

# **POWR LITHIUM CORP.**

## **Condensed Interim Consolidated Financial Statements**

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

(Unaudited - Expressed in Canadian dollars)

**Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Six Months Ended February 29, 2024 and February 28, 2023**

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of POWR Lithium Corp. for the interim periods ended February 29, 2024 and February 28, 2023, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Dale Matheson Carr-Hilton Labonte LLP Chartered Professional Accountants, have not performed a review of these unaudited condensed interim consolidated financial statements.

April 19, 2024

**POWR LITHIUM CORP.**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Unaudited - Expressed in Canadian dollars)

	Note	February 29, 2024	August 31, 2023
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		120,206	75,124
Prepaid expense	5	139,089	13,935
GST receivable		87,460	84,206
		<b>346,755</b>	173,265
Exploration and evaluation assets	6	2,401,806	2,401,806
<b>Total assets</b>		<b>2,748,561</b>	2,575,071
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		227,609	642,345
Obligation to issue shares		-	20,000
<b>Total liabilities</b>		<b>227,609</b>	662,345
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8(b)	7,426,267	4,969,868
Obligation to issue shares	6(a)	38,951	38,951
Reserves		2,286,202	1,539,139
Deficit		(7,230,468)	(4,635,232)
<b>Total shareholders' equity</b>		<b>2,520,952</b>	1,912,726
<b>Total liabilities and shareholders' equity</b>		<b>2,748,561</b>	2,575,071

Nature of operations and going concern (Note 1)  
Subsequent events (Note 13)

Approved and authorized for issue on behalf of the Board of Directors:

\_\_\_\_\_  
/s/ "Marco Montecinos"  
Director

\_\_\_\_\_  
/s/ "Mark Mukhija"  
Director

**POWR LITHIUM CORP.****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars, except number of shares)

		Three months ended		Six months ended	
	Note	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
		\$	\$	\$	\$
<b>Operating expenses</b>					
Bank charges		416	452	765	1,207
Consulting and management fees	9	39,146	157,400	168,834	336,033
Exploration and evaluation expenditures	7,9	111,762	30,261	457,021	159,294
General and administrative		54,027	68,079	103,728	117,053
Legal and professional fees	9	55,618	90,829	109,482	155,144
Marketing		382,550	37,149	642,158	229,631
Share-based compensation	8,9	401,627	351,901	1,061,152	425,309
Transfer agent and regulatory fees		8,810	14,408	18,444	26,358
		<b>1,053,956</b>	<b>750,479</b>	<b>2,561,584</b>	<b>1,450,029</b>
<b>Other income (expenses)</b>					
Foreign exchange		3,543	(1,676)	2,163	(4,033)
Interest income		-	-	1,465	-
<b>Net loss and comprehensive loss</b>		<b>(1,050,413)</b>	<b>(752,155)</b>	<b>(2,557,956)</b>	<b>(1,454,062)</b>
<b>Net loss per share:</b>					
Basic and diluted		<b>(0.02)</b>	<b>(0.02)</b>	<b>(0.05)</b>	<b>(0.05)</b>
<b>Weighted average number of common shares:</b>					
Basic and diluted		<b>49,826,900</b>	<b>32,712,053</b>	<b>47,563,790</b>	<b>31,503,954</b>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**POWR LITHIUM CORP.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
(Unaudited - Expressed in Canadian dollars)

	Six months ended	
	February 29, 2024	February 28, 2023
	\$	\$
<b>Operating activities:</b>		
Net loss for the period	(2,557,956)	(1,454,062)
Adjustment for:		
Share-based compensation	1,061,152	425,309
Changes in non-cash working capital:		
Prepaid expense	(125,154)	155,487
GST receivable	(3,254)	(34,687)
Accounts payable and accrued liabilities	(271,986)	117,029
<b>Cash used in operating activities</b>	<b>(1,897,198)</b>	<b>(790,924)</b>
<b>Financing activities:</b>		
Proceeds from exercise of stock options	-	42,500
Proceeds from exercise of warrants	35,283	410,889
Repayment of the promissory note	-	(26,222)
Proceeds from private placement of units	1,980,000	-
Unit issuance costs	(73,003)	-
<b>Cash provided by financing activities</b>	<b>1,942,280</b>	<b>427,167</b>
Change in cash	45,082	(363,757)
Cash, beginning of period	75,124	444,917
<b>Cash, end of period</b>	<b>120,206</b>	<b>81,160</b>
<b>Supplemental cash flow information</b>		
Units issued to settle accounts payable and accrued liabilities	142,750	-

