POWR LITHIUM CORP. (formerly Clear Sky Lithium Corp.)

Management's Discussion and Analysis

For the years ended August 31, 2023 and 2022

(Expressed in Canadian dollars)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of POWR Lithium Corp. (formerly Clear Sky Lithium Corp.) (the "Company") has been prepared by management, in accordance with the requirements of NI 51-102 as at December 18, 2023. This MD&A provides analysis of the Company's financial results for years ended August 31, 2023 and 2022, and should be read in conjunction with the Company's audited consolidated financial statements (the "financial statements") for the years ended August 31, 2023 and 2022, and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

In this MD&A, "POWR" or the words "we", "us", or "our", collectively refer to POWR Lithium Corp. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. Periods for the years ended August 31, 2023 and 2022 are referred to as "Fiscal 2023" and "Fiscal 2022", respectively.

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

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties, and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements. For additional information on forward-looking statements and material risks associated with them, please see the "Cautionary Note Regarding Forward-Looking Statements" section of this document.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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

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

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

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

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

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

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

BUSINESS OVERVIEW

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

On June 13, 2022, the Company's common shares commenced trading on the Canadian Securities Exchange (the "CSE") under the ticker symbol "POWR".

On July 7, 2022, the Company's common shares commenced trading on OTC Markets Exchange (the "OTCQB") under the ticker symbol "CSKYF". As of February 3, 2023, common shares quoted on the OTCQB use the symbol "PWRLF".

On July 12, 2022, the Company's common shares commenced trading on Frankfurt Stock Exchange ("FSE") under the ticker symbol "FRA: K4A / WKN: A3DM2W". As of February 3, 2023, common shares are trading on FSE under the ticker symbol "6JX".

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

INVESTOR RELATIONS

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

SUBSEQUENT EVENTS

a) Units issued

On September 29, 2023, the Company issued 10,000,000 units at $0.20 per unit for gross proceeds of $2,000,000. Of the $2,000,000 gross proceeds, $20,000 was received during the year ended August 31, 2023, and is included under obligation to issue shares within current liabilities. Each unit comprises one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.40 until September 27, 2025. The warrants were valued using a Black-Scholes option pricing model with the following assumptions: an exercise price of $0.40, estimated weighted average life of two years, volatility of 114%, and a risk-free interest rate of 4.87%. Applying the relative fair value approach, each common share has a $0.166 fair value, and each warrant has a $0.034 fair value. As a result, the fair value of share capital on the date of issuance was $1,659,231 and the fair value allocated to the warrant reserve was $340,769.

The Company paid cash for finders fee's of $73,003 and issued 427,777 finder's warrants in connection with this transaction. The fair value of the finder's warrants was determined to be $38,589 using the Black-Scholes option pricing model with the following assumptions: expected life of 2 years, a risk-free interest rate of 4.87%, expected volatility of 114%, and 0% expected dividend yield. Therefore, total share issuance costs recorded as a reduction to share capital in connection with this unit issuance was $111,592.

b) Debt settlement with units

Concurrently with the private placement that was completed on September 29, 2023, the Company settled outstanding payables totaling $142,750 for consideration of 713,750 units at a price of $0.20. Each unit comprises one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.40 until September 27, 2025. The warrants were valued using a Black-Scholes option pricing model with the following assumptions: an exercise price of $0.40, estimated weighted average life of two years, volatility of 114%, and a risk-free interest rate of 4.87%. Applying the relative fair value approach, each common share has a $0.166 fair value, and each warrant has a $0.034 fair value. As a result, the fair value of share capital on the date of issuance was $118,428 and the fair value allocated to the warrant reserve was $24,322. 196,678 of these units were issued to the CEO of the Company to settle $39,375 in accounts payables which were outstanding at August 31, 2023.

c) Stock options issued

On September 29, 2023, the Company granted 1,350,000 stock options to consultants of the Company. Each stock option entitles the holder to purchase one common share at an exercise price of $0.23. All the stock options vested and were exercisable upon issuance and expire on September 29, 2028. The fair value of the options was determined to be $254,853 using the Black-Scholes option pricing model with the following assumptions: expected life of five years, a risk-free interest rate of 4.83%, expected volatility of 114%, and 0% expected dividend yield.

d) RSU's issued

On September 29, 2023, the Company granted 3,275,000 RSU's to certain consultants and an officer of the Company. These RSU's will vest on January 30, 2024. The fair value of the RSU is the market price at the date of grant of $0.23.

On September 29, 2023, the Company granted 250,000 RSUs to a consultant of the Company. 50,000 of RSU's will vest on March 29, 2024, 100,000 of the RSU's will vest on September 29, 2024, and the remaining 100,000 RSU's will vest on March 29, 2025. The fair value of the RSU is the market price at the date of grant of $0.23.

e) Warrant exercise price adjustment

On October 5, 2023, the Company amended the terms of a series of 5,733,200 outstanding warrants which were issued on January 17, 2022 in a private placement of units. None of the warrants are held by related parties or insiders of the Company and none of the warrants had been exercised on the date of the amendment. Each warrant outstanding previously entitled the holder to purchase one common share of the Company at a price of $0.40 until January 17, 2025. Under the terms of the amendment, the exercise price of the warrants has been reduced to $0.25. There was no change made to the expiry date of the warrants.

