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**PATRIOT BATTERY METALS INC.**  
**Interim Condensed Consolidated Financial Statements**  
**For the Three- and Nine-Month Periods Ending**

**December 31, 2022 and 2021**  
(Expressed in Canadian dollars)

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## Management's Responsibility for Financial Reporting

The accompanying unaudited interim condensed consolidated financial statements of Patriot Battery Metals Inc. ("the Company" or "Patriot") are the responsibility of the management and Board of Directors of the Company.

The unaudited interim condensed consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim condensed consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited interim condensed consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited interim condensed consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the interim condensed consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements and other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

**"Blair Way"**

President and Chief Executive Officer

**"Natacha Garoute"**

Chief Financial Officer

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### **NOTICE TO READER**

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim condensed consolidated financial statements for the three and nine months ended December 31, 2022 and 2021 have not been reviewed by the Company's auditors.

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**PATRIOT BATTERY METALS INC.**  
**Interim Condensed Consolidated Statements of Financial Position**  
 (Expressed in Canadian dollars)

	Notes	December 31, 2022 (Unaudited)	March 31, 2022 (Audited)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 19,346,011	\$ 11,697,720
Receivables	3	1,489,638	478,549
Prepaid expenses		154,932	32,301
		20,990,581	12,208,570
<b>Non-current assets</b>			
Exploration and evaluation assets	4	33,052,565	14,411,972
<b>Total assets</b>		<b>\$ 54,043,146</b>	<b>\$ 26,620,542</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	5	\$ 1,804,087	894,450
Flow-through premium liability	6	8,553,172	1,862,874
<b>Total liabilities</b>		<b>10,357,259</b>	<b>2,757,324</b>
<b>Shareholders' equity</b>			
Share capital	7	51,616,090	32,922,316
Shares to be issued		-	251,730
Reserves	7	13,291,276	3,458,811
Accumulated other comprehensive income		1,413	(49)
Deficit		(21,222,892)	(12,769,590)
<b>Total equity</b>		<b>43,685,887</b>	<b>23,863,218</b>
<b>Total shareholders' equity and liabilities</b>		<b>\$ 54,043,146</b>	<b>\$ 26,620,542</b>

**Corporate Information and Going Concern (Note 1) and Commitments (Note 12)**

**APPROVED ON BEHALF OF THE BOARD on February 14, 2023:**

"Blair Way"  
 Director

"Brian Jennings"  
 Director



**PATRIOT BATTERY METALS INC.**  
**Interim Condensed Consolidated Statements of Loss and Comprehensive Loss**  
**(Unaudited)**  
 (Expressed in Canadian dollars)

	Notes	Three months ended		Nine months ended	
		December 31,		December 31,	
		2022	2021	2022	2021
<b>Expenses</b>					
Business development		\$ 135,897	\$ 53,258	\$ 358,425	\$ 158,182
Consulting	10	77,935	58,500	152,935	194,960
Investor communications		7,711	642,675	32,138	1,256,818
Management and administration fees	10	142,106	82,325	723,762	325,508
Office and miscellaneous		20,615	19,804	59,870	51,391
Professional fees		159,511	57,078	450,594	169,294
Share-based payments	7, 10	36,839	729,089	9,668,459	1,582,592
Transfer agent and filing fees		182,092	33,323	254,759	74,803
Travel		76,698	2,952	224,541	10,375
		<b>(839,404)</b>	<b>(1,679,004)</b>	<b>(11,925,483)</b>	<b>(3,823,923)</b>
<b>Other items</b>					
Flow-through premium income	6	1,650,368	2,431	3,513,242	5,161
Interest income (expense)		4,852	(398)	2,600	(1,314)
Flow-through taxes recovery (expense)		599	-	(43,661)	-
<b>Net income (loss) for the period</b>		<b>816,415</b>	<b>(1,676,971)</b>	<b>(8,453,302)</b>	<b>(3,820,076)</b>
<b>Other Comprehensive Income</b>					
Foreign exchange (gain) loss on translation to reporting currency		(442)	(11)	1,462	(11)
<b>Comprehensive income (loss) for the period</b>		<b>\$ 815,973</b>	<b>\$ (1,676,982)</b>	<b>\$ (8,451,840)</b>	<b>\$ (3,820,087)</b>
<b>Income (Loss) per common share</b>					
Basic and diluted		\$ 0.01	\$ (0.02)	\$ (0.10)	\$ (0.19)

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



**PATRIOT BATTERY METALS INC.**  
**Interim Condensed Consolidated Statements of Changes in Equity**  
**(Unaudited)**  
(Expressed in Canadian dollars)

