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

Management's Discussion and Analysis

For the three months ended November 30, 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 January 26, 2024. This MD&A provides analysis of the Company's financial results for three months ended November 30, 2023 and 2022, and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements (the "financial statements") for the three months ended November 30, 2023 and 2022, as well as the audited consolidated 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.

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.

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

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

INVESTOR RELATIONS

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

SUBSEQUENT EVENT

On January 2, 2024, there were 109,500 warrants exercised for gross proceeds of $10,950.

MINERAL EXPLORATION PROJECTS

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

	ELi Property	Halo Project	Total
	$	$	$
Balance, August 31, 2022	127,500	1,707,220	1,834,720
Acquisition costs	-	533,150	533,150
Finder's fee shares	-	33,936	33,936
Balance, November 30, 2023 and August 31, 2023	**127,500**	**2,274,306**	**2,401,806**

A summary of the Company's exploration and evaluation expenditures for the three months ended November 30, 2023 is as follows:

	ELi Property	Halo Project	Total
	$	$	$
Mining claims and maintenance	115	228	343
Drilling	-	344,916	344,916
	115	**345,144**	**345,259**

A summary of the Company's exploration and evaluation expenditures for the three months ended November 30, 2022 is as follows:

	ELi Property	Halo Project	Total
	$	$	$
Geological	59,235	7,247	66,482
Geophysics	5,390	55,492	60,882
Mining claims and maintenance	-	1,669	1,669
	64,625	**64,408**	**129,033**

ELi Property

The ELi property is a sediment-hosted lithium deposit is located in Central Nevada and about one hour south of Eureka, a regional mining center. Access to the property is good and both exploration and exploitation activities 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.

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

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

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:

	Q1 2024	Q1 2023
	$	$
Bank charges	**349**	755
Consulting and management fees	**129,688**	178,633
Exploration and evaluation expenditures	**345,259**	129,033
General and administrative	**49,701**	48,974
Legal and professional fees	**53,864**	64,315
Marketing	**259,608**	192,482
Share-based compensation	**659,525**	73,408
Transfer agent and regulatory fees	**9,634**	11,950
	1,507,628	699,550
Other expenses		
Foreign exchange	**(1,380)**	(2,357)
Interest income	**1,465**	-
Net loss and comprehensive loss	**(1,507,543)**	(701,907)
Weighted average number of common shares - basic and diluted	**45,300,680**	30,254,939
Net loss per share - basic and diluted	**(0.03)**	(0.02)

	November 30, 2023	August 31, 2023
	$	$
Total assets	**3,749,657**	2,575,071
Current liabilities	**615,202**	662,345
Total liabilities	**615,202**	662,345
Working capital surplus (deficit)	**732,649**	(489,080)

Q1 2024 compared to Q1 2023

The Company incurred a net loss and comprehensive loss of $1,507,543 compared to $701,907 in the prior year comparable period. The primary drivers of the increased in net loss were as follows:

- Exploration and evaluation expenditures increased to $345,259 from $129,033 in the prior year comparable period due to drilling activities undertaken at the Halo Project during Q1 2024.
- Marketing increased to $259,608 from $192,482 in the prior year comparable period. Q1 2024 and Q1 2023 marketing costs were focused on investor relations activities and increased in Q1 2024 after engaging Stride Marketing in October 2023.
- Share-based compensation increased to $659,525 from $73,408 in the prior year comparable period due to the periodic vesting of $1,350,000 stock options issued to consultants and 3,725,000 restricted share units granted to directors and consultants on September 29, 2023.

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

- Consulting and management fees decreased to $129,688 from $178,633 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 in September 2023.

SHARE CAPITAL HIGHLIGHTS

During the three months ended November 30, 2023, the Company completed the following transactions:

- On September 29, 2023, the Company issued 10,000,000 units at $0.20 per unit for gross proceeds of $2,000,000. Of the $2,000,000 gross proceeds, $20,000 was received during the year ended August 31, 2023, and is included under obligation to issue shares within current liabilities as at August 31, 2023. Each unit comprises one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.40 until September 27, 2025. The warrants were valued using a Black-Scholes option pricing model with the following inputs: a share price of $0.20, an exercise price of $0.40, a risk-free interest rate of 4.87%, an expected life of two years, an expected volatility of 114%, and an expected dividend yield of 0%. 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' fees of $73,003 and issued 427,777 finder's warrants in connection with this transaction. The fair value of the finder's warrants was determined to be $38,589 using the Black-Scholes option pricing model with the following inputs: a share price of $0.20, an exercise price of $0.40, a risk-free interest rate of 4.87%, an expected life of two years, an expected volatility of 114%, and an expected dividend yield of 0%. Therefore, total share issuance costs recorded as a reduction to share capital in connection with this unit issuance was $111,592.
- Concurrent with the September 29, 2023 private placement, the Company settled outstanding payables totaling $142,750 for consideration of 713,750 units at a price of $0.20. Each unit comprises one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.40 until September 27, 2025. The warrants were valued using a Black-Scholes option pricing model with the following inputs: a share price of $0.20, an exercise price of $0.40, a risk-free interest rate of 4.87%, an expected life of two years, an expected volatility of 114%, and an expected dividend yield of 0%. 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.