MINERAL EXPLORATION PROJECTS

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

	ELi Property	Halo Project	Total
	$	$	$
As at August 31, 2021	-	-	-
Acquisition costs	127,500	1,630,256	1,757,756
Finder's fee shares	-	76,964	76,964
As at August 31, 2022	127,500	1,707,220	1,834,720
Acquisition costs	-	533,150	533,150
Finder's fee shares	-	33,936	33,936
As at August 31, 2023	**127,500**	**2,274,306**	**2,401,806**

A summary of the Company's exploration and evaluation expenditures for the year ended August 31, 2023 is as follows:

	ELi Property	Halo Project	Total
	$	$	$
Geological	59,235	7,247	66,482
Geophysics	5,443	87,414	92,857
Mining claims and maintenance	7,650	29,216	36,866
Drilling	-	30,723	30,723
	72,328	**154,600**	**226,928**

A summary of the Company's exploration and evaluation expenditures for the year ended August 31, 2022 is as follows:

	ELi Property	Halo Project	Total
	$	$	$
Geological	13,849	-	13,849
Geophysics	13,136	-	13,136
Mining claims and maintenance	1,961	-	1,961
	28,946	**-**	**28,946**

ELi Property

On December 23, 2021, the Company closed the acquisition of 1291455 B.C. LTD. ("1291455BC"), a Canada and US based mining and exploration company.

Pursuant to the terms of the share purchase agreement (the "SPA Transaction"), the Company has acquired all of the issued and outstanding common shares of 1291455BC for consideration of $1,037,412 which was satisfied by the issuance of 3,468,736 units; each unit is comprised of one common share and one warrant. Each warrant is exercisable to acquire one common share at a price of $0.10 for 36 months after the closing date. The fair value of a common share was estimated at $0.164 per share based on the implied price from a subsequent financing on January 17, 2022. The fair value of warrants was determined using the Black-Scholes option pricing model with the following assumptions: a share price of $0.164, an exercise price of $0.10, an estimated weighted average life of three years, volatility of 114%, and a risk-free interest rate of 0.94%. Pursuant to the terms of the SPA Transaction, the Company assumed to the obligation to issue shares with the total fair value of $38,951.

As 1291455BC did not meet the definition of a business under in IFRS 3 *Business Combinations*, the SPA Transaction was accounted for as an asset acquisition under IFRS 2 *Share-based Payment*. Accordingly, the fair value of the consideration in excess of the fair value of the net liabilities assumed, was recognized as an acquisition expense.

As a result of the SPA Transaction on December 23, 2021, the Company acquired a 100% interest in 26 unpatented mining claims situated in Eureka County and Nye County, Nevada, (the "ELi Property") with a fair value of $127,500. The fair value on acquisition was determined based on the price that was paid by 1291455BC in an arm's length transaction prior to it being acquired by the Company.

On November 16, 2021, 1291455BC purchased a 100% interest in the ELi Property for purchase consideration comprising US$50,000 cash and 100,000 common shares of 1291455BC with a contractual value of US$50,000 (the "share contractual value") or US$0.50 per share. On June 13, 2022, the Company completed the initial public offering process and was listed on CSE with the share price of $0.25, which was lower than the share contractual value of US$0.50. Pursuant to the agreement, an obligation to issue shares of $38,951 was recognized in connection with this requirement. In addition, the Company agreed to provide the seller with a gross returns mineral production royalty of 2% from the production of minerals from the ELi Property and any unpatented mining claims that the Company locates in an identified area of interest.

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

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

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

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

Halo Project

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

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

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

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

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

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

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

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

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

The disclosure of the above geological information in this MD&A has been reviewed & approved by Anna Hicken, P. Geo, a consultant for the Company and a Qualified Person ("QP") for the purposes of National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101"). The metallurgical and processing information in this MD&A has been provided to the Company by MDS Technical Corp. The information has been reviewed and approved by Anna Hicken of Geomax Consulting and consultant to the Company, a Qualified Person as defined under the terms of National Instrument 43-101, who has relied on upon the information provided by MDS.

Notes:

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

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

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

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

	Q4 2023	Q4 2022	**Fiscal 2023**	Fiscal 2022
	$	$	**$**	$
Acquisition expense	**-**	-	**-**	1,044,609
Bank charges	**423**	711	**1,674**	938
Consulting and management fees	**81,750**	157,370	**490,533**	157,370
Exploration and evaluation expenditures	**59,759**	28,946	**226,928**	28,946
General and administrative	**51,770**	52,248	**213,233**	133,063
Legal and professional fees	**26,406**	17,177	**204,533**	336,530
Marketing	**45,000**	278,740	**280,631**	316,590
Salaries and wages	**-**	62,520	**-**	180,478
Share-based compensation	**25,037**	318,863	**477,175**	322,794
Transfer agent and regulatory fees	**10,091**	61,331	**46,751**	61,331
	300,236	977,906	**1,941,458**	2,582,649
Other expenses				
Foreign exchange	**(2,600)**	(6,515)	**(6,898)**	(7,445)
Net loss and comprehensive loss	**(302,836)**	(984,421)	**(1,948,356)**	(2,590,094)
Weighted average number of common shares - basic and diluted	**34,903,472**	21,043,041	**32,719,159**	17,254,594
Net loss per share - basic and diluted	**(0.01)**	(0.05)	**(0.06)**	(0.15)

