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# **PATRIOT BATTERY METALS INC.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**As at and for the Period Ended June 30, 2022**

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August 24, 2022

## **OVERVIEW**

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The following is a management's discussion and analysis ("MD&A") of Patriot Battery Metals Inc. (the "Company" or "Patriot Metals"), prepared as of August 24, 2022.

This MD&A should be read together with the consolidated financial statements (the "Financial Statements") for the period ended June 30, 2022 and related notes which are prepared in accordance with International Financial Reporting Standards ("IFRS") and the audited consolidated financial statements for the year ended March 31, 2022, and related notes which are prepared in accordance with IFRS, copies of which are filed on the SEDAR website: [www.sedar.com](http://www.sedar.com).

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

## **FORWARD-LOOKING STATEMENTS**

This MD&A contains statements with "forward-looking information" ("forward-looking statements") within the meaning of applicable securities laws. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimated", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. In particular and without limitation, this MD&A contains forward-looking statements pertaining to the following:

- the Company's intentions with respect to its business and operations;
- the Company's expectations regarding its ability to raise capital and grow its business;
- the Company's expectations with regard to its marketing and promotional programs;
- the Company's growth strategy and opportunities;
- anticipated trends and challenges in the Company's business and the industry in which it operates.

Forward-looking information is based on reasonable assumptions, estimates, analysis and opinions of the Company's management in light of its experience and its perception of trends, expected developments, current conditions, as well as other factors that the Company's management believes to be relevant and reasonable in the circumstances at the date of this MD&A, but which may prove to be incorrect. The Company believes that the expectations and assumptions reflected in such forward-looking information are reasonable. Key assumptions upon which the Company's forward-looking information is based include:

- those related to general economic conditions;
- those related to conditions, including competitive conditions, in the market in which the Company operates;
- those related to the Company's use of marketing and promotional materials;
- the Company's ability to obtain requisite licences and necessary governmental approvals;
- the Company's ability to attract and retain key personnel; and
- the impact of the COVID-19 outbreak on the Company's operations.



Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Forward-looking statements are also subject to risks and uncertainties facing the Company's business, any of which could have a material impact on its outlook.

Some of the risks the Company faces and the uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements include:

- the COVID-19 outbreak and its effect on the Company's business;
- the Company's dependence on management, key personnel and consultants;
- the Company's dependence on laboratory developed tests and research skills;
- the Company may require additional financing, which may be dilutive to existing shareholders;
- price volatility of publicly traded securities, including the Company's Common Shares;
- the impact of environmental and safety laws and health regulations and its effect on the Company's business;
- there is no assurance the Company will maintain profitability;
- there is competition in the Company's industry; and
- the Company's directors may have conflicts of interest.

If any of these risks or uncertainties materialize, or assumptions underlying the forward-looking statements prove incorrect, actual results may vary material from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail in the "Risks and Uncertainties" section in this report should be considered carefully by readers.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable law.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via [www.sedar.com](http://www.sedar.com) or the Company's website at [www.patriotbatterymetals.com](http://www.patriotbatterymetals.com) and readers are urged to review these materials, including the technical report filed with respect to the Company's mineral property.

The global outbreak of a novel coronavirus pandemic identified as "COVID-19", has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada and other countries in which the Company may conduct future mineral interests or business acquisitions to fight the virus.

## **CONFLICTS OF INTEREST**

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Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will



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participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

## **NATURE OF BUSINESS**

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The Company was incorporated on May 10, 2007, under the British Columbia *Business Corporations Act*. Subsequent to this, there were several name changes and on October 17, 2019, the Company changed its name to Gaia Metals Corp. On the same date, the shares of the Company commenced trading on TSXV on a consolidated basis under the stock symbol "GMC".

On June 7, 2021, the Company's common shares were consolidated on a three old for one new share basis, and the Company's name was changed from Gaia Metals corp. to **Patriot Battery Metals Inc.** On June 10, 2021, the shares of the Company commenced trading on Canadian Securities Exchange ("CSE") on a consolidated basis under the stock symbol "PMET".

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On July 14, 2022, shares of the Company commenced trading on TSX Venture Exchange ("TSXV") under the current stock symbol "PMET" and were delisted from the CSE after market close on July 13, 2022.

The Company is domiciled in Canada and is a reporting issuer in British Columbia and Alberta. See section on *Liquidity and Capital Resources*. The address of its head office and records office is Suite 700-838 W Hastings Street Vancouver, BC V6C 0A6.

The principal business of the Company is the identification, evaluation and acquisition of exploration and evaluation properties located in British Columbia, Northwest Territories, Quebec, and Idaho, USA., and exploration of those properties once acquired. At June 30, 2022, the Company had not yet determined whether any properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

## **HIGHLIGHTS FOR THE THREE MONTHS ENDED JUNE 30, 2022**

### **Exploration highlights**

The Company's flagship asset is the 100% owned Corvette Property located in the James Bay Region of Quebec.

- On August 10, 2022, the Company announced the discovery of a new spodumene-bearing pegmatite cluster (CV13) located approximately 4.3 km along geological trend of the CV5-1 lithium pegmatite corridor and approximately 1.9 km along geological trend of the CV8 pegmatites. The CV13 cluster is characterized by a total of thirty-one (31) spodumene-bearing pegmatite outcrops extending over two (2) contiguous trends, totalling approximately 2.3 km in combined strike length. The average lithium grade over thirty-two (32) pegmatite grab/chip samples analyzed to date is 0.98% Li<sub>2</sub>O, to maximum of 3.73% Li<sub>2</sub>O.
- On August 4, 2022, the Company announced preliminary metallurgical results on a 225 kg drill core composite sample collected from the CV5 spodumene pegmatite (CF21-001 and 002). Preliminary Heavy Liquid Separation ("HLS") at two different crush sizes support a potential flowsheet using Dense Media Separation ("DMS") process followed by magnetic



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separation to produce a 6+% Li<sub>2</sub>O spodumene concentrate. A DMS process test run is underway to confirm the applicability of DMS to the flowsheet and is targeted to produce over 10 kg of marketable spodumene concentrate.

