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# **PATRIOT BATTERY METALS INC.**

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

**As at and for the three and six-month periods ended  
September 30, 2023**

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TSXV: PMET - ASX: PMT - OTCQX: PMETF



## 1. 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"), prepared as of November 10, 2023.

This MD&A should be read in conjunction with the interim condensed consolidated financial statements for the three and six-month periods ended September 30, 2023, and related notes thereto (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), a copy of which is filed on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on the ASX at [www.asx.com.au](http://www.asx.com.au).

For the purposes of preparing this MD&A, management, in conjunction with the board of directors of the Company (the "Board of Directors" or the "Board"), 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 (the "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 existing information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Unless otherwise indicated, all references to "\$" in this MD&A are to Canadian dollars. References to "US\$" in this MD&A are to US dollars.

The information in this MD&A that relates to:

- the CV5 Pegmatite Maiden Mineral Resource Estimate was first reported by the Company in a market announcement titled "Patriot Announces the Largest Lithium Pegmatite Resource in the Americas at CV5, Corvette Property, Quebec, Canada" dated July 30, 2023 (Vancouver time);
- the filing of a technical report prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") on September 8, 2023 (the "Technical Report") was first reported by the Company in a market announcement titled "Patriot Files NI 43-101 Technical Report on the CV5 Mineral Resource Estimate, Corvette Property, Quebec, Canada" dated 8 September 2023 (Vancouver time);
- the discovery of new near-surface high-grade zone at the CV13 Spodumene Pegmatite was first reported by the Company in a market announcement titled "Patriot Discovers New High-Grade Zone at the CV13 Spodumene Pegmatite, Corvette Property, Quebec, Canada" dated 18 October 2023 (Vancouver time);
- the Company's final core assay results for the 2023 winter drill program was first reported by the Company in a market announcement titled "Patriot Announces Final Core Assay Results from its 2023 Winter Drill Program, including 108.0 m at 2.44% Li<sub>2</sub>O, at the CV5 Pegmatite, Corvette Property, Quebec, Canada" dated 10 July 2023 (Vancouver time); and
- the Company's summer program results was first reported by the Company in a market announcement titled "Patriot Extends Strike Length to 4.35 km at the CV5 Spodumene Pegmatite, Corvette Property, Quebec, Canada" dated 24 September 2023 (Vancouver time).

These announcements are available on the Company's website at <https://patriotbattery.com>, on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on the ASX at [www.asx.com.au](http://www.asx.com.au).



The Company confirms that it is not aware of any new information or data that materially affects the information contained in these market announcements and that all material assumptions and technical parameters underpinning the estimates contained therein continue to apply and have not materially changed.

## **2. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

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This MD&A contains “forward-looking information” or “forward-looking statements” within the meaning of applicable securities laws. Forward-looking statements are included to provide information about management’s current expectations and plans that allows investors and others to have a better understanding of the Company’s business plans and financial performance and condition.

All statements, other than statements of historical fact included in this MD&A, regarding the Company’s strategy, future operations, financial position, prospects, plans and objectives of management are forward-looking statements. Forward-looking statements are typically identified by words such as “plan”, “expect”, “estimate”, “intend”, “anticipate”, “believe”, 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 proceeds from the sale of Common Shares pursuant to the subscription agreement with respect to the private placement by Albemarle Corporation (“Albemarle”); the intended use of the proceeds from the Strategic Investment; the completion of a study for a lithium hydroxide plant and the formation of a joint venture or partnership with Albemarle pursuant to the non-binding memorandum of understanding (the “MOU”); the Company’s graduation to the Toronto Stock Exchange (the “TSX”); the development of the Company’s non-core assets; 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 growth strategy and opportunities; anticipated trends and challenges in the Company’s business and the industry in which it operates; the perceived merit and further potential of the Company’s properties; preliminary economic assessments and other development study results; exploration results at the Company’s properties; budgets; strategic plans; market price and demand for lithium; permitting or other timelines; government regulations and relations.

Forward-looking information is based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performance, or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such information or statements. There can be no assurance that such information or statements will prove to be accurate. Key assumptions upon which the Company’s forward-looking information is based include the total funding required to complete the Company’s Corvette property (the “Corvette Property”); the Company’s ability to raise additional financing when needed and on reasonable terms; the Company’s ability to achieve current exploration, development and other objectives concerning the Company’s properties; the Company’s expectation that the current price and demand for lithium and other commodities will be sustained or will improve; the Company’s ability to obtain requisite licences and necessary governmental approvals; the Company’s ability to attract and retain key personnel; general business and economic conditions and conditions, including competitive conditions, in the market in which the Company operates.



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 adverse effect on the Company's business, financial condition, results of operations and growth prospects. 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, among others, the Company's ability to execute on plans relating to its Corvette project including the timing thereof the Company's ability to generate revenue and future capital requirements; the Company's profitability in the short or medium term; mineral resource estimation risks; exploration, development and operating risks and costs; the Company's dependence upon the Corvette Property; the titles to the Company's mineral properties being challenged or impugned; the Company receiving and maintaining licenses and permits from appropriate governmental authorities; environmental and safety regulations; land access risk; access to sufficient used and new equipment; maintenance of equipment; the Company's reliance on key personnel; the Company's reliance on key business relationships; the Company's growth strategy; the Company's ability to obtain insurance; occupational health and safety risks; adverse publicity risks; third party risks; disruptions to the Company's business operations; the Company's reliance on technology and information systems; litigation risks; tax risks; unforeseen expenses; public health crises; climate change; general economic conditions; commodity prices and exchange rate risks; lithium demand; volatility of share price; public company obligations; competition risk; dividend policy; policies and legislation; force majeure; and changes in technology.