	As at August 31, **2023**	2022
	$	$
Total assets	**2,575,071**	2,498,530
Current liabilities	**662,345**	204,036
Total liabilities	**662,345**	204,036
Working capital surplus (deficit)	**(489,080)**	459,774

Q4 2023 compared to Q4 2022

The Company incurred a net loss and comprehensive loss of $302,836 compared to $984,421 in the prior year comparable period. The primary drivers of the decreased in net loss were as follows:

- Consulting and management fees decreased to $81,750 from $157,370 in the prior year comparable period due to slowing of the engagement of consultants while the Company conserved cash until the new financing was completed after the year end in September 2023.
- Marketing decreased to $45,000 from $278,740 in the prior year comparable period. Q4 2023 marketing was spent to maintain the Company's website whilst Q4 2022 marketing was spent to support investor relations.
- Share-based compensation decreased to $25,037 from $318,863 in the prior year comparable period due to the periodic vesting of restricted share units granted to a director and a consultant on August 18, 2022 and September 23, 2022.
- Salaries and wages, which include payroll taxes, decreased to $nil from $62,520 in the prior year comparable period due to the resignation of the former CEO in August 2022. CEO management compensation of $62,500 is included in consulting and management fees for Q4 2023.
- Transfer agent and regulatory fees decreased to $10,091 from $61,331 in the prior year comparable period due to prior period costs of completing the CSE listing process on June 13, 2022 and additional public listings in July 2022. The current period expenses are related to maintaining the public listings.

Partially offsetting the decrease in net loss were the following increase in expenses:

- Legal and professional fees increased to $26,406 from $17,177 in the prior year comparable period due to higher activity in Q4 2023 related to financing activities completed in July 2023.
- Exploration and evaluation expenditures increased to $59,759 from $28,946 in the prior year comparable period due to exploration activities at the Halo Project which commenced in Q1 2023.

Fiscal 2023 compared to Fiscal 2022

The Company incurred a net loss and comprehensive loss of $1,948,356 compared to $2,590,094 in the prior year comparable period. The primary drivers of the decrease in net loss were as follows:

- Legal and professional fees decreased to $204,533 from $336,530 in the prior year comparable period due to the completion of the SPA Transaction in December 2021, financing activities in January 2022 and the preparation for public listings that were not repeated in the current period. The current period legal fees include annual audit fees, legal fees for the corporate name change, and legal fees relating to the financing activities completed in July 2023.
- Marketing decreased to $280,631 from $316,590 in the prior year comparable period due to prior year costs incurred for brand development, updating the website and investor relations activities that were not repeated in the current year. The current period marketing fees are related updating the branding and website for the name change as well as investor relations activities.
- Salaries and wages, which include payroll taxes, decreased to $nil from $180,478 in the prior year comparable period due to the resignation of the former CEO in August 2022. CEO management compensation of $150,000 is included in consulting and management fees for the current year.
- Transfer agent and regulatory fees decreased to $46,751 from $61,331 in the prior year comparable period due to prior period costs of completing the CSE listing process on June 13, 2022 and additional public listings in July 2022. The current period expenses are related to maintaining the public listings and transfer agent processing for treasury orders.

Partially offsetting the increase in net loss were the following decreases in expenses:

- General and administrative costs increased to $213,233 from $133,063 in the prior year comparable period due to the increased office rent which the Company began paying in June 2022 and paid for twelve months in the current year.
- Consulting and management fees increased to $490,533 from $157,370 in the prior year comparable period due to the management compensation of $150,000 for the CEO, as well as increased corporate advisory and exploration consulting as the Company pursued the business plan.
- Share-based compensation increased to $477,175 from $322,794 in the prior year comparable period due to the immediate vesting of 1,300,000 stock options issued on January 10, 2023 and the periodic vesting of restricted share units granted to a director and a consultant on August 18, 2022 and September 23, 2022
- Exploration and evaluation expenditures increased to $226,928 from $28,946 in the prior year comparable period due to increased exploration activities at the ELi Property and Halo Project.

SHARE CAPITAL HIGHLIGHTS

During the year ended August 31, 2023, the Company completed the following transactions:

- The Company issued 4,108,889 common shares pursuant to the exercise of outstanding warrants for cash proceeds of $410,889. In connection with the exercised warrants, $43,520 was transferred from reserves to share capital.
- The Company issued 290,000 common shares pursuant to the exercise of outstanding stock options for cash proceeds of $42,500. In connection with the exercised stock options, $14,931 was transferred from reserves to share capital.
- On August 22, 2023, the Company issued 50,000 common shares pursuant to the conversion of 50,000 restricted share units.
- On August 4, 2023, the Company issued 1,250,000 and 157,840 common shares as consideration for the Halo project mineral property option and related finder's fee respectively (Note 7(b)).
- On July 21, 2023, the Company issued 3,500,000 common shares pursuant to the private placement for cash proceeds of $333,338, net of share issuance costs.
- On February 21, 2023, the Company issued 50,000 common shares pursuant to the conversion of 50,000 restricted share units.
- On January 10, 2023, the Company granted 1,300,000 stock options to certain directors, officers, and consultants of the Company. Each stock option entitles the holder to purchase one common share at an exercise price of $0.435. All the stock options vested and were exercisable upon issuance. The stock options expire on January 10, 2025.