	Number of shares <sup>1</sup>	Share capital	Subscriptions received	Reserves	AOCI	Deficit	Total
<b>Balances, March 31, 2021</b>	10,897,605	\$ 11,491,737	\$ -	\$ 1,607,953	\$ -	\$ (8,887,751)	\$ 4,211,939
Shares issued for:							
Cash	41,155,856	12,711,151	-	-	-	-	12,711,151
Finder's shares	977,778	(464,449)	-	-	-	-	(464,449)
Warrants exercised	6,997,671	1,958,813	-	-	-	-	1,958,813
Options exercised	49,833	13,455	-	-	-	-	13,455
Fair value of warrants exercised	-	75,177	-	(75,177)	-	-	-
Fair value of options exercised	-	13,348	-	(13,348)	-	-	-
Share issuance costs – warrants	-	(111,611)	-	111,611	-	-	-
Share issuance costs – cash	-	(75,412)	-	-	-	-	(75,412)
Share-based payments	-	-	-	1,582,592	-	-	1,582,592
Net loss and comprehensive loss for the period	-	-	-	-	(11)	(3,820,076)	(3,820,087)
<b>Balances, December 31, 2021</b>	<b>60,078,743</b>	<b>\$ 25,612,209</b>	<b>\$ -</b>	<b>\$ 3,213,631</b>	<b>\$ (11)</b>	<b>\$ (12,707,827)</b>	<b>\$ 16,118,002</b>
<b>Balance, March 31, 2022</b>	<b>78,548,991</b>	<b>\$ 32,922,316</b>	<b>\$ 251,730</b>	<b>\$ 3,458,811</b>	<b>\$ (49)</b>	<b>\$ (12,769,590)</b>	<b>\$ 23,863,218</b>
Shares issued for:							
Cash	2,207,170	13,617,765	-	-	-	-	13,617,765
Mineral properties	220,000	1,454,200	-	-	-	-	1,454,200
Warrants exercised	9,761,448	3,408,863	-	-	-	-	3,408,863
Options exercised	2,052,630	1,071,179	-	-	-	-	1,071,179
Fair value of warrants exercised	-	29,674	-	(29,674)	-	-	-
Fair value of options exercised	-	807,194	-	(807,194)	-	-	-
Share issuance costs – warrants	-	(1,000,874)	-	1,000,874	-	-	-
Share issuance costs – cash	-	(694,227)	-	-	-	-	(694,227)
Shares to be issued	-	-	(251,730)	-	-	-	(251,730)
Share-based payments	-	-	-	9,668,459	-	-	9,668,459
Net loss and comprehensive loss for the period	-	-	-	-	1,462	(8,453,302)	(8,451,840)
<b>Balances, December 31, 2022</b>	<b>92,790,239</b>	<b>\$ 51,616,090</b>	<b>\$ -</b>	<b>\$ 13,291,276</b>	<b>\$ 1,413</b>	<b>\$ (21,222,892)</b>	<b>\$ 43,685,887</b>

<sup>1</sup>Number of shares are adjusted for the share consolidation of one post-consolidated share for every 3 pre-consolidated share on June 7, 2021.

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



**PATRIOT BATTERY METALS INC.**  
**Interim Condensed Consolidated Statements of Cash Flows**  
**(Unaudited)**  
 (Expressed in Canadian dollars)

	<b>Nine months ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	<b>\$ (8,453,302)</b>	\$ (3,820,076)
Adjustments for non-cash items:		
Interest income accruals	<b>(3,891)</b>	(32)
Flow-through premium income	<b>(3,513,242)</b>	(1,513)
Share-based payments	<b>9,668,459</b>	1,582,592
Changes in non-cash working capital items:		
Increase in accounts receivable	<b>(1,007,198)</b>	(327,768)
Increase (Decrease) in accounts payables and accrued liabilities	<b>(715,967)</b>	258,926
Increase in prepaid expenses	<b>(122,631)</b>	(20,176)
<b>Cash used by in operating activities</b>	<b>(4,147,772)</b>	(2,328,047)
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation expenditures	<b>(15,560,789)</b>	(2,334,734)
<b>Cash used in investing activities</b>	<b>(15,560,789)</b>	(2,334,734)
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of common shares	<b>23,821,305</b>	14,709,121
Payment of promissory note	-	(40,000)
Share issuance costs	<b>(694,227)</b>	(75,412)
Proceeds from exercise of options	<b>1,071,179</b>	13,455
Proceeds from exercise of warrants	<b>3,408,863</b>	1,958,813
Subscriptions received	<b>(251,730)</b>	-
<b>Cash provided by financing activities</b>	<b>27,355,390</b>	16,565,977
<b>Increase in cash and cash equivalents</b>	<b>7,646,829</b>	11,903,196
<b>Effect of exchange rate on cash</b>	<b>1,462</b>	(11)
<b>Cash and cash equivalents, beginning of year</b>	<b>11,697,720</b>	149,554
<b>Cash and cash equivalents, end of period</b>	<b>\$ 19,346,011</b>	\$ 12,052,739

**Supplemental cash flow information (Note 11)**

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

# **PATRIOT BATTERY METALS INC.**

## **Notes to the Interim Condensed Consolidated Financial Statements – (Unaudited)**

**As at and for the period ended December 31, 2022 and 2021**

(Expressed in Canadian dollars)

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### **1. CORPORATE INFORMATION**

Patriot Battery Metals Inc. was incorporated on May 10, 2007, under the British Columbia Business Corporations Act. The principal business of the Company and its subsidiaries is the identification, evaluation and acquisition of exploration and evaluation properties, as well as exploration of those properties once acquired. The Company is domiciled in Canada and is a reporting issuer in British Columbia, Alberta and Ontario. The address of its head office and records office is Suite 700-838 W Hastings Street Vancouver, BC V6C 0A6 and the address of its registered and records office is Suite 1008, 550 Burrard Street, Vancouver, BC, V6C 2B5. The Company has mineral properties in British Columbia, Northwest Territories, Quebec, and Idaho, USA.

In order to meet exploration expenditure requirements and option payment and compliance obligations, the Company may need to seek additional sources of equity financing or debt financing. There is no assurance these activities will be successful. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern as described. These interim condensed consolidated financial statements (the "Financial Statements") do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying Financial Statements.

### **2. BASIS OF PREPARATION**

#### **2.1 Basis of presentation**

The Financial Statements include the accounts of the Company and Metals Nevada Corp. ("Metals Nevada"), the US subsidiary of the Company incorporated on March 2, 2021.

All material inter-company balances and transactions have been eliminated upon consolidation.