- On July 28, 2022, the Company announced results from the first two drill holes of its summer program. Results included 1.25% Li<sub>2</sub>O and 118 ppm Ta<sub>2</sub>O<sub>5</sub> over 96.9 m, including 2.53% Li<sub>2</sub>O and 130 ppm Ta<sub>2</sub>O<sub>5</sub> over 27.0 m (CV22-035), and 1.38% Li<sub>2</sub>O and 99 ppm Ta<sub>2</sub>O<sub>5</sub> over 27.0 m, and 2.00% Li<sub>2</sub>O and 167 ppm Ta<sub>2</sub>O<sub>5</sub> over 7.3 m (CV22-036). Additionally, the Company announced that the main pegmatite body had now been traced through drilling over a distance of approximately 1.9 km and remains open.
- On June 29, 2022, the Company had completed nine (9) drill holes to date from its 2022 summer drill program. Drill holes CV22-036, 038, 040 and 043 targeted the interpreted pegmatite extension between the CV5 and CV6 pegmatite outcrops with each intersecting spodumene-bearing pegmatite. Drill holes CV22-035, 037, 039, 041 and 042 targeted the eastern portion of the drill area, proximal to the CV1 pegmatite outcrop and drill hole CV22-017, each intersecting varying intervals of spodumene pegmatite. Also announced was the discovery of several spodumene outcrops proximal to the CV5 pegmatite outcrop and the CV3 pegmatite outcrop.
- On June 7, 2022, the Company announced that preliminary mineralogy on coarse core analytical reject material indicates that spodumene is the dominant lithium bearing mineral encountered in the drilled pegmatite to date. Additionally, columbite-tantalite has been identified as the dominant tantalum bearing minerals. The Company also announced that a preliminary mineral processing program has been initiated at SGS Canada in Lakefield, ON. The primary objective is to develop preliminary flowsheet to produce spodumene concentrate – grading >6% Li<sub>2</sub>O – at high recovery.
- On June 2, 2022, the Company commenced the summer phase of its 2022 drill campaign. The summer/fall phase of drilling is anticipated to include at least 15,000 m of additional coring and will focus on continued land-based infill and step-out holes at the CV5-1 corridor, as well as testing new regional targets. The Company will add a third drill rig to the program, expected to arrive by mid-July, as well as a lake barge, which will allow continued focus on delineating the main pegmatite body beneath the shallow glacial lake between the CV5 and CV1 pegmatites.
- On May 24, June 13, and June 23 the Company completed all remaining core assay results from drill holes completed during the 2022 winter drill program. Results included 1.22% Li<sub>2</sub>O and 138 ppm Ta<sub>2</sub>O<sub>5</sub> over 152.8 m, including 1.51% Li<sub>2</sub>O and 100 ppm Ta<sub>2</sub>O<sub>5</sub> over 66.0 m (CV22-030), 2.22% Li<sub>2</sub>O and 147 ppm Ta<sub>2</sub>O<sub>5</sub> over 70.1 m, including 3.02% Li<sub>2</sub>O and 160 ppm Ta<sub>2</sub>O<sub>5</sub> over 40.7 m (CV22-017), 1.45% Li<sub>2</sub>O and 177 ppm Ta<sub>2</sub>O<sub>5</sub> over 84.0 m, including 3.62% Li<sub>2</sub>O and 200 ppm Ta<sub>2</sub>O<sub>5</sub> over 9.0 m (CV22-028), 1.17% Li<sub>2</sub>O and 156 ppm Ta<sub>2</sub>O<sub>5</sub> over 61.3 m (CV22-025), and 1.39% Li<sub>2</sub>O and 125 ppm Ta<sub>2</sub>O<sub>5</sub> over 26.6 m (CV22-027). Geological modelling indicates the mineralized intercept in hole CV22-017 (70.1 m) is part of the main pegmatite body trending through the pegmatite corridor, which connects to the CV5 pegmatite to the west. Based on geophysical, surface and drill data collected to date, the CV1 outcrop may represent a splay off the main pegmatite body at depth, or a second subparallel-trending body marked by a fault offset between. Following the 2022 winter drill program, the main spodumene pegmatite body had been traced by drilling over a strike length of at least 1.4 km.



## Corporate highlights

- On April 13, 2022, the Company appointed Jon Christian Evensen as Director while Paul Chung resigned as Director.
- On May 1, 2022, Adrian Lamoureux resigned as the CEO of the Company, though has been appointed in a new role of a Vice President for Corporate Development. Blair Way has accepted the dual role of a President and the CEO of the Company on the same date. Both Blair Way and Adrian Lamoureux continued to be the Directors of the company.
- On May 2, 2022, the Company announced it has commenced the process to dual list Patriot Battery Metals on the ASX. The Company already has a strong number of shareholders based out of Australia on its register so it is the logical next step for the Company to provide greater ease of access to existing and new investors. The Company also believes the ASX listing will position the company better in the Australian market which has many well established lithium companies listed on ASX with hard rock lithium projects in Canada.
- On July 14, 2022, shares of the Company commenced trading on TSX Venture Exchange ("TSXV") under the current stock symbol "PMET" and were delisted from the CSE after market close on July 13, 2022.
- On July 18, 2022, the Company appointed Brian Jennings as Director while Mr. Adrian Lamoureux resigned as Director. Brian Jennings is also appointed as Chairman of the Audit Committee.

Upon his appointment, the Company granted 500,000 stock options to Brian Jennings exercisable at \$2.58 vesting immediately with a 3-year term.

- On August 10, 2022, Todd Hanas resigned as Director of the Company.
- On August 22, 2022, the Company appointed Ken Brinsden as Non-Executive Chairman and Director of the Company.

Upon his appointment, the Company granted to Ken Brinsden 1,000,000 stock options exercisable at \$7.00 and 1,000,000 stock options exercisable at \$9.20, vesting immediately with a 4-year term.

As at the date of this report, current Directors and Officers of the Company are as follows:

Ken Brinsden	Chairman and Director
Blair Way	President, CEO and Director, Audit Committee member
Dusan Berka	CFO and Director
Brian Jennings	Director, Audit Committee Chair
Jon Christian Evensen	Director, Audit Committee member
Kelly Pladson	Corporate Secretary
Darren L. Smith	Vice President, Exploration
Adrian Lamoureux	Vice President, Corporate Development



## MINERAL PROPERTY INTERESTS

The Company's exploration and evaluation properties expenditures for the three months ended June 30, 2022, are as follows:

	<b>Freeman Creek Property</b> <i>Idaho, USA</i>	<b>Hidden Lake Property</b> <i>NW Territories, Canada</i>	<b>Pontax Property</b> <i>Quebec, Canada</i>	<b>Lac Du Beryl Property</b> <i>Quebec, Canada</i>	<b>Eastmain Property</b> <i>Quebec, Canada</i>	<b>Corvette Property</b> <i>Quebec, Canada</i>	<b>Total</b>
<b>ACQUISITION COSTS</b>							
Balance March 31,2022	\$ 879,991	\$ 177,223	\$ 423,012	\$ 15,000	\$ 15,000	\$ 5,742,908	\$ 7,253,134
Additions	-	-	-	-	-	3,200	3,200
<b>Balance, June 30, 2022</b>	<b>\$ 879,991</b>	<b>\$ 177,223</b>	<b>\$ 423,012</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 5,746,108</b>	<b>\$ 7,256,334</b>
<b>EXPLORATION AND EVALUATION COSTS</b>							
Balance March 31,2022	\$ 844,894	\$ 551,474	\$ 209,637	\$ 21,074	\$ 6,923	\$ 5,524,836	\$ 7,158,838
Additions							
Consulting	3,174	-	-	-	-	-	3,174
Assays and Testing	-	-	-	-	-	90,882	90,882
Reports and admin	172	-	-	-	-	90,758	90,930
Geology salary and expenditures	-	-	-	-	-	2,235,899	2,235,899
Travel	-	-	-	-	-	151,217	151,217
Transportation cost	-	-	-	-	-	1,091,741	1,091,741
Advances	-	-	-	-	-	1,030,969	1,030,969
<b>Balance, June 30, 2022</b>	<b>\$ 848,240</b>	<b>\$ 551,474</b>	<b>\$ 209,637</b>	<b>\$ 21,074</b>	<b>\$ 6,923</b>	<b>\$ 10,216,302</b>	<b>\$ 11,853,650</b>
<b>Total, June 30, 2022</b>	<b>\$ 1,728,231</b>	<b>\$ 728,697</b>	<b>\$ 632,649</b>	<b>\$ 36,074</b>	<b>\$ 21,923</b>	<b>\$ 15,962,410</b>	<b>\$ 19,109,984</b>



