

# Li-FT Power Ltd.

## EV Materials

Rating <b>SPECULATIVE BUY</b>	Price Target <b>C\$13.00</b>
<b>LIFT-CSE</b>	Price <b>C\$8.85</b>

**Katie Lachapelle, CPA** | Analyst | Canaccord Genuity Corp. (Canada) | klachapelle@cgf.com | 1.416.869.7294  
**Meaghan Charlebois** | Associate | Canaccord Genuity Corp. (Canada) | mcharlebois@cgf.com | 1.416.687.5270

## Ready for Li-FT off

### Investment Recommendation

We are initiating coverage of Li-FT Power with a SPEC BUY rating and a C\$13.00 per share target price. Our SPEC BUY rating is based on the 47% implied return to our target and the early stage nature of LIFT's projects (pre-resource). Li-FT Power is an exploration and development company focused on lithium pegmatite projects in Canada. The company's flagship project is the highly prospective Yellowknife Lithium Project located in the Northwest Territories. LIFT also owns three early stage exploration properties in Quebec (Rupert, Pontax, and Moyenne), and the Cali project in the Northwest Territories. While early stage, we believe that LIFT owns one of the most exciting lithium exploration land packages in Canada, the scale of which we expect to be better defined over the next 12 months.

### Market Data

52-Week Range (C\$) :	2.35 - 16.50
Avg Daily Vol (000s) :	54
Market Cap (C\$M) :	347.3
Shares Out. (M) :	39.2
Enterprise Value (C\$M) :	298
Cash (C\$M) :	49.0
NAV /Shr (C\$) :	13.19
P/NAV (x) (C\$) :	0.67
Major Shareholders:	Mgmt./directors: ~5%

FYE Nov	2023E	2024E	2025E
Net Debt (Cash) (C\$M)	(17)	(9)	(33)
Free Cash Flow (C\$M)	(34.2)	(7.0)	(4.1)



— LIFT.CA  
Source: FactSet

Priced as of close of business 4 May 2023

Li-FT Power is a lithium exploration company focused on the development of two highly prospective properties in Canada: the Yellowknife Lithium Project in the Northwest Territories and the Rupert, Pontax, and Moyenne Projects in Quebec.

### Investment Highlights

- **Finding white gold in Yellowknife:** LIFT recently acquired the Yellowknife Lithium project, a property known for its potential to host one of the largest lithium resources in the Western world. Historical reports estimated a mineral resource of 49Mt at 1.40% Li<sub>2</sub>O, based on a vertical depth of only ~150m. LIFT plans to drill the same dykes down to 300m to define an initial 43-101 compliant mineral resource; a 42,000m program is set to commence in June. We expect the initial assay results from Yellowknife to be a major catalyst for LIFT's shares, with the property having lay dormant for nearly 35 years despite its exceptional mineral potential.
- **Encouraging results from historical exploration work:** Historical exploration work has defined 13 significant spodumene-bearing pegmatites with strike lengths up to 1,800m and widths up to 40m, easily visible from satellite imagery. The average grade of each pegmatite is estimated to be between 1.07% Li<sub>2</sub>O and 2.20% Li<sub>2</sub>O based on detailed surface sampling. Previous metallurgical work completed by Equinox Resources in 1987 (at Fi and Ki) also confirmed that a 5-6% Li<sub>2</sub>O spodumene concentrate with a low iron content (0.7%) could be produced using conventional gravity plus flotation. No DMS studies have been completed to date.
- **Significant nearby infrastructure could help fast-track development:** The Road Access Group pegmatites (Figure 4) are located <10km from a paved highway and within 60km of the city of Yellowknife, which provides easy access to water, power, and transportation (all-season roads, airports, barge, and rail). We also foresee the planned closure of a number of operating mines in the region (Diavik, Ekati, etc.) as a catalyst for public, government, and First Nations support for development and as a potential source of a highly skilled workforce.
- **Don't forget about Quebec; finding the next Whabouchi?** LIFT also holds a portfolio of early stage exploration projects in the James Bay region of Quebec. Exploration work to date has indicated geological similarities between LIFT's projects and the nearby Whabouchi deposit (37Mt at 1.48% M&I), suggesting potential for similar discoveries. The first diamond drill program at Rupert commenced in late March; ~5,000m of drilling is planned, testing two large anomalies (from till geochemistry sampling) that sit on the edge of a large pegmatitic granite.

**Well funded to advance exploration:** LIFT recently completed a C\$35 million private placement of flow-through shares, bringing current cash on hand to ~C\$49 million.

**Valuation:** Our C\$13.00/sh target price is based on 1.0x NAV. Our NAV was calculated using an in-situ valuation for our conceptual resource estimate for Yellowknife (~1.3Mt LCE at US\$300/t LCE – see Valuation section), adjusted for corporate costs and cash on hand. The conceptual resource involves multiple estimates, many of which could deviate from outcomes going forward. LIFT currently trades at 0.67x NAV.

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## Investment thesis

*We are initiating coverage of Li-FT Power with a SPEC BUY rating and a C\$13.00 per share target price*

We are initiating coverage of Li-FT Power with a SPEC BUY rating and a C\$13.00 per share target price. Li-FT Power is an exploration and development company focused on lithium pegmatite projects in Canada. The company's flagship project is the highly prospective Yellowknife Lithium Project located in the Northwest Territories. LIFT also owns three early stage exploration properties in Quebec (Rupert, Pontax, and Moyenne), in addition to the Cali project in the Northwest Territories. While early stage, we believe that Li-FT Power owns one of the most exciting lithium exploration land packages in Canada, the scale of which will be better defined over the next 12 months.

Our investment thesis is based on four key attributes as detailed below.

**Figure 1: Map of LIFT's assets in Canada**



Source: Company Reports

### Finding white gold in Yellowknife

Li-FT Power's flagship project is the Yellowknife Lithium project, located ~60km northeast of Yellowknife, in the Northwest Territories. The project comprises minerals leases that contain numerous lithium pegmatites that make up what is known as the Yellowknife Pegmatite Province (YPP). The pegmatites in the YPP area are prominent, with strike lengths up to 1,800m and widths up to 40m, many of which are large enough to be seen from satellite imagery (Figure 3). Based on exploration work completed in the 1970s and 1980s, the Yellowknife Project is believed to have the potential to host one of the largest hard rock lithium resources in the Western World. In 1977, Canadian Superior Exploration Limited (CSEL) projected a preliminary resource of 49Mt grading 1.40% Li<sub>2</sub>O based on an estimated depth of ~150m (not NI 43-101 compliant - Figures 2 and 36).

**Figure 2: Excerpt from metallurgical study completed by Equinox Resources**

SUMMARY AND RECOMMENDATIONS

The FI and KI lithium pegmatite properties are located in the Yellowknife lithium district which contains some of the largest lithium pegmatite reserves in the western world. These properties are located approximately 50 km northeast of Yellowknife, N.W.T. and are accessible to within 3 km by road.

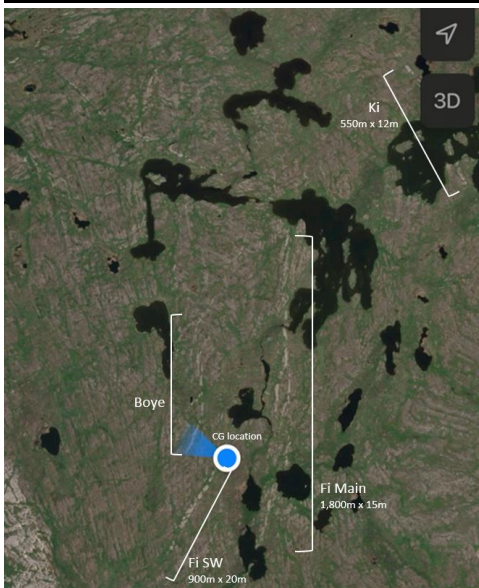
Source: Equinox Resources – 1987 Report

Exploration work to date has defined 13 significant spodumene-bearing pegmatites

Exploration work to date has defined 13 significant spodumene-bearing pegmatites with historical exploration work returning average grades between 1.07% Li<sub>2</sub>O and 2.20% Li<sub>2</sub>O. As seen in Figure 4, the pegmatites are grouped into two main targets: the Road Access Group (Ki, Fi, Hi, Nite, Big) and the Further Afield Group (Thor, Hid, Mut, Bin, Lens, Bet).

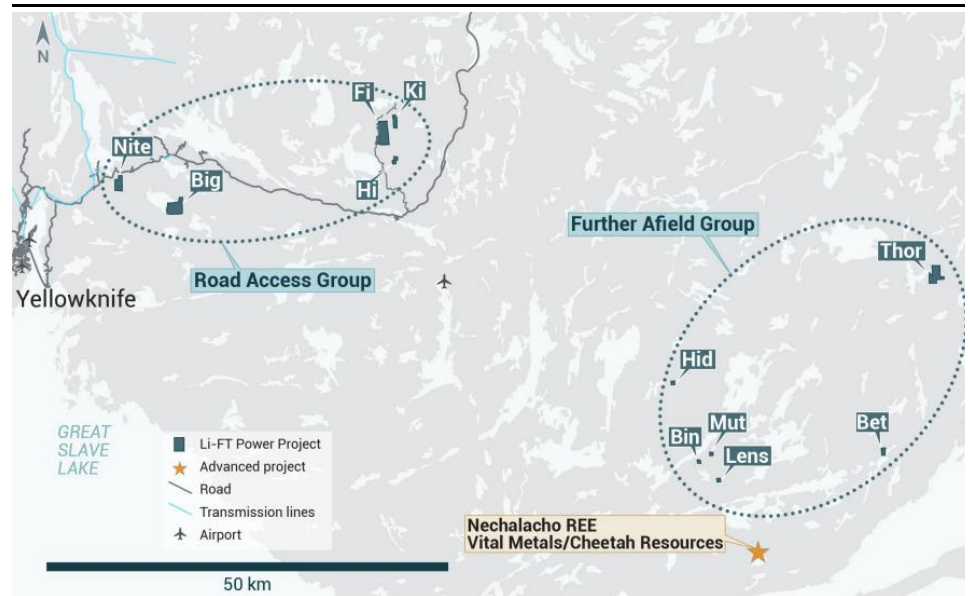
A substantial 42,000m drill program is planned for summer 2023. LIFT recently signed an MOU with the Yellowknives Dene First Nation that allows it to commence drilling on June 1, 2023. The initial focus will be on the Road Access Group pegmatites, given the concentration of resource potential in this area – with Fi Main and Fi Southwest being the top targets. In the longer term, once the Road Access Group is better understood, focus will shift to the Further Afield Group (especially Thor), which could be developed as a satellite project or its own stand-alone project.

**Figure 3: Satellite image highlighting CG location and visible pegmatites**



Source: Canaccord Genuity – January 2023 site tour

**Figure 4: Yellowknife project map**

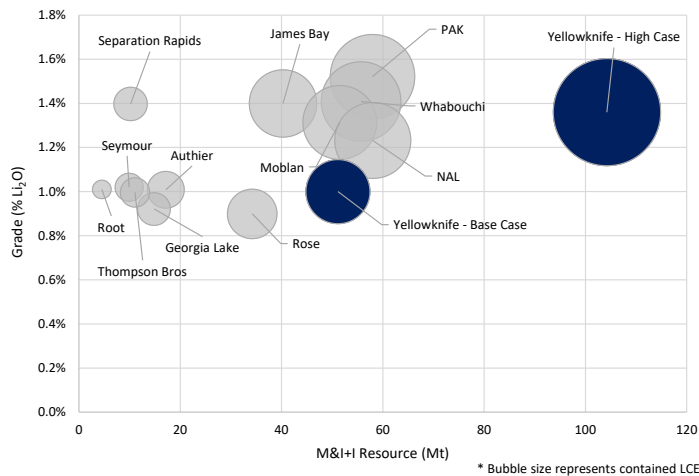


Source: Company Reports

While still early stage, our analysis of the historical exploration work performed on the Yellowknife pegmatites suggests that the project could host a total mineral resource as large as ~105Mt grading 1.36% Li<sub>2</sub>O, or ~3.5Mt LCE, if outcrop exposure extends at depth to approximately 300 metres. We consider this to be our “high case” scenario. For the purposes of our valuation, we have considered multiple scenarios to provide a range of potential outcomes and settled on a more conservative “base case” conceptual resource of ~51Mt grading 1.0% Li<sub>2</sub>O, or 1.3Mt LCE. Our key assumptions are detailed in the [Valuation](#) section of this report, along with different sensitivity analyses.

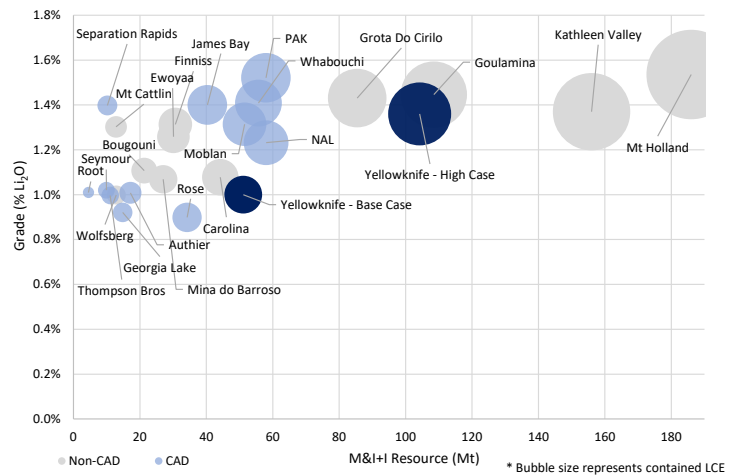
As seen in Figures 5 and 6, a hard rock resource of this scale could potentially rank Li-FT’s Yellowknife Project among the largest in Canada and globally.

**Figure 5: Conceptual resource vs. CAD hard rock projects**



Source: Company Reports, Canaccord Genuity estimates

**Figure 6: Conceptual resource vs. global hard rock projects**



Source: Company Reports, Canaccord Genuity estimates

While we acknowledge the speculative risk and difficulties involved with forecasting future potential for an early stage exploration company that has yet to conduct sufficient drilling for an NI 43-101 compliant resource, we believe our “base case” valuation represents a realistic possible outcome for LIFT, with our assumptions applied conservatively. We stress that this valuation is conceptual and involves multiple estimates, many of which could deviate from outcomes going forward.

**Encouraging results from historical exploration work**

*Historical work from the 1970s and 1980s suggests significant mineral potential, along with Tier 1 attributes*

While it’s been nearly 35 years since any significant exploration work has been completed at the Yellowknife Lithium Project, historical work from the 1970s and 1980s suggests significant mineral potential, along with Tier 1 attributes: large-scale, high-grade, and low impurity levels.

Below, we summarize the historical findings for LIFT’s “top targets”. All additional pegmatites are included in Figures 29 and 30, along with a breakdown of our base case conceptual resource estimate.

