, receivership or similar proceedings against the Company, nor is the Company aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceedings by the Company since its incorporation.

***Reorganization***

The Company has not completed any reorganizations or restructuring transactions since its incorporation.

***Social or Environmental Policies***

The Company has not adopted any specific social or environmental policies that are fundamental to its operations (such as policies regarding its relationship with the environment, with the communities in the vicinity of its mineral exploration projects or human rights policies). However, the Company's management, with the assistance of its contractors and advisors, ensures its ongoing compliance with local environmental laws in the jurisdictions in which it does business.

## 4.2 Risk Factors

***Risk Associated with Li-FT***

Li-FT is currently in the business of exploring for lithium in Canada, which involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The risks described below are not the only ones facing Li-FT. Additional risks not currently known to Li-FT, or that Li-FT currently deems immaterial, may also impair Li-FT's operations. If any of the following risks actually occur, Li-FT's business, financial condition and operating results could be adversely affected.

In evaluating Li-FT and its business, shareholders should carefully consider, in addition to the other information contained in this AIF, the risk factors, below. The risk factors below may not be a definitive list of all risk factors associated with the Company.

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by Li-FT in the exploration of properties will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks, which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance Li-FT has, or will have, commercially viable ore bodies. There is no assurance that Li-FT will be able to arrange sufficient financing to bring ore bodies into production. The following are some of the risks to Li-FT, recognizing that it may be exposed to other additional risks from time to time:

- Limited business history of Li-FT, including lack of revenues and no assurance of profitability
- Dependence on key management personnel
- Reliance on availability and performance of independent contractors
- Challenges by other unknown parties to property title
- Environmental issues
- Commodity price risk

Li-FT is diligent in minimizing exposure to business risk, but by the nature of its activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

***Risk Factors Affecting the Mining Industry***

Speculative Nature of Mineral Exploration

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis

Mineral Exploration Risk Generally

The exploration for, and development of, mineral deposits involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. Resource exploration and development is a speculative business, characterized by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, although present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

All of the properties in which the Company has an interest are without any known body of commercial ore. Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting

of minerals and environmental protection. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on a property without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

The Company's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

The long-term commercial success of the Company depends on its ability to explore, develop and commercially produce minerals from its properties and to locate and acquire additional properties worthy of exploration and development for minerals. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participation uneconomic.

Title Risk

While the Company has performed its own due diligence with respect to the validity of the mineral claims in which it holds an interest, this should not be construed as a guarantee of title. There is no assurance that applicable governmental bodies will not revoke or significantly alter the conditions of the applicable claims that are included in the Company's projects or that such claims will not be challenged or impugned by third parties.

The Company's projects may be subject to prior unregistered agreements of transfer or indigenous land claims, and title may be affected by undetected defects. Until any such competing interests have been determined, there can be no assurance as to the validity of title of the Company's projects and any other mining or property interests derived from or in replacement or conversion of or in connection with the claims comprising the Company's projects or the size of the area to which such claims and interests pertain. The Company may face challenges to the title its projects or subsequent properties it may acquire, which may prove to be costly to defend or could impair the advancement of the Company's business plan.

Loss of Interest in Properties

The Company's ability to maintain an interest in the properties owned by the Company will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make the periodic payments required to keep its properties in good standing or, where applicable, make payments and complete obligations under option agreements, and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the properties transferred to or optioned by the Company.

Aboriginal Title

The Yellowknife Property, the Rupert Property or other properties owned or optioned by the Company may in the future be the subject of First Nations land claims, including those of the Yellowknife Dene Firs Nation and the Eeyou Istchee James Bay Cree First Nation. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned or owned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned or purchased by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with First Nations in order to facilitate exploration and development work on the properties optioned or owned by the Company. The Supreme Court of Canada's recent decision in Tilhqot'in Nation v. British Columbia marked the first time in Canadian history that a court has declared Aboriginal title to lands outside of a reserve.

Community Groups

There is an ongoing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Company's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of any of the Company's projects will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect operations.

Mineral Resources and Reserves

There is no NI 43-101 compliant mineral resource or mineral reserve on any of the Company's projects. There can be no assurances that an NI 43-101 compliant resource or reserve will ever be estimated on any of the Company's projects.

Because the Company has not defined or delineated any proven or probable reserves on any of its properties, any future mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Fluctuating Price of Metals

Future production, if any, from the Company's mineral properties will be dependent upon the prices of lithium and its compounds being adequate to make these properties economic. Materially adverse fluctuations in the price of such minerals and metals may adversely affect the Company's financial performance and results of operations. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the control of the Issuer, including levels of supply and demand, industrial development levels, inflation and the level of interest rates, the strength of the U.S. dollar and geopolitical events in significant mineral producing countries. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments.

All commodities, by their nature, are subject to wide price fluctuations and future material price declines will result in a decrease in the value of the commodity held, and/or revenue or, in the case of severe declines that cause a suspension or termination of production by relevant operators, a complete cessation of revenue from streams, royalties or interests in mineral properties applicable to the relevant commodities. There is no assurance that, even if commercial quantities of cobalt are produced, a profitable market will exist for them.

Competitive Risks

The mineral resource industry is competitive in all of its phases. The Company competes with other companies, some of which have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. The Company competes with other exploration and mining companies for the acquisition of leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. There can be no assurance that the Company can compete effectively with these companies.

Government and Regulatory Risks

The Company's subject to various laws governing exploration, taxes, labour standards and occupational health, safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could limit or curtail the Company's activities.

Amendments to current laws, regulations and permits governing activities of exploration and mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenses or require abandonment or delays in activities.

Failure to comply with any applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Environmental Risks

All phases of the Company's mining operations will be subject to environmental regulation in Canada. Changes in environmental regulation, if any, may adversely impact the Company's operations and future potential profitability. In addition, environmental hazards may exist on the Company's projects which are currently unknown. The Company may be liable for losses associated with such hazards, or may be forced to undertake extensive remedial cleanup action or to pay for governmental remedial cleanup actions, even in cases where such hazards have been caused by previous or existing owners or operators of the properties, or by the past or present owners of adjacent properties or by natural conditions. The costs of such cleanup actions may have a material adverse impact on the Company's operations and future potential profitability.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

The Company may be subject to reclamation requirements designed to minimize long-term effects of mining exploitation and exploration disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree pre-disturbance land forms and vegetation. Any significant environmental issues that may arise, however, could lead to increased reclamation expenditures and could have a material adverse impact on the Company's financial resources.