The Company's Financial Statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 9, and are presented in Canadian dollars except where otherwise indicated. The functional currency of Metals Nevada is U.S. Dollars. The assets and liabilities of Metals Nevada are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their income and expense items are translated at average exchange rates for the period. Exchange differences arising on the translation are recognized in other comprehensive income. These Financial Statements are presented in Canadian dollars, which is the Company's functional currency.

#### **2.2 Statement of compliance**

The condensed interim consolidated financial statements of the Company, including comparative disclosure, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), and in accordance with the same accounting policies and methods of computation as compared with the most recent annual financial statements, being for the year ended March 31, 2022.

These Financial Statements were approved and authorized for issue in accordance with a resolution from the Board of Directors on February 14, 2023.

## **PATRIOT BATTERY METALS INC.**

### **Notes to the Interim Condensed Consolidated Financial Statements – (Unaudited)**

**As at and for the period ended December 31, 2022 and 2021**

(Expressed in Canadian dollars)

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#### **2.3 Adoption of new and revised standards and interpretation**

The accounting policies applied by the Company in these financial statements are the same as those applied by the Company in its audited consolidated financial statements for the year ended March 31, 2022.

#### **3. AMOUNTS RECEIVABLE**

The Company's amounts receivable arises from Goods and Services Tax ("GST") and Quebec Sales Tax ("QST") due from the government taxation authorities and accrued interest calculated on the Guaranteed Investment Certificate ("GIC").

	<b>December 31, 2022</b>	March 31, 2022
GST receivable	\$ 397,718	\$ 223,880
QST receivable	347,411	254,632
Interest receivable	3,891	37
Other receivable <sup>(1)</sup>	740,618	-
<b>Total</b>	<b>\$ 1,489,638</b>	<b>\$ 478,549</b>

<sup>(1)</sup> FY 2022 income tax resource tax credits refund was received subsequently on January 9, 2023

# PATRIOT BATTERY METALS INC.

## Notes to the Interim Condensed Consolidated Financial Statements – (Unaudited)

As at and for the period ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

### 4. EXPLORATION AND EVALUATION PROPERTIES

The Company's exploration and evaluation properties expenditures for the nine months ended December 31, 2022 are as follows:

	Corvette Property <i>Quebec, Canada</i>	Freeman Creek Property <i>Idaho, USA</i>	Pontois Property <i>Quebec, Canada</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>	Total
<b>ACQUISITION COSTS</b>								
Balance March 31, 2022	\$ 5,742,908	\$ 879,991	\$ -	\$ 177,223	\$ 423,012	\$ 15,000	\$ 15,000	\$ 7,253,134
Additions	3,200	-	1,554,200	-	-	-	-	1,557,400
<b>Balance, December 31, 2022</b>	<b>\$ 5,746,108</b>	<b>\$ 879,991</b>	<b>\$ 1,554,200</b>	<b>\$ 177,223</b>	<b>\$ 423,012</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 8,810,534</b>
<b>EXPLORATION AND EVALUATION COSTS</b>								
Balance March 31, 2022	\$ 5,524,836	\$ 844,894	\$ -	\$ 551,474	\$ 209,637	\$ 21,074	\$ 6,923	\$ 7,158,838
Additions								
Consulting	-	32,447	3,362	-	-	-	-	35,809
Assays and Testing	579,527	12,996	840	-	14,007	1,944	1,629	610,943
Reports and admin	855,370	182	5,876	-	-	3,670	3,508	868,606
Geology salary and expenditures	1,612,707	-	-	-	95,100	8,141	5,942	1,721,890
Drilling expenditures	7,116,225	-	-	-	-	-	-	7,116,225
Geophysics and Remote Sensing	60,171	-	-	-	-	-	-	60,171
Travel and Accommodation	1,809,049	-	2,989	-	11,366	3,276	2,239	1,828,919
Transportation cost	4,384,349	-	3,213	-	26,401	11,265	6,136	4,431,364
Advances / (Refund)	1,197,979	-	-	(48,000)	-	-	-	1,149,979
Exploration tax credits received	(740,394)	-	-	-	(225)	-	(94)	(740,713)
<b>Balance, December 31, 2022</b>	<b>\$ 22,399,819</b>	<b>\$ 890,519</b>	<b>\$ 16,280</b>	<b>\$ 503,474</b>	<b>\$ 356,286</b>	<b>\$ 49,370</b>	<b>\$ 26,283</b>	<b>\$ 24,242,031</b>
<b>Total, December 31, 2022</b>	<b>\$ 28,145,927</b>	<b>\$ 1,770,510</b>	<b>\$ 1,570,480</b>	<b>\$ 680,697</b>	<b>\$ 779,298</b>	<b>\$ 64,370</b>	<b>\$ 41,283</b>	<b>\$ 33,052,565</b>