Fi Main and Fi Southwest

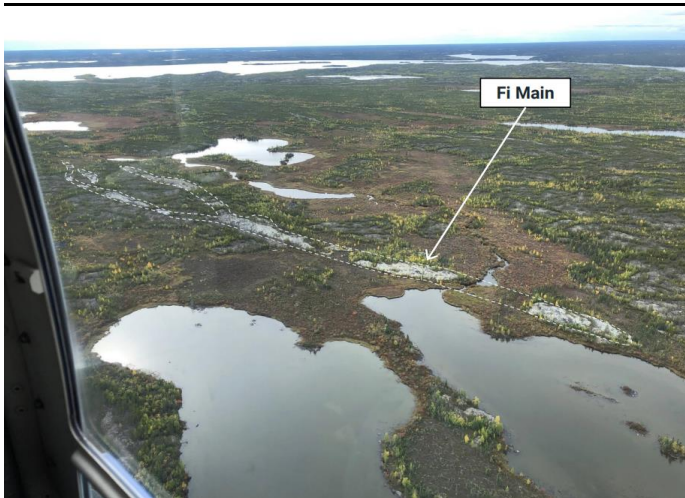
The Fi Main dyke is among the largest in LIFT’s portfolio, based on outcrop exposure, where the pegmatite has been traced intermittently for ~1,800m at surface. The average width of Fi Main is ~15m at surface, but it achieves thicknesses of up to ~27m in the central portion of the dyke, where it branches into two nearly equal sized bodies for over a distance of ~425m (Figure 7). Based on crystal counts, the northern portion of the dyke is believed to have lower spodumene content (5-10% by mass) than the southern portion (15%).

Fi Southwest is a linear dyke that varies in width from 7 to 37m and can be traced for >600m along strike. It comprises 15-25% spodumene as 3-6cm crystals, with the best grades in the central section of the dyke (~360m x 25m wide), where the spodumene content averages ~20% based on crystal counts.

In 1975, Canadian Superior Exploration Limited staked the Fi ground and completed detailed mapping and re-sampling of historic trenches. In total, 37 samples were collected; the results are shown in Figure 8. Samples from the Fi Main dyke returned an average Li<sub>2</sub>O grade of 1.44% (range 0.14% to 2.03% Li<sub>2</sub>O), slightly above Fi Southwest at 1.28% Li<sub>2</sub>O (range 0.31% to 1.97% Li<sub>2</sub>O).

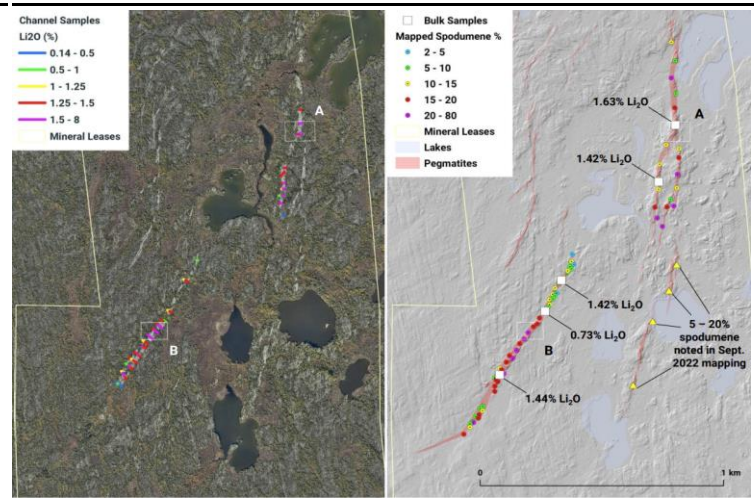
Equinox Resources took ownership of the project in 1985 and completed a small-scale bulk sampling program at both Fi and Ki (Figure 9), as well as metallurgical test work which confirmed that a 5-6% Li<sub>2</sub>O concentrate could be produced using gravity separation followed by floatation (more details under [Project overview](#)).

**Figure 7: Fi Main outcrop exposure from helicopter**



Source: Company Reports

**Figure 8: Results of channel and bulk samples at Fi Main-SW**



Source: Company Reports

Fi Main and Fi Southwest currently account for ~31% of our total mineral resource estimate, or a combined 18.4Mt grading 0.87% Li<sub>2</sub>O (conservative base case). If mineralization continues at depth to 300 metres (not unrealistic for a pegmatite), our conceptual resource could effectively double. Li-FT’s plan is to drill 100m centres down to 300m depth.

Ki

**Figure 9: Bulk samples - Fi and Ki**

Sample No	Li <sub>2</sub> O%
Fi-1	0.73
Fi-2	1.44
Fi-3	1.42
Fi-NE-1	1.63
Fi-NE-2	1.42
Ki-S-1	1.38

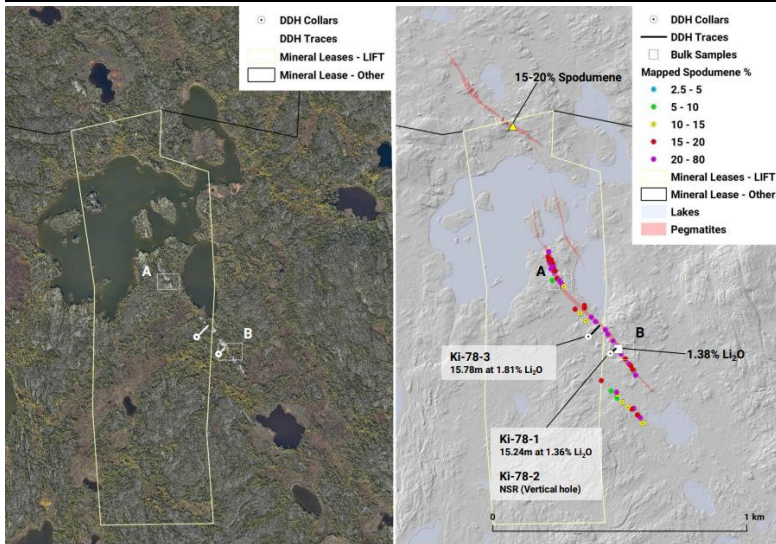
Source: Equinox (Beaty Geological Ltd) - 1987

Ki is located adjacent to the Fi pegmatites within the Road Access Group and consists of two parallel, northwest striking spodumene-bearing pegmatite dykes. The main dyke has been traced for >600m at surface and is believed to have an average width of ~12m, with some areas up to 18m. Approximately 300m of the main dyke (exposed at surface) sits outside of Li-FT’s land holdings within an Interim Land Withdrawal and is therefore protected from acquisition at this time.

In 1975, CSEL staked Ki and completed detailed mapping and spodumene crystal counts. The company estimated that the dyke consists of ~20-25% spodumene, equivalent to ~1.40% Li<sub>2</sub>O based on work completed at other nearby pegmatites, with spodumene crystals 1 to 6 inches long. In 1978, CSEL followed up on this work with three diamond drill holes totaling 235m. Two of the holes confirmed high grade over thicknesses comparable to that found on surface, including 15.24m at 1.36% and 16.78m at 1.81% Li<sub>2</sub>O (Figure 10). Like Fi, Equinox took ownership in the 1980s and completed trenching and a bulk sample that assayed 1.38% Li<sub>2</sub>O and successfully produced a 5-6% Li<sub>2</sub>O concentrate with an overall recovery of ~80%.

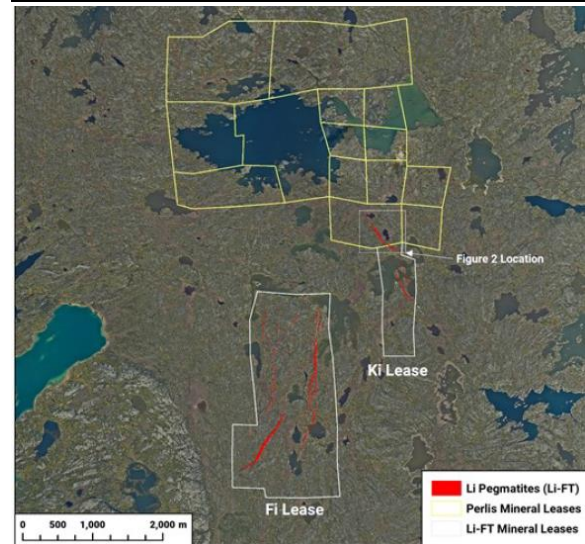
Ki currently accounts for ~3% of our total mineral resource estimate. While small as a stand-alone asset, Ki’s proximity to the Fi Main and Fi Southwest dykes is favourable to establishing a centre of mass for the Road Access Group. Furthermore, we believe there is significant potential to grow beyond our current estimate through a recently optioned lease, which increases the potential strike length of the Ki pegmatite system to 1,500m (Figure 11). Outcropping pegmatite in this area extends for 600m and has visible widths of up to 25m. To exercise the option, LIFT must make aggregate cash payments of \$3 million and incur exploration expenditures totalling \$1.3 million over a two-year period.

**Figure 10: Results of historic mapping and drill holes at Ki**



Source: Company Reports

**Figure 11: Location of optioned leases in yellow**



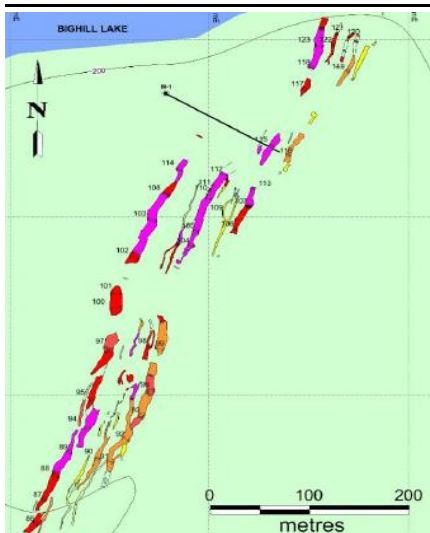
Source: Company Reports

*Big East and Big West*

Big is located within the Road Access Group and consists of two separate dyke systems, Big East and Big West. A third system, called Big North, is also included in historical accounts of the property as a potential extension of Big East. Both Big East and Big West consist of a swarm of northeast trending dykes spanning a corridor of ~150m, with individual thicknesses averaging ~20m (Figure 12 and 13).

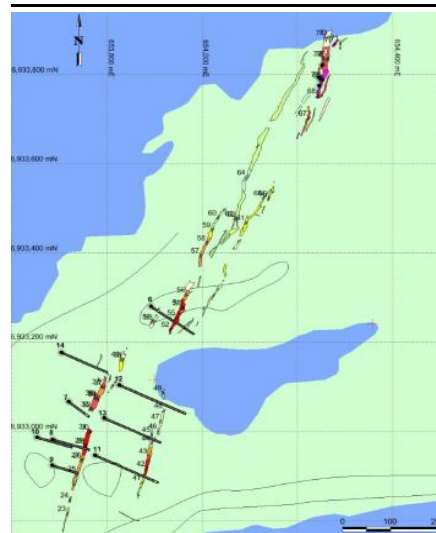
The Big leases were originally staked in 1955 by General Lithium, which conducted a ~1,708m, 15-hole drill program. Drill sections showed continuity of the dykes to a depth of 150m and widths over 10m. In 1956, the leases transferred to National Lithium Corp., who completed additional drilling and trenching. The pegmatites then lay dormant until the 1970s, when CSEL took ownership and completed a trench sampling program to confirm the historic work. At Big East, 38 samples returned an average grade of 1.45% Li<sub>2</sub>O and at Big West, 54 samples returned an average grade of 1.17% Li<sub>2</sub>O. Big East and Big West currently account for ~25% of our total mineral resource estimate, or a combined 11.4Mt grading 1.10% Li<sub>2</sub>O (base case).

**Figure 12: Big East pegmatite**



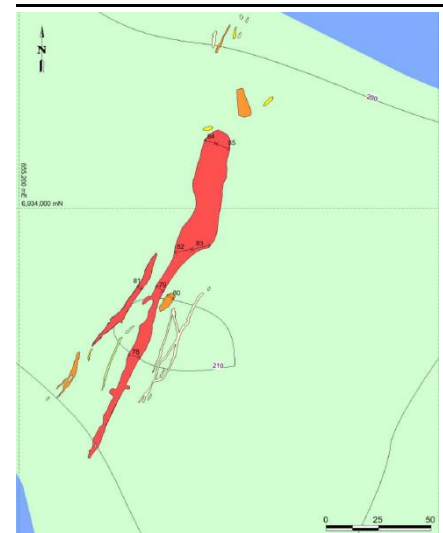
Source: Company Reports

**Figure 13: Big West pegmatite**



Source: Company Reports

**Figure 14: Big North pegmatite**



Source: Company Reports

Thor

Thor is located ~120km east of Yellowknife in the Further Afield Group and is one of LIFT’s more attractive targets. It is a complex swarm of dykes, with the visible surface area of the spodumene pegmatites covering ~25,000m<sup>2</sup> and large spodumene crystals visible at surface (50-80cm). In 1955, North American Lithium completed a pegmatite sampling program; average results ranged between 1.34% and 1.96% Li<sub>2</sub>O based on 74 samples. This work was followed up with bulk sampling and a two-hole drill program. Metallurgical work confirmed that gravity followed by flotation could produce a 6% concentrate at a recovery rate of ~80%. The drill holes were also successful, returning 1.55% Li<sub>2</sub>O over 13m, and 1.17% over 7.6m.

In 1975, CSEL acquired the claims and re-sampled the pegmatites to verify the historic work; 34 chip samples were collected with grades ranging between 0.89% to 3.70% Li<sub>2</sub>O. To further verify the findings, CSEL completed a small six-hole drill program; intersections included 21m at 1.42% and 17m at 1.55% Li<sub>2</sub>O.

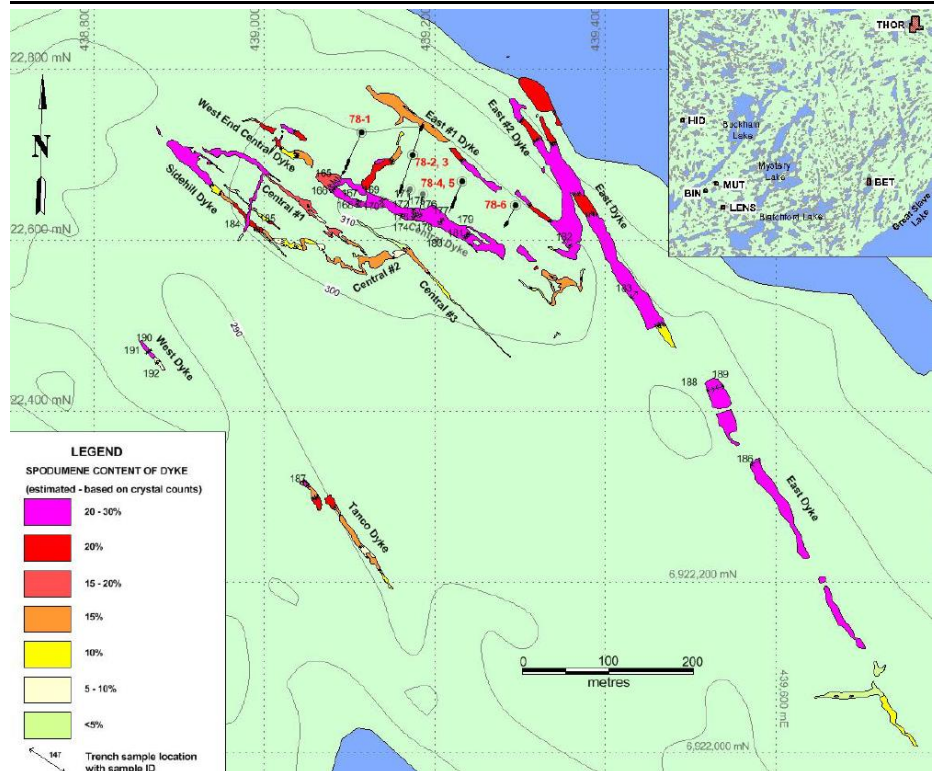
Thor currently accounts for ~18% of our total mineral resource estimate, or 7.9Mt grading 1.18% Li<sub>2</sub>O. The geology of Thor is favourable, but its location is more remote and therefore not an immediate target of the planned 42,000m campaign.