Although the Company believes its expectations are based upon reasonable assumptions and has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. As such, these risks are not exhaustive; however, they should be considered carefully. If any of these risks or uncertainties materialize, actual results may vary materially from those anticipated in the forward-looking statements found herein. Due to the risks, uncertainties, and assumptions inherent in forward-looking statements, readers should not place undue reliance on forward-looking statements.

Forward-looking statements contained herein are presented for the purpose of assisting investors in understanding the Company's expected financial and operational performance and results as at and for the periods ended on the dates presented in the Company's plans and objectives and may not be appropriate for other purposes. The assumptions referred to above and described in greater detail in the "Risk and Uncertainties" section of this MD&A 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. The Company qualifies all of its forward-looking statements by these cautionary statements.

### **3. NATURE OF BUSINESS**

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The Company was incorporated on May 10, 2007, under the *Business Corporations Act* (British Columbia). The Company is domiciled in Canada and is a reporting issuer in British Columbia, Alberta and Ontario. See the "Liquidity and Capital Resources" section of this MD&A.



The address of its head office is Suite 700-838 W Hastings Street, Vancouver, British Columbia, V6C 0A6 and the address of its registered and records office is Suite 1800, 510 West Georgia Street, Vancouver, British Columbia, V6B 0M3.

The Company is a hard-rock lithium exploration company focused on advancing its district-scale 100% owned Corvette Property located in the Eeyou Istchee James Bay region of Quebec, Canada, and proximal to regional road and powerline infrastructure. The Corvette Property hosts the CV5 Spodumene Pegmatite ("CV5") with a maiden inferred mineral resource estimate of 109.2 Mt at 1.42% Li<sub>2</sub>O and 160 ppm Ta<sub>2</sub>O<sub>5</sub> (at a cut-off of 0.40% Li<sub>2</sub>O) and ranks as the largest lithium pegmatite resource in the Americas based on contained lithium carbonate equivalent ("LCE") and one of the top 10 largest lithium pegmatite resources in the world. Additionally, the Corvette Property hosts multiple other spodumene pegmatite clusters that remain to be drill tested, as well as more than 20 km of prospective trend that remains to be assessed.

Mineral resources are not mineral reserves as they do not have demonstrated economic viability. The effective date of the mineral resource estimate is June 25, 2023 (through drill hole CV23-190).

The Company also holds several other non-core assets located in British Columbia, Quebec, Idaho and the Northwest Territories, which are considered prospective for lithium, copper, silver, and gold.

The Common Shares are listed and posted for trading on the TSX-V under the symbol "PMET", on the ASX under the symbol "PMT" and are traded on the OTC Market in the United States under the symbol "PMETF" and on the Börse Frankfurt (Frankfurt Stock Exchange) in Germany under the symbol "R9GA".

For further information regarding the Company and its material mineral projects, in addition to what is provided in this MD&A, please refer to the Company's Annual Information Form for the year ended March 31, 2023, dated as of June 29, 2023 ("AIF"), the press release dated July 30, 2023 in which Patriot announces the largest lithium pegmatite resource in the Americas at CV5, Corvette Property, Quebec, Canada and the Technical Report prepared in accordance with NI 43-101

## **4. HIGHLIGHTS**

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### **4.1. Fiscal second quarter 2023**

The Company's site-based activities were suspended on June 3, 2023, by the provincial legislation due to wildfires in northern Quebec. The activities on the Corvette property resumed on July 26, 2023 when the ban on entry to the forest due to the wildfires was lifted by the Government and the Company could remobilize personnel safely.

#### **A. Exploration**

- Completion of a Maiden Mineral Resource Estimate ("MRE") for the CV5 Pegmatite
  - Confirmed CV5 Spodumene Pegmatite as the largest lithium pegmatite mineral resource in the Americas based on contained lithium carbonate equivalent and one of the top 10 largest lithium pegmatite resources globally. 109.2 Mt at 1.42% Li<sub>2</sub>O and 160 ppm Ta<sub>2</sub>O<sub>5</sub> inferred, (0.40% Li<sub>2</sub>O cut-off grade). Mineral resources are not mineral reserves as they do not have demonstrated economic viability. The effective date of the mineral resource estimate was June 25, 2023 (through drill hole CV23-190).



- Based on 163 core holes totalling 56,385 m.
- Geological model interpreted a single, continuous, principal pegmatite body ranging in true thickness from ~8 m to upwards of ~130 m, extending over a strike length of 3.7 km (drill hole to drill hole), and which is flanked by multiple subordinate lenses.
- Filing of a Technical Report on September 8, 2023, titled “Mineral Resource Estimate for the CV5 Pegmatite, Corvette Property”, for the CV5 Pegmatite – 109.2 Mt at 1.42% Li<sub>2</sub>O and 160 ppm Ta<sub>2</sub>O<sub>5</sub>. Mineral resources are not mineral reserves as they do not have demonstrated economic viability. The effective date of the mineral resource estimate was June 25, 2023 (through drill hole CV23-190).
- Final core assay results for the 2023 winter drill program were reported and include 108.0 m at 2.44% Li<sub>2</sub>O, including 37.5 m at 3.58% Li<sub>2</sub>O (CV23-181), 115.3 m at 1.81% Li<sub>2</sub>O, including 89.6 m at 2.20% Li<sub>2</sub>O (CV23-177).
- Extension of the CV5 Spodumene Pegmatite by an additional 0.65 km along strike to the west.