License and Permits

In the ordinary course of business, the Company will be required to obtain and renew various federal, provincial and local governmental licenses or permits for exploration, development, construction and commencement of mining on its projects. The Company may not be able to obtain or renew licenses or permits that are necessary to its operations. Any unexpected delays or costs associated with the licensing or permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

Uninsured Risks

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions and floods. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance

against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations and a decline in the value of the securities of the Company.

Limited Operating History and Lack of Profits

The Company is an early-stage exploration company with a limited operating history. The likelihood of success of the Company's business plan must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with developing and expanding early-stage businesses and the regulatory and competitive environment in which the Company operates.

The Company has no history of earnings and has not commenced commercial production on any of its properties. There are no known commercial quantities of mineral reserves on any properties owned or optioned by the Company. There is no guarantee that economic quantities of mineral reserves will be discovered on any of the properties held by the Company in the near future or at all.

The Company has experienced losses from operations and expects to continue to incur losses for the foreseeable future. There can be no assurance that the Company will be profitable in the future. The Company's operating expenses and capital expenditures are likely to increase in future years as needed consultants, personnel and equipment associated with advancing exploration, and, if permitted, development and, potentially, commercial production of its properties, are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties, government regulatory processes and other factors, many of which are beyond the Company's control. The Company expects to continue to incur losses unless and until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Company's properties will require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues or achieve profitability. If the Company does not generate revenue, it may be unable to sustain its operations in which case it may become insolvent and investors may lose their investment.

***General Risks***

Labour and Employment Relations

Exploration at the Company's projects is dependent upon the efforts of, and maintaining good relationships with, employees of Li-FT. Relations between Li-FT and its employees may be impacted by changes in labour relations, which may be introduced by, among others, employee groups, unions, and the relevant governmental authorities in whose jurisdictions Li-FT carries on business. Adverse changes in such legislation or in the relationship between Li-FT and its employees may have a material adverse effect on Li-FT'S business, results of operations, and financial condition. In addition, the Company's ability to keep essential operating staff in place may also be challenged as a result of potential COVID-19 outbreaks or quarantines.

Global Financial Conditions

Evens in global financial markets in the past several years, including in relation to the COVID-19 pandemic and the inflationary effects thereafter have had a profound impact on the global economy. Many industries, including the mineral resource industry, were impacted by and continue to be impacted by these market conditions. Some of the key impacts of the financial market turmoil included contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A similar slowdown in the financial markets or other economic conditions, including but not limited to, inflation, fuel and energy costs, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's operations.

Adverse capital market conditions could continue to affect the Company's ability to meet its liquidity needs, as well as its access to capital and cost of capital. The Company needs additional funding to continue development of its internal pipeline and collaborations. The Company's results of operations, financial condition, cash flows and capital position could be materially affected by continued disruptions in the capital markets.

Financing Risk

Exploration companies need significant amounts of on-going capital to maintain and improve existing operations, invest in large scale capital projects with long lead times, and manage uncertain development and permitting timelines and the volatility associated with fluctuating metals and input prices. The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its securities. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the properties owned by the Company.

Li-FT has been successful at financing its projects and operations over the years. However, its ability to continue its exploration activities will depend on the resource industry generally, which is cyclical in nature, and which may, in turn, affect its ability to attract financing, including joint venture financing, debt or bank financing, equity financing or production financing arrangements. Failure to obtain, or difficulty or delay in obtaining, requisite financing could result in delay of certain projects or postponement of further exploration, assessment or development of certain properties or projects and would have a material adverse effect on the Company's business, result of operations and financial condition.

Share Price

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies has experienced substantial volatility in the past. This volatility may affect the ability of holders of Shares to sell their securities at an advantageous price. Market price fluctuations in the Company's shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Company's shares.

Financial markets have historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Company's shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Company's shares may be materially adversely affected.

Dilution

Common shares, including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into the Company's shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Board may determine. In addition, the Company will issue additional shares from time to time pursuant to the options to purchase shares issued from time to time by the Board. The issuance of these shares will result in dilution to holders of the Company's shares.

Key Person Insurance

The Company does not maintain key person insurance on any of its directors or officers, and as result, the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

Management

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

Ability of Company to Continue as a Going Concern

The Company is in the exploration stage and is currently seeking additional capital to develop its exploration properties. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available at terms acceptable to the Company. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Negative Cash Flow from Operations

Since its incorporation, the Company had negative cash flows from operating activities and expects to continue to have negative cash flows and the net proceeds from the Offering will be used to fund such

negative cash flow from operating activities. The Company currently has no source of operating cash flow and is expected to continue to do so for the foreseeable future. The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations.

Dividends

The Company does not anticipate paying any dividends on its shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Any decision to declare and pay dividends in the future will be made at the discretion of the Company's board of directors and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the Company's board of directors may deem relevant. As a result, investors may not receive any return on an investment in the Units unless they sell their shares of the Company for a price greater than that which such investors paid for them.

Litigation Risk

Legal proceedings may be brought against Li-FT, for example, litigation based on its business activities, environmental laws, tax matters, volatility in its stock price or failure to comply with its disclosure obligations, which could have a material adverse effect on Li-FT's financial condition or prospects. Regulatory and government agencies may bring legal proceedings in connection with the enforcement of applicable laws and regulations, and as a result Li-FT may be subject to expenses of investigations and defense, and fines or penalties for violations if proven, Li-FT may potentially incur cost and expense to remediate, increased operating costs or changes to operations, and cessation of operations if ordered to do so or required in order to resolve such proceedings.

Conflicts of Interest

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the BCBCA. Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed to the following:

- Participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
- No commissions or other extraordinary consideration will be paid to such directors and officers; and business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

Public Health Crises

In December 2019, COVID-19 emerged in Wuhan, China. Since then, it has spread to many other countries and infections have been reported around the world. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place, and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment, and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the business of the Company, operations and financial results, including but not limited to, the Company's ability to complete its planned exploration program in a timely manner. In response to the COVID-19 pandemic, the Company has implemented precautionary measures at its corporate office, including limiting visits to essential personnel and ensuring proper protocols around sanitation and social distancing.