**Figure 15: Results from six-hole drill program**

Hole ID	From (m)	To (m)	Length (m)	Li <sub>2</sub> O (%)	Hole ID	From (m)	To (m)	Length (m)	Li <sub>2</sub> O (%)
Thor-1	9.75	27.12	17.37	1.55	Thor-78-4	29.26	50.29	21.03	1.42
Thor-2	19.51	32.31	12.8	1.17	Thor-78-4	30.48	47.85	17.37	1.69
Thor-2	23.16	30.78	7.62	1.79	Thor-78-5	46.63	62.33	15.7	1.02
Thor-78-1	52.58	64.62	12.04	1.29	Thor-78-5	47.55	61.72	14.17	1.12
Thor-78-2	50.6	71.82	21.22	0.92	Thor-78-6	30.39	38.1	7.71	0.83
Thor-78-2	51.21	64.93	13.72	1.41	Thor-78-6	31.09	35.62	4.53	0.99
Thor-78-3	43.74	54.41	10.67	0.31					

Source: Company Reports

**Figure 16: Thor pegmatite cluster**



Source: Company Reports



**Significant nearby infrastructure could fast-track development**

*The project is located in close proximity to significant infrastructure in the city of Yellowknife, with the Road Access Group located within ~60km of the city*

The Yellowknife Project has significant nearby infrastructure that we believe could help fast-track its development.

As the name suggests, the Road Access Group pegmatites are all located close to an existing paved highway, known as the Ingraham Trail or Highway 4 (Figure 17). The Fi, Ki, and Hi minerals leases are ~60km northeast the city and are accessible from this highway, followed by 10km on the Thompson-Lundmark mine access road. When the weather is challenging, these leases are also accessible via a short helicopter trip from a nearby regional airport. The Big and Nite leases are located closer to the city of Yellowknife (<30km) and can be easily accessed by foot during the summer months or by snowshoe or snowmobile during the winter (Figure 18).

**Figure 17: Highway 4, better known as the Ingraham Trail**



Source: Company Reports

**Figure 18: Canaccord Genuity snowshoes to Nite pegmatite**



Source: Canaccord Genuity

In Yellowknife, there is year-round access to high-voltage electric power lines, fuel, lodging, restaurants, and equipment. Power for early stage exploration and development work on site is likely to be provided by diesel powered generators, but it is possible that a mining operation close to the city could be powered by electricity provided from the Northwest Territories Power Corporation’s Bluefish Hydro System. In our view, the proximity of LIFT’s project to key infrastructure and services in Yellowknife should minimize the size and complexity of the camp needed on site, saving LIFT time and money while also reducing the environmental surface impact.

When the project hits commercial operation, spodumene concentrate is likely to be shipped south to the town of Hay River where there is an existing rail network that connects to the rest of Canada (Figure 19). From Yellowknife, the concentrate can either be shipped by barge during the summer months across the Great Slave Lake to Hay River (~200km) or by all-season road in the winter (~482km).

**Figure 19: Local infrastructure in the Northwest Territories**



Source: Company Reports

The Northwest Territories is also historically a mining-friendly jurisdiction, with several major gold and diamond mines having previously been developed or currently in operation. Mines currently in operation include:

- Rio Tinto’s Diavik diamond mine, which is expected to cease operations in the first half of 2026;
- Arctic Canadian Diamond Company’s Ekati diamond mine, which has a current mine life running to 2028; and
- The De Beers Group’s Gahcho Kué diamond mine, which is expected to cease operations in 2029.

We foresee the planned closure of these operations in the next decade as a potential catalyst for public, government, and First Nations support for the development of new projects in the region, as well as a potential source of a highly skilled local workforce for LIFT.

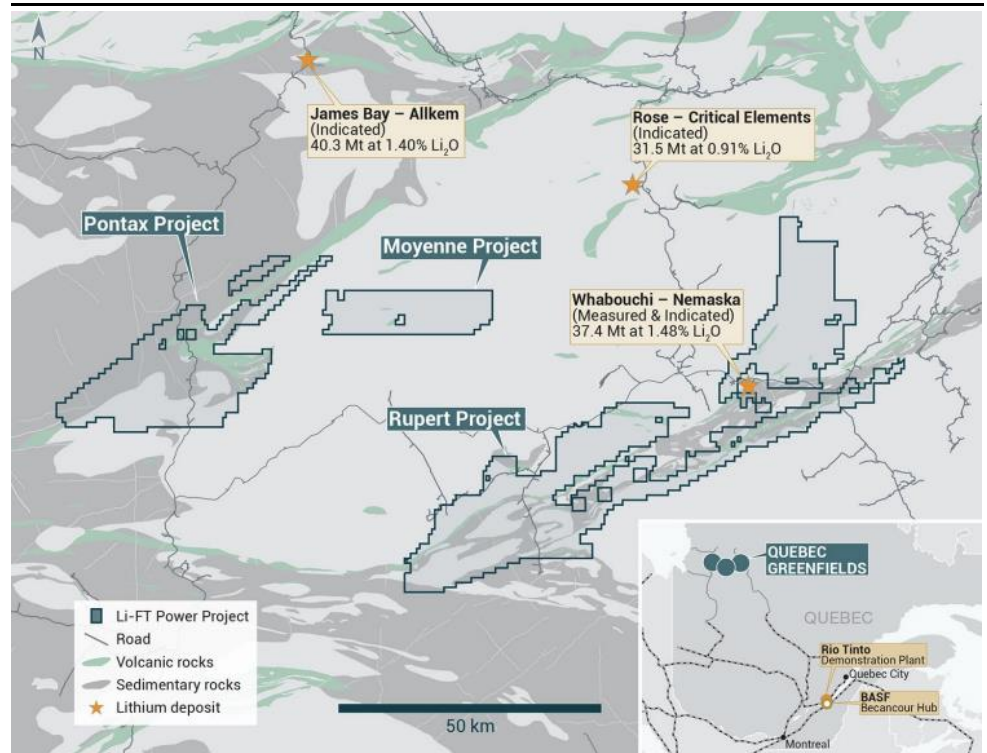
**Don’t forget about Quebec; finding the next Whabouchi?**

*LIFT also owns several projects in the James Bay region of Quebec, Canada, adjacent to the Whabouchi deposit*

LIFT also holds a portfolio of projects in Quebec that cover a total of 228,237 hectares of land in the James Bay region, an area prospective for hard rock lithium deposits. The projects — Rupert, Pontax, and Moyenne — are all in close proximity to one another and to other advanced lithium projects such as Whabouchi, James Bay, and the Rose Lithium-Tantalum project (Figure 20).

Exploration work to date has indicated geological similarities between LIFT’s projects and the Whabouchi deposit, including the same geologic sub-province boundary, greenstone belt at amphibolite metamorphic grade, the presence of pegmatitic granites, and a large tantalum mineral anomaly in regional till sampling.

**Figure 20: LIFT's Quebec project portfolio**



Source: Company Reports

*Rupert Project (100% LIFT)*

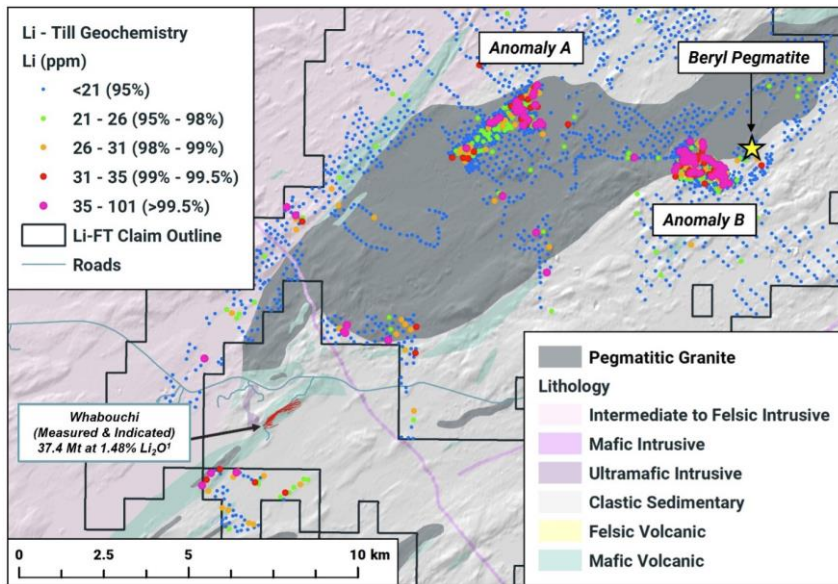
The Rupert Project is LIFT's most advanced target in Quebec. It borders the Whabouchi deposit, is road accessible, and should benefit from growing access to infrastructure due to the number of projects being developed nearby.

Unlike the majority of the lithium discoveries in Quebec, there is no obvious spodumene pegmatite outcrop at Rupert. For this reason, LIFT has implemented other greenfield exploration techniques (that have proven successful in the gold space) to better define target areas for follow-up. Over the last two years, LIFT completed an extensive till geochemistry program, where 8,386 samples were taken across the entire property. This sampling has identified seven key target areas for follow-up, with Anomalies A & B being the most advanced and highest priority.

Anomalies A & B are located approximately 10-15km northeast of the Whabouchi lithium deposit; while still early stage, the scale of the till geochemistry anomalism suggests the potential to host a deposit as big as Whabouchi beneath glacial sediments (Figure 22). The geological setting is also similar to Whabouchi, with the anomalies sitting on the edge of a large pegmatitic granite (Figure 21). In our view, this is a promising sign as lithium pegmatites typically occur in clusters surrounding a fertile granite.

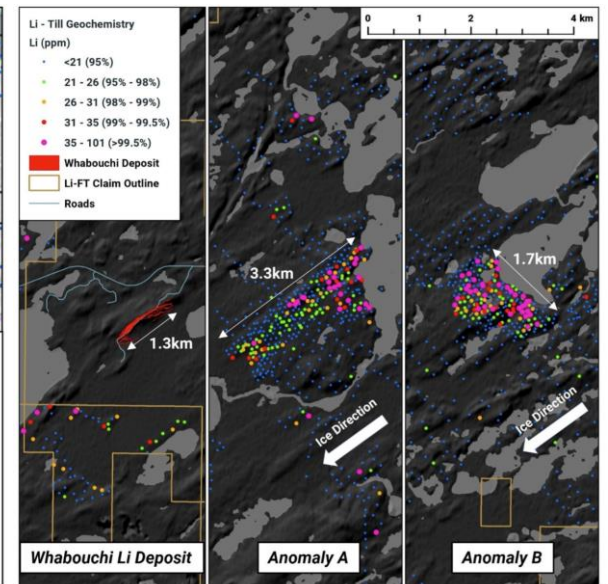
LIFT commenced its first diamond drill program at Rupert in late March; a total of 17 holes are planned for ~5,000 metres. Eight holes will target Anomaly A, with the remaining planned at Anomaly B. We look forward to assays in the coming months. Further surface work will also be completed across the rest of the Rupert land package to continue to advance other targets towards future diamond drilling.

**Figure 21: Rupert till geochemistry results**



Source: Company Reports

**Figure 22: Anomaly A and B scale vs. Whabouchi**



Source: Company Reports

Pontax Project (70% earn-in LIFT)

The Pontax Project covers 61,520 hectares and is located the farthest east of the Quebec land packages. The project is easily accessible via an existing highway that runs through the centre of the property.

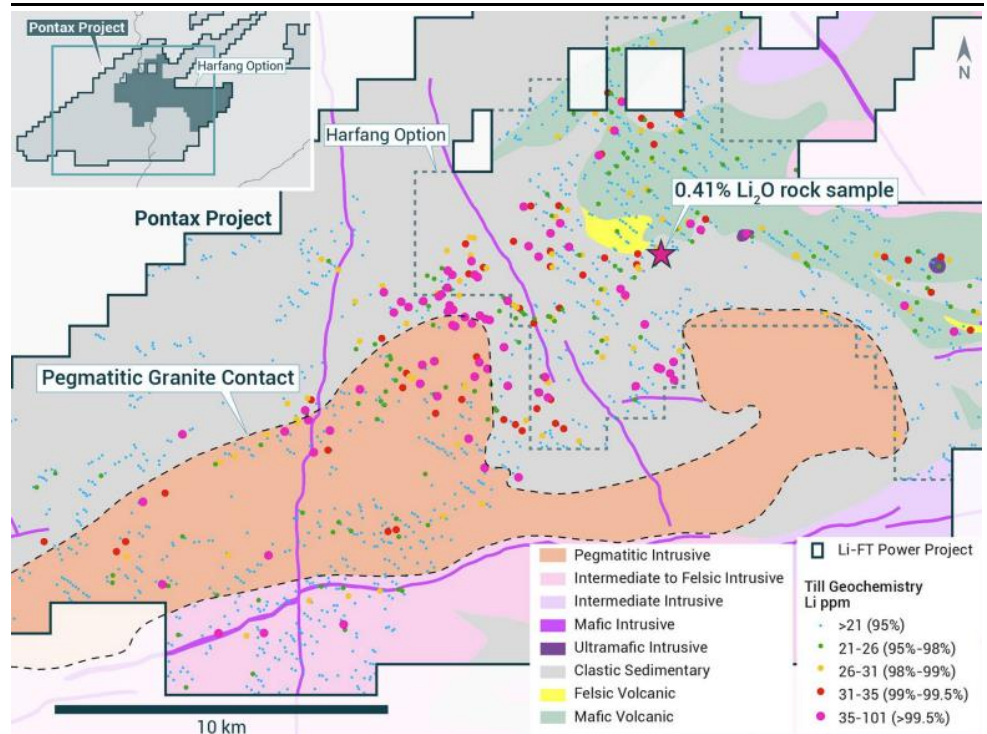
There is very little outcrop in the area and no historic exploration drilling. In 2022, LIFT completed 1,795 till geochemistry samples at Pontax and 66 grab samples which helped discover a lithium anomaly spanning 8km x 7.5km (the largest within the Quebec properties). Management believes this anomaly could be a sign of a lithium pegmatite district that is covered by extensive glacial sediments, but it is still early days and further surface work is required. Like Rupert, the anomalism is spatially associated with a granite.

Moyenne Project (100% option LIFT)

The Moyenne Project covers 25,145 hectares, making it the smallest of the Quebec land packages. It is also the most remote of the three, with a lack of road access making the project helicopter access only. Consistent with Pontax, there has been little previous exploration work.

In 2022, 850 till geochemistry samples were collected, but results produced more discreet and discontinuous anomalies than the Rupert and Pontax projects. A modest follow-up program is planned on areas with identified moderate to weak lithium and pathfinder element anomalies.

**Figure 23: Pontax lithium anomaly**



Source: Company Reports

**A management team with a strong track record**

LIFT’s management and board has a breadth of experience in mining, exploration, and capital markets.