## **B. Financing**

- Closing of a private placement of approximately \$109 million (the “Strategic Investment”) by Albemarle on August 3, 2023 for an aggregate of 7,128,341 Common Shares at a price of \$15.29 per Common Share.
- Commitment to an MOU with Albemarle to assess partnership opportunities to study the viability of a downstream lithium hydroxide plant integrated with the Property and located in Canada or the United States, including options in the Province of Quebec.

## **C. Project Development**

- Advancement of the all-season road upgrade despite delays associated with the wildfires in the region and the related road closures during the summer 2023. Phase I will be completed as scheduled before the end of the calendar year.
- Progress of the 100% owned exploration camp installation. All the earthworks are complete while all modules are set and leveled in the final position. The exterior complexing is underway.
- Commencement of the engineering for the Pre-Feasibility Study (“PFS”) has commenced for a targeted completion date in late 2024 or early 2025.

## **D. ESG**

- Continuation of the baseline data collection after the ban on entry to the forest due to the wildfires was lifted. The process is conducted with First Nation consulting firms and experts from the local Chisasibi Cree Community.
- Completion of activities required towards the Ecologo certification including training provided by third parties on business ethics, adherence to the Code of Ethics and Business Conduct, and health and safety.
- Recognition of the National Day for Truth and Reconciliation on September 30 under the theme “I’m listening and learning”, by encouraging all the workers to wear orange as a sign of solidarity, learn about this part of history and its impact, and appreciate the richness of Indigenous cultures.



## **E. Corporate**

- Strengthening of shareholder communications and investor awareness:
  - Bradley Seward was appointed Vice President of Investor Relations effective September 11, 2023;
  - Olivier Caza-Lapointe was appointed Head of Investor Relations, North America effective August 29, 2023;
- Inclusion in the Standard & Poors ("S&P")/ASX 300 Index by S&P Dow Jones effective on September 18, 2023.

### **4.2. Events subsequent to September 30, 2023**

- Discovery of new near-surface high-grade zone at the CV13 Spodumene Pegmatite. Drill intersections include 12.7 m at 2.46% Li<sub>2</sub>O, including 7.6 m at 3.82% Li<sub>2</sub>O (CV23 191), and 8.0 m at 2.86% Li<sub>2</sub>O, including 4.3 m at 5.03% Li<sub>2</sub>O (CV23 195), 10.2 m at 2.70% Li<sub>2</sub>O, including 5.8 m at 4.48% Li<sub>2</sub>O (CV23-198) and 10.7 m at 2.79% Li<sub>2</sub>O.
- Expansion of the Company's land position at its Eastmain Project located in the Eeyou Istchee James Bay region, Quebec, through the acquisition of a 100% interest in two (2) proximal claim blocks. The new claim blocks are located immediately adjacent to Alkem Limited's James Bay Lithium Project, and on strike of the James Bay Lithium Deposit. See the "Mineral Property Interests - Other Properties" section of this MD&A.

## **5. COMPANY'S OUTLOOK FOR THE FINANCIAL YEAR ENDING MARCH 31, 2024**

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### **Q3 FY 2024**

- Submission of the project description, officially commencing the permitting process
- Opening of the 80-person 100%-owned exploration camp
- Continued westward drilling from CV5 towards CV13 to test potential connectivity
- Graduation to the TSX, subject to TSX approval and fulfillment of all applicable listing requirements

### **Q4 FY 2024**

- Commencement of 2024 winter 10-rig drill program
- Completion of the all-season road in the spring of 2024

## 6. MINERAL PROPERTY INTERESTS

The Company's exploration and evaluation properties expenditures for the six-month period ended September 30, 2023, and the year ended March 31, 2023, are as follows:

	Corvette Property <i>Quebec, Canada</i>	US Property <i>Idaho, USA</i>	Northwest Territories Property <i>NW Territories, Canada</i>	Other Quebec Properties <i>Quebec, Canada</i>	Total
	\$	\$	\$	\$	\$
<b>Acquisition Costs</b>					
Balance, March 31, 2022	5,743,000	880,000	177,000	454,000	7,254,000
Additions	3,000	-	-	1,554,000	1,557,000
<b>Balance, March 31, 2023</b>	<b>5,746,000</b>	<b>880,000</b>	<b>177,000</b>	<b>2,008,000</b>	<b>8,811,000</b>
Additions	109,000	-	-	14,000	123,000
<b>Balance, September 30, 2023</b>	<b>5,855,000</b>	<b>880,000</b>	<b>177,000</b>	<b>2,022,000</b>	<b>8,934,000</b>
<b>Exploration and Evaluation Costs</b>					
Balance, March 31, 2022	5,525,000	844,000	551,000	238,000	7,158,000
Additions	30,075,000	46,000	(48,000)	226,000	30,299,000
<b>Balance, March 31, 2023</b>	<b>35,600,000</b>	<b>890,000</b>	<b>503,000</b>	<b>464,000</b>	<b>37,457,000</b>
Additions	21,589,000	13,000	-	5,000	21,607,000
<b>Balance, September 30, 2023</b>	<b>57,189,000</b>	<b>903,000</b>	<b>503,000</b>	<b>469,000</b>	<b>59,064,000</b>
<b>Total, March 31, 2023</b>	<b>41,346,000</b>	<b>1,770,000</b>	<b>680,000</b>	<b>2,472,000</b>	<b>46,268,000</b>
<b>Total, September 30, 2023</b>	<b>63,044,000</b>	<b>1,783,000</b>	<b>680,000</b>	<b>2,491,000</b>	<b>67,998,000</b>