The Company may be adversely affected by other public health crises and other events outside its control. Public health crises, such as epidemics and pandemics, acts of terrorism, war or other conflicts and other events outside of the Company's control, may adversely impact the activities of the Company as well as operating results. In addition to the direct impact that such events could have on the Company's facilities and workforce, these types of events could negatively impact capital expenditures and overall economic activity in impacted regions or, depending on the severity of the event, globally, which could impact the demand for and prices of commodities. A prolonged continuance of a public health crisis could also have a material adverse effect on overall economic growth and impact the stability of the financial markets and availability of credit. Any of these developments could have a material adverse effect on the Company's business, financial position, liquidity and results of operations.

Other Risks and Hazards

The Company’s operations are subject to a number of risks and hazards including:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- failure of processing and mining equipment;
- labour disputes;
- supply problems and delays;
- changes in regulatory environment;
- encountering unusual or unexpected geologic formations or other geological or grade problems;
- encountering unanticipated ground or water conditions;
- cave-ins, pit wall failures, flooding, rock bursts and fire;
- periodic interruptions due to inclement or hazardous weather conditions;
- uncertainties relating to the interpretation of drill results;
- inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses;
- results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future exploration or development results will not be consistent with the Company’s expectations;
- the potential for delays in exploration or the completion of feasibility studies;

- other acts of God or unfavourable operating conditions.

Such risks could result in damage to, or destruction of, mineral properties or processing facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, monetary losses and possible legal liability. Satisfying such liabilities may be very costly and could have a material adverse effect on future cash flow, results of operations and financial condition.

## ITEM 5: MINERAL PROPERTIES

The Company has interests in mineral properties located in Quebec and Northwest Territories.

For the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("**NI 43-101**"), the Yellowknife Property and the Rupert Property are the Company's material projects.

### 5.1 Yellowknife Property

Except as otherwise stated, the information in this section is based on the Yellowknife Report. References should be made to the full text of the Yellowknife Report which is available for review on the Company's profile on SEDAR located at www.sedar.com.

The information below is excerpted from the summary section of the Yellowknife Report.

***Incorporation by Reference***

The following information contained in the Yellowknife Report is incorporated by reference into and forms an integral part of this Annual Information Form, including the text, maps, tables, figures and charts contained within the following sections of the Yellowknife Report.

4 Property Description and Location
5 Accessibility, Climate, Local Resources, Infrastructure and Physiography
6 History
7 Geological Setting and Mineralization
8 Deposit Types
9 Exploration
10 Drilling
11 Sample Preparation, Analyses and Security
12 Data Verification
26 Recommendations

***Summary***

The Yellowknife Report provides an independent review of the Yellowknife Property for Li-FT, a Canadian company involved in mineral exploration and development.

The Yellowknife Report was prepared by Thomas Hawkins P.Geo, PhD an independent qualified person (QP) as described in Section 28 (Date and Signature Page) of the Yellowknife Report.

Property Ownership

Title to the Yellowknife Property is currently listed under the name of Erex International Ltd. (Erex) in the NT Mining Recorder's online database.

Leases are granted for terms of 21 years that are renewable. Lease rental for the first term is $2.50 per hectare and for subsequent terms, $5.00 per hectare.

On November 23, 2022 Li-FT Power Ltd. ("Li-FT" or the "Company") announced that it entered into an amalgamation agreement dated November 22, 2022 (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 it will acquire all of the issued and outstanding shares of the Target (the "Transaction"). On December 30, 2022, the Company completed the acquisition of the Target, issuing 18 million Li-FT Shares, at a deemed price of $8.59 per share.

The Project is subject to a 2% net profits royalty and an overriding 2% gross production royalty (the "GORR"). The GORR also applies to all after acquired mineral interests of the leaseholder (Erex) in the Northwest Territories, subject to adjustment as set forth in the agreement evidencing the GORR.

Property Description

The Yellowknife Property comprises 13 non-contiguous mineral leases, that cover a series of spodumene rich pegmatitic dykes over a total area of 1497.7 hectares all located within 100km of the city of Yellowknife in the south of The Northwest territories.

The Yellowknife Property is accessible by helicopter from Yellowknife airport as well as by a well-maintained road. The nearest high-voltage electrical power line and barge service is located in Yellowknife, the nearest access to the rail network is located in the town of Hay River

The leases in the Yellowknife Pegmatite Province are situated in low rolling hills. Elevation ranges from 200 m ASL around the NITE lease rising gradually to 310 m ASL on the VO and THOR leases. The property area is within the Taiga Shield Ecozone High Boreal: consisting of discontinuous permafrost, hummocky to rolling bedrock or boulder till, with cover of peatlands, young jack pine stands on recently burned outwash; elsewhere, closed black spruce stands with lichen and shrub understories are dominant; paper birch and dwarf birch regeneration on recent burns. A transition occurs to the east and northeast of the property area to Low Subartic ecoregion consisting of widespread permafrost over similar terrain as in the High Boreal; cover of open, low-growing black spruce forest with lichen and shrub understories are dominant; jack pine stands are less extensive than in the High Boreal ecoclimatic region (Ecosystem Classification Group. 2008).

Status of Exploration

Lithium-bearing pegmatites were discovered in the Northwest Territories in the late 1930's to mid-1940's and 1950's. Exploration was sporadic, although minor columbite-tantalite production was achieved from several. The lithium resource was never developed partly because of infrastructure issues and partly because of market prices. With the rapid development of technologies requiring substantial amounts of lithium for batteries, market prices have improved dramatically. At the same time infrastructure is gradually improving in the Northwest Territories.

Exploration for lithium in the Northwest Territories began in the 1970s for Canadian Superior Exploration Canada Ltd ("CSEL"). The properties that were staked for CSEL were then acquired and put into EREX and mineral claims were subsequently converted to leases. Exploration in the 1960s and 1970s showed that a series of pegmatites within the Yellowknife Pegmatite province contained significant spodumene as a rock forming constituent of the pegmatites, locally ranging from 15% to more than 30% of the rock by volume. Other less common lithium minerals include amblygonite.

Historical work on the properties includes substantial trench sampling of the pegmatites, limited diamond drilling, and bulk sampling for metallurgical and mineral processing studies.

A historical study completed on metallurgical and mineral processing on a 1 tonne bulk sample indicated that a spodumene concentrate could be produced by tabling, followed by flotation. A lithium carbonate product with no deleterious impurities could be produced from the spodumene concentrate through a conventional roast and acid leach treatment. By-products of feldspar, mica, and sodium sulphate were also possible.