# PATRIOT BATTERY METALS INC.

## Notes to the Interim Condensed Consolidated Financial Statements – (Unaudited)

As at and for the period ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

### 4. EXPLORATION AND EVALUATION PROPERTIES (continued)

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

	Corvette Property  <i>Quebec, Canada</i>	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>	Golden Silica Property  <i>BC, Canada</i>	Silver Sands  <i>BC, Canada</i>	Total
<b>ACQUISITION COSTS</b>									
Balance March 31, 2021	\$ 251,580	\$ 869,409	\$ 177,223	\$ 417,500	\$ 15,000	\$ 15,000	\$ 150,000	\$ 12,643	\$ 1,908,355
Additions	5,491,328	10,582	-	5,512	-	-	-	-	5,507,422
Impairment	-	-	-	-	-	-	(150,000)	(12,643)	(162,643)
<b>Balance, March 31, 2022</b>	<b>\$ 5,742,908</b>	<b>\$ 879,991</b>	<b>\$ 177,223</b>	<b>\$ 423,012</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,253,134</b>
<b>EXPLORATION AND EVALUATION COSTS</b>									
Balance March 31, 2021	\$ 691,967	\$ 670,420	\$ 551,474	\$ 188,365	\$ 21,074	\$ 6,923	\$ 165,364	\$ 2,133	\$ 2,297,720
Additions									
Consulting	467,510	103,062	-	5,542	-	-	-	-	576,114
Assays and Testing	252,876	30,201	-	-	-	-	-	-	283,077
Reports and admin	184,232	8,260	-	9,730	-	-	-	-	202,222
Geology salary and expenditures	1,638,066	14,356	-	-	-	-	-	-	1,654,422
Drilling expenditures	1,084,639	-	-	-	-	-	-	-	1,084,639
Travel and Accommodation	50,741	-	-	-	-	-	-	-	50,741
Transportation cost	54,380	-	-	-	-	-	-	-	54,380
Advances	1,100,425	18,595	-	6,000	-	-	-	-	1,125,020
Impairment	-	-	-	-	-	-	(165,364)	(2,133)	(167,497)
<b>Balance, March 31, 2022</b>	<b>\$ 5,524,836</b>	<b>\$ 844,894</b>	<b>\$ 551,474</b>	<b>\$ 209,637</b>	<b>\$ 21,074</b>	<b>\$ 6,923</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,158,838</b>
<b>Total, March 31, 2022</b>	<b>\$ 11,267,744</b>	<b>\$ 1,724,885</b>	<b>\$ 728,697</b>	<b>\$ 632,649</b>	<b>\$ 36,074</b>	<b>\$ 21,923</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.

## **PATRIOT BATTERY METALS INC.**

### **Notes to the Interim Condensed Consolidated Financial Statements – (Unaudited)**

**As at and for the period ended December 31, 2022 and 2021**

(Expressed in Canadian dollars)

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#### **4.1 Corvette Property – Lithium – James Bay Region, Quebec, Canada**

The Corvette Property is currently comprised of 417 CDC mineral claims that cover an area of approximately 21,357 hectares in the James Bay Region, Quebec, Canada. The Corvette 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.

The Corvette Property is subject to various royalty obligations pursuant to the claim acquisition agreement for each respective claim block that comprises the Corvette Property. Of the 417 claims that comprise the Corvette Property, 237 are subject to a Net Smelter Return (“NSR”) royalty.

**Corvette Main block** – The Corvette Property Main block consists of 172 mineral claims on the Eastmain Property, the Lac Du Beryl Property and the original Corvette claim block. 76 of the 172 mineral claims are subject to a 2% NSR royalty held by DG Resource Management Ltd, a private company. There is no buy-back provision.

**FCI East and FCI West claim blocks** (“FCI Claims”) – all 111 claims are subject to a 1.5% to 3.5% sliding scale NSR royalty (held by Osisko Gold Royalties Ltd.) which is dependent on commodity type and level of production. 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. There is no buy-back provision for the NSR royalty on the FCI East and FCI West claim blocks.

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 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, as outlined above remained unchanged.

**Deca-Goose and Felix claim blocks** – 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 and issuance of 1,800,000 common shares (issued \$0.64 per share) to Canadian Mining House (“CMH”), a private Quebec based company. 50 of 51 claims are subject to a 2% NSR royalty held by CMH, of which the Company retains the option of buying back one-half (50%) of the NSR royalty for \$2,000,000.

## **PATRIOT BATTERY METALS INC.**

### **Notes to the Interim Condensed Consolidated Financial Statements – (Unaudited)**

**As at and for the period ended December 31, 2022 and 2021**

(Expressed in Canadian dollars)

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#### **4.2 Freeman Creek Property – Gold – Idaho, USA**

During the year ended March 31, 2021, the Company acquired 100% interest in Freeman Creek Property consisting of 76 claims covering approximately 635.4 hectares located in Idaho, USA. The Company paid a total of \$90,000 in cash and issued 1,333,334 common shares and 666,667 options in consideration. The Company's subsidiary, Metals Nevada Corporation in Idaho, USA, currently holds the title to the property.

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 Metals Nevada shall have the right at any time to purchase half (1.25%) for \$1,500,000.

The Company subsequently staked additional claims with the Property now currently comprised of 106 claims totaling 886.2 hectares.

#### **4.3 Pontois Property – Lithium and Gold - James Bay Region, Quebec, Canada**

On September 7, 2022, the Company entered into an acquisition agreement with Les Explorations Carat Inc, (among others) to acquire a 100% interest in the Pontois Property, a block of 31 contiguous claims (1,587.2 hectares) located on a geological trend to the west of the Corvette Property in the James Bay Region, Quebec, Canada. The Company paid \$100,000 in cash and issued 220,000 common shares of the Company at a deemed price of \$6.61 per common share (totaling \$1,454,200), for a total consideration of \$1,554,200.

Pursuant to the Property Acquisition Agreement dated September 7, 2022, the property is subject to a 2% NSR royalty which has a 50% buyback option by the Company for \$1,000,000.

#### **4.4 Hidden Lake Property – Lithium – Northwest Territories, Canada**

The Hidden Lake Property is located 45 km east of Yellowknife, in the Northwest Territories, Canada, proximal to Highway 4, and consists of 5 contiguous claims totaling 1,660 hectares. 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.