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

**POWR LITHIUM CORP.****Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Obligation to issue shares	Reserves	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$
Balance, August 31, 2022	28,476,739	3,769,004	38,951	1,173,415	(2,686,876)	2,294,494
Warrants exercised	4,108,889	454,409	-	(43,520)	-	410,889
Stock options exercised	290,000	57,431	-	(14,931)	-	42,500
Conversion of restricted share units	50,000	26,500	-	(26,500)	-	-
Share-based compensation	-	-	-	425,309	-	425,309
Net loss and comprehensive loss for the period	-	-	-	-	(1,454,062)	(1,454,062)
Balance, February 28, 2023	32,925,628	4,307,344	38,951	1,513,773	(4,140,938)	1,719,130
Warrants exercised	-	-	-	-	-	-
Conversion of restricted share units	50,000	26,500	-	(26,500)	-	-
Share issued in a private placement	3,500,000	350,000	-	-	-	350,000
Share issuance costs	-	(16,662)	-	-	-	(16,662)
Share issued for the purchase of the Halo Project	1,250,000	268,750	-	-	-	268,750
Share issued for finders' fees	157,840	33,936	-	-	-	33,936
Share-based compensation	-	-	-	51,866	-	51,866
Net loss and comprehensive loss for the period	-	-	-	-	(494,294)	(494,294)
Balance, August 31, 2023	37,883,468	4,969,868	38,951	1,539,139	(4,635,232)	1,912,726
Warrants exercised	352,834	37,082	-	(1,799)	-	35,283
Conversion of restricted share units	3,275,000	753,250	-	(753,250)	-	-
Unit issued in a private placement	10,000,000	1,659,231	-	340,769	-	2,000,000
Unit issuance costs	-	(111,592)	-	38,589	-	(73,003)
Unit issued for debt settlement	713,750	118,428	-	24,322	-	142,750
Share-based compensation	-	-	-	1,061,152	-	1,061,152
Warrant modification	-	-	-	37,280	(37,280)	-
Net loss and comprehensive loss for the period	-	-	-	-	(2,557,956)	(2,557,956)
<b>Balance, February 29, 2024</b>	<b>52,225,052</b>	<b>7,426,267</b>	<b>38,951</b>	<b>2,286,202</b>	<b>(7,230,468)</b>	<b>2,520,952</b>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

## **POWR LITHIUM CORP.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

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

(Unaudited - Expressed in Canadian dollars, except where noted)

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#### **1. NATURE OF OPERATIONS AND GOING CONCERN**

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".

These condensed interim consolidated financial statements for the three and six months ended February 29, 2024 and February 28, 2023 (the "financial statements") have been prepared on a going concern basis, which assumes the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. During the three and six months ended February 29, 2024, the Company incurred a net loss and comprehensive loss of \$1,050,413 and \$2,557,956, respectively (comparative periods ended February 28, 2023 - \$752,155 and \$1,454,062, respectively). As at February 29, 2024, the Company had working capital of \$119,146, and accumulated deficit of \$7,230,468 (August 31, 2023 - working capital deficiency of \$489,080 and accumulated deficit of \$4,635,232). The Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct the required exploration and development of exploration and evaluation assets. These factors present a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern.

The application of the going concern assumption is dependent on the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern. These adjustments could be material.

#### **2. BASIS OF PRESENTATION**

##### **a) Statement of compliance**

These financial statements were approved by the Board of Directors and authorized for issue on April 19, 2024.