Based on the surface trenching and limited diamond drilling, a lithium resource estimate was made for the YPP pegmatites. This is an historical resource and is not compliant with current NI 43-101 guidelines or CIM Resource Definition Standards and should not be considered reliable.

In 2022, mapping by the Company confirmed the tenor and extent of mineralisation reported in historical reports. The author recommends that further work be done to confirm the historical grades and widths reported.

Geology and Mineralization

Historical exploration work conducted in the area has shown that spodumene forms a significant rock forming constituent of the pegmatites, locally ranging from 15% to more than 30% of the rock by volume. Other less common lithium minerals include amblygonite. There appears to be a regional scale mineralogical zoning with simple pegmatites clustering in the northwest, and complex, LCT (Lithium, Cesium, Tantalum enriched) pegmatites hosting Be-Cs-Li-Nb-Ta, as demonstrated by the BET pegmatite, clustering in the southeast in relatively close proximity to the Blatchford Lake alkaline intrusive complex (Mosher, 1969 and Morrison, 1975).

Conclusions and Recommendations

Based on the evaluation of available data, the author of the Yellowknife Report recommends a multi-phase exploration program for Yellowknife Property:

Stage 1. Drill testing BIG East, Fi Main and Southwest dykes in order to estimate NI 43-101 compliant indicated lithium resources. Preparation of a Preliminary Economic Assessment for mining the pegmatites and producing a spodumene concentrate. Estimated cost of Stage 1 is $3.6 million.

Stage 2. Drilling to move resources identified in Stage 1 up to measured and indicated categories. Preparation of a Pre-feasibility Study to investigate options for marketing the spodumene concentrate and constructing a plant to process the concentrate into higher value lithium compounds.

Stage 3. Mine planning, mine permit applications, and continued community and First Nations engagement to assure support for lithium mining and processing operations.

***Current Exploration and Development Activities***

As the Company only recently completed the acquisition of the Yellowknife Property, no exploration activities by the Company have commenced. The Company is planning a late spring, early summer 2023 diamond drilling program at the Yellowknife Property in accordance with the recommendations of its qualified person.

## 5.2 Rupert Property

Except as otherwise stated, the information in this section is based on the Rupert Report. References should be made to the full text of the Rupert Report which is available for review on the Company's profile on SEDAR located at www.sedar.com.

The information below is excerpted from the summary section of the Rupert Report.

***Incorporation by Reference***

The following information contained in the Rupert Report is incorporated by reference into and forms an integral part of this Annual Information Form, including the text, maps, tables, figures and charts contained within the following sections of the Rupert Report.

4.0 Property Description and Location
5.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography
6.0 History
7.0 Geological Setting and Mineralization
8.0 Deposit Types
9.0 Exploration
10.0 Drilling
11.0 Sample Preparation, Analyses and Security
12.0 Data Verification
26.0 Recommendations

***Summary***

The Rupert Report evaluates the potential for lithium mineralization at the Rupert Property, which is owned by the Company, and details the results of a till sampling campaign performed in 2021 by the company.

The Rupert Property is located east of James Bay, Quebec, in a region that hosts several lithium deposits, including the world-class Whabouchi lithium pegmatite deposit. Like much of glaciated North America, bedrock is largely blanketed by till. No systematic geochemical exploration has been completed to search for buried lithium deposits beneath the till. As such, Li-FT considers that additional lithium resources may be present at Rupert and that till sampling provides a viable means to discover them.

Three separate claim blocks make up the Rupert Property: (1) the Whabouchi Trend, (2) the Moyenne Trend, and (3) the Pontax Trend. The former two can be accessed, in part, by the Billy Diamond highway, whereas the third, and the more distal parts of the first and second, are accessible by helicopter or boat.

Geologically, the Rupert Property is located in the Nemiscau and La Grade sub-provinces of the Archean Superior Province.

The Whabouchi Trend is located in the northeast-trending Lac des Montagnes greenstone belt, which itself is located between a granitoid-gneiss domain of the La Grande sub-province to the northwest and the Opatica sub-province to the southeast. The greenstone belt is dominated by clastic sedimentary rocks with mafic volcanic rock occurring primarily on the margins. Metamorphic grade ranges from greenschist to amphibolite facies. Granitic pegmatites are common throughout the greenstone belt, some of which have significant lithium and tantalum mineralization.

The Moyenne Trend covers an east-west trending magnetic and topographic lineament, interpreted to be a shear zone, which juxtaposes migmatitic clastic sedimentary rocks against granitoid-gneisses of the La Grande sub-province to the west of the Whabouchi Trend.

The Pontax Trend is located along the Pontax River within the Anatacau-Pivert greenstone belt, a thin band of supracrustal rocks that occur between the La Grande granitoid-gneiss terrane to the east and Nemiscau sub-province to the west.

Mineral exploration and government mapping on the property and its environs first started in the 1950s. The Whabouchi lithium deposit was discovered in 1962 by the Quebec Bureau of Mines. Following this, little work was conducted until the 2000s. In 2002, Inco revisited the area in search of tantalum and confirmed lithium mineralization at Whabouchi. In 2009, Nemaska Lithium acquired the Whabouchi Project, performed a feasibility study, then subsequently went into receivership. The Whabouchi Project is currently owned by New Nemaska Lithium.

A regional till geochemistry program was completed at the Whabouchi Trend by Li-FT in the summer of 2021. A total of 4,259 samples were collected at 150 meter intervals along sampling lines spaced 1,500 meters apart. One kilogram of till was collected at each sample point. Samples were sent to Bureau Veritas in Timmins, Ontario, where they were dried and sieved. Two types of analyses were performed. (1) Half a gram of the <63 micron fraction from each sample was analysed with a 4-acid digestion and ICP-MS finish for multi-element geochemistry. (2) A 30 gram aliquot of the <63 micron fraction was digested in aqua regia and analysed with ICP-MS for gold. Results from this program show a number of areas with Li anomalism, some of which are also anomalous for pathfinder elements typically associated with lithium pegmatite deposits.

A follow-up exploration budget of $1,402,200 is recommended in two phases with a non contingent Phase I of follow-up till sampling followed by a contingent Phase II of trenching and sampling in areas with strong, spatially coherent geochemical anomalism.