## **6.1. Corvette Property (Lithium, Tantalum) – James Bay Region, Quebec, Canada**

### **A. Maiden Resource Estimate**

On September 8, 2023, the Company filed a Technical Report titled “Mineral Resource Estimate for the CV5 Pegmatite, Corvette Property”. The Technical Report has been prepared by BBA Engineering Ltd., with contributions from Primero Group Americas Inc., both consulting groups are independent of the Company, in accordance with NI 43-101. The report is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

The MRE for the CV5 Spodumene Pegmatite at the Corvette Property has firmly established the deposit as the largest lithium pegmatite mineral resource in the Americas based on contained LCE and one of the top 10 largest lithium pegmatite resources globally, returning 109.2 Mt at 1.42% Li<sub>2</sub>O and 160 ppm Ta<sub>2</sub>O<sub>5</sub>, inferred, at a cut-off grade of 0.40% Li<sub>2</sub>O. Mineral resources are not mineral reserves as they do not have demonstrated economic viability. The effective date of the mineral resource estimate was June 25, 2023 (through drill hole CV23-190).

The geological model underpinning the MRE interprets a single, continuous, principal spodumene pegmatite body ranging in true thickness from ~8 m to upwards of ~130 m, extending over a strike length of approximately 3.7 km (drill hole to drill hole), and which is flanked by multiple subordinate lenses. Additionally, the resource and geological modelling has outlined significant potential for growth at CV5, which remains open at both ends along strike, and to depth along a significant portion of its length. The MRE includes only the CV5 Spodumene Pegmatite (previously also termed the “CV5 Pegmatite Cluster”, or “CV5”), and therefore does not include any of the other known spodumene pegmatite clusters on the Corvette Property, namely CV4, CV8, CV9, CV10, CV12, and CV13. Refer to the following figure for further information.

The Corvette Property is the Company's flagship asset and is comprised of 424 claims, totalling 21,715 ha, extending for approximately 50 km along the La Grande Greenstone Belt. For clarity, the total number of claims at the Corvette Property now includes the seven (7) claims from KM270 Claim Group Property acquired during the quarter (i.e., collectively, referred to as the “Corvette Property”).