During the year ended August 31, 2022, the Company completed the following transactions:

- The Company issued 50,000 common shares pursuant to the conversion of 50,000 restricted share units.
- The Company issued 150,000 common shares pursuant to the exercise of stock options for cash proceeds of $30,000. In connection with the exercised stock options, $15,236 was transferred from reserves to share capital.
- The Company issued 5,250,023 common shares pursuant to the exercise of outstanding warrants for cash proceeds of $585,002. In connection with the exercised warrants, $134,002 was transferred from reserves to share capital.
- On August 9, 2022, the Company issued 1,865,269 and 118,406 common shares as consideration for the Halo Project mineral property option and related finder's fee respectively.
- On February 16, 2022, the Company issued 275,000 common shares pursuant to the exercise of 275,000 special warrants.
- On January 17, 2022, the Company issued 5,933,200 units at a price of $0.25 for gross proceeds of $1,483,300. Each unit consists of one common share of the Company and one warrant, with each warrant entitling the holder thereof to purchase one post-consolidation common share of the Company at a price of $0.40 per share for a period of thirty-six months from the issuance date. The warrants were valued using a Black-Scholes option pricing model with the following assumptions: a share price on the issue date of $0.25, an exercise price of $0.40, estimated weighted average life of three years, volatility of 114%, and a risk-free interest rate of 0.94%. Applying the relative fair value approach, each common share has a $0.164 fair value, and each warrant has a $0.086 fair value. As a result, the fair value of share capital on the date of issuance was $972,097 and the fair value allocated to the warrant reserve was $511,203. The Company incurred total share issuance costs of $13,450.
- On December 23, 2021, the Company completed the SPA Transaction with the shareholders of 1291455BC. whereby the Company purchased all the outstanding shares of 1291455BC in exchange for the issuance of 3,468,736 units, each unit comprised of one post-consolidation common share and one warrant.
- On December 22, 2021, the Company consolidated its common shares on a 2:1 basis. Shares outstanding of 22,732,200 were consolidated into 11,366,104 shares. As a result, all information relating to basic and diluted loss per share, issued and outstanding common shares, and per share amounts in these financial statements have been adjusted retrospectively to reflect the share consolidation.

- On September 28, 2021, the Company issued 11,266,104 units at a price of $0.02 for gross proceeds of $225,322. Each unit consists of one common share of the Company and one warrant, with each warrant entitling the holder thereof to purchase one common share of the Company at a price of $0.10 per share for a period of thirty-six months from the issuance date. Applying the relative fair value method, each common share has a fair value of $0.015 and each warrant has a fair value of $0.005, using the Black-Scholes option pricing model with the following assumptions for the warrants: expected life of three years, a risk-free interest rate of 0.64%, expected volatility of 114% and 0% expected dividend yield. As a result, the fair value of share capital on the date of issuance was $167,894 and the fair value allocated to the warrant reserve was $57,428. The Company incurred total share issuance costs of $7,900.

SUMMARY OF QUARTERLY RESULTS

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

	Q4 2023	Q3 2023	Q2 2023	Q1 2023
	$	$	$	$
Loss and comprehensive loss	**(302,836)**	(191,458)	(752,155)	(701,907)
Total assets	**2,575,071**	1,933,987	2,013,973	2,207,898
Working capital surplus	**(489,080)**	(280,219)	(115,590)	149,064
Net loss per share - basic and diluted	**(0.01)**	(0.01)	(0.02)	(0.02)

	Q4 2022	Q3 2022	Q2 2022	Q1 2022
	$	$	$	$
Loss and comprehensive loss	(984,421)	(183,490)	(1,268,598)	(153,585)
Total assets	2,498,530	1,376,955	1,540,720	447,971
Working capital deficiency	459,774	949,511	1,133,001	(50,716)
Net loss per share - basic and diluted	(0.04)	(0.01)	(0.08)	(0)

The loss and comprehensive loss for each quarter is the result of management decisions to pursue various general exploration and marketing activities as well as the commencement of the evaluation and exploration expenditures during Q4 2022 for ELi Property and during Q1 2023 for Halo Project. The loss and comprehensive loss for Q2 2022 includes the acquisition expense of $1,044,609 related to the completion of the SPA transaction.

The quarterly trend in total assets and working capital is primarily driven by movements in cash balances related to the Company's financing and operating activities. There is an increase in the total assets during Q4 2022 that is a result of the entering into an option agreement for the Halo Project in August 2022.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The net working capital deficiency of the Company at August 31, 2023 was $489,080 compared to a net working capital of $459,774 at August 31, 2022.