***Current Exploration and Development Activities***

During the summers of 2021 and 2022, the Company completed a total of 13,093 till geochemistry samples within the Rupert, Moyenne and Pontax trends. A total of 892 grab samples from boulders or outcrop were also collected. The goal of the 2021 and 2022 exploration programs was to confirm the presence of lithium pegmatite mineralization beneath extensive glacial sediment cover within the region.

In 2023, the Company plans to complete an exploration campaign consisting of soil sampling, mapping and prospecting and an initial diamond drill program in two identified target areas, which program initially contemplates 17 holes for 5,000 meters of drilling and commenced in late March 2023.

## ITEM 6: DIVIDENDS

The Company has not paid dividends on its common shares during any of its three most recently completed financial years or the current financial year. The Company has no present intention of paying dividends on its common shares as it anticipates that all available funds will be invested to finance further acquisition, exploration and development of its mineral properties. Payment of dividends in the future will be dependent on the earnings and financial condition of the Company and other factors which the directors may deem appropriate at that time.

There are no restrictions on the Company paying dividends or distributions, except those set out in the BCBCA.

## ITEM 7: DESCRIPTION OF CAPITAL STRUCTURE

### 7.1 General Description of Capital Structure

The Company has an authorized capital of an unlimited number of common shares without par value (the "**Common Shares**"), of which 39,240,732 Common Shares are issued and outstanding as fully paid and non-assessable as of the date of this AIF. There are currently no stock options or warrants of the Company outstanding.

The following is a summary of the principal attributes of the Common Shares:

*Voting Rights*. The holders of the Common Shares are entitled to receive notice of, attend and vote at any meeting of the shareholders of the Company. The Common Shares carry one vote per share. There are no cumulative voting rights, and directors do not stand for re-election at staggered intervals.

*Dividends*. The holders of Common Shares are entitled to receive on a pro rata basis such dividends as may be declared by the board of directors, out of funds legally available therefor. There are no indentures or agreements limiting the payment of dividends.

*Profits*. Each Common Share is entitled to share pro rata in any profits of the Company to the extent they are distributed either through the declaration of dividends or otherwise distributed to shareholders, or on a winding up or liquidation.

*Rights on Dissolution*. In the event of the liquidation, dissolution or winding up of the Company, the holders of the Common Shares will be entitled to receive on a pro rata basis all of the assets of the Company remaining after payment of all the Company's liabilities.

*Pre-Emptive, Conversion and Other Rights*. No pre-emptive, redemption, sinking fund or conversion rights are attached to the Common Shares, and the Common Shares, when fully paid, will not be liable to further call or assessment.

### 7.2 Constraints

There are no known constraints on the ownership of securities of the Company to ensure that the Company has a required level of Canadian ownership.

### 7.3 Ratings

There are no known ratings, including provisional ratings, by rating organizations for securities of the Company which are outstanding and that continue in effect.

## ITEM 8: MARKET FOR SECURITIES

### 8.1 Trading Price and Volume

The Common Shares of the Company are listed for trading on Canadian Securities Exchange (the "**CSE**") under the symbol "LIFT".

As the Company was not listed on any stock exchange as at the end of its most recently completed financial year, the following table provides the high, low and close prices and volume for the Company's shares for each month since listing on the Canadian Securities Exchange on June 24, 2022:

| Month | High | Low | Close | Volume |
|---|---|---|---|---|
| **2022** | | | | |
| June 24-30[1] | 3.04 | 2.51 | 2.80 | 28,154 |
| July | 5.11 | 2.80 | 4.75 | 4,120,891 |
| August | 5.85 | 4.00 | 5.00 | 705,217 |
| September | 9.75 | 4.64 | 8.20 | 1,070,244 |
| October | 10.25 | 8.08 | 9.00 | 1,584,665 |
| November | 14.00 | 8.00 | 14.00 | 1,167,508 |
| December | 16.50 | 9.25 | 11.00 | 1,691,130 |
| **2023** | | | | |
| January | 10.90 | 9.02 | 9.41 | 523,712 |
| February | 10.60 | 9.11 | 9.31 | 616,279 |
| March [2] | 9.50 | 7.40 | 8.20 | 495,643 |

**Notes:**

(1) The Common Shares were listed on June 24, 2022 with trading commencing on June 27, 2022.

(2) Up to the closing on March 29, 2023

### 8.2 Prior Sales

The Company has no class of securities that is outstanding but not listed or quoted on a market.

## ITEM 9: ESCROWED SECURITIES

As of the date of this AIF, the following securities (the "**Escrowed Securities**") are subject to an escrow agreement dated April 11, 2022 between the Company, Odyssey Trust Company as escrow agent, and certain principals of the Company as defined in National Policy 46-201 – *Escrow for Initial Public Offerings* (the "**Escrow Agreement**").

| Designation of class | Number of securities held in escrow or that are subject to a contractual restriction on transfer[1] | Percentage of class |
|---|---|---|
| Common Shares | 1,387,500 | 3.53%[2] |

The Escrowed Securities are released pro rata to the holders thereof as to 10% upon listing of the Company's common shares, which occurred on June 24, 2022, and 15% every six months thereafter over a 36-month period.

| Date of Automatic Timed Release | Amount of Escrowed Securities Released |
|---|---|
| On the Listing Date | 1/10 of the Escrowed Securities (released) |
| 6 months after the Listing Date | 1/6 of the remaining Escrowed Securities (released) |
| 12 months after the Listing Date | 1/5 of the remaining Escrowed Securities |
| 18 months after the Listing Date | 1/4 of the remaining Escrowed Securities |
| 24 months after the Listing Date | 1/3 of the remaining Escrowed Securities |
| 30 months after the Listing Date | 1/2 of the remaining Escrowed Securities |
| 36 months after the Listing Date | The remaining Escrowed Securities |

The Escrowed Securities are subject to the direction and determination of the CSE and applicable securities regulatory authorities. Specifically, the Escrowed Securities may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfer or dealings within escrow are:

(a) to existing or, upon their appointment, incoming directors or senior officers of the Company, if the Board has approved the transfer;

(b) to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Company's outstanding securities;

(c) to a person or company that after the proposed transfer:

(i) will hold more than 10% of the voting rights attached to the Company's outstanding securities; and

(ii) has the right to elect or appoint one or more directors or senior officers of the Company or any of its material operating subsidiaries;

(d) to a trustee in bankruptcy or another person or company entitled to Escrowed Securities on the bankruptcy of the holder;

(e) to a financial institution on the realization of Escrowed Securities pledged, mortgaged or charged by the holder to the financial institution as collateral for the loan; or

(f) to or between an RRSP, RRIF or other similar registered plan or fund with a trustee, where the annuitant of the RRSP or RRIF, or the beneficiaries of the other registered plan or fund are limited to the holder and his or her spouse, children and parents or, in the case of a trustee of such registered plan or fund, to the annuitant of the RRSP or RRIF, or a beneficiary of the registered plan or fund, as applicable, or his or her spouse, children and parents. The owner of the Escrowed Securities may continue to exercise voting rights attached to such securities.