#### **4.5 Pontax Property - Lithium and Gold – James Bay Region, Quebec, Canada**

The Company owns 100% interest in the Pontax lithium-gold property, which is located near Eastmain, Quebec. The property consists of 80 claims totaling 4,257.2 hectares over several non-contiguous claim blocks. All claims are registered to Patriot Battery Metals Inc.

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

## **PATRIOT BATTERY METALS INC.**

### **Notes to the Interim Condensed Consolidated Financial Statements – (Unaudited)**

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#### **4.6 Lac du Beryl Property – Lithium and Gold – James Bay Region, Quebec, Canada**

The Lac du Beryl Property is comprised of the original 18 claim blocks totalling 952.9 hectares in the James Bay Region, Quebec, Canada.

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).

Pursuant to this Property Purchase Agreement, the Lac du Beryl Property is subject to a 2% Net Smelter Return with respect to the production of all materials from the property.

#### **4.7 Eastmain Property – Lithium – James Bay Region, Quebec, Canada**

The Eastmain Property consists of two claims blocks, totaling 13 claims and 686.5 hectares in the James Bay Region, Quebec, Canada.

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.

#### **4.8 Golden Silica Property – Silica – British Columbia, Canada (formerly referred to as “ZimFrac” or “Golden Frac Sand”)**

During the year ended March 31, 2022, the Company recognized an impairment loss of \$315,364 relating to this Property.

#### **4.9 Silver Sands Vanadium Property – British Columbia, Canada**

During the year ended March 31, 2022, the Company recognized an impairment loss of \$14,776 relating to this property.

### **5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The Company's accounts payable and accrued liabilities are principally comprised of amounts outstanding for trade purchases relating to administrative activities as well as expenditures relating to exploration and evaluation activities. The usual credit period taken for trade purchases is between 30 to 90 days. As at December 31, 2022, the Company had \$1,680,413 (March 31, 2022 – \$862,200) in accounts payable, \$80,013 (March 31, 2022 – \$32,250) in accrued liabilities and flow-through taxes payable \$46,661 (March 31, 2022 - \$Nil) relating to the following:

	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Exploration and evaluation activities	\$ 1,625,604	\$ 831,809
Flow-through taxes payable	43,661	-
Others	134,822	62,641
<b>Total</b>	<b>\$ 1,804,087</b>	<b>\$ 894,450</b>

## PATRIOT BATTERY METALS INC.

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#### 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (continued)

As at December 31, 2022, the Company has \$Nil (March 31, 2022 – \$3,253) due to related parties reported as part of accounts payable and accrued liabilities (Note 10).

#### 6. FLOW-THROUGH PREMIUM LIABILITY

On October 6, 2022, the Company closed a private placement for 1,507,170 flow-through units at \$13.27 per unit for gross proceeds of \$20,000,146 (FT#22 Offering). The fair value of the units was \$6.50 per unit, resulting in the recognition of a flow-through premium liability of \$6.77 per unit for a total of \$10,203,541. The flow-through premium liability is non-cash and is amortized over the periods in which the funds are spent on qualifying expenditures.

On December 21, 2021, the Company closed a private placement for 17,973,856 flow-through units at \$0.612 per unit for gross proceeds of \$11,000,000 (FT#21 Offering). The fair value of the units was \$0.475 per unit, resulting in the recognition of a flow-through premium liability of \$0.137 per unit for a total of \$2,462,418. The flow-through premium liability from this financing is amortized over the periods in which the funds are spent on qualifying expenditures. At December 31, 2022, the Company had incurred all of the \$11,000,000 in required flow-through eligible expenditures

During the nine months ended December 31, 2022, the Company recognized flow-through income of \$3,513,242 (2021 - \$Nil).

	December 31, 2022	March 31, 2022
Opening Balance, March 31, 2021	\$ 1,862,874	\$ -
Flow-through share premium issuance:		
FT#21 Offering	-	2,462,418
FT#22 Offering	10,203,541	
Amortization	(3,513,242)	(599,544)
<b>Ending Balance, December 31, 2022</b>	<b>8,553,173</b>	<b>1,862,874</b>

#### 7. SHARE CAPITAL

As at December 31, 2022, there were 92,790,239 issued and fully paid common shares (March 31, 2022 – 78,548,991) outstanding.

##### 7.1 Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

## **PATRIOT BATTERY METALS INC.**

### **Notes to the Interim Condensed Consolidated Financial Statements – (Unaudited)**

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(Expressed in Canadian dollars)

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#### **7.2 Share issuances**

*During the nine month period ended December 31, 2022, the Company issued common shares as follows:*

During the nine month period ended December 31, 2022, the Company issued a total of 9,761,448 shares for warrants exercised: 1,181,763 exercised at \$0.36 per share, 237,000 exercised at \$0.30 per share, 6,366,500 exercised at \$0.25 per share, 1,000,000 exercised at \$0.54 per share, 926,187 exercised at \$0.60 per share and 49,998 exercised at \$4.50 per share. The fair value of warrants exercised amounted to \$29,674.

During the nine month period ended December 31, 2022, the Company issued a total of 2,052,630 shares for options exercised: 850,000 at \$0.39 per share, 66,666 exercised at \$0.30 per share, 180,799 exercised at \$0.42 per share, 116,832 exercised at \$0.27 per share, 700,000 exercised at \$0.53 per share, 130,000 exercised at \$1.74 per share and 8,333 exercised at \$1.80 per share. The fair value of options exercised amounted to \$807,194.