**PATRIOT BATTERY METALS INC.**  
**Management's Discussion and Analysis**  
 As at and for the period ended June 30, 2022

The Company's exploration and evaluation properties expenditures for the year ended March 31, 2022 are as follows:

	Freeman Creek Property  <i>Idaho, USA</i>	Hidden Lake Property  <i>NW Territories, Canada</i>	Pontax Property  <i>Quebec, Canada</i>	Lac Du Beryl Property  <i>Quebec, Canada</i>	Eastmain Property  <i>Quebec, Canada</i>	Corvette Property  <i>Quebec, Canada</i>	Golden Silica Property  <i>BC, Canada</i>	Silver Sands Property  <i>BC, Canada</i>	Total
<b>ACQUISITION COSTS</b>									
Balance March 31, 2021	\$ 869,409	\$ 177,223	\$ 417,500	\$ 15,000	\$ 15,000	\$ 251,580	\$ 150,000	\$ 12,643	\$ 1,908,175
Additions	10,582	-	5,512	-	-	5,491,328	-	-	5,507,422
Impairment	-	-	-	-	-	-	(150,000)	(12,643)	(162,643)
<b>Balance, March 31, 2022</b>	<b>\$ 879,991</b>	<b>\$ 177,223</b>	<b>\$ 423,012</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 5,742,908</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,253,134</b>
<b>EXPLORATION AND EVALUATION COSTS</b>									
Balance March 31, 2021	\$ 670,420	\$ 551,474	\$ 188,365	\$ 21,074	\$ 6,923	\$ 691,967	\$ 165,364	\$ 2,133	\$ 2,297,720
Additions									
Consulting	103,062	-	5,542	-	-	467,510	-	-	576,114
Assays and Testing	30,201	-	-	-	-	252,876	-	-	283,077
Reports and admin	8,260	-	9,730	-	-	184,232	-	-	202,222
Geology salary and expenditures	14,356	-	-	-	-	2,722,705	-	-	2,737,061
Travel	-	-	-	-	-	50,741	-	-	50,741
Transportation cost	-	-	-	-	-	54,380	-	-	54,380
Advances	18,595	-	6,000	-	-	1,100,425	-	-	1,125,020
Impairment	-	-	-	-	-	-	(165,364)	(2,133)	(167,497)
<b>Balance, March 31, 2022</b>	<b>\$ 844,894</b>	<b>\$ 551,474</b>	<b>\$ 209,637</b>	<b>\$ 21,074</b>	<b>\$ 6,923</b>	<b>\$ 5,524,836</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,158,838</b>
<b>Total, March 31, 2022</b>	<b>\$ 1,724,885</b>	<b>\$ 728,697</b>	<b>\$ 632,649</b>	<b>\$ 36,074</b>	<b>\$ 21,923</b>	<b>\$ 11,267,744</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,411,972</b>

The technical information in this disclosure has been reviewed by Darren L. Smith, M.Sc., P.Geo., Vice President of Exploration for the Company, a Permit holder with the Ordre des Géologues du Québec and Qualified Person as defined by National Instrument 43-101.



## **CANADA**

### **James Bay Region, Quebec**

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#### **Corvette Property (Lithium, Tantalum)**

The Corvette Property is currently comprised of 417 CDC mineral claims that cover an area of approximately 21,357 ha. The Property is further divided into claim blocks, which reflect the various claim acquisitions by the Company – Corvette Main (172 claims), Corvette East (83 claims), FCI East (28 claims), FCI West (83 claims), Deca-Goose (31 claims), and Felix (20 claims) – and collectively form one contiguous land package, apart from four (4) claims of the Felix block located approximately one (1) km west of the main land package. Patriot Battery Metals Inc. is recorded as the registered title holder for all 417 claims and holds 100% interest in each.

#### **Acquisitions**

On February 15, 2022, the Company consolidated its land position at Corvette Property through multiple acquisitions as well as direct staking. Specifically, the Company signed a Purchase Agreement with O3 Mining Inc. to achieve 100% ownership of the FCI Claims in consideration of an additional cash payment of \$3,000,000 (paid) and issuance of a total of 1,800,000 common shares (issued at \$0.64 per share) of the Company to O3 Mining. The existing Net Smelter Royalty (the "NSR"), as outlined in the original Agreement will remain unchanged. The FCI Claims are comprised of two neighboring claim blocks (FCI East and FCI West) for a combined total of 111 claims, totaling 5,688 hectares, which are situated contiguous to the Company's wholly owned Corvette claim block, located in the James Bay Region of Quebec, proximal to regional hydro-electric and road infrastructure.

On February 17, 2022 the Company also purchased a 100% interest in the Deca-Goose and Felix claim blocks for a \$150,000 cash payment (paid) and issuance of a total of 1,800,000 common shares (issued \$0.64 per share) to Canadian Mining House ("CMH"), a private Quebec based company. CMH will also retain a 2% NSR which has 50% buyback option by the Company for \$2,000,000. The acquisition is comprised of 50 claims, totaling 2,562 hectares situated contiguous to the Company's Corvette Property.

In addition to the property acquisition, the Company has also privately staked a further 83 claims totaling 4,248 ha, contiguous to the eastern Corvette claim block, and along strike of the CV5-6 lithium pegmatite discovery within the same regional greenstone belt. The recent staking adds a further 15+ km of strike length to the Corvette Property's eastern extent.

Patriot Battery Metals Inc. is recorded as the registered title holder for all 417 claims that comprise the Corvette Property and its respective claim blocks.

The FCI blocks (111 claims) are subject to a 1.5% to 3.5% sliding scale NSR royalty (held by Osisko Gold Royalties Ltd.) from the production of precious metals. The royalty is primarily based on amount of production with 1.5% on the first 1M oz, 2.5% on the next 1M oz and 3.0% on the next 1M oz of and above. The remaining 0.5% royalty is based on the spot gold price starting at US\$1,000 / oz and reaches the maximum at \$2,000 / oz.

A 2.0% NSR royalty (held by Osisko Gold Royalties Ltd.) is present on all other products; provided however that if there is an existing royalty applicable on any portion of the property, then the percentages noted above (i.e., the sliding scale NSR) shall, as applicable, be adjusted so that the aggregate maximum royalty percentage on such portion shall not exceed and be capped to 3.5% at any time.



Pursuant to this Property Purchase Agreement dated September 18, 2017, the Eastmain Property, Lac du Beryl Property, and original Corvette Property (consisting of 76 of the 172 claims that comprise the current Corvette Main claim block) are subject to a 2% Net Smelter Return with respect to the production of all materials from the property.

## **Exploration**

On August 10, 2022, the Company announced the discovery of a new spodumene-bearing pegmatite cluster (CV13) located approximately 4.3 km along geological trend of the CV5-1 lithium pegmatite corridor and approximately 1.9 km along geological trend of the CV8 pegmatites. The CV13 cluster is characterized by a total of thirty-one (31) spodumene-bearing pegmatite outcrops extending over two (2) contiguous trends, totalling approximately 2.3 km in combined strike length. The average lithium grade over thirty-two (32) pegmatite grab/chip samples analyzed to date is 0.98% Li<sub>2</sub>O, to maximum of 3.73% Li<sub>2</sub>O.