CEO Francis MacDonald has over 15 years of experience in the mining industry as an exploration geologist and co-founder of Kenorland Minerals. Prior to Kenorland and Li-FT Power, Mr. MacDonald worked for Newmont Mining, where he focused on greenfield exploration in Canada and Africa. President Alex Langer has considerable experience in the capital markets industry having previously served as an investment advisor at Canaccord Genuity, as well as a Vice President at Millennial Lithium (acquired by Lithium Americas in 2022 for ~\$500 million) and CEO and President of Sierra Madre Gold and Silver. Director Iain Scarr also comes with lithium-specific experience having advanced three lithium projects in Argentina to Feasibility Study level before each being acquired (Pastos Grande, Sal de Vida and Rincon).

We provide a biography of each member of management and the board in [Appendix A](#). Management and insiders currently own ~5% of LIFT’s outstanding shares.

## Valuation overview

We derive our C\$13.00 per share target price based on an in-situ valuation of LIFT's potential resource and other corporate adjustments as at June 1, 2024

We value the Yellowknife property based on an in-situ valuation for our conceptual resource, extrapolated from historical test work completed to date. Our sum-of-parts valuation also includes a nominal value for LIFT's other projects (C\$50 million) and adjusts for corporate costs and current cash on hand. Further details are provided below.

### Conceptual resource estimate

Based on historical exploration work conducted on the Yellowknife pegmatites, we estimate a total conceptual resource of 51Mt grading 1.0% Li<sub>2</sub>O, containing 1.27Mt of lithium carbonate equivalent (LCE).

**Figure 24: Conceptual resource estimate**

Conceptual Resource		
Mapped Surface Area	126,221	m <sup>2</sup>
Depth	150	m
Volume	18,933,075	m <sup>3</sup>
Density (SG)	2.7	
Mass	51,119,303	m <sup>3</sup>
Grade	1.00%	Li <sub>2</sub> O
Contained Li <sub>2</sub> O	513,120	Li <sub>2</sub> O
	Mt	Li <sub>2</sub> O
<b>Conceptual Resource</b>	<b>51.12</b>	<b>1.00%</b>
		<b>Mt LCE</b>
		<b>1.27</b>

Source: Canaccord Genuity estimates

Our key assumptions are outlined below:

- Mapped surface area:** We estimate a mapped surface area of ~126,221m<sup>2</sup> based on detailed surface mapping completed by the previous owner CSEL on each individual pegmatite occurrence. In total, CSEL mapped ~171,000m<sup>2</sup>; we cut this estimate ~25% to be conservative and to consider variability in widths at depth. We present sensitivities to our base case LCE assumption in Figure 26.

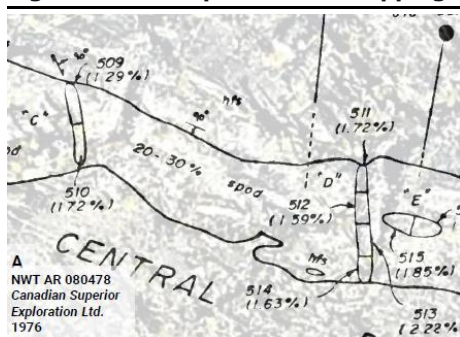
**Figure 26: LCE estimate sensitivity to change in mapped surface area**

	Δ Mapped Surface Area				
	50%	60%	75%	90%	100%
<b>Resource (Mt LCE)</b>	0.85	1.02	1.27	1.52	1.69
<b>Implied Target Price</b>	\$9.00	\$10.75	\$13.00	\$15.50	\$17.00
<b>Resource (% Δ)</b>	-33%	-20%	0%	20%	33%

Source: Canaccord Genuity estimates

- Depth:** Historical owners of the Yellowknife project had assumed a vertical depth of 500 feet (152 metres). While there has been limited drilling on the property, some of the previous holes confirmed continuity of dykes down to 150m. Li-FT plans to drill the same dykes down to a vertical depth of 300m for its initial 43-101 compliant resource, as management believes the resource extends beyond 150m (but has never been tested). Our conceptual resource is based on a depth of 150 metres, until drill results prove otherwise, to add additional conservative into our estimate.

**Figure 25: Example of CSEL mapping**



Source: CSEL 1975

- **Grade:** Our average Li<sub>2</sub>O grade assumptions are based on the historical exploration work completed. For each pegmatite, we then apply a 25% haircut, which has reduced the weighted average grade of all pegmatites combined to ~1.0% Li<sub>2</sub>O, from 1.36% Li<sub>2</sub>O. In our view, consistency of the lithium grade at depth is a key risk. We present a sensitivity matrix for different grade x depth assumptions in Figure 27.

**Figure 27: LCE estimate and target price sensitivity to depth and grade**

		Depth (metres)						
		Mt LCE	50	100	150	200	250	300
Grade Li <sub>2</sub> O %	0.70%	0.29	0.59	0.88	1.18	1.47	1.77	2.06
	0.80%	0.34	0.67	1.01	1.35	1.69	2.02	2.36
	0.90%	0.38	0.75	1.13	1.51	1.89	2.26	2.64
	1.00%	0.42	0.85	1.27	1.69	2.11	2.54	2.96
	1.10%	0.46	0.93	1.39	1.85	2.31	2.78	3.24
	1.20%	0.51	1.01	1.52	2.02	2.53	3.04	3.54
	1.30%	0.55	1.10	1.65	2.19	2.74	3.29	3.84
	1.40%	0.59	1.18	1.77	2.35	2.94	3.53	4.12

\*Assumes 75% of mapped surface area, SG 2.7

		Depth (metres)						
		Implied TP	50	100	150	200	250	300
Grade Li <sub>2</sub> O %	0.70%	\$3.75	\$6.50	\$9.50	\$12.00	\$15.00	\$17.75	\$20.50
	0.80%	\$4.25	\$7.50	\$10.60	\$13.75	\$17.00	\$20.25	\$23.50
	0.90%	\$4.50	\$8.25	\$11.75	\$15.25	\$19.00	\$22.50	\$26.00
	1.00%	\$5.00	\$9.00	\$13.00	\$17.00	\$21.00	\$25.00	\$29.00
	1.10%	\$5.50	\$9.75	\$14.25	\$18.50	\$23.00	\$27.50	\$31.75
	1.20%	\$5.75	\$10.50	\$15.50	\$20.25	\$25.00	\$30.00	\$34.75
	1.30%	\$6.25	\$11.50	\$16.75	\$21.75	\$27.00	\$32.25	\$37.50
	1.40%	\$6.50	\$12.00	\$17.75	\$23.25	\$29.00	\$34.50	\$40.00

Source: Canaccord Genuity estimates

- **Density (SG):** We estimate a specific gravity (SG) of 2.7 g/t based on density data of comparable Canadian hard rock projects (Rose, James Bay, Whabouchi, PAK Lithium, etc.).

A detailed summary of each pegmatite included in our conceptual resource estimate is provided in Figures 28 and 29.

**Figure 28: LIFT conceptual resource summary – Road Access Group**

Lithium Pegmatite	Length (m)	Average Width (m)	Mapped Surface Area (m <sup>2</sup> )	Avg Grade (Li <sub>2</sub> O %)	Historical Estimates	CG Estimates				CG Conceptual Resource		
					Historical Exploration Work*	Mapped Surface Area (m <sup>2</sup> )	Depth (m)	CGe Grade (Li <sub>2</sub> O %)	SG	Mt	Li <sub>2</sub> O %	Contained LCE (Mt)
Fi Main	1800	15	36,500	1.10%	<ul style="list-style-type: none"> <li>- Fi Main can be traced for ~1,800m at surface; it is a linear dyke which branches into multiple sections for ~900m.</li> <li>- The main dyke is semi-concordant striking north to north-east and dipping vertically.</li> <li>- In the central portion of the dyke, it achieves thicknesses up to 90ft (~27m), and branches into two nearly equal size bodies for a distance of ~1,400ft (~425m).</li> <li>- The mineralization comprises fine to coarse grained feldspar-quartz-muscovite with variable amounts of spodumene.</li> <li>- The northern portion of the dyke has lower spodumene content (5-10%) than the southern portion, which averages 15%.</li> </ul>	27,375	150	0.81%	2.7	11.09	0.81%	0.22
Fi Southwest	900	20	24,000	1.30%	<ul style="list-style-type: none"> <li>- Fi Southwest is a linear dyke which varies in width from 7-37m and is ~610m along strike.</li> <li>- It comprises 15-25% pale green spodumene as 3-6cm crystals, as well as microcline, muscovite, and secondary alteration consisting of a fine-grained, hematitic mixture of sericite and albite.</li> <li>- Multiple trenches were completed in 1975 and 1979 at Fi SW; the best sample returned 1.97% Li<sub>2</sub>O (0.31% - 1.97%, average 1.28%).</li> <li>- The best grades are in a central section along a length of 360m averaging ~25m wide; spodumene content averages 20% in this area.</li> </ul>	18,000	150	0.96%	2.7	7.29	0.96%	0.17
Ki	600	12	8,700	1.40%	<ul style="list-style-type: none"> <li>- Ki consists of two parallel, northwest striking spodumene-bearing pegmatite dykes.</li> <li>- The main dyke strikes north 35 degrees west. It dips 60-85 degrees southwest and is up to 18m wide in some areas, but averages 12m.</li> <li>- Spodumene crystals one inch to six inches comprise 20-25% of the dyke, with the remaining 75-80% consisting of microcline, quartz and muscovite.</li> <li>- In 1975, CSEL completed spodumene crystal counts which indicated 20% spodumene content, or ~1.40% Li<sub>2</sub>O.</li> <li>- Three diamond drill holes confirmed 1.0-2.0% Li<sub>2</sub>O grade over thicknesses comparable to that found on surface (1.36% and 1.81%).</li> </ul>	4,046	150	1.04%	2.7	1.64	1.04%	0.04
Hi (Shorty)	400	25	17,000	1.07%	<ul style="list-style-type: none"> <li>- Hi is northwest-trending, and is ~32m wide by 540m long at surface and a LCT type dyke; true thickness is estimated to be 22-25m.</li> <li>- There is a possible faulted section of the dyke extending an additional 240m north.</li> <li>- The northern portion maintains its thickness and grade with depth, it is also coarser grained and more spodumene enriched.</li> <li>- Spodumene is present as white to pale green crystals up to ~8cm long.</li> <li>- In 1986, a total of 116 continuous chip samples were taken that verified the grade of the initial CSEL resource estimate (1.24% Li<sub>2</sub>O).</li> </ul>	12,750	150	0.79%	2.7	5.16	0.79%	0.10
Big East	900	20	17,500	1.45%	<ul style="list-style-type: none"> <li>- Pegmatite dyke swarms over 150m width; 20m average width of dykes within 150m corridor.</li> <li>- General Lithium conducted a 1,707.5m drill program in 1955 on Big East + Big West.</li> <li>- Drill sections showed continuity of dykes to a depth of 150m and widths over 10m.</li> <li>- In 1975 and 1979, CSEL conducted a mapping and trench sampling program.</li> <li>- At Big East, 38 samples returned an average grade of 1.45% Li<sub>2</sub>O.</li> </ul>	13,125	150	1.07%	2.7	5.32	1.07%	0.14
Big West	1000	20	20,000	1.53%	<ul style="list-style-type: none"> <li>- See Big East above</li> <li>- At Big West 54 samples returned an average grade of 1.17% Li<sub>2</sub>O</li> </ul>	15,000	150	1.13%	2.7	6.08	1.13%	0.17
Nite	900	7	8,700	1.46%	<ul style="list-style-type: none"> <li>- Nite is a linear dyke comprised of 20-30% spodumene across an average 9m width.</li> <li>- The main part of the dyke strikes 35 degrees and dips 50-85 degrees SE.</li> <li>- The main dyke is paralleled by narrow, aplitic and pegmatitic dykes along much of its length, and at the southern end appears to finger out into narrow dykes covering 200m across.</li> <li>- Narrow dykes and narrower portions of wide dykes carry less spodumene, and aplitic border zones on the main dyke, which are 45cm wide, are spodumene-free.</li> <li>- Other than the border zones, spodumene is distributed evenly across the thickness of the dyke.</li> <li>- ~300m SW of the main dyke is a possible extension, measuring 240m long.</li> <li>- In 1975, CSEL completed a trenching program; chip samples averaged 1.58% Li<sub>2</sub>O (1.31% - 2.44%).</li> <li>- In 1978, CSEL drilled one hole into the main dyke which returned 9m at 1.83% Li<sub>2</sub>O.</li> </ul>	6,525	150	1.08%	2.7	2.64	1.08%	0.07
<b>Sub-total</b>			<b>132,400</b>	<b>1.29%</b>		<b>96,821</b>				<b>39.21</b>	<b>0.95%</b>	<b>0.92</b>

\* Historical exploration details taken from Company Reports in addition to the Northwest Territories Showing database (<https://app.nwtgeoscience.ca/Searching/ShowingsSearch.aspx>) and historic geologic maps produced by CSEL

Source: Northwest Territories Showing database, CSEL reports, Company Reports, Canaccord Genuity estimates