On November 29, 2022, the Company issued 700,000 common shares in connection with the initial public offering on the Australian Securities Exchange (“ASX”) of 7,000,000 CHESSE Depository Interests (“CDI”) at a price of AUD\$0.60 per CDI for gross proceeds of AUD\$4,200,000 (CAD\$3,821,160). The CDIs are eligible for conversion to common shares on a 10:1 basis, resulting in an issue price per underlying common share of AUD\$6.00.

On October 6, 2022, the Company issued 1,507,170 common shares in connection with a private placement of charity flow-through shares (“FT#22 Shares”) at a price of \$13.27 per FT#22 Share for aggregate gross proceeds of \$20,000,145 (FT#22 Offering). In connection with the FT#22 Offering, the Company paid broker fees of \$454,217 in cash and issued 71,530 broker warrants entitling the holder to obtain one common share in the Company at a price of \$6.35 for a period of two years from the date of the closing of the FT#22 Offering.

On September 7, 2022, the Company issued 220,000 common shares at a deemed price of \$6.61 per share for the acquisition of Pontois Property (Note 4.3).

*During the nine month period ended December 31, 2021, the Company issued common shares as follows:*

During the nine month period ended December 31, 2021, the Company issued a total of 6,997,670 shares for warrants exercised: 344,998 exercised at \$0.45 per share, 1,277,994 exercised at \$0.36 per share and 5,374,678 exercised at \$0.25 per share. The fair value of warrants exercised amounted to \$75,177.

During the nine month period ended December 31, 2021, the Company issued a total of 49,833 shares for options exercised at \$0.27 per share. The fair value of options exercised amounted to \$13,348.

On December 21, 2021, the Company closed private placement through the issuance of 17,973,856 units at a price of \$0.612 per unit for 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 6) 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.

## PATRIOT BATTERY METALS INC.

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#### 7.2 Share issuances (continued)

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 \$75,412 in cash finders' fees and issued 471,328 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. At June 7, 2021, the Company had 10,897,605 common shares issued and outstanding post consolidation. The number of shares, warrants and stock options shown in these consolidated financial statements are on a post-consolidation basis.

#### 7.3 Share purchase warrants

A summary of changes in the Company's share purchase warrants outstanding as at December 31, 2022 and December 31, 2021 is as follows:

	December 31, 2022		December 31, 2021	
	Number of warrants <sup>1</sup>	Weighted average exercise price	Number of warrants <sup>1</sup>	Weighted average exercise price
Outstanding, beginning of period	38,907,055	\$ 0.59	5,972,484	\$ 0.54
Granted	2,228,393	0.93	41,627,184	0.75
Exercised	(9,761,448)	0.63	(6,997,678)	0.28
Expired	-	-	(234,694)	1.00
<b>Outstanding, end of period</b>	<b>31,374,000</b>	<b>\$ 0.68</b>	<b>40,367,296</b>	<b>\$ 0.50</b>

<sup>1</sup> Warrants were adjusted to reflect the share consolidation on June 7, 2021.

*During the nine months ended December 31, 2022:*

In connection with the FT#22 Offering, the Company paid broker fees of \$454,217 in cash and issued 71,530 broker warrants entitling the holder to obtain one common share in the Company at a price of \$6.35 for a period of two years from the date of the closing of the FT#22 Offering. The fair value of warrants issued amounting to \$315,746 was estimated using the Black-Scholes pricing model with a stock price of \$6.50, volatility of 135.40%, risk-free rate of 3.99%, dividend yield of 0% and expected life of 2 years.

The Company issued 2,156,863 broker warrants in connection with the private placement that was completed on December 21, 2021. The fair value of warrants issued amounting to \$685,133 was estimated using the Black-Scholes pricing model with a stock price of \$0.475, volatility of 156.22%, risk-free rate of 1.05%, dividend yield of 0% and expected life of 2 years.

A total of 9,761,448 warrants were exercised for total proceeds of \$3,408,863.

*During the nine months ended December 31, 2021:*

On December 21, 2021, the Company issued 17,973,856 non-FT warrants in connection with a private placement.

## PATRIOT BATTERY METALS INC.

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#### 7.3 Share purchase warrants (continued)

On June 30, 2021, the Company issued 23,182,000 warrants in connection with a private placement and 471,328 to finders. The finders' warrants fair value of \$ 111,611 was estimated using the Black-Scholes pricing model with a stock price of 0.310, volatility of 157.68%, risk free rate of 0.45%, dividend yield of 0%, and expected life of 2 years.

A total of 6,997,678 warrants were exercised and a total of 234,693 warrants expired unexercised.

The following table summarizes information regarding share purchase warrants outstanding as at December 31, 2022:

Date issued	Number of warrants*	Exercise price (\$)	Expiry date	Weighted average remaining life
August 12, 2020	166,667	0.30	August 12, 2023	0.00
August 26, 2020	80,000	0.54	August 26, 2023	0.00
March 23, 2021	166,667	0.30	March 3, 2024	0.01
June 30, 2021	4,038,409	0.25	June 30, 2023	0.06
December 21, 2021	20,130,727	0.75	December 21, 2023	0.62
March 21, 2022	6,000,000	0.75	March 21, 2025	0.43
March 21, 2022	720,000	0.75	March 21, 2024	0.03
October 6, 2022	71,530	6.35	October 6, 2024	0.00
	<b>31,374,000</b>	<b>\$ 0.68</b>		<b>1.15</b>

\*Warrants were adjusted to reflect the share consolidation on June 7, 2021

The weighted average grant date fair value of the warrants granted during the nine months ended December 31, 2022, was \$2.37 (December 31, 2021 – \$0.24) per warrant using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

	December 31, 2022	December 31, 2021
Share price at grant date (\$)	<b>\$3.49</b>	\$0.31
Risk free interest rate (%)	<b>2.52%</b>	0.45%
Expected life (years)	<b>2.00</b>	2.00
Expected volatility (%)	<b>146%</b>	158%
Expected dividend per share	-	-
Fair market value of the warrant on grant date (\$)	<b>\$2.37</b>	\$0.24

#### 7.4 Stock options

The Company has an incentive share option plan for granting options to directors, employees, and consultants, under which the total outstanding options are limited 10% of the outstanding common shares at the time of each grant. Options granted may not exceed a term of ten years. All options vest when granted unless otherwise specified by the Board of Directors.