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On June 2, 2022, the Company announced commencement of the summer phase of its 2022 drill campaign. The summer/fall phase of drilling is anticipated to include at least 15,000 m of additional coring and will focus on continued land-based infill and step-out holes at the CV5-1 corridor, as well as testing new regional targets. The Company will add a third drill rig to the program, expected to arrive by mid-July, as well as a lake barge, which will allow continued focus on delineating the main pegmatite body beneath the shallow glacial lake between the CV5 and CV1 pegmatites.



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Target	Land/Ice	Hole ID	From (m)	To (m)	Interval (m)	Li <sub>2</sub> O (%)	Ta <sub>2</sub> O <sub>5</sub> (ppm)	Total Depth (m)	Azimuth (°)	Dip (°)	Date Reported
CV5-1 Pegmatite Corridor	Ice	CV22-015	27.1	37.0	9.9	0.76	83	176.9	158	-45	17-May-2022
		<i>incl.</i>	27.1	32.0	4.9	1.14	96				
			51.5	58.3	6.8	1.22	113				
			70.6	75.1	4.5	0.99	105				
	Ice	CV22-016	91.0	147.6	<b>56.6</b>	<b>0.85</b>	122	252.1	158	-45	17-May-2022
		<i>incl.</i>	91.0	120.0	<b>29.0</b>	<b>0.91</b>	127				
		<i>incl.</i>	134.5	147.6	13.1	1.53	137				
			195.5	210.0	14.5	0.92	118				
	Ice	CV22-017	165.7	235.8	<b>70.1</b>	<b>2.22</b>	147	344.7	158	-45	25-May-2022
		<i>incl.</i>	165.7	185.0	19.4	1.57	148				
		<i>incl.</i>	190.4	231.0	<b>40.7</b>	<b>3.01</b>	160				
	Ice	CV22-018	55.0	80.8	<b>25.8</b>	<b>1.01</b>	100	149.9	158	-45	17-May-2022
	Ice	CV22-019	110.2	206.0	95.8	0.80	118	230.9	158	-45	17-May-2022
		<i>incl.</i>	110.2	144.0	<b>33.8</b>	<b>1.17</b>	111				
		<i>incl.</i>	192.0	204.0	12.0	1.23	103				
	Ice	CV22-020	38.8	47.0	8.3	1.30	143	203.8	338	-45	13-Jun-2022
	Ice	CV22-021	58.9	60.5	1.6	0.81	241	246.0	158	-45	13-Jun-2022
	Ice	CV22-022	34.0	37.0	3.0	1.76	115	184.0	158	-45	13-Jun-2022
		<i>incl.</i>	51.0	53.8	2.8	1.08	133				
	Ice	CV22-023	119.8	120.6	0.8	0.76	77	285.0	338	-45	13-Jun-2022
	Ice	CV22-024	45.5	65.8	<b>20.2</b>	<b>1.19</b>	120	156.0	158	-45	13-Jun-2022
	Ice	CV22-025	24.0	85.3	<b>61.3</b>	<b>1.17</b>	156	153.0	158	-45	13-Jun-2022
		<i>incl.</i>	61.9	72.0	10.2	2.76	341				
	Ice	CV22-026	72.8	145.0	72.3	0.70	153	156.0	N/A	-90	13-Jun-2022
		<i>incl.</i>	73.8	103.0	<b>29.3</b>	<b>1.14</b>	156				
		<i>incl.</i>	118.0	126.0	8.0	1.42	240				
	Ice	CV22-027	40.3	106.0	<b>65.7</b>	<b>0.95</b>	134	150.1	158	-45	13-Jun-2022
		<i>incl.</i>	63.9	90.5	<b>26.6</b>	<b>1.39</b>	125				
	Ice	CV22-028	133.0	217.0	<b>84.0</b>	<b>1.45</b>	177	291.0	158	-45	23-Jun-2022
		<i>incl.</i>	173.0	217.0	<b>44.0</b>	<b>2.17</b>	187				
		<i>or</i>	201.0	210.0	<b>9.0</b>	<b>3.62</b>	200				
	Ice	CV22-029	64.4	127.1	62.8	0.61	117	165.0	158	-45	23-Jun-2022
<i>incl.</i>		64.4	95.9	<b>31.6</b>	<b>0.95</b>	158					
<i>or</i>		90.5	95.9	5.4	2.90	356					
Ice	CV22-030	86.4	239.2	<b>152.8</b>	<b>1.22</b>	138	258.0	158	-45	23-Jun-2022	
		164.0	230.0	<b>66.0</b>	<b>1.51</b>	100					
Ice	CV22-031	109.0	142.5	<b>33.5</b>	<b>1.25</b>	185	231.0	158	-45	13-Jun-2022	
	<i>incl.</i>	114.0	119.0	5.0	2.90	384					
Land	CV22-032	<i>Hole lost prior to reaching target due to drilling conditions</i>						120.6	158	-45	-
Land	CV22-033	20.8	23.9	3.1	0.86	178	261.1	158	-45	13-Jun-2022	
		133.7	152.0	<b>18.3</b>	<b>1.08</b>	119					
	<i>incl.</i>	133.7	144.5	<b>10.8</b>	<b>1.51</b>	165					
Land	CV22-034	174.5	187.3	12.8	0.66	97	329.8	158	-55	23-Jun-2022	
		237.3	255.0	17.7	0.82	56					
		273.2	277.3	4.0	1.03	90					

(1) All drill holes are NQ core size; (2) All intervals are core length. True width of intervals is not confirmed. Geological modelling is ongoing.

On May 24, June 13, and June 23 the Company announced all remaining core assay results from drill holes completed during the 2022 winter drill program. Results included 1.22% Li<sub>2</sub>O and 138 ppm Ta<sub>2</sub>O<sub>5</sub> over 152.8 m, including 1.51% Li<sub>2</sub>O and 100 ppm Ta<sub>2</sub>O<sub>5</sub> over 66.0 m (CV22-030), 2.22% Li<sub>2</sub>O and 147 ppm Ta<sub>2</sub>O<sub>5</sub> over 70.1 m, including 3.02% Li<sub>2</sub>O and 160 ppm Ta<sub>2</sub>O<sub>5</sub> over 40.7 m (CV22-017), 1.45% Li<sub>2</sub>O and 177 ppm Ta<sub>2</sub>O<sub>5</sub> over 84.0 m, including 3.62% Li<sub>2</sub>O and 200 ppm Ta<sub>2</sub>O<sub>5</sub> over 9.0 m (CV22-028), 1.17% Li<sub>2</sub>O and 156 ppm Ta<sub>2</sub>O<sub>5</sub> over 61.3 m (CV22-025), and 1.39% Li<sub>2</sub>O and 125 ppm Ta<sub>2</sub>O<sub>5</sub>



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over 26.6 m (CV22-027). Geological modelling indicates the mineralized intercept in hole CV22-017 (70.1 m) is part of the main pegmatite body trending through the pegmatite corridor, which connects to the CV5 pegmatite to the west. Based on geophysical, surface and drill data collected to date, the CV1 outcrop may represent a splay off the main pegmatite body at depth, or a second subparallel-trending body marked by a fault offset between. Following the 2022 winter drill program, the main spodumene pegmatite body had been traced by drilling over a strike length of at least 1.4 km. Results of the 2022 winter/spring drill program may be found on the Company's website.