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended August 31, 2023 and 2022 (the "Annual Financial Statements"), which include the information necessary or useful to understanding the Company's business and financial statement presentation.

##### **b) Basis of presentation**

These financial statements have been prepared on an historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

##### **c) Functional and presentation currency**

These financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. The functional currency is the currency of the primary economic environment in which an entity operates. References to "US\$" are United States dollars.

**POWR LITHIUM CORP.****Notes to the Condensed Interim Consolidated Financial Statements****For the three and six months ended February 29, 2024 and February 28, 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

**2. BASIS OF PRESENTATION (continued)****d) Basis of consolidation**

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries included in these financial statements as at February 29, 2024 is as follows:

<b>Name of subsidiary</b>	<b>Country of incorporation</b>	<b>Percentage ownership</b>	<b>Principal activity</b>
1291455 B.C. LTD	Canada	100%	Holding company and mineral exploration
Clear Sky Lithium Nevada Inc	US	100%	Mineral exploration

**3. SIGNIFICANT ACCOUNTING POLICIES**

The same accounting policies and methods of computation are followed in these financial statements as compared with the Annual Financial Statements.

**4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements under IFRS requires management to make judgements in applying its accounting policies and estimates that affect the reported amounts of assets and liabilities at the period end date and reported amounts of expenses during the reporting period. Such judgements and estimates are, by their nature, uncertain. Actual outcomes could differ from these estimates.

The impact of such judgements and estimates are pervasive throughout these financial statements and may require accounting adjustments based on future occurrences. These judgements and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are accounted for prospectively.

In preparing these financial statements, the Company applied the same significant judgements in applying its accounting policies and is exposed to the same sources of estimation uncertainty as disclosed its Annual Financial Statements.

**5. PREPAID EXPENSE**

A summary of the Company's prepaid expense is as follows:

	<b>February 29, 2024</b>	<b>August 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Legal and professional fees	<b>2,477</b>	10,000
Marketing	<b>123,042</b>	-
Transfer agent and regulatory fees	<b>13,570</b>	3,935
	<b>139,089</b>	13,935

**POWR LITHIUM CORP.****Notes to the Condensed Interim Consolidated Financial Statements****For the three and six months ended February 29, 2024 and February 28, 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

**6. EXPLORATION AND EVALUATION ASSETS**

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

	<b>ELi Property</b>	<b>Halo Project</b>	<b>Total</b>
	\$	\$	\$
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
<b>Balance, February 29, 2024 and August 31, 2023</b>	<b>127,500</b>	<b>2,274,306</b>	<b>2,401,806</b>

**a) ELi Property**

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 as a result of acquiring its subsidiary 1291455BC. The fair value on acquisition was determined based on the price that was paid by 1291455BC on November 16, 2021, in an arm's length transaction prior to it being acquired by the Company. 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.

**b) 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 on or before August 9, 2022 (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 \$0.22 per share market price on the date of issuance.
- US\$200,000 cash and 500,000 common shares of the Company payable on or before the August 4, 2024.

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

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

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

The fair value of the first tranche of the Finder's fee shares was measured as \$76,964 based on the \$0.65 per share market price on August 9, 2022, 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 \$0.22 per share market price on August 4, 2023, the date of issuance.

**POWR LITHIUM CORP.****Notes to the Condensed Interim Consolidated Financial Statements****For the three and six months ended February 29, 2024 and February 28, 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

**7. EXPLORATION AND EVALUATION EXPENDITURES**

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

	<b>ELi Property</b>	<b>Halo Project</b>	<b>Total</b>
	\$	\$	\$
Drilling	-	68,990	68,990
Geological consulting	-	8,848	8,848
Geophysics, sampling and assays	-	33,924	33,924
	<b>-</b>	<b>111,762</b>	<b>111,762</b>

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

	<b>ELi Property</b>	<b>Halo Project</b>	<b>Total</b>
	\$	\$	\$
Geophysics, sampling and assays	54	24,046	24,100
Permitting	-	6,161	6,161
	<b>54</b>	<b>30,207</b>	<b>30,261</b>

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

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

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

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

## **POWR LITHIUM CORP.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

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

(Unaudited - Expressed in Canadian dollars, except where noted)

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## **8. SHARE CAPITAL**

### **a) Authorized share capital**

The Company is authorized to issue an unlimited number of common shares without par value.