**PATRIOT BATTERY METALS INC.**  
**Management's Discussion and Analysis**

As at and for the three and six-month period ended September 30, 2023

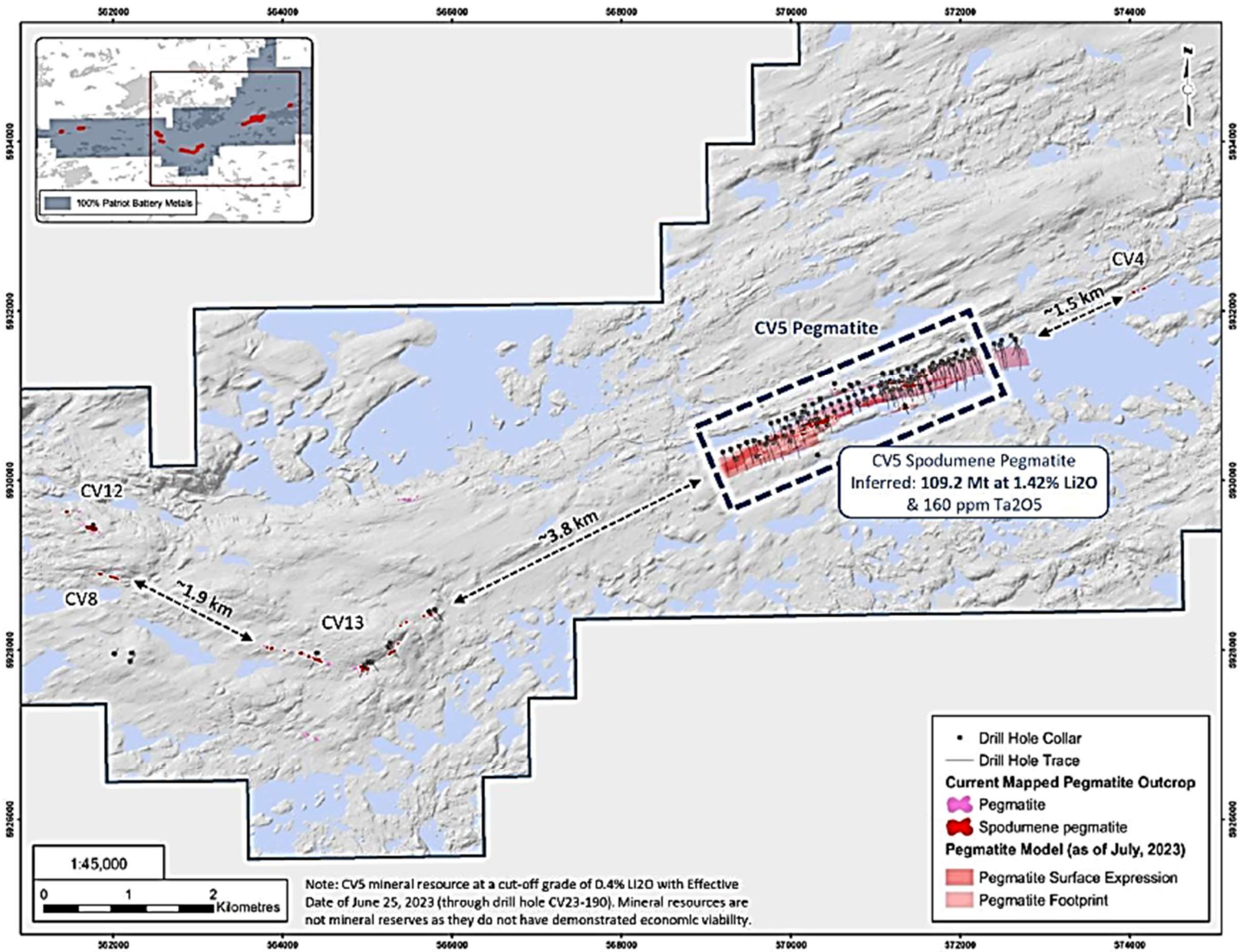


Figure: Extent of CV5 Spodumene Pegmatite's MRE, highlighting potential along trend at proximal spodumene pegmatite clusters



**Mineral Resources Statement (NI 43-101) for the CV5 Spodumene Pegmatite**

Cut-off Grade Li <sub>2</sub> O (%)	Classification	Tonnes	Li <sub>2</sub> O (%)	Ta <sub>2</sub> O <sub>5</sub> (ppm)	Contained Li <sub>2</sub> O (Mt)	Contained LCE (Mt)
0.40	Inferred	109,242,000	1.42	160	1,551,000	3,835,000

- Mineral resources were prepared in accordance with NI 43-101 and the CIM Definition Standards (2014). Mineral resources that are not mineral reserves do not have demonstrated economic viability. This estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, economic, or other relevant issues.
- The effective date of the estimate is June 25, 2023 (through drill hole CV23-190).
- Estimation was completed using a combination of ordinary kriging and inverse distance (ID2) in Leapfrog Edge software with dynamic anisotropy search ellipse on specific domains.
- Drill hole composites average 1 m in length. Block size is 10 m x 5 m x 5 m with sub-blocking.
- Open-pit mineral resources statement is reported at a cut-off grade of 0.40% Li<sub>2</sub>O and is based on a spodumene concentrate price of US\$1,500/tonne and an exchange rate of 0.76 CAD/USD.
- Rounding may result in apparent summation differences between tonnes, grade, and contained metal content.
- Tonnage and grade measurements are in metric units.
- Conversion factors used: Li<sub>2</sub>O = Li x 2.153; LCE (i.e., Li<sub>2</sub>CO<sub>3</sub>) = Li<sub>2</sub>O x 2.473, Ta<sub>2</sub>O<sub>5</sub> = Ta x 1.221.
- Densities for pegmatite blocks were estimated using a linear regression function (SG = 0.0709 x Li<sub>2</sub>O% + 2.6217) derived from 1,408 SG field measurements and Li<sub>2</sub>O grade. Non-pegmatite blocks were assigned a fixed SG based on the field measurement median value of their respective lithology.

Based on publicly available defined mineral resource estimates completed in accordance with NI 43-101, JORC, or equivalent regulatory body, the maiden MRE for the CV5 Spodumene Pegmatite firmly establishes it as the largest lithium pegmatite resource in the Americas, based on contained LCE. Refer to the following figure for further information.