On May 17, 2022, the Company announced core assay results for the first series of holes (CV22-015, 016, 018, and 019) completed as part of its winter/spring drill program. All four holes were collared over lake ice at an orientation of 158°/45°, with end-of-hole depths ranging from 149.9 m to 252.1 m, and each returning strong grades of lithium and tantalum. Drill intercepts included 1.01% Li<sub>2</sub>O and 100 ppm Ta<sub>2</sub>O<sub>5</sub> over 25.8 m (CV22-018), 0.91% Li<sub>2</sub>O over 29.0 m within a wider zone of 0.85% Li<sub>2</sub>O over 56.6 m (CV22-016), and 1.17% Li<sub>2</sub>O over 33.8 m within a wider zone of 0.80% Li<sub>2</sub>O over 95.8 m (CV22-019).

On March 22, 30, April 7, 21, and 28, the Company provided updates to the market regarding the status and progress of the winter/spring drill program, including pegmatite intersections. A total of twenty (20) NQ size diamond drill holes (4,345 m) were completed during the winter/spring phase and included seventeen (17) holes collared over ice, and three (3) holes collared over land. The geological 3D modeling of the drill holes completed to date indicates that pegmatite continues across the lake from CV5 towards CV1 – a strike length of at least 1,400 m – and that the pegmatite body is widening at depth. Pegmatite drill intersections > 2 m are noted in the following table.

On March 8, 2022, the Company announced that it had discovered new lithium pegmatites on the Property and sampled 5,300 ppm Ta<sub>2</sub>O<sub>5</sub> in a scoping drill hole at the CV12 Pegmatite.

On March 1, 2022, the Company announced it had mobilized the first two drill rigs to commence the winter drill program at its wholly owned Corvette Lithium Property, and on March 10, 2022, that it had collared its first drill hole of the program. The primary objective of the drill program was to test for mineralized pegmatite along strike, potentially connecting CV5-6 pegmatites with the CV1-2 pegmatites, as well as testing the mineralization at depth.

On February 9, 2022, the Company announced it had received its drill permits, secured a drill contractor, and was finalizing plans for the pending 2022 drill campaign at the Corvette Property. On February 15<sup>th</sup>, 2022, the Company followed by announcing it had consolidated and expanded its land position at Corvette. Collectively, the Corvette property now comprises 417 contiguous claims, totalling 21,357 hectares, and covers a more than 50 km strike length of the La Grande greenstone belt, which is prospective for lithium pegmatite, gold, and base metals.

On January 27 and February 3, 2022, the Company announced core assay results for three additional drill holes completed at the CV5-6 Pegmatite during the fall 2021 program. Results included 0.94% Li<sub>2</sub>O and 117 ppm Ta<sub>2</sub>O<sub>5</sub> over 155.1 m, including 1.38% Li<sub>2</sub>O and 160 ppm Ta<sub>2</sub>O<sub>5</sub> over 38.0 m (CF21-002) and 1.25% Li<sub>2</sub>O and 194 ppm Ta<sub>2</sub>O<sub>5</sub> over 58.1, including 1.80% Li<sub>2</sub>O and 264 ppm Ta<sub>2</sub>O<sub>5</sub> over 33.0 m (CF21-003).

On January 20, 2022, the Company announced an aggressive, 15,000 to 20,000 follow-up drill campaign focused at the CV5-6 spodumene pegmatite, to be completed in two phases: winter/spring and summer/fall. The Company also intends to drill test several other spodumene pegmatite occurrences on the property as well as complete follow-up drilling along the Maven copper-gold-silver trend. A LiDAR and/or satellite imagery acquisition over the core areas of the property, as well as geological mapping to aid in regional exploration and geological modelling will also be completed.



### **Pontax Property (Lithium, Gold)**

The Company owns 100% interest in the Pontax Property which is located near Eastmain, Quebec. The property currently consists of 80 claims totaling 4,257.2 hectares over several non-contiguous claim blocks. All claims are registered to Patriot Battery Metals Inc. except for two claims that are registered in the name of a third party.

Pursuant to the Property Purchase Agreement ("Pontax Agreement") dated July 25, 2016, the Pontax Property is subject to a 3% Net Smelter Royalty ("NSR").

Regulatory approval for the Pontax Agreement was obtained on September 20, 2016. The Company can purchase up to 50% of the NSR within 5 years of regulatory approval by paying \$2,000,000 to arm's length party. The Company did not enter into this purchase transaction.

No surface exploration was completed on the Pontax Property since 2019.

### **Lac du Beryl Property (Lithium, Gold)**

The Lac du Beryl Property was preliminarily assessed in 2017/2018 by the Company using a surface prospecting reconnaissance approach with pegmatite confirmed present on the property, although not spodumene bearing. Areas of the property remain to be assessed for the presence of spodumene pegmatite. The Lac du Beryl Property is currently comprised of the original 18 claim blocks.

Pursuant to the Property Purchase Agreement dated September 18, 2017, the Company acquired from third-party Vendors 100% interest in the Minerals Claims which included mineral claims on the Eastmain Property, the Lac Du Beryl Property and the original Corvette claim block (76 claims). The Lac du Beryl Property is subject to a 2% Net Smelter Return with respect to the production of all materials from the property.

No surface exploration was completed on the Lac du Beryl Property since 2019.

### **Eastmain Property (Lithium)**

The Eastmain Property was preliminarily assessed in 2017/2018 by the Company using a surface prospecting reconnaissance approach with pegmatite confirmed present on the property, although not spodumene bearing. Areas of the property remain to be assessed for the presence of spodumene pegmatite. The Eastmain Property currently consists of two claims blocks, totaling 13 claims and 686.5 hectares.

Pursuant to the Property Purchase Agreement dated September 18, 2017, the Company acquired from third-party Vendors 100% interest in the Minerals Claims which included mineral claims on the Eastmain Property, the Lac Du Beryl Property and the original Corvette claim block (76 claims). The Eastmain Property is subject to a 2% Net Smelter Return with respect to the production of all materials from the property.

No surface exploration was completed on the Lac du Beryl Property since 2019.



## **Northwest Territories**

### **Hidden Lake Property**

The Hidden Lake Property is located 45 km east of Yellowknife, in the Northwest Territories, proximal to Highway 4, and consists of 5 contiguous claims totaling 1,660 hectares. The Property covers portions of the Yellowknife Lithium Pegmatite Belt and is host to numerous spodumene-bearing pegmatite occurrences. In March 2018, the Property was optioned to Far Resources Ltd. ("Far"), which subsequently restructured as Foremost Lithium Resources & Technology Ltd. The Company currently maintains a 40% interest in the Property as Far earned 60%. To establish a formal 60/40 Joint Venture Agreement ("JV"), Far is responsible for financing the JV's initial \$1M expenditures.

The Hidden Lake Property is subject to 2% Net Smelter Royalty with respect to the production of all material from the property with no buyback provision.

No field exploration was completed at Hidden Lake in 2020, and 2021 primarily due to restrictions as a result of COVID-19. The Hidden Lake claims are in good standing until 2026.