In order to continue as a going concern and to meet its corporate objectives, which primarily consist of investigating new potential properties and exploration work on those potential properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has previously been successful in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Factors that could affect the availability of financing include the progress and exploration results of the mineral properties, the state of international debt, equity and metals markets, and investor perceptions and expectations.

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

Sources and uses of cash

	Fiscal 2023	Fiscal 2022
	$	$
Cash used in operating activities	**(885,898)**	(1,355,672)
Cash used in investing activities	**(264,400)**	(465,134)
Cash provided by financing activities	**780,505**	2,109,315
Change in cash	**(369,793)**	288,509
Cash, beginning of the year	**444,917**	156,408
Cash, end of the year	**75,124**	444,917

For Fiscal 2023, the Company reported a net decrease in cash of $369,793 compared to the net increase in cash of $288,509 in the prior year comparable period.

Cash used in investing activities for Fiscal 2023 was due to option agreement payments for Halo Project. Cash used investing activities for Fiscal 2022 was due option agreement payments for Halo Project and financing the target company prior to the SPA Transaction.

Cash provided by financing activities for Fiscal 2023 was primarily driven by the exercise of warrants and stock options, and a private placement completed in July 2023. Cash provided by financing activities for Fiscal 2022 was generated through the private placements completed in September 2021 and January 2022.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at August 31, 2023 or at the date of this MD&A.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

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

The Company has entered into the following related party transactions during the years ended August 31, 2023 and 2022:

a) Purchase of services

During the year ended August 31, 2023, the Company was charged $150,000 (2022 - $12,500) for management fees pursuant to a service agreement with Enermetal Ventures Inc., a company of which Patrick Morris, the Company's CEO, is the President. Mr. Morris was appointed as the CEO of the Company on July 27, 2022.

During the year ended August 31, 2022, the Company paid salaries and wages of $175,000, to Craig Engelsman, the former CEO and director of the Company, who resigned on July 27, 2022.

During the year ended August 31, 2023, the Company was charged $14,494 (2022 - $28,946) for exploration and evaluation expenditures pursuant to a geological service agreement with Tigren Inc., a company of which Marco Montecinos, a director of the Company, is the President.

During the year ended August 31, 2023, the Company was charged $95,120 (2022 - $97,980) for professional fees pursuant to an accounting service agreement with Invictus Accounting Group LLP, a company of which Oliver Foeste, the Company's CFO, is the Managing Partner.

b) Key management personnel

A summary of the Company's amounts paid to key management personnel and/or entities over which they have control for the years ended August 31, 2023 and 2022 are as follows:

	2023	2022
	$	$
Consulting and management fees provided by a company owned by an officer	**150,000**	12,500
Exploration and evaluation expenditures provided by a company owned by a director	**14,494**	28,946
Legal and professional fees provided by a company owned by an officer	**95,120**	102,980
Salaries and wages paid to key management personnel	**-**	175,000
Share-based compensation	**127,473**	136,831
	387,087	456,257

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

	August 31, 2023	August 31, 2022
	$	$
Accounts payable and accrued liabilities	**76,388**	19,654

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

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTION

The preparation of these financial statements requires management to exercise significant judgments in applying the Company's accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual future outcomes could differ from present estimates and assumptions, which may require material adjustments to the Company's financial statements. Revisions to accounting estimates are accounted for prospectively.

Significant judgments exercised by management in applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Valuation of share-based compensation

The Company determines the fair value of share-based compensation granted using the Black-Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility and expected life of the option. Changes in these inputs and underlying assumption used to develop them can materially affect the fair value estimate.

Functional currency

Determination of an entity's functional currency involves judgment taking into account the transactions, events, and conditions relevant to the entity. Determination of functional currency involves evaluating evidence about the primary economic environment in which the entity operations and is re-evaluated when facts and circumstances indicate that conditions have changed.

Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Management assesses the Company's ability to continue as a going concern at each reporting date using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates and assumptions of future cash flows and other events, whose subsequent changes could materially impact the validity of the assessment.

Impairment of exploration and evaluation assets

The Company is required to make significant judgments on the ongoing feasibility of mineral exploration, and whether there are indicators that the development of a specific area is unlikely, and exploration and evaluation assets should be impaired.

Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's financial statements for the years ended August 31, 2023 and 2022 have been prepared in accordance with IFRS as issued by the IASB and IFRIC, effective as of August 31, 2023. The Company's significant accounting policies are described in Note 3 of the Company's audited financial statements for the years ended August 31, 2023 and 2022.

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB or IFRIC that are mandatory for future accounting periods which are not expected to have a material effect on the Company's financial statements. There were no new standards adopted by the Company during the year ended August 31, 2023 having a material effect on the Company's financial statements.

FINANCIAL INSTRUMENTS

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

Company's financial instruments consist of cash, accounts payables and accrued liabilities, and promissory note. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments. The Company did not have any financial instruments measured at fair value.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit risk

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

b) Liquidity risk

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

At August 31, 2023, the Company had cash of $75,124 (August 31, 2022 - $444,917) and accounts payable and accrued liabilities of $642,345 (August 31, 2022 - $177,814) with contractual maturities of less than one year. The Company did not have sufficient cash to meet its current liabilities as at August 31, 2023. The Company is exposed to liquidity risk as at August 31, 2023, and will require additional financing to fund future operations.