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.
- 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.

SUMMARY OF QUARTERLY RESULTS

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

	Q1 2024	Q4 2023	Q3 2023	Q2 2023
	$	$	$	$
Loss and comprehensive loss	**(1,507,543)**	(302,836)	(191,458)	(752,155)
Total assets	**3,749,657**	2,575,071	1,933,987	2,013,973
Working capital surplus (deficiency)	**732,649**	(489,080)	(280,219)	(115,590)
Net loss per share - basic and diluted	**(0.03)**	(0.01)	(0.01)	(0.02)

	Q1 2023	Q4 2022	Q3 2022	Q2 2022
	$	$	$	$
Loss and comprehensive loss	(701,907)	(984,421)	(183,490)	(1,268,598)
Total assets	2,207,898	2,498,530	1,376,955	1,540,720
Working capital surplus	149,064	459,774	949,511	1,133,001
Net loss per share - basic and diluted	(0.02)	(0.04)	(0.01)	(0.08)

The loss and comprehensive loss for each quarter is the result of management decisions to pursue various general exploration and marketing activities combined with available funds to pursue these activities. Commencement of the evaluation and exploration expenditures began Q4 2022 for the ELi Property and during Q1 2023 for the 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 loss and comprehensive loss for Q1 2024 includes the share-based compensation expense of $659,525 due to the periodic vesting of stock options and restricted share units from the private placement completed on September 29, 2023 and the exploration expenses of $345,259 from Halo Project.

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 Q1 2024 that is a result of the $2,000,000 private placement completed in September 2023.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The net working capital of the Company at November 30, 2023 was $732,649 compared to a net working capital deficiency of $489,080 at August 31, 2023.

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

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

Discussion of cash flow

	Q1 2024	Q1 2023
	$	$
Cash used in operating activities	**(1,288,912)**	(442,980)
Cash provided by financing activities	**1,906,997**	291,567
Change in cash	**618,085**	(151,413)
Cash, beginning of the period	**75,124**	444,917
Cash, end of the period	**693,209**	293,504

For Q1 2024, the Company reported a net increase in cash of $618,085 compared to the net decrease in cash of $151,413 in the prior year comparable period. Cash provided by financing activities during Q1 2024 was the result of a private placement completed in September 2023 These funds were used for working capital purposes and to fund further exploration at the companies mineral properties. Cash provided by financing activities for Q1 2023 was generated through the exercise of stock options and warrants and was used for working capital purposes.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at November 30, 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 three months ended November 30, 2023 and 2022:

a) Purchase of services

During the three months ended November 30, 2023, the Company was charged $37,500 (2022 - $37,500) 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 three months ended November 30, 2023, the Company was charged $nil (2022 - $14,494) for exploration and evaluation expenditures pursuant to a geological service agreement with Tigren Inc., a company of which Marco Montecinos, a director of the Company, is the President.

During the three months ended November 30, 2023, the Company was charged $26,650 (2022 - $24,344) for professional fees pursuant to an accounting service agreement with Invictus Accounting Group LLP, a company of which Oliver Foeste, the Company's CFO, is the Managing Partner.

b) Key management personnel

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

	2023	2022
	$	$
Consulting and management fees provided by a company owned by an officer	**37,500**	37,500
Exploration and evaluation expenditures provided by a company owned by a director	**-**	14,494
Legal and professional fees provided by a company owned by an officer	**26,650**	24,344
Share-based compensation	**10,590**	38,533
	74,740	114,871

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

	November 30, 2023	August 31, 2023
	$	$
Accounts payable and accrued liabilities	**383,875**	76,388

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

SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company applied the same significant judgements in applying its accounting policies and is exposed to the same sources of estimation uncertainty as disclosed in Note 4 of the Company's audited financial statements for the years ended August 31, 2023 and 2022.

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 November 30, 2023, the Company had cash of $693,209 (August 31, 2023 - $75,124) and accounts payable and accrued liabilities of $615,202 (August 31, 2023 - $642,345) with contractual maturities of less than one year.

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.

<u>Interest rate risk</u>

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's financial assets and financial liabilities are not exposed to interest rate risk as the Company has no financial instruments that are subject to variable interest rates. The Company is not exposed to interest rate risk as at November 30, 2023.

<u>Foreign currency risk</u>

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

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

	November 30, 2023	August 31, 2023
	$	$
Accounts payable and accrued liabilities	**344,007**	29,147

As at November 30, 2023, the Company had exposure to foreign currency risk, as accounts payable and accrued liabilities of $344,007 were denominated in US$. A 5% change in the foreign exchange rates would result in an impact of approximately $17,244 to the Company's net loss.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at November 30, 2023 and the date of this MD&A, the Company has the following outstanding:

	November 30, 2023	Date of the MD&A
	#	#
Common shares	48,597,218	48,597,218
Warrants	17,193,781	17,084,281
Stock options	4,475,000	4,475,000
Restricted share units	3,825,000	3,825,000

RISK AND UNCERTAINTIES

For a detailed listing of the risk factors faced by the Company, please refer to the annual MD&A for the fiscal year ended August 31, 2023 filed on SEDAR+.

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.