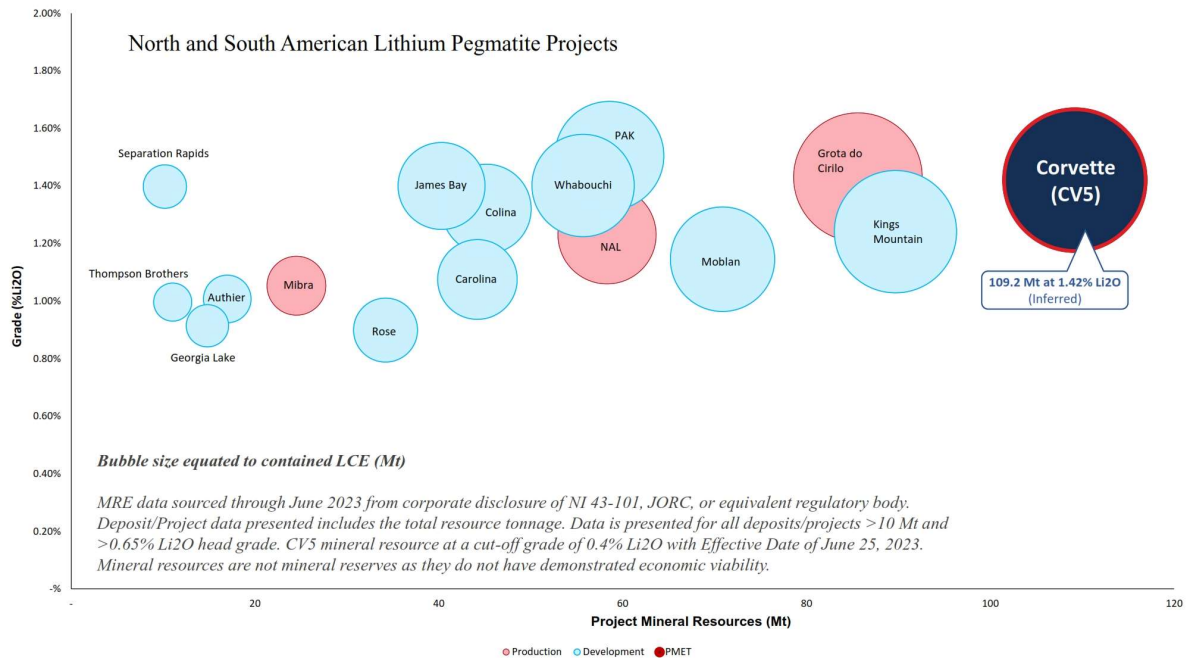


Figure: MRE tonnage vs grade chart, highlighting the CV5 Spodumene Pegmatite as the largest lithium pegmatite mineral resource in the Americas as of June 25, 2023 (see Appendices 1 and 2 below).

## B. Exploration Program

### 1) Fiscal second quarter ended September 30, 2023

The Company received the final core assay results for the 2023 winter drill program. Results included:

- 108.0 m at 2.44% Li<sub>2</sub>O, including 37.5 m at 3.58% Li<sub>2</sub>O (CV23-181)
- 115.3 m at 1.81% Li<sub>2</sub>O, including 89.6 m at 2.20% Li<sub>2</sub>O (CV23-177)
- Wide widths and strong grades in the final drill hole completed –139.2 m at 1.26% Li<sub>2</sub>O, including 36.2 m at 1.74% Li<sub>2</sub>O (CV23-190)
- Wide widths and strong grades returned in one of the most eastwardly drill holes completed to date at the CV5 Pegmatite, highlighting the strong potential of area – 36.0 m at 1.36% Li<sub>2</sub>O, including 17.0 m at 2.31% Li<sub>2</sub>O (CV23-165)

During the period, the Company continued its summer-fall Drill Program and extended the CV5 Spodumene Pegmatite by 650 m to the west. The CV5 Spodumene Pegmatite has now been traced continuously by drilling over a lateral distance of at least 4.35 km and remains open. Multiple drill holes have returned continuous core-length spodumene pegmatite intersections exceeding 30 m, and up to 56.8 m (drill hole CV23-231). Several drill holes have returned composited core-length pegmatite intersections (i.e., sum of all pegmatite intervals within the hole) of over 90 m, to a peak of approximately 144 m (CV23-223).



In the summer program, fifty-three (53) drill holes, totalling approximately 15,614 m, have been completed through September 18, 2023. Thirty (30) holes (~10,757 m) were completed at the CV5 Spodumene Pegmatite and twenty (20) holes (~4,707 m) completed at the CV13 Spodumene Pegmatite. The remaining three (3) holes (~150 m) were completed at the KM-270 camp site for hydrogeology. Finally, the initial drill testing of the CV9 Spodumene Pegmatite cluster recently commenced.

During the six-month period ended September 30, 2023, the Company incurred \$21,589,000 in exploration expenditures for the Corvette Property, net of exploration tax credits (March 31, 2023 - \$30,075,000).

For further information on the Company's Corvette Property, please refer to the Company's Annual MD&A, dated as of June 29, 2023.

## **2) Subsequent events**

On October 18, 2023, the Company reported the discovery of a new high-grade zone (with sample ranges including 3 – 5% Li<sub>2</sub>O) near-surface at the CV13 Spodumene Pegmatite. Results included:

- 12.7 m at 2.46% Li<sub>2</sub>O, including 7.6 m at 3.82% Li<sub>2</sub>O (CV23-191)
- 8.0 m at 2.86% Li<sub>2</sub>O, including 4.3 m at 5.03% Li<sub>2</sub>O (CV23-195)
- 10.2 m at 2.70% Li<sub>2</sub>O, including 5.8 m at 4.48% Li<sub>2</sub>O (CV23-198)
- 10.7 m at 2.79% Li<sub>2</sub>O, including 7.3 m at 3.94% Li<sub>2</sub>O (CV23-200)

The CV13 Spodumene Pegmatite trend extends over an approximate 2.3 km strike length through multiple outcrop exposures, of which, approximately 1.1 km has now been traced continuously by drilling. The trend remains open along strike at both ends and to depth. With significant mineralization now delineated further west at CV5 and at CV13, there are now several options for the mining starter pit.

## **C. PROJECT DEVELOPMENT**

The Quebec wildfire situation impacted project development activities during the quarter. The ban on entry to the forest and the road closures to the west and south of the project site prevented mobilization of personnel and equipment. Overall, access to the site was restricted for a period of 80 days from early June to late August.

Following the re-opening of site access in late August, delivery of the remaining camp modules, camp installation, and access road construction recommenced. All camp modules are now set and level with the exterior enclosure of the complex progressing well. The initial phase of the camp, with 80 rooms, is expected to be operational during November 2023. In addition, two critical work packages, the installation of the camp water well and the fabrication of the camp wastewater treatment plant progressed during the quarter. These pieces of equipment are critical to permit the next phase of the camp which will accommodate up to 120 workers.