On September 29, 2023, the Company issued 10,000,000 units at $0.20 per unit for gross proceeds of $2,000,000.

c) Market risk

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

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies. The carrying amounts of the Company's foreign currency denominated monetary assets are as follows:

	August 31, 2023	August 31, 2022
	$	$
Promissory note	**-**	26,222

As at August 31, 2023, the Company had no exposure to foreign currency risk, as the promissory note of $26,222 was repaid on October 27, 2022.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at August 31, 2023 and the date of this MD&A, the Company has the following outstanding:

	August 31, 2023	Date of the MD&A
	#	#
Common shares	37,883,468	48,597,218
Warrants	11,409,128	17,193,780
Stock options	3,125,000	4,475,000
Restricted share units	300,000	300,000

RISK FACTORS

a) <u>Project Risks</u>

<u>Dependence on the property</u>

The Company is an exploration stage company and as such does not anticipate receiving revenue from its mineral properties for some time. The Company will be focused on the exploration and development of the property, which does not have any identified mineral resources or reserves. Unless the Company acquires additional property interests any adverse developments affecting the property could have a material adverse effect upon the Company and would materially and adversely affect any profitability, financial performance and results of operations of the Company.

Mineral exploration and development involve a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development programs at the property will result in the definition of bodies of commercial mineralization. There is no assurance that even if commercial quantities of mineralization are discovered that property will be brought into commercial production. Failure to do so will have a material adverse impact on the Company's operations and potential future profitability. The discovery of bodies of commercial mineralization is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit once discovered is dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Most of the above factors are beyond the Company's control.

Exploration, development and production risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in The Company's resource base.

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. In addition, 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.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, 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. The economics of developing precious metals and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of 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 remoteness and restrictions on access of properties in which The Company has an interest will have an adverse effect on profitability as a result of higher infrastructure costs. There are physical risks to the exploration personnel working in the terrain in which The Company's properties will be located, often in poor climate conditions.

The long-term commercial success of The Company will depend 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. 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.

Mineral resources and reserves

Because The Company has not defined or delineated any resource or reserve on any of its properties, mineralization estimates for its 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.

Unless otherwise indicated, mineralization figures presented in this MD&A are based upon estimates made by The Company, personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis which may prove to be unreliable.

There can be no assurance that these estimates will be accurate; resource or other mineralization figures will be accurate; or such mineralization could be mined or processed profitably.

Insufficient resources or reserves

Substantial additional expenditures will be required to establish either resources or reserves on mineral properties and to develop processes to extract the minerals. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis or at all.

<u>No assurances</u>

There is no assurance that economic mineral deposits will ever be discovered, or if discovered, subsequently put into production. Most exploration activities do not result in the discovery of commercially mineable deposits. The Company's future growth and profitability will depend, in part, on its ability to identify and expand its mineral reserves through additional exploration of the property and on the costs and results of continued exploration and development programs. Mining exploration is highly speculative in nature, involves many risks and frequently is not productive. Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any anticipated level of recovery of mineral reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. There can be no assurance that The Company's exploration efforts at the property will be successful.

<u>Volatility of commodity prices</u>

The development of the Eli property and any other project The Company acquires is dependent on the future prices of minerals and metals. The viability of developing the property depends heavily on the price of lithium.

Precious metals prices are subject to volatile price movements that are beyond the Company's control, which can be material and occur over short periods of time. Factors affecting such volatility include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of precious metals production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of precious metals are generally quoted), and political developments.

The effect of these factors on the prices of precious metals, and therefore the economic viability of the property and any project The Company may acquire in the future, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the property to be impracticable or uneconomical. As such, The Company may determine that it is not economically feasible to commence commercial production, which could have a material adverse impact on the Company's financial performance and results of operations. In such a circumstance, The Company may curtail or suspend some or all of its exploration activities.

<u>Title matters, surface sights and access rights</u>

The property 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 property and any other mining or property interests derived from or in replacement or conversion of or in connection with the claims comprising the property or the size of the area to which such claims and interests pertain. The Company cannot guarantee that title to its mineral properties will not be challenged. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained.

<u>Insurance and uninsured risks</u>

The Company's business 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, catastrophic equipment failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, pandemics, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to The Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although The Company will maintain 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 a mining company's operations. The Company may be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. 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. The Company might become subject to liability for pollution or other hazards that may not be insured against or that The Company may elect not to insure against because of premium costs or other reasons. 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.

Environmental risks and hazards

All phases of The Company's operations are subject to environmental regulation. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Company's business, financial condition and results of operations.

Permitting risks

Government environmental approvals and permits are currently, or may in the future be, required in connection with the Company's operation. To the extent such approvals are required and not obtained, The Company will be curtailed or prohibited from proceeding with planned exploration, development or operation of mineral properties.
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, including The Company, 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.