Tenders of Escrowed Securities in a business combination transaction are permitted provided that, if the tenderer is a Principal of the successor issuer upon completion of the business combination, securities received in exchange for tendered escrowed securities are subject to escrow on the same terms and conditions, including release dates, as applied to the escrow securities that were exchanged, subject to certain exceptions.

## ITEM 10: DIRECTORS & OFFICERS

### 10.1 Name, Occupation and Security Holding

The following table sets out the names of the directors and officers of the Company, all officers in the Company each now holds, each person's principal occupation, business or employment, the period of time during which each has been a director of the Company and the number of Common Shares beneficially owned by each, directly and indirectly, or over which each exercised control or direction as at the date of this Annual Information Form. The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed.

| **Name and Municipality of Residence and Position[1]** | **Principal Occupation for Past Five Years[1]** | **Date of Appointment to Office** | **Number of Common Shares Held [2]** |
|---|---|---|---|
| Francis MacDonald, Munich Germany., CEO and Director | President of Kenorland from February 2022 to October 2022, Executive VP Exploration of Kenorland from January 2021 to February 2022 and Vice President, Exploration of Kenorland from September 2016 to January 2021 | February 3, 2022 as director, November 8, 2022 as CEO | 901,350 |
| Alexander Langer, North Vancouver, BC, President and Director [3] | CEO of Andros Capital Corporation (private consulting firm) from June 2012 to present. VP Capital Markets of Millennial Lithium Corp. from May 2016 to present; Director of Ptolemy Capital from January 2015 to present. CEO, President and Director of Sierra Madre Gold and Silver from May 2016 to present. Director of Reyna Silver Corp. March 2020 to present. | February 3, 2022 as director, November 8, 2022 as President | 142,000[4] |
| Heidi Gutte, Bowen Island, B.C., Chief Financial Officer and Director | Principal of Heidi Gutte Consulting Inc. from April 2018 to Present, Senior Accountant at Oniva International Services from July 2013 to April 2018 | February 3, 2022 | Nil |
| Julie Hajduk, Vancouver, B.C., Director | CEO of Purple Crown Communications Corp. (private consulting firm) from October 2012 to Present | May 28, 2021 | 315,000[5] |
| Wanda Cutler, Toronto, ON, Director [3] | President of Cutler McCarthy Inc., (private consulting firm) from August 2011 to Present | February 3, 2022 | 300,000 |
| Iain Scarr, Salta, Argentina, Director [3] | Founder and President of IMEX Consultants Inc (private consulting firm) from March 2009 to the present; COO of Millennial Lithium Corp. from July 2016 to January 2022, prior to the acquisition of Millennial by Lithium Americas Corp. | October 11, 2022 | 200,000 |

| Name and Municipality of Residence and Position[1] | Principal Occupation for Past Five Years[1] | Date of Appointment to Office | Number of Common Shares Held [2] |
|---|---|---|---|
| Iveta Michelcikova, Vancouver, B.C., Corporate Secretary | Independent consultant providing corporate and executive administrative services. Executive Assistant at Empower Clinics Inc. from February 2019 to March 2022. | September 22, 2022 | 20,000 |
| David Smithson, Salta, Argentina, Senior Vice President, Geology | 2020-2022 Senior Vice President, Exploration of Tier-1 Resources. 2020-2022 Vice President, Exploration of Sombrero Resources. 2020-2021 Geological Consultant, Universal Mineral Services. 2017-2020 Vice President, Exploration of Auryn Resources | January 23, 2023 | Nil |
| Carl Verley, Vancouver, B.C., Vice President Exploration | President of Amerlin Exploration Services Ltd. (private exploration services co.) February 1983 to Present. Director of Mountain Province Diamonds from June 2003 - June 2019; President, CEO and Director of Norse Gold Inc. from 2017 - Present. | January 23, 2023 | Nil |

(1) Information as to the residency and principal occupation has been provided by the respective directors and officers.

(2) Information as to shares beneficially owned, not being within our knowledge has been furnished by the respective person, has been extracted from the list of registered shareholders maintained by the Company's transfer agent, has been obtained from insider reports filed by respective person and available through the Internet at the Canadian System for Electronic Disclosure by Insiders (www.sedi.ca) or has been obtained from early warning report and alternative monthly reports filed by the respective person and available through the Internet at the Canadian System for Electronic Document Analysis and Retrieval (www.sedar.com).

(3) Members of the Audit Committee.

(4) Mr. Langer directly holds 110,000 Common Shares and 32,000 Common Shares are held indirectly by Andros Capital Corp., a company owned and controlled by Mr. Langer.

(5) Ms. Hajduk directly holds 140,000 Common Shares, and 175,000 Common Shares are held indirectly though Purple Crown Communications Corp, a company owned and controlled by Ms. Hajduk.

As at the date hereof, all of the directors and officers, as a group, beneficially own, directly or indirectly, or exercise control or discretion over 1,878,350 Common Shares, representing approximately 4.79% of the issued and outstanding Common Shares.

### 10.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

As at the date of this AIF and within the ten years before the date of this AIF, except as described below, no director, chief executive officer, chief financial officer or a shareholder holding sufficient number of securities of the Company to materially affect control of the Company,

(a) is or has been a director or executive officer of any company (including the Company), that:

(i) while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied the relevant company access to any

exemption under securities legislation, for a period of more than 30 consecutive days;

(ii) that after that person ceased to be a director or executive officer, was subject to an order which resulted from an event that occurred while that person was acting in the capacity as director or executive officer that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(iii) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has within 10 years before the date of the AIF became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officers or shareholders.