**Figure 29: LIFT conceptual resource summary – Further Afield Group**

Lithium Pegmatite	Length (m)	Average Width (m)	Mapped Surface Area (m <sup>2</sup> )	Avg Grade (Li <sub>2</sub> O %)	Historical Estimates	CG Estimates				CG Conceptual Resource		
					Historical Exploration Work*	Mapped Surface Area (m <sup>2</sup> )	Depth (m)	CGe Grade (Li <sub>2</sub> O %)	SG	Mt	Li <sub>2</sub> O %	Contained LCE (Mt)
Thor	600	300	26,000	1.59%	<ul style="list-style-type: none"> <li>- Thor is a complex dyke swarm; the visible surface area of spodumene pegmatites is ~25,000m<sup>2</sup></li> <li>- In 1955, North American Lithium took 74 pegmatite samples, average results ranged between 1.34% and 1.96% Li<sub>2</sub>O.</li> <li>- In 1958, a bulk sampling and a two hole drill program was completed. The holes returned 1.55% Li<sub>2</sub>O over 13m, and 1.17% over 7.6m (true widths). The met work determined that flotation could recover 80% of the contained Li and a concentrate grading 6% Li<sub>2</sub>O could be produced.</li> <li>- In 1975, CSEL mapped and re-sampled the pegmatites; 34 chip samples were collected with grades ranging from 0.89% to 3.70% Li<sub>2</sub>O.</li> </ul>	19,500	150	1.18%	2.7	7.90	1.18%	0.23
VO	NA	NA	9,000	1.48%	<ul style="list-style-type: none"> <li>- VO dyke swarm of seven individual dykes over an area of 1,300m by 500m.</li> <li>- The dykes all strike at 40° with a vertical dip.</li> <li>- Work done in the area included mapping and trenching of 7 major dykes; VO#5 had the best results with samples ranging between 0.51% and 2.14% Li<sub>2</sub>O.</li> <li>- The only diamond drilling done on the property was on the VO#5 dyke (results were weak).</li> </ul>	6,750	150	1.10%	2.7	2.73	1.10%	0.07
Bet	100	6	550	2.00%	<ul style="list-style-type: none"> <li>- Bet is a historic tantalum mine.</li> <li>- Spodumene crystals and blocks of amblygonite in the central core reach sizes of up to 2m and 1m long respectively.</li> <li>- Estimates of spodumene content range from 25% in the northern half of the pit to ~12.5% in the southern half.</li> <li>- In 1955, diamond drilling confirmed pegmatite over ~90m length and to depths of ~90m.</li> <li>- In 1975, three 10 pound samples of 100% spodumene were taken, the lithium contents ranged from 5.98% to 7.19% Li<sub>2</sub>O.</li> </ul>	413	150	1.48%	2.7	0.17	1.48%	0.01
Bin	125	12	1,300	1.75%	<ul style="list-style-type: none"> <li>- Bin strikes at ~60° and although an exact dip is not reported, it appears to be steep.</li> <li>- The dyke has been offset ~20m into two separate bodies.</li> <li>- CSEL conducted one chip sample and geological projection to a depth of 100ft.</li> <li>- The western segment contains &gt;25% spodumene.</li> <li>- The eastern segment appears to contain &lt;25% spodumene but otherwise is similar to the west.</li> </ul>	975	150	1.30%	2.7	0.39	1.30%	0.01
Hid	200	6	650	1.56%	<ul style="list-style-type: none"> <li>- Pegmatite on the lease consists of 3 main dykes that are closely grouped and aligned to strike on average 55° over a length of ~240m.</li> <li>- The dykes range in width from 3 to 6m at surface; the dip has not been determined.</li> <li>- The earliest work was carried out in 1975 and consisted of mapping and collection of two 5kg chip samples. The samples returned 1.35% and 1.76% Li<sub>2</sub>O.</li> <li>- Hid strikes at 70° and dips steeply to the north.</li> <li>- Spodumene constitutes 20-25% by volume.</li> </ul>	488	150	1.15%	2.7	0.20	1.15%	0.01
Lens	100	12	1,200	1.97%	<ul style="list-style-type: none"> <li>- Sub-vertically dipping dyke, spodumene crystals up to 50cm long</li> <li>- Lens strikes north-northwesterly with a vertical dip.</li> <li>- The pegmatite exposed on the claim is ~90m long and up to 18m wide.</li> <li>- Internal zoning is not well-developed. It appears to be the most spodumene-enriched pegmatite in the series, consisting of 25-30% green spodumene crystals, up to 0.5m long, that tend to be perpendicular to the trend of the dyke, and up to 40% secondary alteration products.</li> <li>- Old trenches were sampled and returned an average grade of 1.97% Li<sub>2</sub>O (1.80% - 2.07%).</li> </ul>	900	150	1.46%	2.7	0.36	1.46%	0.01
Mut	80	5	500	2.20%	<ul style="list-style-type: none"> <li>- CSEL conducted surface sampling and geological projection to a depth of 100ft.</li> <li>- Most of the pegmatite is homogeneous and contains 25-35% spodumene in evenly distributed green crystals up to 30cm in length. Spodumene content decreases where the dyke pinches out at near its ends.</li> <li>- Three samples taken by CSEL from old trenches averaged 2.21% Li<sub>2</sub>O (1.96% - 2.37%).</li> </ul>	375	150	1.63%	2.7	0.15	1.63%	0.01
<b>Sub-total</b>			<b>39,200</b>	<b>1.59%</b>		<b>29,400</b>				<b>11.91</b>	<b>1.18%</b>	<b>0.35</b>
<b>TOTAL</b>			<b>171,600</b>	<b>1.36%</b>		<b>126,221</b>				<b>51.12</b>	<b>1.00%</b>	<b>1.27</b>

\* Historical exploration details taken from Company Reports in addition to the Northwest Territories Showing database (<https://app.nwtgeoscience.ca/Searching/ShowingsSearch.aspx>) and historic geologic maps produced by CSEL

Source: Northwest Territories Showing database, CSEL reports, Company Reports, Canaccord Genuity estimates

### Target price calculation

Our 12-month target price of C\$13.00/sh is based on 1.0x our fully funded NAV. We apply an in-situ value of US\$300/t LCE to our conceptual resource, resulting in a total valuation of C\$513 million for the Yellowknife Project. For deposits >70Mt LCE, an in-situ value of ~US\$600/t LCE is typically applied; however, we have adjusted this lower to reflect the early stage nature of LIFT's deposit (pre-resource).

We have also allocated C\$50 million to LIFT's portfolio beyond the Yellowknife Project (Quebec + Cali) to account for potential future strategic value derived from these assets. We note that Li-FT had a market cap of ~\$180 million pre-Yellowknife acquisition, and therefore view our C\$50 million valuation as conservative.

Our SPEC BUY rating is based on the 47% implied return to our C\$13.00/sh target price and the early stage nature of LIFT's project.

**Figure 30: Target Net Asset Value breakdown - as at June 1, 2024**

	Disc. Rate	C\$ MMs	C\$/sh	%
Yellowknife Lithium Project - in situ		513	\$12.04	92%
LIFT's other projects		50	\$1.17	9%
Cash & Equivalents		11	\$0.26	2%
Future Equity Issuances		30	\$0.70	5%
Working Capital (ex. Cash and Debt)		-4	(\$0.08)	-1%
Total Debt		0	\$0.00	0%
Corporate SG&A	8.0%	-44	(\$1.03)	-8%
<b>Net Asset Value</b>		<b>556</b>	<b>\$13.07</b>	<b>100%</b>
<b>Net Asset Value per share</b>		<b>\$13.07</b>		

Share count as at June 1, 2024	39.2
Shares issued from equity raises	3.3
Fully diluted share count	42.6

Source: Canaccord Genuity estimates

As the Yellowknife Project accounts for 92% of our NAV calculation, and this valuation is largely driven by our selected in-situ price per tonne, we present our project-level NAV and target price sensitivity to our assumed in-situ value in Figure 31. We also acknowledge the fact that we have assigned little value to LIFT's other projects, but these could meaningfully add to our valuation as further work is completed and potential resources are defined.

**Figure 31: Yellowknife valuation sensitivity to in-situ LCE value**

	Δ LCE in situ valuation				
	\$100/t	\$200/t	\$300/t	\$400/t	\$500/t
<b>In-Situ Val. (C\$MMs)</b>	\$171	\$342	\$513	\$684	\$855
<b>Implied Target Price</b>	\$5.00	\$9.00	\$13.00	\$17.00	\$21.00
<b>Valuation (% Δ)</b>	-67%	-33%	0%	33%	67%

Source: Canaccord Genuity estimates

From a relative valuation perspective, LIFT currently trades at 0.67x NAV, relatively in line with peers. While we believe our "base case" valuation represents a realistic possible outcome for LIFT, we stress that this valuation is conceptual and involves multiple estimates, many of which could deviate from outcomes going forward.

**Figure 32: CG global lithium developer comps**

Coverage Universe	Ticker	Price 2023-05-04	Market Capitalization	Enterprise Value	Rating	Target Price	Return to Target	P/NAV	Primary Project(s)	Type(s)	Locations(s)	Analyst
Argosy Minerals Ltd.	AGY-ASX	A\$0.45	A\$625	US\$345	Spec. Buy	A\$0.85	91%	0.52	Rincon	Brine	Argentina	TH
Atlantic Lithium Ltd.	ALLA-LON	£0.31	£186	US\$214	Spec. Buy	90p	194%	0.35	Ewoyaa	Hard Rock	Ghana	AB
CleanTech Lithium Plc	CTL-LON	£0.40	£43	NA	Spec. Buy	295p	638%	0.14	Laguna Verde, Francisco Basin	Brine	Chile	AB
Critical Elements Lithium Corp.	CRE-TSX	C\$2.10	C\$457	US\$303	Spec. Buy	C\$5.00	138%	0.46	Rose Lithium-Tantalum	Hard Rock	Quebec, Canada	KL
Delta Lithium Ltd.	DLI-ASX	A\$0.46	A\$205	US\$62	Spec. Buy	A\$1.25	172%	0.37	Mt. Ida Project	Hard Rock	West Australia	PH
Frontier Lithium Inc.	FL-TSX	C\$1.92	C\$430	US\$288	Spec. Buy	C\$4.50	134%	0.45	PAK	Hard Rock	Ontario, Canada	KL
Galan Lithium Ltd.	GLN-ASX	A\$1.02	A\$313	US\$176	Spec. Buy	A\$3.30	224%	0.30	Hombre Muerto West	Brine	Argentina	RS
Global Lithium Resources Ltd.	GL1-ASX	A\$1.47	A\$378	US\$157	Spec. Buy	A\$2.80	90%	0.53	Marble Bar, Manna Lithium	Hard Rock	West Australia	TH
Green Technology Metals Ltd.	GT1-ASX	A\$0.60	A\$152	US\$82	Spec. Buy	A\$1.85	208%	0.32	Seymour, Root	Hard Rock	Ontario, Canada	TH
Ioneer Ltd.	INR-ASX	A\$0.35	A\$724	US\$393	Spec. Buy	A\$0.50	45%	0.72	Rhyolite Ridge	Hard Rock	Nevada, USA	TH
Kodal Minerals Plc	KOD-LON	£0.008	£131	US\$155	Spec. Buy	1.5p	95%	0.51	Bougouni	Hard Rock	Mali	AB
Lake Resources N.L.	LKE-ASX	A\$0.50	A\$711	US\$357	Spec. Buy	A\$0.95	90%	0.54	Kachi	Brine	Argentina	RS
Latin Resources Ltd.	LR5-ASX	A\$0.14	A\$341	US\$153	Restricted	R	NA	R	Salinas	Hard Rock	Brazil	RS
Leo Lithium Ltd.	LLL-ASX	A\$6.77	A\$677	US\$331	Spec. Buy	A\$2.20	289%	0.25	Goulamina	Hard Rock	Mali	RS
Li-FT Power Ltd.	LIFT-CSE	C\$8.85	C\$347	US\$218	Spec. Buy	C\$13.00	47%	0.67	Yellowknife, Rupert, Pontax	Hard Rock	NWT & Quebec, Canada	KL
Liontown Resources Ltd.	LTR-ASX	A\$2.85	A\$6,271	US\$3,769	Spec. Buy	A\$2.80	-2%	1.63	Kathleen Valley	Hard Rock	West Australia	KL
Lithium Americas Corp.	LAC-TSX	C\$25.37	C\$4,047	US\$2,349	Spec. Buy	C\$55.00	117%	0.42	Cauchari-Olaroz, Thacker Pass	Brine, Clay	Argentina, Nevada	RS
Lithium Power International Ltd.	LPI-ASX	A\$0.31	A\$195	US\$67	Spec. Buy	A\$1.50	384%	0.20	Maricunga	Brine	Chile	RS
Lithium Royalty Corp.	LIRC-TSX	C\$15.00	C\$371	US\$578	Buy	C\$23.50	57%	0.77	Royalty Company	Various	Various	KL
Patriot Battery Metals Inc.	PMET-TSX	C\$12.43	C\$1,142	US\$826	Spec. Buy	C\$16.75	35%	0.79	Corvette	Hard Rock	Quebec, Canada	KL/RS
Piedmont Lithium Ltd.	PLL-ASX	A\$0.78	A\$1,477	US\$810	Spec. Buy	A\$2.15	176%	0.38	Piedmont	Hard Rock	North Carolina, USA	RS
Prospect Resources Ltd.	PSC-ASX	A\$0.14	A\$65	US\$23	Spec. Buy	A\$0.16	14%	0.88	Arcadia	Hard Rock	Zimbabwe	TH
Rock Tech Lithium Inc.	RCK-TSX	C\$2.24	C\$257	US\$103	Hold	C\$2.50	12%	0.94	Georgia Lake	Hard Rock	Ontario, Canada	KL
Sayona Mining Ltd.	SYA-ASX	A\$0.20	A\$1,794	US\$1,153	Spec. Buy	A\$0.31	53%	0.66	NAL, Authier	Hard Rock	Quebec, Canada	RS
Sigma Lithium Corp.	SGML-TSX	C\$46.67	C\$4,830	US\$3,398	Buy	C\$75.00	61%	0.88	Grota do Cirilo	Hard Rock	Brazil	KL
Standard Lithium Ltd.	SLI-TSX	C\$4.25	C\$708	US\$442	Spec. Buy	C\$9.00	112%	0.51	Lanxess Project	Brine	Arkansas, USA	KL
Vulcan Energy Resources Ltd.	VUL-ASX	A\$5.15	A\$739	US\$449	Restricted	R	NA	R	Zero Carbon Lithium Project	Brine	Germany	TH
<b>Lithium Developers Average</b>								<b>0.57</b>				

Source: Factset, Company Reports, Canaccord Genuity estimates

### Key risks to our estimates

Key risks to our estimates include exploration, financing, permitting, operations, and commodity price sensitivity.

#### Exploration risks

Exploration is subject to a number of risks and can require a high rate of capital expenditure. Risks can also be associated with the conversion of inferred resources and lack of accuracy in the interpretation of geochemical, geophysical, drilling, and other data. No assurances can be given that exploration will delineate mineral resources or that the company will be able to convert the current mineral resource into minable reserves.

#### Financing risks

As a pre-production company with no material income, LIFT is reliant on equity and debt capital markets to fund ongoing exploration of its assets and continuing business development activities. There is no guarantee that LIFT will be able to access capital markets should there be changes in market sentiment and/or pricing.

#### Permitting risks

Our estimates and valuation assume the successful receipt of permits for the company's projects; however, there is no guarantee that this will be the case, or that permits will be received within assumed timelines. For now, LIFT's exploration permits are all in good standing with support for local First Nations.

#### Operating risks

If and when in production, the company will be subject to risks such as plant/equipment breakdowns, metallurgical (meeting design recoveries within a complex flowsheet), materials handling, and other technical issues. An increase in operating costs could reduce the profitability and free cash generation from the operating assets considerably and negatively impact valuation. Further, the actual characteristics of an ore deposit may differ significantly from initial interpretations, which can also materially impact forecast production from original expectations.

#### Commodity price and currency fluctuations

As with any mining company, LIFT is directly exposed to commodity price and currency fluctuations. Commodity price fluctuations are driven by many

macroeconomic forces, including inflationary pressures, interest rates and supply and demand factors. These factors could reduce the profitability, costing and prospective outlook for the business.

**Upcoming potential catalysts**

- Exploration results from drilling at Rupert – mid-2023
- Exploration results from drilling at Yellowknife – H2 2023
- Metallurgical results from Yellowknife – H2 2023
- Yellowknife maiden mineral resource estimate – 2024 target
- Yellowknife PEA – 2024 target

## Company overview

**Figure 33: LIFT logo**



Source: Company Reports

Li-FT Power is a lithium exploration company focused on the development of two highly prospective properties in Canada: the Yellowknife Lithium Project in the Northwest Territories, and the Rupert, Pontax, and Moyenne Projects in Quebec. The company also owns the Cali Project, located in the Northwest Territories.

### Capital markets profile

Li-FT Power Ltd. is incorporated in Canada, with its corporate office in Vancouver, British Columbia. Its common shares are listed on the CSE (as of June 27, 2022) under the ticker 'LIFT' and the Frankfurt Stock Exchange under 'WS0'.

The company currently has ~39 million common shares outstanding and 0.575 million options (exercise price C\$10.00). Since May 1, 2022, an average of ~53,000 shares have been traded daily. LIFT's growth to date has been funded in part by capital market transactions. We present an overview of the company's transactions in Figure 34 below.