Amendments to current laws, regulations and permits governing operations and activities of companies in the mining industry, or more stringent implementation thereof, could have a material adverse impact on The Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's business, financial condition and results of operations.

Competition for exploration, development and operation rights

The mining industry is intensely competitive in all of its phases and The Company competes with many companies possessing greater financial and technical resources. Competition in the precious metals mining industry is primarily for: mineral rich properties that can be developed and produced economically; the technical expertise to find, develop and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals but conduct refining and marketing operations on a global basis. Such competition may result in The Company being unable to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop the property as contemplated. Existing or future competition in the mining industry could materially adversely affect prospects for mineral exploration and success in the future.

Increased demand for services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, or at all, and increase potential scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays or both.

Governmental regulation

The mineral exploration and development activities of The Company are subject to various laws governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters in local areas of operation. Although the Company's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, 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 exploration, development or production. Amendments to current laws and regulations governing The Company's operations, or more stringent implementation thereof, could have an adverse impact on the Company's business and financial condition.

Operational labour and employment matters

While The Company has good relations with its employees and consultants, exploration and development at its mining properties is dependent upon the efforts of the Company's employees. In addition, relations between The Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant federal and provincial governmental authorities. Changes in such legislation or in the relationship between The Company and its employees may have a material adverse effect on the Company's business, results of operations and financial condition.

Acquiring additional properties

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, The Company may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable.

Community relationships

Relationships with the communities in which The Company it operates are critical to ensure the future success of its existing operations and the construction and development of its projects.

The property may be subject to the rights or the asserted rights of various community stakeholders, including First Nations. The presence of community stakeholders may impact The Company's ability to develop or operate the property or to conduct exploration activities. Accordingly, The Company is subject to the risk that one or more groups may oppose the continued operation, further development or new development or exploration of the Company's current or future mining properties and projects. Such opposition may be directed through legal or administrative proceedings, or through protests or other campaigns against the Company's activities. Governments in many jurisdictions must consult with, or require The Company to consult with, indigenous peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. The risk of unforeseen title claims by First Nations peoples could affect existing operations as well as development projects. These legal requirements may affect the Company's ability to expand or transfer existing operations or to develop new projects.

Impact of pandemic disease on global economic conditions and economic performance

The Company's operations are subject to the risk of emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases, such as the novel coronavirus ("COVID-19") outbreak which began at the beginning of 2020. These infectious disease risks may not be adequately responded to locally, nationally or internationally due to lack of preparedness to detect and respond to outbreaks or respond to significant pandemic threats. As such, there are potentially significant economic and social impacts of infectious disease risks, including the inability of the Company's mining and exploration operations to operate as intended due to a shortage of skilled employees, shortages or disruptions in supply chains, inability of employees to access sufficient healthcare, significant social upheavals, government or regulatory actions or inactions, decreased demand or the inability to sell precious metals or declines in the price of precious metals, capital market volatility, or other unknown but potentially significant impacts.

There are potentially significant economic losses from infectious disease outbreaks that can extend far beyond the initial location of an infectious disease outbreak. As such, both catastrophic outbreaks as well as regional and local outbreaks can have a significant impact on the Company's operations, future cash flows, earnings, results of operations and financial condition. The Company may not be able to accurately predict the quantum of such risks. In addition, the Company's own operations are exposed to infectious disease risks noted above and, as such, The Company's operations may be adversely affected by such infectious disease risks. Accordingly, any outbreak or threat of an outbreak of a virus, such as COVID-19 or other contagions or epidemic disease could have a material adverse effect on The Company, its business, results from operations and financial condition. The COVID-19 outbreak at the beginning of 2020 has resulted in extended shutdowns of numerous business activities and supply chain disruptions. These shutdowns and disruptions have impacted the global economy and may have an adverse impact on the Company's business. As new developments continue to arise, the full impact that COVID-19 may have on lithium prices, commodity prices, costs and availability of supplies, availability of personnel and the global economy are not fully ascertainable. The direct and indirect effects of COVID-19 could have a material adverse effect on the Company's future cash flows, earnings, results of operations and financial condition. In addition, health concerns could result in social, economic and labour instability.

b) Corporate Risks

Additional funding requirements

The exploration and development of the property will require substantial additional capital. When such additional capital is required, The Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favorable to The Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on The Company's business, financial condition and results of operations.

Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the precious metals industries in particular), The Company's status as a new enterprise with a limited history, the location of the property, the price of commodities and/or the loss of key management personnel. Further, if the price of precious metals on the commodities markets decreases, then potential revenues from the property will likely decrease and such decreased revenues may increase the requirements for capital. Failure to obtain sufficient financing will result in a delay or indefinite postponement of development or production at the property.

Limited operating history and early-stage property

The Company is an early-stage company and the property is an exploration stage property. As such, The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the property requires significant additional expenditures before any cash flow may be generated. There is no assurance that The Company will be successful in achieving a return on shareholders' investment and the likelihood of its success must be considered in light of its early stage of operations.