Ms. Wanda Cutler served as a director of Mammoth Resources Corp. ("Mammoth Resources") from July 2, 2015 to May 25, 2017. On June 2, 2016, Mammoth Resources announced that it was not able to file its annual financial statements and accompanying management's discussion and analysis for the financial year ended January 31, 2016 within the prescribed period for such filings, primarily as a result of additional time required to secure financing and, subsequently, for its auditor to complete the audit. Given the situation, Mammoth Resources made an application to the British Columbia Securities Commission (the "BCSC") for a management cease trade order (the "MCTO"), which MCTO was issued by the BCSC on June 1, 2016 restricting all trading in securities of Mammoth Resources by its CEO and CFO until the required records are filed and the MCTO is revoked by the BCSC. On August 10, 2016, the BCSC revoked the MCTO.

Ms. Heidi Gutte serves as the Chief Financial Officer of Element79 Gold Corp. (“Element 79”). Element79 made an application to the BCSC for a MCTO in connection with the audited financial statements and accompanying management’s discussion and analysis for the year ended August 31, 2022, A MCTO was issued by the BCSC on January 4, 2023 restricting all trading in securities of Element 79 by its CEO and CFO until the required records were filed and the MCTO revoked by the BCSC. On February 13, 2023, the BCSC revoked the MCTO following the filing of the required materials.

No director, executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has, within the ten years prior to the date of this AIF, been subject to:

(c) any penalties or sanctions imposed by a court or securities regulatory authority relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(d) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### 10.3 Conflicts of Interest

Certain directors and officers of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring and exploiting natural resources properties. These associations to other public companies in the resource sector may give rise to conflicts of interest from time to time.

Conflicts of interest affecting the directors and executive officers of Li-FT will be governed by the Articles of Li-FT and the provisions of the BCBCA and other applicable laws. In the event that such a conflict of interest arises at a meeting of the directors, a director affected by the conflict must disclose the nature and extent of his interest and abstain from voting for or against matters concerning the matter in respect of which the conflict arises. Directors and executive officers are required to disclose any conflicts or potential conflicts to the board of directors as soon as they become aware of them.

## ITEM 11: AUDIT COMMITTEE

The Company is required to have an audit committee (the "**Audit Committee**") comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

The Audit Committee oversees the accounting and financial reporting practices and procedures of the Company and the audits of the Company's financial statements. The principal responsibilities of the Audit Committee include: (i) overseeing the quality, integrity and appropriateness of the internal controls and accounting procedures of the Company, including reviewing the Company's procedures for internal control with the Company's auditors and chief financial officer; (ii) reviewing and assessing the quality and integrity of the Company's internal and external reporting processes, its annual and quarterly financial statements and related management discussion and analysis, and all other material continuous disclosure documents; (iii) establishing separate reviews with management and external auditors of significant changes in procedures or financial and accounting practices, difficulties encountered during auditing, and significant judgments made in management's preparation of financial statements; (iv) monitoring compliance with legal and regulatory requirements related to financial reporting; (v) reviewing and pre-approving the engagement of the auditor of the Company and independent audit fees; and (vi) assessing the Company's accounting policies, and considering, approving, and monitoring significant changes in accounting principles and practices recommended by management and the auditor.

**Audit Committee Charter**

A copy of the Charter of the Audit Committee is attached hereto as Schedule "1".

**Composition of the Audit Committee**

The members of the Audit Committee are Wanda Cutler, Alexander Langer and Iain Scarr, of whom Ms. Cutler and Mr. Scarr are considered independent and Mr. Langer is not considered independent as a result

of his relationship as executive officer of the Company. Mr. Langer is serving as chair of the audit committee. All members of the Audit Committee are considered to be financially literate.

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

**Relevant Education and Experience**

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements;

(b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting, are as follows:

*Wanda Cutler*: Ms. Cutler has worked with reporting issuers for more than 20 years in marketing and communications. She has acted as a strategic advisor to a number of public companies including: multiple lithium exploration companies, junior mining companies, investment companies and alternative energy companies. Ms. Cutler holds a Bachelor of Social Science (Political Science) from the University of Ottawa and is President of Cutler McCarthy, a communication firm. She currently serves on the audit committee of Beyond Minerals Inc. (CSE listed), Vanstar Mining Resources Inc. (TSXV listed) and Quebec Precious Metals Corporation (TSXV listed).

*Alexander Langer:* Mr. Langer has 18 years' experience in equity financing. Since June 2012, Mr. Langer has been CEO of Andros Capital Corp, a private capital markets advisory firm located in Vancouver, Canada and a Director of Ptolemy Capital, a family office based in London, UK. Mr. Langer is currently CEO, President, and Director of Sierra Madre Gold and Silver, Director of Reyna Silver Corp, Director of Ynvisible Interactive Inc, and Vice President of Capital Markets for Millennial Lithium Corp, all listed companies. Mr. Langer started his career as an investment advisor with Canaccord Genuity Corp. He currently serves on the audit committee of Reyna Silver Corp. (TSXV), Reyna Gold Corp. (TSXV) and Intertidal Capital Corp. (TSXV).

*Iain Scarr:* Mr. Scarr holds a Bachelor of Science degree in Geology from California State University and a Master in Business Administration from the University of Southern California, Marshall School of Business and is President and founder of IMEX Consultants, an industrial minerals consultancy that operates across the entire value chain. His experience includes an over 30-year tenure with Rio Tinto, where his most recent position was Commercial Director and VP Exploration. Mr. Scarr held the position of COO of Millennial Lithium Corp from July 2016 to January 2022, prior to the acquisition of Millennial by Lithium Americas Corp. (TSX), VP Development at Lithium One Inc (TSXV) and General Manager – Argentina of Galaxy Resources.

Each of Messrs. Langer, Scarr and Ms. Cutler have an understanding of financial reporting requirements respecting financial statements sufficient enough to enable them to discharge their duties as members of the audit committee.

**Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

(a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110; or

(b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

**Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

**Pre-Approval Policies and Procedures**

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Audit Committee's consideration, and if thought fit, approval in writing.

**External Auditor Services Fees**

The following table sets forth the fees paid by the Company and its subsidiaries to Shim & Associates LLP, for services rendered for the financial years ended November 30, 2022 and November 30, 2021:

| | 2022 | 2021 |
|---|---|---|
| | ($) | ($) |
| Audit fees[1] | 25,000 | 12,000 |
| Audit related fees[2] | Nil | Nil |
| Tax fees[3] | 5,000 | Nil |
| All other fees[4] | Nil | Nil |
| Total | **30,000** | **12,000** |

Notes:

(1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.