## **British Columbia**

### **Golden Silica Property (formerly referred to as "ZimFrac" or "Golden Frac Sand")**

Due to expenditure requirements, the Golden Silica Property in British Columbia was let lapse in late 2021 as exploration spending was focused on the Company's flagship asset, the Corvette Property. A portion of the Property was re-staked in January 2022, although the higher potential areas were not able to be reacquired.

During the year ended March 31, 2022, the Company decided to focus on other Lithium projects. The Company then recognized an impairment loss of \$315,364 relating to this Property (2021 - \$Nil).

### **Silver Sands Property**

The Company had 100% interest in the Silver Sands Property (the "Silver Sands"), located in the Pine Pass area of eastern British Columbia. Silver Sands covers 3,735 hectares directly east of the Pine Pass Vanadium Property held by Ethos Gold Corp., which is located about 200 km north of Prince George, British Columbia.

Pending advice from the Government, the Company was set to forego this property subject to BC government compensation schedule. Hence, during the year ended March 31, 2022, the Company recognized an impairment loss of \$14,776 relating to this property.

## **USA**

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### **Freeman Creek Property**

On August 12, 2021, the Company fulfilled all its obligations pursuant to the Option Agreement for the Freeman Creek Gold Property, exercising its Option in full, and is now the 100% owner of the asset. The titles are now in the name of Metals Nevada Corp., a wholly owned US subsidiary of the Company.

The Freeman Creek Property is located approximately 15 km northeast of Salmon, Idaho, USA and is accessible via paved highway and a network of gravel roads and trails. The Property hosts two major advanced targets; the Gold Dyke Prospect, with an historical drill intercept of 1.5 g/t Au and 12.1 g/t



Ag over 44.2 m, and the Carmen Creek Prospect, with an historical outcrop sample assay of 14.15 g/t Au, 63 g/t Ag, and 1.2% Cu.

In the event that a gold equivalent resource of more than 1 million ounces is outlined within a NI 43-101 Resource Estimate on the Property, the Company shall pay \$1,000,000, payable in shares or cash or a combination of both, at the Company's discretion. In the case of a share issuance, the shares shall be issued at a price using the average market price of the previous 30 trading days preceding the share issuance.

The vendors shall retain a 2.5% Net Smelter Return royalty on the Property, of which the Company shall have the right to purchase at any time half (1.25%) for \$1,500,000.

Mineral expenditures of \$3,346 primarily related to permitting were incurred during the period ended June 30, 2022.

## **SUMMARY OF QUARTERLY RESULTS**

The following is a summary of the Company's financial results for the eight most recent quarters:

<b>Quarter Ended</b>	<b>Revenue</b>	<b>Comprehensive Loss for the period</b>	<b>Basic and diluted loss per share</b>
September 30, 2020	\$ -	\$ (225,138)	\$ (0.01)
December 31, 2020	-	(268,595)	(0.01)
March 31, 2021	-	(211,768)	(0.00)
June 30, 2021	-	(239,737)	(0.02)
September 30, 2021	-	(1,903,368)	(0.16)
December 31, 2021	-	(1,676,982)	(0.02)
March 31, 2022	-	(61,801)	(0.00)
June 30, 2022	-	(3,864,145)	(0.05)

## **RESULTS OF OPERATIONS**

Operational activities:

### **Three months ended June 30, 2022 and 2021**

The Company incurred a comprehensive loss of \$3,864,145 for the three months ended June 30, 2022, as compared to \$239,737 for the three months ended June 30, 2021. The increase in losses were driven by the following:

- Business development expenses of \$97,805 (2021 – \$40,841) relate to various advertising initiatives to promote the Company's mining activities. The Company has increased its marketing activities in the current year to increase investor awareness.
- Investor communication of \$13,300 (2021 – \$Nil) were higher during this period than that of the same period last year due to increased activities in the exploration and drilling programs.
- Management and administration fees of \$441,619 (2021 – \$81,591) relate to both administrative and strategic management services for the Company. Management services are provided by the Former Chief Executive Officer, the President who took on the additional role of Chief Executive Officer, and by a Company controlled by the Chief Financial Officer (see **RELATED PARTY TRANSACTIONS**). The increase was due to additional



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compensation paid to Former CEO as separation settlement payment as well as the bonus payments paid during this period.

- Professional fees of \$95,526 (2021 – \$45,941) relate to accounting, legal and audit fees paid by the Company. The increase was mainly driven by the corporate related legal activities during the period, the change in listing from TSX to CSE, the dual listing process on the ASX and other capital related transactions during the period.
- Share-based payments of \$3,629,234 (2021 – \$Nil) relate to the fair value of options granted as compensation to the Company's directors, officers and consultants during the period (see also **RELATED PARTY TRANSACTIONS**).
- Travel expenses of \$51,138 (2021 – \$3,912) increased mainly due to increased attendance in mining industry specific convention and meeting up with potential investors to introduce the Company's objectives and status to the investing market.
- Other income of \$576,486 (2021 – \$Nil) increased mainly due to the recognition of Flow-through (FT) income from the realization of premium from FT financing.
- Taxes of \$34,930 (2021 - \$Nil) relate to monthly interest charges payable as Part X11.6 tax on any unspent flow-through funds from the December 2021 FT financing.

All other costs in the current year-to-date period are comparable to that of the same period last year.

#### Cash flow activities:

For the three months ended June 30, 2022, the Company experienced a net decrease in its cash position of \$2,880,194 (2021 – increase of \$2,847,855). Cash inflows consisted of funds provided by financing activities totalling \$2,329,160 (2021 – \$2,982,508). The cash inflow is primarily attributed to the warrants exercised during the period (see Liquidity and Capital Resources). Last year, inflows for the same period were due to private placement proceeds received relating to the private placement closed on June 30, 2021.

Significant cash outflows consisted of the cash used in operating activities of \$1,793,190 (2021 – \$34,042). The increase in the current period was mostly due to the higher level of cash expenses as described in the results of operations above. (see **RESULTS OF OPERATIONS**)

Cash used in investing activities amounted to \$3,416,164 (2021 - \$100,611) consisting of increases in spending on exploration and evaluation expenditures. The cash used in investing activities increased primarily due to the ramping up of exploration activities and the absence of government grants in the current period. The current period expenditures mostly relate to the Company's flagship asset at the Corvette Property. (see **MINERAL PROPERTY INTERESTS**).

As the Company is an exploration company, it does not receive, nor does it anticipate receiving any revenue in the next fiscal year. The Company's interests do not currently generate cash flow from operations and, in order to continue operations and fund its expenditure commitments, it is dependent on equity financing through existing and new shareholders, third party financing, and cost sharing arrangements to fund its work programs and operations.

#### **LIQUIDITY AND CAPITAL RESOURCES**

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As at June 30, 2022, the Company had cash and cash equivalents of \$8,817,526 (March 31, 2022 - \$11,697,720) and working capital of \$6,847,483 (March 31, 2021 – \$9,451,246). Some of the factors affecting the Company's liquidity are:

- The Company will have to incur ongoing costs to maintain its properties and plans to undertake exploration programs that will consume cash.

As at June 30, 2022, the Company had not advanced its exploration and evaluation properties to commercial production. The Company's continuation as a going concern is dependent upon



successful results from exploration activities on its mineral properties and its ability to attain profitable operations and generate cash from its operations in the foreseeable future. As at June 30, 2022, the Company has an accumulated deficit of \$16,633,735 since inception and is expected to incur further losses in the development of its business. The Company will have to rely on the issuance of shares or the exercise of options and warrants to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced volatility and weaknesses.