**Figure 34: Capital markets transactions**

Close Date	Description	Amt Raised (C\$MMs)	Currency	Deal Type	Security Type	Offer Price
03 Nov '22	WSO Private Placement Offering	7.00	CAD	Equity	Shares	16.34
23 Mar '23	WSO Private Placement Offering	35.00	CAD	Equity	Shares	13.45

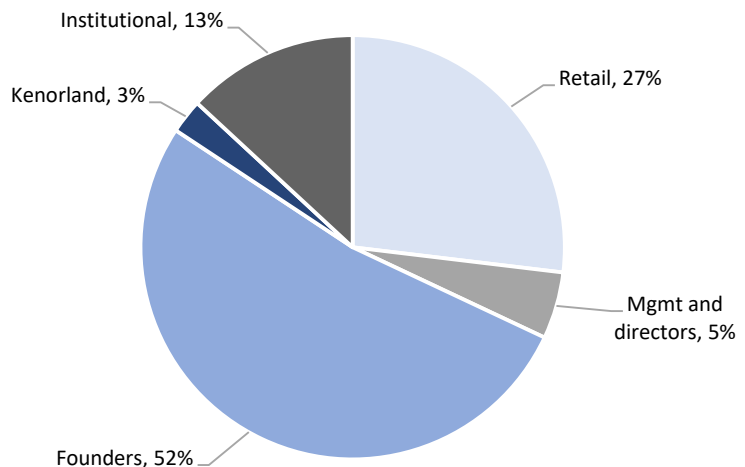
Source: Factset, Company Reports, Canaccord Genuity

### Financial position and financing assumptions

LIFT currently has ~C\$49 million in cash on hand. At the end of February (last reported quarter end), LIFT had ~C\$15 million in cash on its balance sheet, including the ~\$11.7 million in cash the company acquired through its acquisition of the previous private owner of the Yellowknife mineral leases. Subsequent to quarter end, LIFT completed a C\$35 million flow-through private placement (at C\$13.45/sh), net of costs and other minor corporate expenses we project a cash balance of C\$47 million at May quarter end.

In our view, this is sufficient for the planned drill programs in both Yellowknife and Quebec. We model ~C\$30 million in spend before year-end. To shore up the company's balance sheet and continue drilling, we would not be surprised to see LIFT raise equity in 2024 (will depend on the cost and scale of the next program).

**Figure 35: Capital structure**



Source: Company Reports, Factset

## Portfolio overview

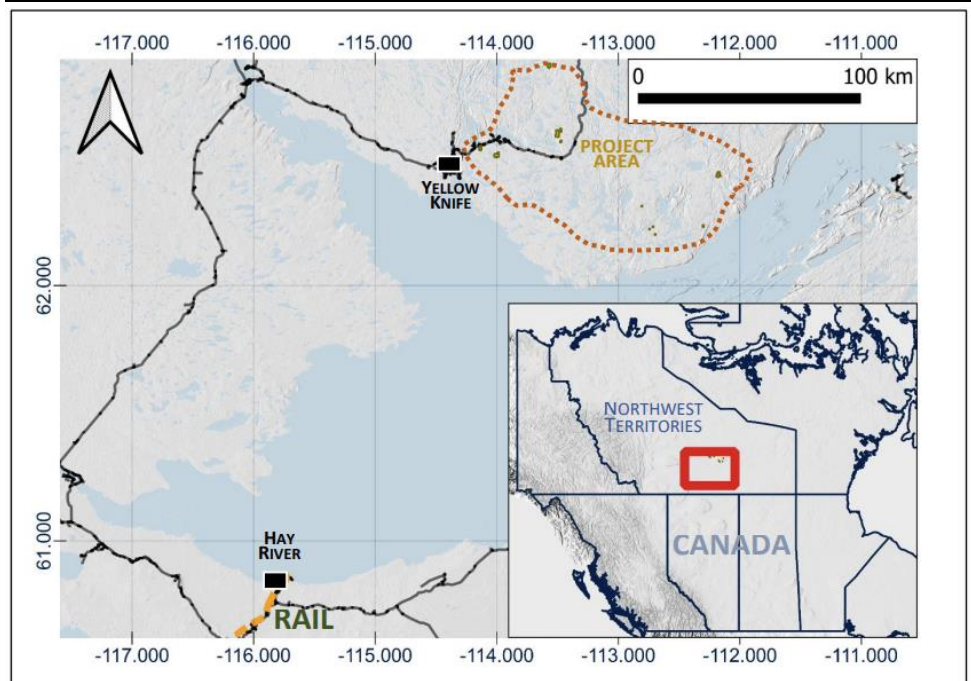
We provide a brief overview of each of Li-FT Power’s major assets below.

### Yellowknife Project

*The Yellowknife Project is LIFT’s 100% owned flagship project in the Northwest Territories*

The 100%-owned Yellowknife Project is located east of the city of Yellowknife, the capital of the Northwest Territories. The property comprises 13 non-contiguous mineral leases that cover a total area of ~1,500 hectares and host a series of spodumene-rich pegmatitic dykes. To date, 13 different lithium pegmatite systems have been identified, many of which are exposed at surface.

**Figure 36: Yellowknife Project location map**



Source: Company Reports

### Project history

Lithium mineralization was first discovered in the project area in the 1940s and exploration was conducted periodically over the next several decades. In the 1970s, an extensive exploration program was completed by the exploration arm of Superior Oil (CSEL) which included systemic mapping, spodumene crystal counts, blasting-trenching, channel sampling, and some diamond drilling (~3,450m). The outcome of the program was a ballpark mineral resource estimate for the YPP of 49Mt grading 1.40% Li<sub>2</sub>O (Figure 37).

The historical resource estimate was based on a vertical depth of 500 feet (~150m) for each pegmatite. LIFT will look to confirm this depth, and hopefully extend down to ~300m with its planned diamond drill program. This historical resource estimate helped inform our valuation for LIFT, but is currently not compliant with NI 43-101 guidelines, and is therefore higher risk and hypothetical in nature.

**Figure 37: Excerpt from Raymond Lasmanis' report summarizing CSEL work**

**LITHIUM RESOURCES IN THE YELLOWKNIFE AREA,  
NORTHWEST TERRITORIES, CANADA**

**RAYMOND LASMANIS**

Canadian Superior Exploration Limited, 2201-1177 West Hastings Street, Vancouver, B.C., V6E 2K3, Canada

(Received 20 October 1977)

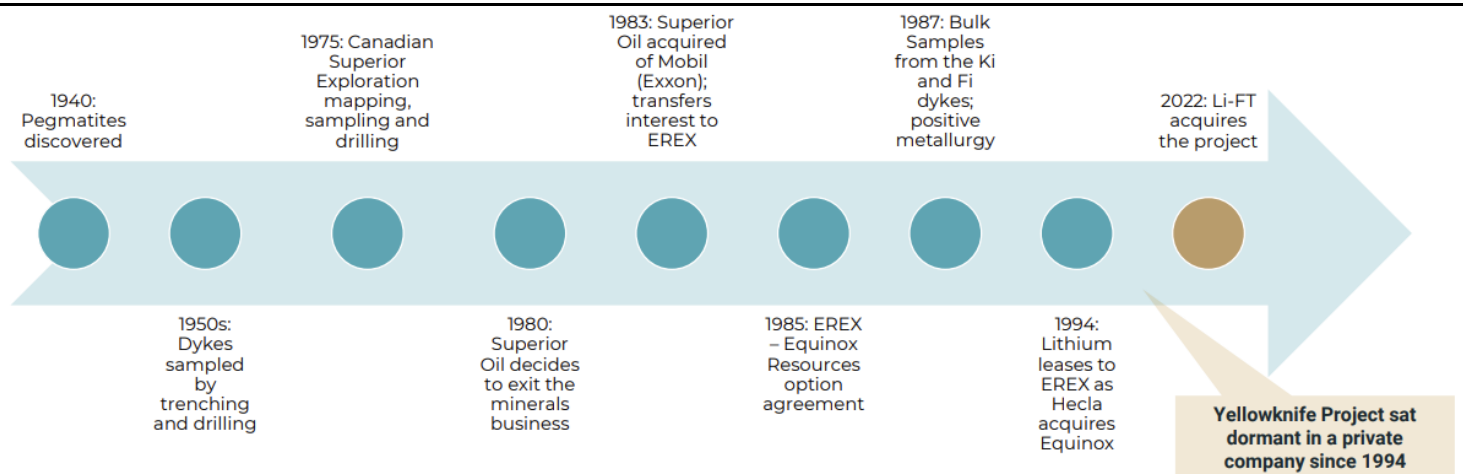
**Abstract**—Lithium resources of the Yellowknife area are well documented in the published literature and in the records on file with the Mineral Resources Division, Canadian Department of Energy, Mines and Resources, Ottawa. The significant deposits occur as steeply dipping tabular, unzoned pegmatite dikes of Pre-Cambrian age dated at 2200 million years. The principal lithium mineral is spodumene. The numerous pegmatites are localized in metamorphic aureoles of knotted schists associated with granitic intrusions. Detailed mapping and surface sampling of fourteen properties within the district has demonstrated the presence of 49,000,000 tons of rock to a depth of 152 m (500 ft) having an average grade of 1.40% Li<sub>2</sub>O. These resources could be developed if and when market conditions place a strain on available supplies. Numerous other smaller or lower grade pegmatites exist throughout the district.

Source: Company Reports

In the 1980s, Superior Oil divested its mineral properties and the Yellowknife claims were transferred to a private owner. The private owner then optioned the claims to Equinox Resources Ltd. in 1985. Equinox completed bulk sampling on both the Fi and Ki pegmatites as well as preliminary metallurgical work, the results of which was positive (results detailed below). When Equinox was acquired by Hecla Mining, the Yellowknife project leases transferred back to the private owner and the property lay dormant for nearly 30 years. For a number of years, the private owner was hesitant to sell the project, despite significant interest from multiple parties.

LIFT was finally successful in acquiring the project mineral leases on December 30, 2022, through an all-share amalgamation of LIFT and the previous owner, 1361516 B.C. Ltd, a private company. On closing, LIFT issued 18 million LIFT shares, at a deemed price of \$8.59 per share.

**Figure 38: Yellowknife project history**



Source: Company Reports

Geology and mineralization

The YPP pegmatites are hosted in metasediments of the Archean age Burwash Formation. At least four generations of deformation have occurred at the Burwash Formation resulting in an isoclinally folded and sheared package of rocks.

The source of the pegmatites is not known; however, it is suggested to be a deep-seated magma chamber that has yet to be identified. The pegmatites typically cross-cut foliation in the metasediments. However, in some other cases the pegmatites appear to make use of fan cleavage in tight folds (e.g., Hi) or appear to be emplaced in dilatational openings related to right lateral shear (e.g., Fi and Thor).

The pegmatites consist of coarse bluish-grey albite, salmon-coloured K-feldspar, pale greenish spodumene, quartz and muscovite as seen in Figures 39 and 40. The lithium mineralization occurs as spodumene, which forms a significant amount of the rock by volume (15% to more than 30%) with lesser amblygonite. There also appears to be regional scale mineralogical zoning with simple pegmatites clustering in the northwest, and more complex LCT (lithium, cesium, and tantalum enriched) pegmatites clustering in the southeast.

**Figure 39: Visible spodumene crystals – Fi SW**



Source: Canaccord Genuity

**Figure 40: Visible spodumene crystals - Nite**



Source: Canaccord Genuity

Historical metallurgical test work

Equinox Resources completed an ~1 tonne bulk sample in 1987. Six 230kg samples were collected from various locations across the Fi and Ki pegmatites. The test results demonstrated that a spodumene concentrate between 5-6% Li<sub>2</sub>O could be produced from the deposit using gravity concentration and floatation, with favourable recovery rates of 80% and low iron content of 0.7% in concentrate. No Dense Media Separation test work has been completed to date, but LIFT also plans to evaluate this processing method given its advantages (cheaper, quicker to market, no reagent use, etc.). From the final spodumene concentrate product, Equinox was also successful in producing a lithium carbonate using a conventional roast and acid leach process.



Infrastructure

As detailed in our [Investment Highlights](#), the Yellowknife Project has excellent access to infrastructure that we believe could help simplify and accelerate project development including nearby all-season roads, water, power, port, and rail access.

Permitting

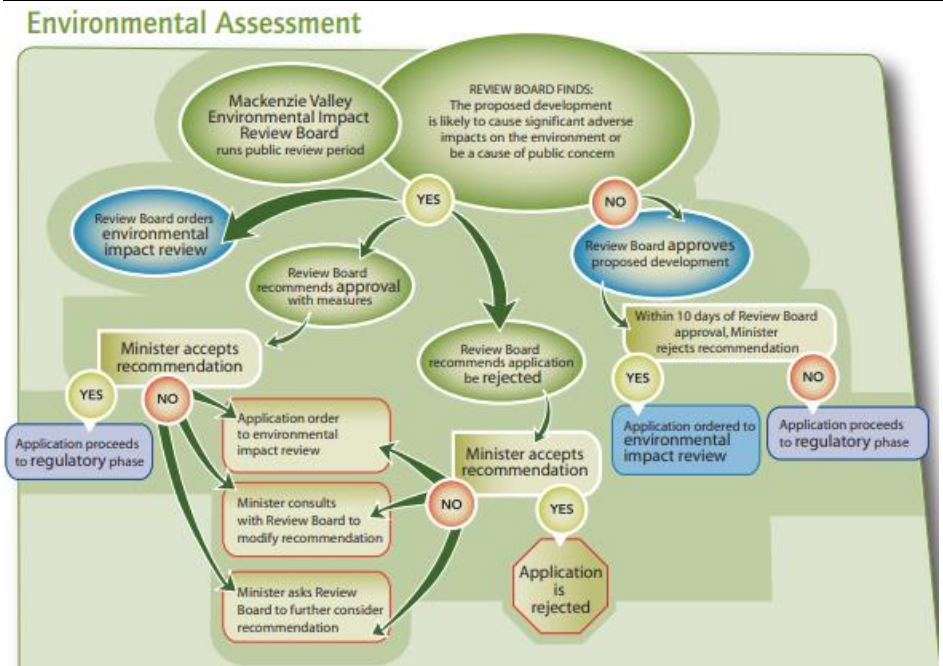
The project is located within the traditional territory of the Akaitcho, Tlicho, Yellowknives Dene First Nations, as well as Northwest Territories Metis First Nation and the North Slave Metis Alliance. LIFT has already commenced engagement with the local First Nations as well as other key stakeholders.

On April 19, 2023, LIFT announced the signing of an MOU with the Yellowknives Dene First Nations. This agreement allows exploration drilling to commence on June 1, 2023, and in our view, demonstrates that LIFT is committed to developing a positive and mutually beneficial relationship with nearby First Nations. Going forward, LIFT will need to maintain this relationship, in addition to community support, to be able to proceed with project development. Management continues to collaborate with the community towards the signing of a definitive engagement agreement, which we anticipate will be finalized in the coming months.

As the project is located in the Mackenzie Valley region of the Northwest Territories, LIFT will be required to conduct an Environmental Assessment (EA) with the Mackenzie Valley Review Board. The process commences through preparation of applications for standard land use permits, water licenses, mining permits, etc., after which the company must undergo preliminary planning and assessments to establish potential impacts of the project. Preliminary screening to determine if a full EA is required will also be completed by regulators like land and water boards, local governments, etc. If the review board concludes a full EA is required, the process then consists of multiple steps, including scoping, analysis, public hearings, and the final decision phase.