The first phase of the all-season road progressed despite the reduced construction period available due to the wildfires. The road substructure and Phase I road access to the site will be completed before the end of the calendar year. The second and final phase of the all-season road upgrade, including the rolling surface installation, will be completed in early spring 2024.

The engineering packages to support the PFS were awarded during the quarter. Other work packages for specialist technical support were also awarded and progressed during the period.

Finally, the Company received results with respect to the preliminary Heavy Liquid Separation (“HLS”) at CV13. HLS testwork on five (5) core sample composites from the CV13 Pegmatite cluster indicates that a simple Dense Media Separation (“DMS”) process flowsheet is applicable. Furthermore, HLS testwork followed by magnetic separation produced 6+% Li<sub>2</sub>O spodumene concentrates at overall lithium recoveries exceeding 70%. These results provide a strong indication that material from both the CV13 Pegmatite and CV5 Pegmatite may be processed jointly using the same design criteria and flowsheet (i.e., processed at the same plant).

#### **D. ESG**

The Environmental and Social Impact Assessment (“ESIA”) process is a key component in evaluating the potential development of a mining project in Quebec, Canada, and ultimately obtaining the permit to operate. Environmental surveys are required on numerous components, such as: vegetation and wetlands, surface water and hydrology, fish and fish habitat, and small mammals. The information collected from these surveys, which must be performed at a certain time of the year, will feed into the overall ESIA process for the Corvette Project. The various environmental surveys will collectively form a baseline in order to evaluate potential impacts of the Corvette Project under a preferred development scenario and determine corresponding mitigation measures.

Despite, the wildfires affecting the region during the three-month period ended September 30, 2023, the Company was able to progress the environmental baseline data collection. The local community and Indigenous peoples continued to be involved throughout the entire process including the environmental baseline data collection. Their involvement will continue on the various additional environmental surveys planned to complete the ESIA.

In addition to the environmental baseline data collection, groundwater was sampled once more in the observation wells at CV5 in the envisioned pit area, which will form the basis of an initial hydrogeological model. The environmental geochemical characterization of mineralization, waste rock, and tailings is also ongoing.

During the period ended September 30, 2023, the Company continued to obtain permits. It also submitted an authorization request to the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs (“MELCCFP”) for the installation of a wastewater treatment system to service the phase 2 expansion of the exploration camp. A pumping test on the drinking water well is ongoing to prepare the hydrogeological study that will be included in the future authorization request to MELCCFP for drinking water withdrawal for the camp.

The Company continued to create mutual understanding and strengthen the collaboration with the local community through twenty-one communications activities with local stakeholders, including twenty activities specific to Chisasibi Cree communities' members and representatives, using a variety of channels (in-person and virtual meetings, texts, phone calls).



In August 2023, during a community visit in Chisasibi, the Company held six (6) in-person meetings with the Chief, the Deputy Chief and the Councillors, the members of the Tallyman's family (trapline CH39), the Coordinator of the Chisasibi Elder Council and the Principal of the James Bay Eeyou.

On September 30, 2023, the Company recognized the National Day of Truth and Reconciliation under the theme "I'm listening and learning". The Company encouraged all its workers to wear orange as a sign of solidarity, learn about this part of history and its impact and learn and appreciate the richness of Indigenous cultures. Books were provided as well as suggestions for films, TV series, documentaries, podcasts, etc. to get employees started on their learning journey. Finally, the Company made a donation to the Chisasibi community. The donation was utilized to rebuild a sweat lodge, a cultural site with spiritual significance, in preparation for a gathering to be held in November. At this event, guests will share testimonials about their experiences in residential schools.

During the same period, work progressed to obtain the Ecologo Certification, North America's largest and most respected environmental standard and certification mark for exploration.

## **6.2. Other Properties**

During six-month period ended September 30, 2023, the Company incurred \$13,000 in exploration expenditures on the Freeman Creek Property (March 31, 2023 - \$46,000) and \$5,000 in exploration expenditures on the Pontax Property (March 31, 2023 - \$160,000). The Company did not incur exploration expenditures on the Pontois Property (March 31, 2023 - \$17,000). No field exploration was completed at the Hidden Lake in six-month period ended September 30, 2023 and the fiscal year ended March 31, 2023, as the Company concentrated its exploration efforts on the Corvette Property. The Hidden Lake Property claims are in good standing until 2026.

During six-month period ended September 30, 2023, the Company did not incur exploration expenditures on the Lac du Beryl Property (March 31, 2023 - \$29,000). The Company did not incur exploration expenditures on the Eastmain property (March 31, 2023 - \$20,000).

On October 30, 2023, the Company increased its land position at its Eastmain Project, located in the James Bay region, Quebec, through the arms' length acquisition of a 100% interest in two (2) proximal claim blocks. The new claim blocks total 73 claims (3,851.5 ha) and are located immediately adjacent to Alkem Limited's James Bay Lithium Project, and on strike of the James Bay Lithium Deposit within the prospective Eastmain Greenstone Belt. The Company paid an aggregate \$500,000 cash and issued 120,000 Common Shares in the capital of the Company. There are no royalty rights associated with the acquisition.