Mineral exploration has been recognized as an essential service in Canada and the Province of Quebec. The Company has developed a COVID Management Plan for its exploration programs and carried out its field programs while adhering to all federal, provincial, and regional restrictions in place due to the COVID-19 pandemic. With recent widespread adoption of vaccination, these restrictions have been lifted. Nevertheless, the Company continues to adapt its programs to ensure team safety, and local community safety, while maintaining its exploration objectives.

It is currently not possible to reliably estimate the length and severity of these pandemic developments and the impact on the financial results and condition of the Company in future periods.

#### **OUTSTANDING SHARE DATA**

As at June 30, 2022 and the date of this report, the Company has:

As at	June 30, 2022	August 24, 2022
Issued and outstanding common shares	86,617,287	88,322,632
Warrants outstanding <sup>(1)</sup>	33,598,254	32,802,907
Stock options outstanding <sup>(2)(3)(4)</sup>	6,980,001	8,536,668

Subsequent to the three months ended June 30, 2022:

- (1) A total of 795,347 of warrants were exercised for total proceeds of \$333,062.
- (2) A total of 909,998 of stock options were exercised for total proceeds of \$362,299.
- (3) A total of 2,500,000 of stock options were granted.
- (4) A total of 33,335 of stock options expired unexercised.

Period ended June 30, 2022:

#### Shares and Warrants

During the period ended June 30, 2022, the Company issued 841,831 shares for warrants exercised at \$0.36 per share, 70,333 shares for warrants exercised at \$0.30 per share, 5,353,500 shares for warrants exercised at \$0.25 per share, 1,000,000 shares for warrants exercised at \$0.54 per share and 200,000 shares for warrants exercised at \$0.60 per share. Fair value of warrants exercised amounted to \$13,215.

During the period ended June 30, 2022, 240,000 shares were issued for options exercised at \$0.39 per share, 33,333 shares were issued for options exercised at \$0.30 per share, 80,800 shares were issued for options exercised at \$0.42 per share, 50,166 shares were issued for options exercised at \$0.27 per share, 190,000 shares were issued for options exercised at \$0.53 per share and 8,333 shares were issued for options exercised at \$1.80 per share. Fair value of options exercised amounted to \$208,840.



### Options

A total of 602,632 options were exercised. 11,667 options exercisable at \$1.80 expired unexercised.

On April 5, 2022, the Company granted 2,525,000 incentive stock options to officers, directors and consultants of the Company. The options are exercisable at \$1.74 per share for a period of three years from the date of grant. Of the options granted, 2,385,000 vested immediately on the date of grant with 70,000 vesting twelve months from date of grant and the remaining 70,000 vesting 24 months from date of grant. The fair value of \$3,629,234 in share-based payments was estimated on a graded vesting basis using the Black-Scholes pricing model with a stock price of \$1.75, volatility of 168.25%, risk-free rate of 2.40%, dividend yield of 0%, and expected life of 3 years. The options were granted under and are governed by the terms of the Company's incentive stock option plan.

### Year Ended March 31, 2022:

#### Shares and Warrants

During the year ended March 31, 2022, the Company issued 344,998 shares for warrants exercised at \$0.45 per share 1,584,493 shares for warrants exercised at \$0.36 per share and 13,248,427 shares for warrants exercised at \$0.25 per share. Fair value of warrants exercised amounted to \$97,996.

During the year ended March 31, 2022, 49,833 shares were issued for options exercised at \$0.27 per share, 50,000 shares were issued for options exercised at \$0.30 per share, 350,000 shares were issued for options exercised at \$0.39 per share and 50,000 shares were issued for options exercised at \$0.42 per share. Fair value of options exercised amounted to \$184,291.

On March 21, 2022, completed a private placement of 6,000,000 units at a price of \$0.50 per unit for aggregate gross proceeds of \$3,000,000 (the "Offering"). Each unit is comprised of one common share and one transferable common share purchase warrant exercisable for three years at a price of \$0.75 (collectively, the "Units"). In addition to statutory four-month resale restrictions, the Units are subject to a contractual restriction on resale expiring 12 months from the completion of the Offering.

On December 22, 2021, the Company closes private placement through the issuance of 17,973,856 units at a price of \$0.612 per unit for an aggregate gross proceeds of \$11,000,000. Part of the proceeds were recognized as Flow-through ("FT") premium liability amounting to \$2,462,418 (Note 15) and shall be recognized as income over a period of 12 months from closing date. Each unit consists of one flow-through common share and one non-flow through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.75 per share for two years. Finder's fees of 977,778 compensation shares were paid.

On June 30, 2021, the Company completed a private placement for gross proceeds of \$3,709,120. The Company issued 23,182,000 units (post share-consolidation) at a price of \$0.16 per unit. Each unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.25 for a period of 24 months from the closing date. The Company paid finders' fees of \$75,412 and issued 471,328 finders' warrants valued at \$111,611.

On June 7, 2021, the Company completed a share consolidation on one (1) post-consolidated share for every three (3) pre-consolidated shares. On March 31, 2021, the Company had 32,692,817 common shares issued and outstanding. Following the consolidation, the Company had 10,897,605 common shares issued and outstanding. The number of shares, warrants and stock options shown in these consolidated financial statements were adjusted and presented on a post-consolidation basis.



### Options

A total of 499,833 options were exercised. 21,667 options expired unexercised.

On December 23, 2021, the Company granted 2,200,000 incentive stock options to officers, directors and consultants of the Company. The options are exercisable at \$0.53 per share for a period of three years from the date of grant. The options were granted under and are governed by the terms of the Company's incentive stock option plan.

On August 6, 2021, the Company has granted 2,500,000 incentive stock options to officers, directors and consultants of the Company. The Options are exercisable at \$0.39 per share for a period of three years from the date of grant. The Options have been granted under and are governed by the terms of the Company's incentive stock option plan

On July 11, 2021, 16,667 stock options expired unexercised.

On May 4, 2021, a total of 5,000 (pre-consolidation 15,000) stock options expired unexercised.

### **RELATED PARTY TRANSACTIONS**

During the three months ended June 30, 2022 and 2021, the Company incurred the following related party transactions measured at exchange amounts, which were the amounts agreed upon by the transacting parties and are on terms and conditions similar to those for arm's length transactions:

<b>Three months ended</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Management and administration fees	\$ 441,619	\$ 81,591
Mineral exploration consulting	20,000	15,000
Consulting fees	30,000	22,500
Share based payments	2,567,860	-
<b>Total related party expenses by type</b>	<b>\$ 3,059,479</b>	<b>\$ 119,091</b>

<b>Three months / Year ended</b>	<b>June 30, 2022</b>	<b>March 31, 2021</b>
VP of Exploration	\$ 5,250	\$ -
Corporate Secretary	-	3,253
<b>Due to related parties</b>	<b>\$ -</b>	<b>\$ 3,253</b>

Prepaid management fees consist of \$25,000 paid to President and CEO, and \$6,500 to the CFO of the Company (March 31, 2022 – total of \$16,500).