In the event the review board determines the project will cause significant adverse impacts, the company could be ordered to conduct an Environmental Impact Review (EIR). An EIR is a more stringent review process conducted by an independent review panel.

**Figure 41: Environmental Assessment process in the Northwest Territories**



Source: Mackenzie Valley Review Board

Following the completion of an EA or EIR, the territorial government requires the development of a socio-economic agreement (SEA), which will set out LIFT's commitment to local communities. Key factors addressed in an SEA include employment and business opportunities, cultural well-being and traditional economy, community, family, and individual well-being, net effects on government, and sustainable development. Implementation of these kinds of agreements is overseen by the government and subsequently monitored for effectiveness and relative impact over the life of the project. There are currently several SEAs in place in the territory, covering all major mines currently in operation or development.

The EA process is an overarching process, intended to also address land and water regulation and permitting, land use planning, land ownership and access, and wildlife and renewable resource management. As such, LIFT will also be required to submit applications for either a Type A or Type B Land Use Permit, as well as water license applications, with the Mackenzie Valley Land and Water Board.

Royalties

The Yellowknife Project is subject to two royalties: (1) a 2% net profits royalty and (2) an overriding 2% gross production royalty.

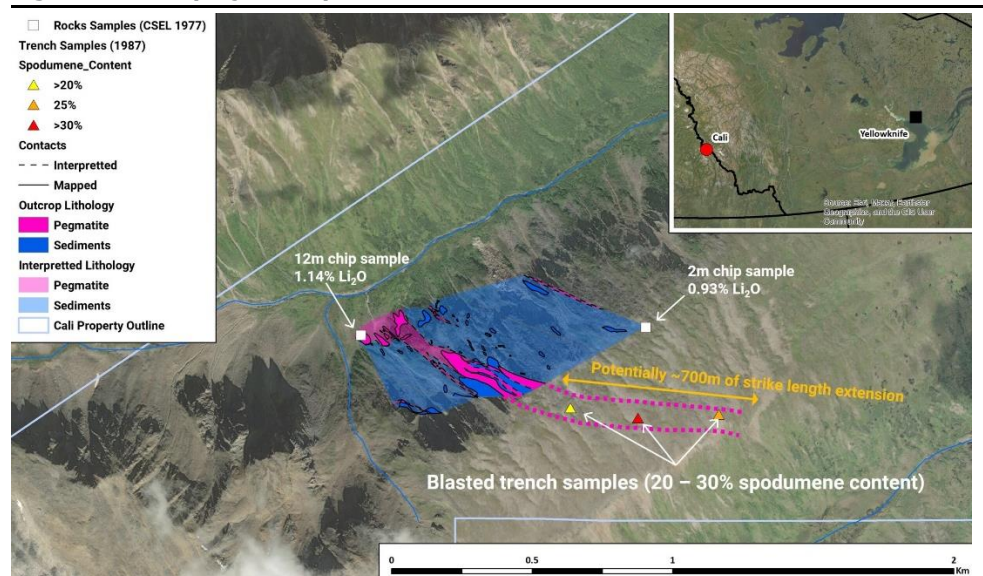
Our estimates

We value the Yellowknife Project based on our conceptual resource estimate as detailed in the [Valuation overview](#) section.

**Cali Project**

The 100%-owned Cali Project is located on the Northwest Territories-Yukon border in the Little Nahanni Pegmatite Field within the MacKenzie mountains. LIFT acquired Cali in tandem with the Yellowknife Project via its amalgamation with previous owner 1361516 B.C. Ltd. In addition to the land acquired via amalgamation, LIFT has also staked four additional mineral claims that adjoin the Cali lease, bringing the total project area to ~2,300 hectares.

**Figure 42: Cali project map location**



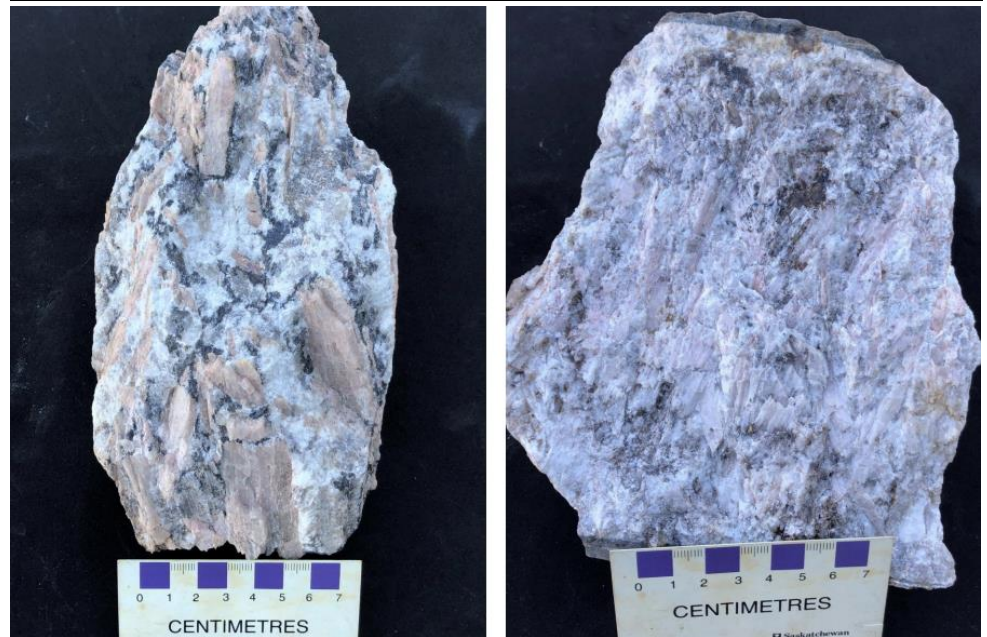
Source: Company Reports

Project history

Cali was staked on behalf of CSEL in 1977 and was acquired by the previous owner during the broader Yellowknife portfolio acquisition in 1983. Rock samples from the

project were collected and archived in the 1980s (Figure 43) and trenching was completed in 1987.

**Figure 43: Rock samples from the Cali project**



Source: Company Reports

#### Geology and mineralization

The Little Nahanni Pegmatite Field has been noted to have greater than 275 complex rare element pegmatites over an area of 13km by 2.5km. Typical dykes in this region are generally a maximum of ~8m wide and up to several kilometres along strike. Spodumene appears to be the primary lithium ore mineral in the pegmatite dykes in this region, with lithium micas representing the second most common lithium-bearing mineral.

At Cali, exploration work conducted by CSEL described a spodumene pegmatite that outcropped >500m of strike and up to 60m wide with a vertical extent of 300m. Further work, completed in 1987, suggested that the pegmatite may continue another ~700m to the east. Pegmatite samples collected from Cali show 10-30% spodumene content, being most frequently observed around 20%, with crystal sizes ranging from 1 inch to 1 foot in length, and from fractions of an inch to 3 inches in width.

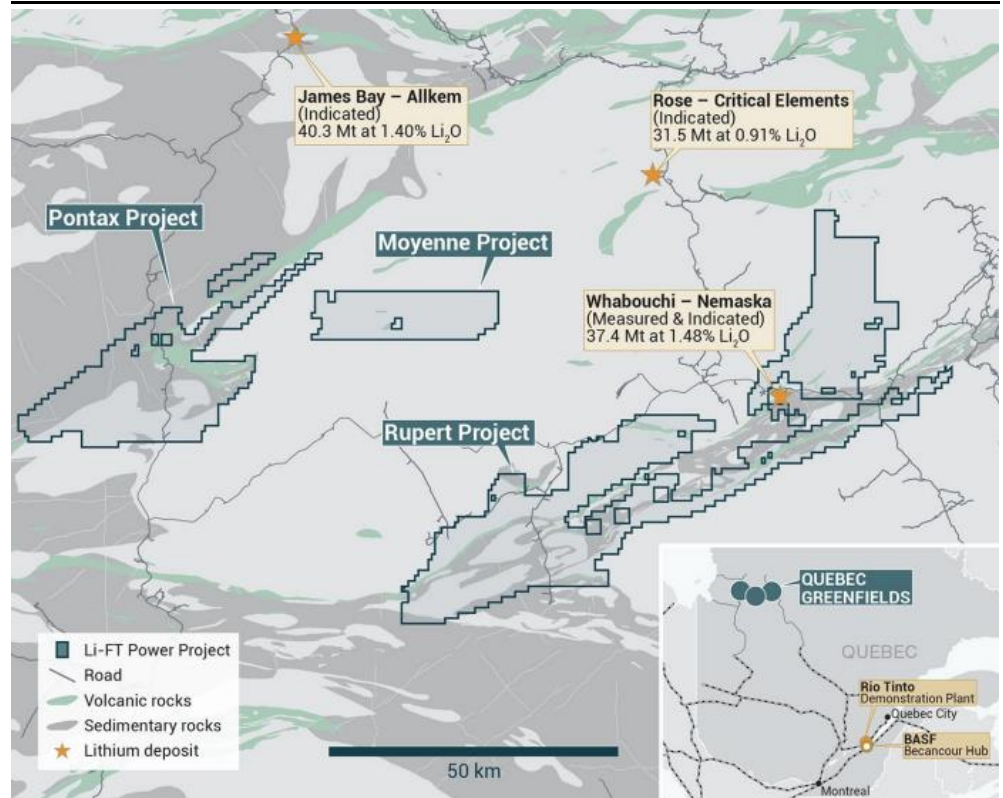
#### Our estimates

We view Cali as a longer-term priority for LIFT and therefore only ascribe a nominal value for potential future exploration upside. Management has yet to visit the property.

#### **Quebec Greenfield Projects**

The Quebec projects are located in the James Bay region of Quebec, Canada, adjacent to several established lithium development projects, including Nemaska's Whabouchi, Critical Elements' Rose, and Allkem's James Bay (Figure 44).

**Figure 44: Quebec projects location**



Source: Company Reports

Permitting

Consistent with other mining operations in Quebec, LIFT will be required to obtain a government-issued environmental decree, which will authorize the construction of the mine. LIFT will also be required to complete an Environmental Impact Statement to be assessed by the Canadian Environmental Assessment Agency. Given the early stage of development for the projects, it is still unknown if federal permitting will be required as this is dependent on the anticipated scale of production.

The Rupert, Pontax, and Moyenne projects are all located on Category III land, on the Traditional Lands of the Cree Nation of Eastmain, as well as portions of Category II land. Active engagement with the Cree Nation of Eastmain and the Cree Nation government will be crucial to the advancement of the Quebec projects. As established by the company’s many peers in the region, it is likely LIFT will pursue the signing of an Impact and Benefit Agreement with these parties in order to ensure the development of socially and environmentally acceptable projects.

Our estimates

Given the early stage nature of the projects, we currently ascribe only a nominal value to future exploration upside (C\$50 million).

**Rupert Project**

The Rupert project is located in the James Bay region of Quebec, Canada and totals ~142,000 hectares. Rupert is along strike from the Whabouchi deposit.

Project history

The Rupert property (formerly referred to as the 'Whabouchi Trend') was first discovered in 1962 by the Quebec Bureau of Mines. Canadian Nickel Co. completed three drill holes on the mineral claims in 1963, two in the southwest and one in the

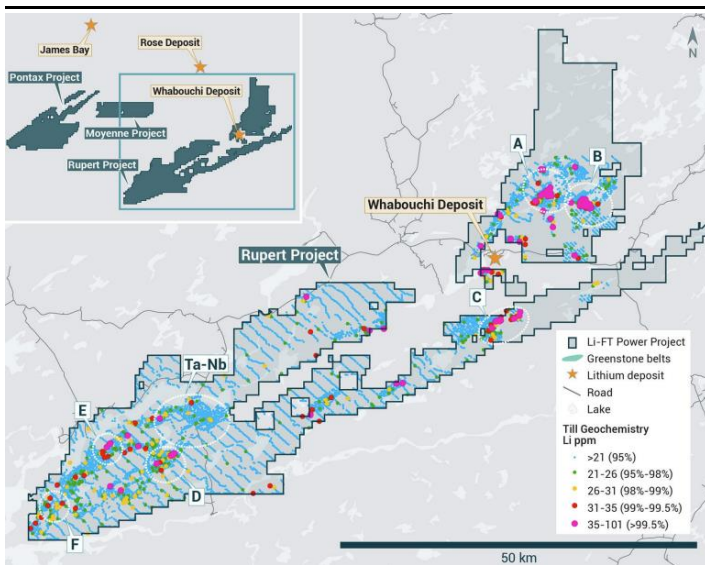
central part of the claim. No significant mineralization was intersected. After this initial exploration, little work was done on the property until the 2000s. The area was revisited in 2009, when Nemaska Lithium acquired and began to develop the Whabouchi project adjacent to the current Rupert Project boundaries.

Various geological, geochemical, and geophysical surveys have been conducted by the government on the area since the 1960s. Historically, no geochemistry sampling and a total of 10 diamond drill holes have been conducted on the project area.

Geology and mineralization

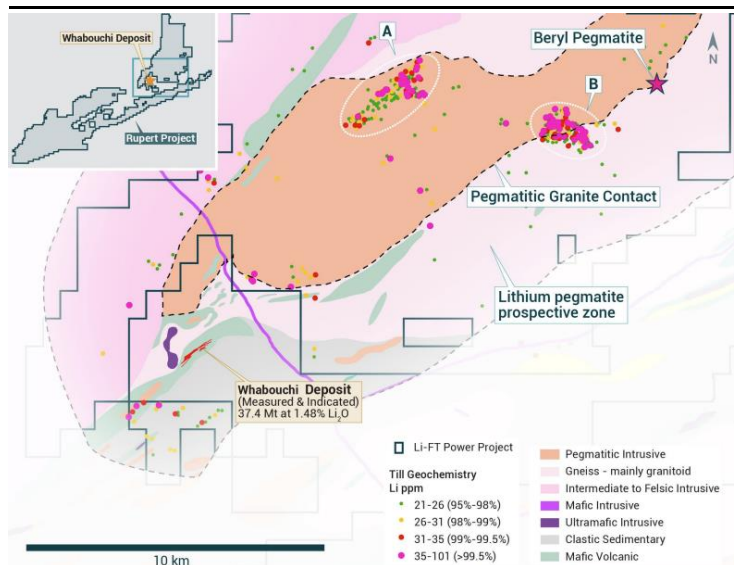
Following acquisition by LIFT, extensive sampling was conducted over the course of 2021 and 2022, resulting in 8,386 till geochemistry samples covering the entirety of the Rupert project area. This sampling has identified seven target areas for follow-up exploration, with Anomalies A & B the most advanced (Figures 45 and 46).

**Figure 45: Rupert till geochemistry sampling**



Source: Company Reports

**Figure 46: Anomalies A and B**



Source: Company Reports

Anomalies A and B are located ~10-15km northeast of the Whabouchi deposit and are both on the edge of a pegmatitic granite, consistent with features of Whabouchi. In addition to the details provided in our investment thesis:

- Anomaly A is estimated to be ~3,300m long and 500-1,000m wide and indicates a northeast trending pegmatite given that it appears to elongate in the northeast-southeast direction.
- Anomaly B is estimated to be ~1,800m long and ~1,300m wide and indicates a northwest trending pegmatite given its rectangular shape. Management believes that, given the size of both Anomalies A and B compared to Whabouchi, there is considerable potential for discoveries consistent with existing deposits in the region.
- Anomaly C is located ~9km south of Whabouchi. There are two geochemical anomalies, both which are estimated to be ~1,600m in length and 500-600m in width. This anomaly still requires more exploration work to properly understand and target.
- Anomalies D, E, and F are located in the SW portion of the property, farthest from Whabouchi. They demonstrate smaller geochemical footprints than Anomalies A, B, and C. Additional work will need to be completed on these targets to determine if there are viable drill targets in the area.