(2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

**Exemption in Section 6.1**

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

## ITEM 12: PROMOTERS

Other than the directors and officers of the Company, management is not aware of any person or company who could be characterized as a promoter of the Company or a subsidiary of the Company within the two most recently completed financial years or during the current financial year. The number and percentage of voting securities held by the directors and officers of the Company is as disclosed above at Item 9.

Within the two most recently completed financial years or during the current financial year, no promoters have received any value from the Company other than executive compensation or the acquisition of securities pursuant to private placements or upon the exercise of stock options, nor has the Company acquired any assets from a promoter.

## ITEM 13: LEGAL PROCEEDINGS

The Company is not a party to any outstanding legal or regulatory proceedings, and the directors of the Company do not have any knowledge of any contemplated legal or regulatory proceedings that are material to the business and affairs of the Company.

## ITEM 14: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except in regards to the executive compensation of directors and officers in their roles as same or the participation by directors and officers in recently completed private placements of the Company, no director or executive officer, insider, or any associate or affiliate of such insider or director or executive officer, have had any material interest, direct or indirect, in any material transaction of the Company within the Company's three most recently completed financial years or during the current financial year, which has materially affected or will materially affect the Company.

## ITEM 15: TRANSFER AGENTS AND REGISTRARS

The Company's transfer agent and registrar is Odyssey Trust Company at its principal office 323 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

## ITEM 16: MATERIAL CONTRACTS

There are no other contracts, other than those herein disclosed in this Annual Information Form and other than those entered into in the ordinary course of the Company's business, that are material to the Company and which were entered into in the most recently completed financial year ended November 30, 2022 or before the most recently completed financial year but are still in effect as of the date of this Annual Information Form, other than:

(a) the Escrow Agreement

(b) the Kenorland Option Agreement

(c) the Operator Services Agreement

(d) the Pontax Agreement

(e) the Amalgamation Agreement; and

(f) the Thompson Lundmark Agreement.

Copies of each of these agreements are available electronically on the Company's SEDAR profile at www.sedar.com.

## ITEM 17: INTERESTS OF EXPERTS

### 17.1 Names of Experts

Shim & Associates LLP, Chartered Professional Accountants .(the "Auditor") prepared the independent auditor's report for the audited annual consolidated financial statements of the Company for the year ended November 30, 2022. The Auditor reports that they are independent of the Company in accordance with the Professional Rules of Conduct of the Chartered Professional Accountants of British Columbia.

Each of the (i) Rupert Report and (ii) the Yellowknife Report (together with the Rupert Report, the "**Technical Reports**") have been filed with the Canadian securities regulatory authorities and are available electronically on the Company's SEDAR profile at www.sedar.com .

Reference should be made to the full text of the Technical Reports and for a complete description of the assumptions, qualifications, references, reliances, and procedures associated with the information therein. Information of a scientific or technical nature in the Rupert Report was prepared by Don Cummings, P. Geo. OGQ, who is a "qualified person" under NI 43-101Mr. Cummings is currently a consultant to the Company in a limited capacity.

Information of a scientific or technical nature in the Yellowknife Report was prepared by Thomas Hawkins, PhD, P. Geo, who is a "qualified person" under NI 43-101. Mr. Hawkins' sole engagement with the Company was to prepare the Yellowknife Report.

### 17.2 Interests of Experts

To the knowledge of the Company, none of the experts above or their respective associates or affiliates, beneficially owns, directly or indirectly, any securities of the Company, has received or will receive any direct or indirect interests in the property of the Company or is expected to be elected, appointed or employed as a director, officer or employee of the Company or any associate or affiliate thereof.

## ITEM 18: ADDITIONAL INFORMATION

Additional information on the Company can be found on the Company's website at www.li-ft.com or on SEDAR at the Company's profile at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's information circular for its most recent annual meeting of shareholders that involved the election of directors, being March 30, 2023.

Additional information is provided in the Company's most recent financial statements and the management's discussion and analysis for its most recently completed financial year.

## SCHEDULE "1"

## AUDIT COMMITTEE CHARTER

**1.0 Purpose of the Committee**

1.1 The Audit Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Company and its subsidiaries.

**2.0 Members of the Committee**

2.1 The Audit Committee shall consist of no less than three Directors a majority of whom shall be "independent" as defined under National Instrument 52-110, while the Company is in the developmental stage of its business. The members of the Committee shall be selected annually by the Board and shall serve at the pleasure of the Board.

2.2 At least one Member of the Audit Committee must be "financially literate" as defined under National Instrument 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

**3.0 Meeting Requirements**

3.1 The Committee will, where possible, meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically, and shall be at such times and places as the Committee determines. Without meeting, the Committee may act by unanimous written consent of all members which shall constitute a meeting for the purposes of this charter.

3.2 A majority of the members of the Committee shall constitute a quorum.

**4.0 Duties and Responsibilities**

The Audit Committee's function is one of oversight only and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:

(a) have the authority with respect to the appointment, retention or discharge of the independent public accountants as auditors of the Company (the "auditors") who perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the Board through the Audit Committee;

(b) review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;

(c) review information, including written statements from the auditors, concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;

(d) review and discuss with management and the auditors the Company's audited financial statements and accompanying Management's Discussion and Analysis of Financial Conditions ("MD&A"), including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles and report on them to the Board;

(e) review and discuss with management the Company's interim financial statements and interim MD&A and report on them to the Board;

(f) pre-approve all auditing services and non-audit services provided to the Company by the auditors to the extent and in the manner required by applicable law or regulation. In no circumstances shall the auditors provide any non-audit services to the Company that are prohibited by applicable law or regulation;

(g) evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board;

(h) periodically review the adequacy of the Company's internal controls and ensure that such internal controls are effective;

(i) review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and report on them to the Board;

(j) oversee and annually review the Company's Code of Business Conduct and Ethics;

(k) approve material contracts where the Board of Directors determines that it has a conflict;

(l) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding the audit or other accounting matters;

(m) where unanimously considered necessary by the Audit Committee, engage independent counsel and/or other advisors at the Company's expense to advise on material issues affecting the Company which the Audit Committee considers are not appropriate for the full Board;

(n) satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;

(o) review and monitor all related party transactions which may be entered into by the Company; and

(p) periodically review the adequacy of its charter and recommending any changes thereto to the Board.

**5.0 Miscellaneous**

5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.