### *Key management personnel compensation*

The Company has identified its directors and senior officers as its key management personnel. During the three months ended June 30, 2022 and 2021, the Company incurred \$3,059,479 (2021 – \$119,091) in compensation expenses broken down as follows:



**PATRIOT BATTERY METALS INC.**  
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<b>Three months ended</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Adrian Lamoureux, Former CEO and Director	\$ 677,578	\$ 31,045
Dusan Berka, CFO and Director	351,775	20,546
Kelly Pladson, Corporate Secretary	160,608	22,500
Blair Way, President/CEO and Director	1,337,452	30,000
Darren Smith, VP of Exploration	494,414	15,000
Todd Hanas, Former Director	37,562	-
<b>Total related party expenses by key management personnel</b>	<b>\$ 3,059,479</b>	<b>\$ 119,091</b>

Management and administration fees are broken down as follows:

<b>Three months ended</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Adrian Lamoureux, Former CEO and Director <sup>(1)</sup>	\$ 281,059	\$ 31,045
Dusan Berka, CFO and Director	50,559	20,548
Blair Way, President/CEO and Director <sup>(2)</sup>	110,000	30,000
<b>Total management fees by key management personnel</b>	<b>\$ 441,619</b>	<b>\$ 81,591</b>

(1) Adrian Lamoureux resigned as CEO on May 1, 2022 and was appointed as Vice President of Corporate Development on May 1, 2022. As per settlement agreement and release between the Company and the former CEO dated April 25, 2022, the Company paid a lump sum amount of \$240,000 as a separation payment in accordance with his agreement. Subsequent to the period ended June 30, 2022, he resigned as Director on July 19, 2022.

(2) The President accepted the dual role of President and CEO of the Company on May 1, 2022.

Consulting fees of \$10,000 are paid to the Corporate Secretary (2021 – \$22,500) and \$20,000 to the Former CEO in his role as Vice President of Corporate Development (2021 - \$Nil)

The exploration and evaluation assets which include mineral exploration consulting are paid to the following:

<b>Three months ended</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
VP of Exploration	\$ 20,000	\$ 15,000
<b>Total mineral exploration consulting by key management personnel</b>	<b>\$ 20,000</b>	<b>\$ 15,000</b>

Share-based payments are broken down as follows:

<b>Three months ended</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Adrian Lamoureux, Former CEO and Director	\$ 376,519	\$ -
Dusan Berka, CFO and Director	301,215	-
Kelly Pladson, Corporate Secretary	150,608	-
Blair Way, President/CEO and Director	1,227,452	-
Darren Smith, VP of Exploration	474,414	-
Todd Hanas, Former Director	37,652	-
<b>Total management fees by key management personnel</b>	<b>\$ 2,567,860</b>	<b>\$ -</b>



## **COMMITMENTS**

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The Company has certain commitments related to key management compensation for \$31,500 per month with no specific expiry of terms.

The Company is bound by management agreement with the CFO according to which, in the event of termination of the agreement, the Company will be liable for the remaining balance of fees and a lump sum equal to three times their annual standing management fees.

The Company is bound by management agreement with the President and CEO according to which, in the event of termination of the agreement, the Company will be liable for the remaining balance of fees and a lump sum equal to 24 months of the standing monthly management fee expense.

The Company is bound by management agreement with the Vice President of Exploration according to which, in the event of termination of agreement, the Company will be liable for the remaining balance of fees and a lump sum equal to 24 months of the standing monthly management fees.

The Company is required to spend approximately \$5.7 million in eligible expenditures as of June 30, 2022.

The Company has certain commitments in connection with its mineral properties as described in **MINERAL PROPERTY INTERESTS**.

## **CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES**

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For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the Notes to the audited consolidated financial statements for the year ended March 31, 2022 that are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **OFF-BALANCE SHEET ARRANGEMENTS**

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The Company has not entered into any material off-balance sheet arrangements.

## **PROPOSED TRANSACTIONS**

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The Company has no proposed transactions.

## **CAPITAL DISCLOSURE**

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The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to finance its growth using internally-generated cash flow and debt capacity; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and receivables.



## **FINANCIAL INSTRUMENTS**

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The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at June 30, 2022 and March 31, 2022, the Company does not have any Level 3 financial instruments.

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

### **Credit Risk**

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high-quality financial institution.

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company considers its exposure to interest rate risk to be not significant.

### **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable and accrued liabilities are all current and due within 90 days of the balance sheet date. The Company ensures that it has sufficient capital to meet its short-term financial obligations.

### **Foreign exchange risk**

Foreign exchange risk is the risk that the fair value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company does not have significant foreign exchange risk as the majority of its transactions are in Canadian dollars.



## **RISKS AND UNCERTAINTIES**

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The more significant risks and uncertainties not discussed elsewhere in this MD&A include:

### **Financing Risk**

The Company will need to continue raising funds to finance its operations and exploration activities. There is no certainty that the Company will be able to raise money on acceptable terms or at all.

### **Exploration Risk**

Exploration for mineral resources involves a high degree of risk. The cost of conducting exploration programs may be substantial and the likelihood of success is difficult to assess. Few explored properties are ultimately developed into producing mines. The Company attempts to mitigate its exploration risk by maintaining a diversified portfolio that includes several different exploration prospects in a number of favorable geologic environments.

### **Metal Price Risk**

Even if the Company's exploration programs are successful in locating economic deposits of minerals or precious metals, factors beyond the Company's control may affect the value and marketability of such deposits. Natural resource prices have wide historic fluctuations due to many factors, including inflation, currency fluctuations, interest rates, consumption trends and local and worldwide financial market conditions. The prices of such natural resources greatly affect the value of the Company and the potential value of its properties. This, in turn, greatly affects its ability to form joint ventures and the structure of any joint ventures formed.

### **Environmental Risk**

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenditures.

### **Public Health Crisis**

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. The expected implications on global commerce are expected to be far reaching. This has already had some impact on the Company's exploration activities as mentioned above. However, mineral exploration activities have been allowed in the jurisdictions where the company operates, notably Quebec, Canada and Idaho, USA, and conditions/restrictions on such activities have been well defined. The Company is confident it can complete its exploration activities in compliance with all jurisdictional requirements. Part of this compliance and best practices includes an internal COVID-19 Management Plan with exploration activities adapted to comply (e.g., physical distancing, questionnaires). Management continues to closely evaluate the impact of COVID-19 on the Company's business. The duration and effect of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. However, based on the framework outlined in the current environment, the Company is confident it may operate safely to carry out its planned exploration activities for the remainder of calendar year 2022.



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## **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

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Detailed listing of exploration expenditures and a breakdown of general and administrative expenses are provided in the Mineral Properties Interests section as well as in the Financial Statements for the three months ended June 30, 2022.

## **OUTLOOK**

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The Company's primary focus for the foreseeable future will be on reviewing its financial position, raising funds to support exploration and operational activities, continuing exploration activities on its mineral properties and financing business ventures in the mineral resource industry.

The Company is focused on advancing the flagship Corvette- FCI project in Quebec and the Freeman project in Idaho with the intent to build shareholder value.

## **ADDITIONAL INFORMATION**

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Additional information related to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

## **APPROVAL**

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The Audit Committee of the Company has approved the disclosure contained in this Management Discussion and Analysis. A copy will be provided to anyone who requests it.

On Behalf of Management,

*"Blair Way"*

Blair Way  
President, CEO and Director

August 24, 2022