To follow up on the work conducted to date, management commenced diamond drilling at Anomalies A and B during March 2023, with plans to complete a total of

17 holes over 5,000m. Further surface work will also be completed across the rest of the Rupert land package to continue to advance other targets towards future diamond drilling planned for 2024.

#### Infrastructure

The project is road accessible and should benefit from growing access to infrastructure in the region thanks to the number of developing projects nearby.

#### Royalties

Two portions of the mineral claims that comprise the Rupert Project (the 'James Bay Property' and the 'Rupert Property' are subject to royalties as part of the option agreements signed to acquire them. The James Bay option consists of \$100,000 in cash payments and a 2.0% NSR. The Rupert option consists of \$200,000 in cash payments and a 2.0% NSR.

### **Pontax Project**

The Pontax Project covers a total of 61,520ha of land and is located the farthest east of the three Quebec land packages. The company entered into an option agreement on July 20, 2022, to acquire a 70% interest in the Pontax mineral claims. In total, LIFT will be required to pay the counterparty \$150,000 and incur a total of \$5 million in expenditures on the property in order to fully exercise this option.

#### Project history

Various geological, geochemical, and geophysical surveys have been conducted by the government on the area since the 1960s. Historically, no geochemistry sampling or diamond drilling had been completed at Pontax prior to LIFT's acquisition of the property.

#### Geology and mineralization

Over the course of 2022, the company executed a total of 2,645 geochemistry samples at both Pontax and the Moyenne Project. Preliminary exploration work completed on the property has identified a large lithium anomaly which is considered the largest of the anomalies within the Quebec project portfolio and warrants follow-up.

#### Infrastructure

The project has easily accessible with an existing highway located through the centre of the property.

#### Royalties

Once LIFT has fully exercised its option to acquire 70% ownership, the counterparty may elect to convert its remaining 30% ownership into a 2.5% NSR on the project.

### **Moyenne Project**

The Moyenne Project (also called the Lac Des Montagnes Project) is 25,145 hectares of land in total, making it the smallest of the Quebec land packages. This property is also the most remote of the three, with a lack of road access making the project helicopter access only. The company entered into an option agreement on September 22, 2022, to acquire the mineral claims. Under the option agreement, LIFT can earn an 100% interest in the property by issuing 225,000 shares to the Optionors (done), \$300,000 cash (paid), and an additional \$3,000,000 million in LIFT shares within 6-12 months of the effective date (September 22, 2022).

#### Royalties

There are no royalties associated with the Moyenne property.

## Conclusions

### Restating our investment thesis

We are initiating coverage of Li-FT Power with a SPEC BUY rating and a C\$13.00/sh target price. Li-FT Power is an exploration and development company focused on lithium pegmatite projects in Canada. The company's flagship project is the highly prospective Yellowknife Lithium Project located in the Northwest Territories. LIFT also owns three early stage exploration properties in Quebec (Rupert, Pontax and Moyenne), and the Cali project in the Northwest Territories. While early stage, we believe that LIFT owns one of the most exciting lithium exploration land packages in Canada, the scale of which we expect to be better defined over the next 12-months.

### Investment highlights

- **Finding white gold in Yellowknife:** LIFT recently acquired the Yellowknife Lithium project, a property known for its potential to host one of the largest lithium resources in the Western world. Historical reports estimated a mineral resource of 49Mt at 1.40% Li<sub>2</sub>O, based on a vertical depth of only ~150m. LIFT plans to drill the same dykes down to 300m to define in initial 43-101 compliant mineral resource; a 42,000m program is set to commence in June. We expect the initial assay results from Yellowknife to be a major catalyst for LIFT's shares, with the property having lay dormant for nearly 35 years despite its exceptional mineral potential.
- **Encouraging results from historical exploration work:** Historical exploration work has defined 13 significant spodumene-bearing pegmatites with strike lengths up to 1,800m and widths up to 40m, easily visible from satellite imagery. The average grade of each pegmatite is estimated to be between 1.07% Li<sub>2</sub>O and 2.20% Li<sub>2</sub>O based on detailed surface sampling. Previous metallurgical work completed by Equinox Resources in 1987 (at Fi and Ki) also confirmed that a 5-6% Li<sub>2</sub>O spodumene concentrate with a low iron content (0.7%) could be produced using conventional gravity plus flotation. No DMS studies have been completed to date.
- **Significant nearby infrastructure could help fast-track development:** The Road Access Group pegmatites are located <10km from a paved highway and within 60km of the city of Yellowknife, which provides easy access to water, power, and transportation (all-season roads, airports, barge, and rail). We also foresee the planned closure of a number of operating mines in the region (Diavik, Ekati, etc.) as a catalyst for public, government, and First Nations support for development and as a potential source of a highly skilled workforce.
- **Don't forget about Quebec; finding the next Whabouchi?** LIFT also holds a portfolio of early stage exploration projects in the James Bay region of Quebec. Exploration work to date has indicated geological similarities between LIFT's projects and the nearby Whabouchi deposit (37Mt at 1.48% M&I), suggesting potential for similar discoveries. The first diamond drill program at Rupert commenced in late March; ~5,000m of drilling is planned, testing two large anomalies (from till geochemistry sampling) that sit on the edge of a large pegmatitic granite.

### Upcoming potential catalysts

- Exploration results from drilling at Yellowknife – H2 2023
- Exploration results from drilling at Rupert
- Metallurgical results from Yellowknife – H2 2023
- Yellowknife maiden mineral resource estimate –2024
- Yellowknife PEA – 2024

## Appendix A – Management & board

*(Appended from company website)*

### **Francis MacDonald**

*CEO & Director*

Mr. MacDonald has more than 15 years of experience in the mining industry and is an exploration geologist by training. He is a co-founder of Kenorland Minerals, a North America-focused exploration company focused on generating greenfield exploration opportunities across different commodities. Prior to co-founding Kenorland Minerals in 2016, Mr. MacDonald spent the majority of his career with Newmont Mining Corporation doing greenfield exploration in Nunavut, West Africa, and East Africa.

### **Alex Langer**

*President & Director*

Mr. Langer is a successful public markets specialist with more than 18 years of experience in all aspects of equity financing. He worked with Canaccord Genuity for four years as an investment advisor, where he helped fund more than 100 private and publicly listed companies in various sectors including technology, mining, healthcare, forestry, and green technology. Mr. Langer was instrumental in the recent success of Millennial Lithium Corp., bringing key financial support and industry partners from his global connections through his role as Vice President. He is currently the CEO, President, and Director of Sierra Madre Gold and Silver.

### **Andrew Marshall**

*Interim CFO*

Mr. Marshall is a Chartered Accountant and Chartered Financial Analyst with 20 years of accounting, finance, and CFO experience in the mining sector. He was recently the CFO at a Canadian gold development company and is currently the CFO at a European base metals exploration/development company. Prior to this, Mr. Marshall built experience at two TSX/NYSE listed silver operating companies with projects in Mexico and Canada. He has an extensive background in accounting, finance and risk management, corporate reporting in Canada and the US, as well as M&A transactions and strategic support for the growth and development of junior mining companies. Mr. Marshall started his career with PricewaterhouseCoopers (PwC) in London and moved to the Vancouver mining practice in 2008.

### **Dr. April Hayward**

*Chief Sustainability Officer*

Dr. Hayward's career has been dedicated to leading sustainable development in the mining industry in northern Canada for more than a decade. She has a proven track record of developing collaborative working relationships with key stakeholders and successfully navigating projects through the regulatory system to obtain operating permits in the Northwest Territories through her managerial and executive roles with the Ekati mine and Mountain Province Diamonds. Dr. Hayward brings a unique combination of operational and corporate experience, technical expertise, and over 25 years of diverse experience in the fields of environment and sustainability in the public, private, and academic sectors to the company. She has a Ph.D. in Ecology from McMaster University (2007) and an MBA with a Finance specialization from the Haskayne School of Business (2022).

### **David Smithson**

*Senior Vice President, Geology*

Mr. Smithson is an ore deposit geologist. He worked as a global specialist for Newmont Corp. and contributed to gold reserve expansions in West Africa and South America. Mr. Smithson has held senior VP exploration positions generating



opportunities throughout the Americas. He is a co-founder of Tier One Silver, a silver-focused explorer in Peru, and holds an M.Sc. in Economic Geology from the University of British Columbia.

**Carl Verley**

*Vice President, Exploration*

Mr. Verley has worldwide exploration experience in a range of environments, deposit types, and commodities. He was part of the initial work that took the Bacanora lithium project in Sonora, Mexico from maiden resource estimate to preliminary economic assessment. Mr. Verley is a director of Norse Gold. He holds a B.Sc. from the University of British Columbia and is a Registered Professional Geoscientist in BC and the NWT & Nunavut.

**Julie Hajduk**

*Director*

Ms. Hajduk is an investor relations specialist with more than 20 years of experience working in the junior mining sector with Vancouver-based resource companies as well as US based bio-tech pharmaceutical companies. Ms. Hajduk has previously served on the board of several public companies. Ms. Hajduk has successfully raised seed, non-brokered and brokered capital for her clients using her broad contact base that includes a particular emphasis on the retail market.

**Wanda Cutler**

*Director*

With specific expertise in the lithium & battery materials sector and alternative energy sector, Ms. Cutler is a seasoned professional who has worked with reporting issuers as a tactical consultant and strategic advisor for more than 20 years. She has spoken at numerous lithium and battery materials conferences and brings a deep understanding of this industry. Ms. Cutler is currently President of Cutler McCarthy, a communication firm. She also sits on a number of boards of both public and private companies.

**Iain Scarr**

*Director*

Mr. Scarr is the founder of IMEX Consultants, an industrial minerals consultancy that operates across the entire value chain. Other experience includes a more than 30-year tenure with Rio Tinto, where his most recent position was Commercial Director and VP Exploration, where he was responsible for multiple mineral discoveries in North and South America and Africa. Mr. Scarr then brought three lithium projects in Argentina to feasibility study stage before being acquired.

**Kenneth Scott**

*Director*

Mr. Scott brings more than 33 years of public company auditing experience to the company. He retired as a partner of PwC in Vancouver in 2018, where his engagements as either the engagement leader or quality review partner included mining companies with international operations, such as SSR Mining, Lundin Gold, B2Gold and Teck Resources. He has also performed multi-location audits, advised on mergers and acquisitions, and advised on public and private financings. Mr. Scott's regulatory experience includes a leadership role on engagements selected by either the firm's internal audit quality review process or by the Canadian Public Accountability Board. Since retiring, Mr. Scott has served as a consultant and performed quality review roles for many of PwC's larger public company engagements. Mr. Scott holds a Canadian Chartered Professional Accountant (CPA) designation.

# Appendix: Important Disclosures

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## Sector Coverage

Individuals identified as "Sector Coverage" cover a subject company's industry in the identified jurisdiction, but are not authoring analysts of the report.

## Investment Recommendation

Date and time of first dissemination: May 07, 2023, 16:24 ET

Date and time of production: May 07, 2023, 16:24 ET

## Target Price / Valuation Methodology:

Li-FT Power Ltd. - LIFT

Our target price is based on 1.0x our fully risked NAV measured as at June 1, 2024.

## Risks to achieving Target Price / Valuation:

Li-FT Power Ltd. - LIFT

### Exploration risks

Exploration is subject to a number of risks and can require a high rate of capital expenditure. Risks can also be associated with the conversion of inferred resources and lack of accuracy in the interpretation of geochemical, geophysical, drilling and other data. No assurances can be given that exploration will delineate mineral resources or that the company will be able to convert the current mineral resource into minable reserves.

### Financing risks

As a pre-production company with no material income, LIFT is reliant on equity and debt markets to fund the development of its assets and the continuing business development activities. There is no guarantee that LIFT will be able to access capital markets should there be changes in market sentiment and/or pricing.

### Permitting risks

Our estimates and valuation assume the successful receipt of permits for the company's projects; however, there is no guarantee that this will be the case, or that permits will be received within assumed timelines.

### Operating risks

If and when in production, the company will be subject to risks such as plant/equipment breakdowns, metallurgical (meeting design recoveries within a complex flowsheet), materials handling and other technical issues. An increase in operating costs could reduce the profitability and free cash generation from the operating assets considerably and negatively impact valuation. Further, the actual characteristics of an ore deposit may differ significantly from initial interpretations, which can also materially impact forecast production from original expectations.

### Commodity price and currency fluctuations

As with any mining company, LIFT is directly exposed to commodity price and currency fluctuations. Commodity price fluctuations are driven by many macroeconomic forces, including inflationary pressures, interest rates and supply and demand factors. These factors could reduce the profitability, costing and prospective outlook for the business.

**Distribution of Ratings:**

**Global Stock Ratings (as of 05/07/23)**

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	600	64.38%	22.50%
Hold	142	15.24%	10.56%
Sell	16	1.72%	0.00%
Speculative Buy	159	17.06%	46.54%
	932*	100.0%	

\*Total includes stocks that are Under Review

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**NOT RATED:** Canaccord Genuity does not provide research coverage of the relevant issuer.

"Risk-adjusted return" refers to the expected return in relation to the amount of risk associated with the designated investment or the relevant issuer.

**Risk Qualifier**

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**12-Month Recommendation History (as of date same as the Global Stock Ratings table)**

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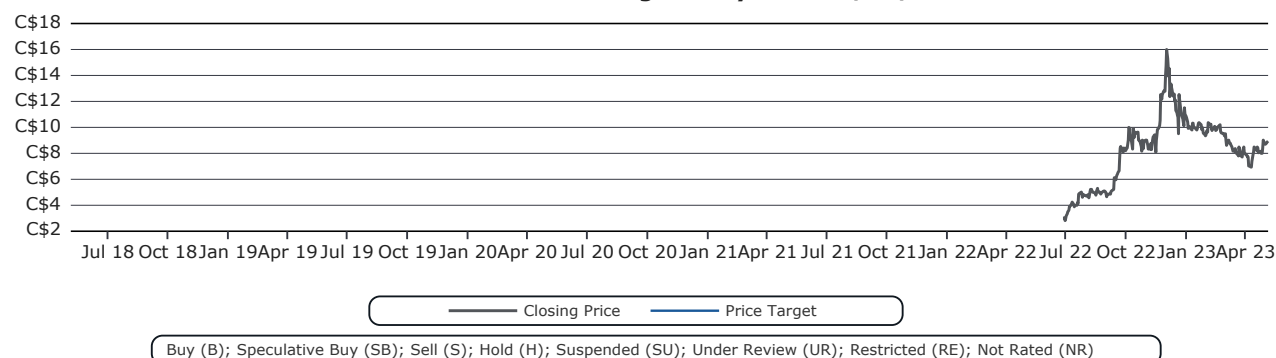
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An analyst has visited the material operations of Li-FT Power Ltd.. No payment was received for the related travel costs.

**Li-FT Power Ltd. Rating History as of 05/05/2023**



**Required Company-Specific Disclosures (as of date of this publication)**

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