### **b) Issued share capital**

As at February 29, 2024, there were 52,225,052 issued and fully paid common shares outstanding (August 31, 2023 - 37,883,468).

During the six months ended February 29, 2024, the Company had the following share capital transactions:

- On September 29, 2023, the Company issued 10,000,000 units at \$0.20 per unit for gross proceeds of \$2,000,000. Of the \$2,000,000 gross proceeds, \$20,000 was received during the year ended August 31, 2023, and is included under obligation to issue shares within current liabilities as at August 31, 2023. Each unit comprises one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.40 until September 27, 2025. The warrants were valued using a Black-Scholes option pricing model with the following inputs: a share price of \$0.20, an exercise price of \$0.40, a risk-free interest rate of 4.87%, an expected life of two years, an expected volatility of 114%, and an expected annual dividend yield of 0%. Applying the relative fair value approach, the gross proceeds were allocated as follows: \$1,659,231 to common shares and \$340,769 to reserves. The Company paid cash finders' fees of \$73,003 and issued 427,777 finder's warrants in connection with this transaction. The fair value of the finder's warrants was estimated to be \$38,589 using the Black-Scholes option pricing model with the following inputs: a share price of \$0.20, an exercise price of \$0.40, a risk-free interest rate of 4.87%, an expected life of two years, an expected volatility of 114%, and an expected annual dividend yield of 0%. Therefore, \$111,592 of share issuance costs were recorded as a reduction to share capital in connection with this unit issuance.
- Concurrent with the September 29, 2023 private placement, the Company settled outstanding payables totaling \$142,750 for consideration of 713,750 units at a price of \$0.20. Each unit comprises one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.40 until September 27, 2025. The warrants were valued using a Black-Scholes option pricing model with the following inputs: a share price of \$0.20, an exercise price of \$0.40, a risk-free interest rate of 4.87%, an expected life of two years, an expected volatility of 114%, and an expected annual dividend yield of 0%. Applying the relative fair value approach, the gross proceeds were allocated as follows: \$118,428 to common shares and \$24,322 to reserves. 196,678 of these units were issued to the CEO of the Company to settle \$39,375 in accounts payables which was outstanding at August 31, 2023 (Note 9).
- The Company issued 352,834 common shares pursuant to the exercise of outstanding warrants for gross proceeds of \$35,283. In connection with the exercised warrants, \$1,799 was transferred from reserves to share capital.
- On January 30, 2024, the Company issued 3,275,000 common shares pursuant to the conversion of 3,275,000 restricted share units. In connection with the conversion of restricted share units, \$753,250 was transferred from reserves to share capital.

During the year ended August 31, 2023, the Company had the following share capital 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.
- The Company issued 100,000 common shares pursuant to the conversion of 100,000 restricted share units. In connection with the conversion of restricted share units, \$53,000 was transferred from reserves to share capital.
- 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 a private placement for gross proceeds of \$350,000. The Company paid cash for finders' fees of \$16,662, which was recorded as a reduction in share capital.

**POWR LITHIUM CORP.****Notes to the Condensed Interim Consolidated Financial Statements****For the three and six months ended February 29, 2024 and February 28, 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

**8. SHARE CAPITAL (continued)****c) Warrants**

A summary of the Company's warrants activity is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, August 31, 2022	15,518,017	0.21
Exercised	(4,108,889)	0.14
Balance, August 31, 2023	11,409,128	0.25
Granted	5,784,653	0.40
Exercised	(352,834)	0.10
<b>Balance, February 29, 2024</b>	<b>16,840,947</b>	<b>0.25</b>

A summary of the Company's outstanding and exercisable warrants as at February 29, 2024 is as follows:

Expiry date	Number of warrants	Weighted average exercise price	Weighted average contractual remaining life
	#	\$	Years
September 28, 2024	2,578,858	0.10	0.58
December 23, 2024	2,744,236	0.10	0.81
January 17, 2025	5,733,200	0.25	0.88
September 27, 2025	5,784,653	0.40	1.58
	<b>16,840,947</b>	<b>0.25</b>	<b>1.06</b>

On October 5, 2023, the Company modified the terms of the 5,733,200 outstanding warrants issued on January 17, 2022 in a private placement of units. The exercise price was reduced from \$0.40 to \$0.25 per common share, while the expiry date of January 17, 2025 remains unchanged. The modification was accounted for as a \$37,280 increase in reserves with a corresponding offset in deficit.

**d) Stock options**

The Company established a stock option plan (the "Option Plan") for the benefit of full-time and part-time employees, officers, directors, and consultants of the Company and its affiliates. The maximum number of shares available under the Option Plan is limited to 10% of the issued common shares of the Company and are exercisable within a maximum of ten years. The Board of Directors has the exclusive power over the granting of stock options, the exercise price, the term, and their vesting and cancellation provisions.

During the three and six months ended February 29, 2024, the Company recorded share-based compensation expense of \$nil and \$254,853, respectively (comparative periods ended February 28, 2023 - \$306,021 and \$322,437, respectively) related to the vesting of stock options.

**POWR LITHIUM CORP.****Notes to the Condensed Interim Consolidated Financial Statements****For the three and six months ended February 29, 2024 and February 28, 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

**8. SHARE CAPITAL (continued)**

A summary of the Company's stock options activity is as follows:

	Number of stock options	Weighted average exercise price
	#	\$
Balance, August 31, 2022	2,090,000	0.24
Granted	1,350,000	0.33
Exercised	(290,000)	0.33
Expired	(25,000)	0.33
Balance, August 31, 2023	3,125,000	0.33
Granted	1,350,000	0.23
Expired	(75,000)	0.31
<b>Balance, February 29, 2024</b>	<b>4,400,000</b>	<b>0.30</b>

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. The stock options vested and were exercisable upon issuance and expire on September 29, 2028. The fair value of the options was estimated to be \$254,853 using the Black-Scholes option pricing model with the following inputs: a share price of \$0.23, an exercise price of \$0.23, a risk-free interest rate of 4.83%, an expected life of five years, an expected volatility of 114%, and an expected annual dividend yield of 0%.

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. The stock options vested and were exercisable upon issuance. The stock options expire on January 10, 2025. The fair value of the options was estimated to be \$306,022 using the Black-Scholes option pricing model with the following inputs: a share price of \$0.405, an exercise price of \$0.435, a risk-free interest rate of 3.95%, an expected life of two years, an expected volatility of 114%, and an expected annual dividend yield of 0%.

On October 25, 2022, the Company granted 50,000 fully vested stock options to a director of the Company. Each stock option entitles the holder to purchase one common share at an exercise price of \$0.55. The stock options vested and were exercisable upon issuance. The stock options expire on October 25, 2024. The fair value of the options was estimated to be \$16,415 using the Black-Scholes option pricing model with the following inputs: a share price of \$0.55, an exercise price of \$0.55, a risk-free interest rate of 4.14%, an expected life of two years, an expected volatility of 114%, and an expected annual dividend yield of 0%.

During the six months ended February 29, 2024, the weighted average share price on the date of exercise of the share purchase options was \$0.30 per share (February 28, 2023 - \$0.33).

The expected life in years represents the period of time the options granted are expected to be outstanding. The volatility rate is based on comparable companies with a historical volatility. The risk-free rate is based on Canada government bonds with a remaining term equal to the expected life of the options.