The property is in the early exploration stage and is without resources or reserves. The proposed programs on the property are an exploratory search for a mineral deposit. Development of the property will only follow upon obtaining satisfactory results. Exploration for and the development of minerals involve a high degree of risk and few properties, which are explored, are ultimately developed into producing properties. There is no assurance that The Company's exploration and development activities will result in any discoveries of commercial bodies of ore.

The long-term success of The Company's operations will be in large part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Lack of operating cash flow

The Company will initially have no source of operating cash flow and is not 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. If The Company sustains losses over an extended period of time, it may be unable to continue its business. Further exploration and development of the property will require the commitment of substantial financial resources. It may be several years before The Company will generate any revenues from operations, if at all. There can be no assurance that The Company will realize revenue or achieve profitability.

Adverse general economic conditions

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mineral exploration sector, were 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.

Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity, the volatility of mineral prices would impact The Company's prospects, volatile energy, commodity and consumables prices and currency exchange rates would impact costs and the devaluation and volatility of global stock markets would impact the valuation of its equity and other securities. These factors could have a material adverse effect on The Company's financial condition and results of operations.

In recent years, the securities markets in Canada, as well as in other countries around the world, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the common shares will be subject to market trends and conditions generally, notwithstanding any potential success of The Company in developing assets, adding additional resources, establishing feasibility of deposits or creating revenues, cash flows or earnings. The value of securities will be affected by market volatility. An active public market for the common shares might not develop or be sustained. If an active public market for the common shares does not develop or continue, the liquidity of a shareholder's investment may be limited and the price of the common shares may decline.

Claims and legal proceedings

The Company may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including relating to former employees. These matters may give rise to legal uncertainties or have unfavourable results. The Company may carry liability insurance coverage and mitigate risks that can be reasonably estimated; however, there is a risk that insurance may not be adequate to cover all possible risks arising from The Company's operations. In addition, The Company may be involved in disputes with other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact The Company's financial position, cash flow, results of operations, and reputation, regardless of the specific outcome.

Force majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of The Company, including the price of precious metals on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Litigation

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, The Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause The Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on The Company's business, operating results or financial condition.

No earnings and history of losses

The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in identifying further profitable operations. The Company has not determined whether the property contains economically recoverable reserves of mineralized material and currently has not earned any revenue from its projects; therefore, The Company does not generate cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. The Company's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from The Company's properties. The Company expects to incur losses until such time as the property or any future property it acquires enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of The Company's properties will eventually enter commercial operation. There is no assurance that new capital will become available and, if it does not, The Company may be forced to substantially curtail or cease operations.

Attracting and retaining talented personnel

The Company's success will depend in large measure on the abilities, expertise, judgment, discretion, integrity and good faith of management and other personnel in conducting the business of The Company. The Company will initially have a small management team and the loss of any of these individuals or the inability to attract suitably qualified staff could materially adversely impact the business. The Company's ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals.

The Company's success will depend on the ability of management and employees to interpret market and technical data successfully and to interpret and respond to economic, market and other business conditions in order to locate and adopt appropriate investment opportunities, monitor such investments and ultimately, if required, successfully divest such investments. Further, key personnel may not continue their association or employment with The Company which may not be able to find replacement personnel with comparable skills. The Company has sought to and will continue to ensure that management and any key employees are appropriately compensated; however, their services cannot be guaranteed. If The Company is unable to attract and retain key personnel, business may be adversely affected. The Company faces market competition for qualified personnel and there can be no assurance that The Company will be able to attract and retain such personnel.

Dividends

The Company does not intend to declare dividends for the foreseeable future as The Company anticipates that any future earnings will be re-invested in the development and growth of the business. Therefore, investors will not receive any funds unless they sell their shares, and shareholders may be unable to sell shares on favorable terms or at all. Investors cannot be assured of a positive return on investment or that they will not lose the entire amount of their investment.

Volatility of market for shares

The market price of The Company Shares may be highly volatile and could be subject to wide fluctuations in response to a number of factors, including: (i) dilution caused by issuance of shares or other forms of equity securities, which The Company expects to make in connection with future financings to fund operations and growth, to attract and retain qualified personnel and in connection with future strategic partnerships with other companies, (ii) announcements of new acquisitions, reserve discoveries or other business initiatives by competitors, (iii) fluctuations in revenue from operations as new reserves come to market, (iv) changes in the market for lithium and/or in the capital markets generally, (v) changes in the demand for minerals and metals; and (vi) changes in the social, political and/or legal climate in the regions in which The Company operates. In addition, the market price of The Company Shares could be subject to wide fluctuations in response to: (a) quarterly variations in operating expenses, (b) changes in the valuation of similarly situated companies, both in the mining industry and in other industries, (c) changes in analysts' estimates affecting The Company, competitors and/or the industry, (d) changes in the accounting methods used in or otherwise affecting the industry, (e) additions and departures of key personnel, (f) fluctuations in interest rates, exchange rates and the availability of capital in the capital markets, and (g) significant sales of The Company shares, including sales by future investors in future offerings which may be made to raise additional capital. These and other factors will be largely beyond The Company's control, and the impact of these risks, singularly or in the aggregate, may result in material adverse changes to the market price of The Company shares and/or The Company's results of operations and financial condition.

OTHER INFORMATION

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