A summary of changes in the Company's stock options outstanding as at December 31, 2022 and December 31, 2021 is as follows:

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#### 7.4 Stock options (continued)

	December 31, 2022		December 31, 2021	
	Number of options*	Weighted average exercise price	Number of options*	Weighted average exercise price
Outstanding, beginning of period	5,069,300	\$ 0.45	890,800	\$ 0.37
Granted	5,275,000	4.54	4,700,000	0.46
Exercised	(2,052,630)	0.52	(49,833)	0.27
Expired/Cancelled	(45,000)	0.36	(21,667)	0.15
Forfeited	-	-	-	-
<b>Outstanding, end of period</b>	<b>8,246,670</b>	<b>\$ 3.07</b>	<b>5,519,300</b>	<b>\$ 0.44</b>

\*Options were adjusted to reflect the share consolidation on June 7, 2021

*During the nine month period ended December 31, 2022:*

On July 27, 2022, a total of 33,335 of stock options exercisable at \$0.42 per share expired unexercised.

On May 2, 2022, a total of 11,667 stock options exercisable at \$1.80 per share expired unexercised.

A total of 2,052,630 stock options were exercised for total proceeds of \$1,071,179.

On April 5, 2022, the Company granted a total of 2,525,000 incentive stock options to officers, directors and consultants of the Company. The options are exercisable at \$1.74 per share within a period of three years from the date of grant. 2,385,000 of the options vested immediately on issue ("April Options") with 70,000 vesting twelve months from date of grant and the remaining 70,000 vesting 24 months from date of grant. In accordance with IFRS 2 Share-based Payment, the value of options is expensed over the vesting period.

On July 18, 2022, the Company granted 500,000 incentive stock options ("July Options") to a newly appointed director of the Company. The options are exercisable at \$2.58 per share within a period of three years from the date of grant. The July Options vested immediately.

On August 22, 2022, the Company granted 2,000,000 incentive stock options ("August Options") to newly appointed Non-Executive Chairman and director of the Company, with 1,000,000 options being exercisable at \$7.00 per share, and the remaining 1,000,000 options exercisable at \$9.20 per share within a period of four years from the date of grant. The August Options vested immediately.

On September 12, 2022, the Company granted 250,000 stock options ("September Options") to a member of the newly formed project steering group. The options are exercisable at \$9.00 per share within a period of four years from the date of grant. The September Options vested immediately.

The fair value of stock options granted in share-based payments is estimated using the Black-Scholes pricing model with the following inputs on date of issuance: share listed price on grant date, exercise price, expected volatility (%), risk-free rate (%), expected dividend yield (%), and expected life of stock options granted as set out below.

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#### 7.4 Stock options (continued)

	April Options	July Options	August Options	August Options	September Options
Grant Date	2022-04-05	2022-07-18	2022-08-22	2022-08-22	2022-09-12
Expiry Date	2025-04-05	2025-07-18	2026-08-22	2026-08-22	2026-09-22
Contractual Life	3 years	3 years	4 years	4 years	4 years
Vesting	Immediately and Graded Vesting	Immediately	Immediately	Immediately	Immediately
Input Variables:					
Number of options	2,525,000	500,000	1,000,000	1,000,000	250,000
Stock price at valuation date	\$1.75	\$2.58	\$4.35	\$4.35	\$6.80
Exercise price	\$1.74	\$2.58	\$7.00	\$9.20	\$9.00
'Expected' life of options	2 years	2 years	2 years	2 years	2 years
Expected volatility	129.57%	138.34%	135.50%	133.50%	136.25%
Annual Rate quarterly dividends	0%	0%	0%	0%	0%
Risk-free rate	2.37%	3.22%	3.48%	3.48%	3.61%
Fair value per option	\$1.14	\$1.76	\$2.57	\$2.35	\$4.27
Total share-based payments	\$2,871,686 <sup>(1)</sup>	\$880,322	\$2,565,752	\$2,349,520	\$1,069,106

(1) \$2,800,759 was expensed over 9 months ending December 31, 2022 per vesting schedule.

All options were granted under and are governed by the terms of the Company's incentive stock option plan.

*During the nine month period ended December 31, 2021:*

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 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 were 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 stock options expired unexercised.