**POWR LITHIUM CORP.****Notes to the Condensed Interim Consolidated Financial Statements****For the three and six months ended February 29, 2024 and February 28, 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

**8. SHARE CAPITAL (continued)**

A summary of the Company's outstanding and exercisable stock options as at February 29, 2024, is as follows:

Expiry date	Outstanding and exercisable #	Weighted average exercise price \$	Weighted average remaining life Years
September 28, 2024	300,000	0.10	0.58
June 13, 2024	1,145,000	0.25	0.29
June 30, 2024	140,000	0.25	0.33
August 18, 2024	150,000	0.53	0.47
October 25, 2024	50,000	0.55	0.65
January 10, 2025	1,265,000	0.44	0.87
September 29, 2028	1,350,000	0.23	4.59
	<b>4,400,000</b>	<b>0.30</b>	<b>1.80</b>

**e) Restricted share units**

The Company established a restricted share unit ("RSU") program under which certain consultants and Company officers are awarded common shares of the Company. Each RSU comprises one common share of the Company and is subject to vesting periods as approved by the Board of Directors.

On September 29, 2023, the Company granted 3,275,000 RSUs to certain consultants and an officer of the Company. These RSUs vested on January 30, 2024. The fair value of the RSU is the market price of a common share 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 the RSUs vest on March 29, 2024, 100,000 of the RSUs vest on September 29, 2024, and the remaining 100,000 RSUs vest on March 29, 2025. The fair value of the RSU is the market price of a common share at the date of grant of \$0.23.

On September 23, 2022, the Company granted 200,000 RSUs to a consultant of the Company. These RSUs vest in five equal instalments of 40,000 RSUs on September 23, 2022, and at the end of each six-month period thereafter. The fair value of the RSU is the market price of a common share at the date of grant of \$0.49.

On August 18, 2022, the Company granted 250,000 RSUs to an officer of the Company. These RSUs vest in five equal instalments of 50,000 RSUs on August 18, 2022, and at the end of each six-month period thereafter. The fair value of the RSU is the market price of a common share at the date of grant of \$0.53.

During the three and six months ended February 29, 2024, the Company recorded share-based compensation expense of \$401,627 and \$806,299, respectively (February 28, 2023 - \$45,880 and \$102,872, respectively) related to the vesting of these RSUs.

A summary of the Company's RSUs activity is as follows:

	Number of RSUs #	Weighted average fair value \$
Balance, August 31, 2022	200,000	0.53
Granted	200,000	0.49
Converted	(100,000)	0.53
Balance, August 31, 2023	300,000	0.50
Granted	3,525,000	0.23
Converted	(3,275,000)	0.23
<b>Balance, February 29, 2024</b>	<b>550,000</b>	<b>0.38</b>

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(Unaudited - Expressed in Canadian dollars, except where noted)

**9. RELATED PARTY TRANSACTIONS**

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

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

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

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

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

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

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

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

On September 29, 2023, 196,678 units were issued to the CEO of the Company to settle \$39,375 in accounts payables which were outstanding at August 31, 2023 (Note 8b).

**10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

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

The Company's risk exposures are summarized below:

**a) Credit risk**

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

**POWR LITHIUM CORP.**

**Notes to the Condensed Interim Consolidated Financial Statements**

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

(Unaudited - Expressed in Canadian dollars, except where noted)

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**10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**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 shares or debt as required. The Company is exposed to liquidity risk through its accounts payable and accrued liabilities, and obligation to issue shares (presented in current liabilities). Management mitigates this risk by monitoring its cash position and issuing shares or debt as required.

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

**c) Market risk**

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

Interest rate risk

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

Foreign currency risk

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

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

	<b>February 29, 2024</b>	August 31, 2023
	<b>\$</b>	<b>\$</b>
Accounts payable and accrued liabilities	<b>2,448</b>	29,147

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

**11. CAPITAL MANAGEMENT**

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain its ability to continue as a going concern.

The Company manages its capital structure and adjusts it based on the funds available to the Company in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's properties are in the exploration stage and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes to the Company's approach to capital management during the three and six months ended February 29, 2024.

**POWR LITHIUM CORP.**

**Notes to the Condensed Interim Consolidated Financial Statements**

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

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**12. SEGMENTED INFORMATION**

The Company operates in one business segment being the exploration and development of resource properties located in Nevada, the United States of America.

**13. SUBSEQUENT EVENTS**

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