## PATRIOT BATTERY METALS INC.

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#### 7.4 Stock options (continued)

The following table summarizes information regarding stock options outstanding and exercisable as at December 31, 2022:

Exercise price	Number of options outstanding*	Expiration date	Weighted-average remaining contractual life (years)	Weighted average exercise price \$
\$0.27	58,334	January 14, 2023	0.00	0.00
\$0.27	26,667	February 3, 2023	0.00	0.00
\$0.30	216,669	November 19, 2023	0.02	0.01
\$0.39	1,300,000	August 6, 2024	0.25	0.06
\$0.53	1,500,000	December 23, 2024	0.36	0.10
\$1.74	2,395,000	April 5, 2025	0.66	0.51
\$2.58	500,000	July 18, 2025	0.15	0.16
\$7.00	1,000,000	August 22, 2026	0.44	0.85
\$9.00	250,000	September 12, 2026	0.11	0.27
\$9.20	1,000,000	August 22, 2026	0.44	1.12
<b>Total options outstanding and exercisable</b>	<b>8,246,670</b>		<b>2.43</b>	<b>\$ 3.08</b>

\*Options were adjusted to reflect the share consolidation on June 7, 2021

The weighted average grant date fair value of the options granted during the nine months ended December 31, 2022, was \$2.42 (2021 – \$0.34) per option using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

	December 31, 2022	December 31, 2021
Share price at grant date (\$)	<b>\$3.97</b>	\$0.41
Risk free interest rate (%)	<b>3.23%</b>	0.81%
Expected life (years)	<b>2.00</b>	3.00
Expected volatility (%)	<b>135%</b>	157%
Fair market value of the option on grant date (\$)	<b>\$2.42</b>	\$0.34

## PATRIOT BATTERY METALS INC.

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#### 8. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Three months ended		Nine months ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net loss for the period	\$ 816,415	\$ (1,676,971)	\$ (8,453,302)	\$ (3,820,087)
Weighted average number of shares – basic and diluted <sup>1</sup>	91,872,303	80,887,120	87,666,647	19,880,123
<b>Loss per share, basic and diluted</b>	<b>\$ 0.01</b>	<b>\$ (0.02)</b>	<b>\$ (0.10)</b>	<b>\$ (0.19)</b>

<sup>1</sup>Shares were adjusted to reflect the share consolidation on June 7, 2021.

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. All of the stock options and the share purchase warrants were anti-dilutive for the nine months ended December 31, 2022 and 2021 as the Company incurred losses during these periods.

#### 9. FINANCIAL INSTRUMENTS

##### 9.1 Categories of financial instruments

As at	December 31, 2022	March 31, 2022
	\$	\$
<b>FINANCIAL ASSETS</b>		
<b>At fair value through profit or loss</b>		
Cash and cash equivalents (Level 1)	19,346,011	11,697,720
<b>Total financial assets</b>	<b>19,346,011</b>	<b>11,697,720</b>
<b>FINANCIAL LIABILITIES</b>		
<b>At amortized cost</b>		
Accounts payable (Level 1)	1,680,413	863,384
<b>Total financial liabilities</b>	<b>1,680,413</b>	<b>863,384</b>

##### 9.2 Fair value

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.

## PATRIOT BATTERY METALS INC.

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#### 9.2 Fair value (continued)

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- 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 March 31, 2022 and 2021, the Company does not have any Level 3 financial instruments.

There were no transfers between Level 1, 2 and 3 in the nine months ended December 31, 2022 and 2021.

#### 10. RELATED PARTY TRANSACTIONS

Key management personnel are considered to be those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. Key management includes senior officers and directors of the Company.

Related party transactions to key management personnel are as follows:

<b>Nine months ended</b>	<b>December 31, 2022</b>	December 31, 2021
Management and administration fees <sup>(1)(2)</sup>	<b>\$ 754,762</b>	\$ 373,008
Share-based payments	<b>7,948,094</b>	1,227,662
<b>Total key management personnel compensation</b>	<b>\$ 8,702,856</b>	\$ 1,600,670

(1) Included \$240,000 separation settlement payment to the former CEO.

(2) Included a total of \$110,000 of bonus payments paid to former CEO, CFO and President and CEO.

As at December 31, 2022, the Company had \$Nil (March 31, 2022 – \$3,253) due to the related parties which was reported as part of accounts payable and accrued liabilities (Note 5) which are unsecured, non-interest bearing and have no specific terms for repayment.

## PATRIOT BATTERY METALS INC.

### Notes to the Interim Condensed Consolidated Financial Statements – (Unaudited)

As at and for the period ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

#### 11. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred the following non-cash investing and financing transactions during the nine months ended December 31, 2022 and 2021:

Nine months ended	December 31, 2022	December 31, 2021
<b>Supplemental cash flow information</b>		
Non-cash financing activities:		
Finders' warrants	\$ 1,000,874	\$ 464,449
Fair value of warrants exercised	29,674	75,177
Fair value of options exercised	807,194	13,348
14Exploration and evaluation assets included in accounts payable and accruals	1,625,604	-
Shares issued for mineral properties	1,454,000	-
Income taxes paid	\$ -	\$ -
Interest paid	-	-

#### 12. COMMITMENTS

The Company has certain commitments related to key management compensation for \$57,000 per month with no specific expiry of terms.

The Company has certain commitments in connection with its mineral properties (Note 4).

#### 13. SEGMENTED INFORMATION

The Company operates in one business segment, being the exploration and development of mineral properties. The Company's exploration and evaluation assets are broken down per geographical location as follows:

	Canada	US	Total
<b>Balance, as at December 31, 2022</b>			
Exploration and evaluation assets	\$ 31,282,055	\$ 1,770,510	\$ 33,052,565
<b>Balance, as at March 31, 2022</b>			
Exploration and evaluation assets	\$ 12,687,087	\$ 1,724,885	\$ 14,411,973

#### 14. EVENTS AFTER THE REPORTING PERIOD

Subsequent to December 31, 2022, the Company issued:

- 2,545,188 common shares for warrants exercised for total proceeds of \$1,551,003; and
- 854,999 common shares for options exercised for total proceeds of \$1,362,750.

On January 25, 2023, the Company granted to officers of the Company a total of 750,000 stock options exercisable at \$12.50 with 250,000 vested immediately, 250,000 vesting on January 25, 2024 and 250,000 vesting on January 25, 2025.