Collectively, the Eastmain Project, now consisting of four (4) blocks totalling 86 claims (4,538.0 ha), forms part of the Company's non-core lithium asset portfolio which includes the Pontax (100%), Lac du Beryl (100%), and Hidden Lake (40%) properties. To date, lithium pegmatite has been confirmed at Pontax and Hidden Lake, with significant lithium exploration potential present throughout its non-core property portfolio.

For further information on the Company's other properties, please refer to the Company's Annual MD&A, dated as of June 29, 2023.



## 7. RESULTS OF OPERATIONS

The following table sets forth selected financial information for the Company, which should be read in conjunction with the Company's Financial Statements and its audited consolidated financial statements for the years ended March 31, 2023, and 2022, including the notes thereto.

	<b>September 30, 2023</b>	March 31, 2023	March 31, 2022
	\$	\$	\$
Total assets	220,423,000	107,720,000	26,621,000
Total exploration and evaluation properties	67,998,000	46,268,000	14,412,000
Total property and equipment	13,871,000	588,000	-
Total non-current financial liabilities	5,363,000	2,704,000	-
Working capital, excluding flow-through premium liability	123,288,000	55,357,000	11,315,000

Total exploration and evaluation properties have increased period over period as a result of the Company's investments in its flagship asset, the Corvette Property. The Company primary investments consist of its exploration programs for which expenditures are mainly composed of:

- Drilling (\$3.8M and \$6.9M for the three and six-month periods ended September 30, 2023, respectively)
- Helicopter transportation costs (\$3.8M and \$5.3M for the three and six-month periods ended September 30, 2023, respectively)
- Geology salaries (\$1.9M and \$3.4M for the three and six-month periods ended September 30, 2023, respectively)
- Travel and accommodation (\$1.7M and \$3.5M for the three and six-month periods ended September 30, 2023, respectively)

The variation in property and equipment between March 31, 2023 and September 30, 2023 reflects the Company's decision to build a 100%-owned exploration camp to accommodate its workers. The 100%-owned exploration camp will significantly decrease the travel time for personnel and reduce the dependency on helicopters. With the possibility of expanding the exploration camp in the near future, the Company could increase its drilling capacity and accelerate the exploration program at the Corvette Property. The Company's investments in property and equipment are mainly composed of construction in progress related to the 100%-owned exploration camp. \$4.5M and \$12.3M for the three and six-month period ended September 30, 2023, respectively, were incurred and essentially relate to purchase of equipment, camp supplies and camp laydown.

Non-current financial liabilities have increased due to recognition of a deferred tax liability relating to flow-through share financings as of September 30, 2023 and March 31, 2023.

On August 3, 2023, the Company closed a private placement of approximately \$109 million with Albemarle contributing to increase its working capital from \$37,574,000 as of June 30, 2023 to \$123,288,000 after the investments described earlier.





**PATRIOT BATTERY METALS INC.**  
**Management's Discussion and Analysis**

As at and for the three and six-month period ended September 30, 2023

The following table presents the interim condensed consolidated statements of loss and comprehensive loss for the three and six-month periods ended September 30, 2023, and 2022:

	Notes	Three-month periods ended		Six-month periods ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		\$	\$	\$	\$
<b>General and Administrative Expenses</b>					
Business development		205,000	125,000	319,000	223,000
Consulting fees	12	158,000	45,000	321,000	75,000
Investor communications		182,000	11,000	353,000	24,000
Salaries, benefits and management fees	12	1,698,000	140,000	2,374,000	582,000
Office and miscellaneous		560,000	24,000	806,000	39,000
Professional fees		985,000	196,000	1,554,000	291,000
Share-based compensation	9, 12	937,000	6,002,000	1,739,000	9,631,000
Transfer agent and filing fees		217,000	42,000	314,000	73,000
Travel		263,000	97,000	618,000	148,000
<b>Total general and administrative expenses</b>		<b>(5,205,000)</b>	<b>(6,682,000)</b>	<b>(8,398,000)</b>	<b>(11,086,000)</b>
<b>Other Income (Loss)</b>					
Flow-through premium income	8	5,329,000	1,286,000	9,334,000	1,862,000
Interest income		1,385,000	-	1,910,000	(2,000)
Flow-through interest		-	(9,000)	-	(44,000)
<b>Income (Loss) before income taxes</b>		<b>1,509,000</b>	<b>(5,405,000)</b>	<b>2,846,000</b>	<b>(9,270,000)</b>
<b>Income taxes</b>					
Deferred income tax expense		(1,794,000)	-	(3,317,000)	-
<b>Net Loss for the period</b>		<b>(285,000)</b>	<b>(5,405,000)</b>	<b>(471,000)</b>	<b>(9,270,000)</b>
<b>Other comprehensive income</b>					
Foreign currency translation adjustment		5,000	2,000	3,000	2,000
<b>Net Loss and Comprehensive Loss for the period</b>		<b>(280,000)</b>	<b>(5,403,000)</b>	<b>(468,000)</b>	<b>(9,268,000)</b>
<b>Loss per common share</b>					
Basic and diluted	10	(0.00)	(0.06)	(0.00)	(0.11)

**Three-Month Periods Ended September 30, 2023, and 2022:**

*General and Administrative Expenses*

Total general and administrative expenses decreased to \$5,205,000 from \$6,682,000 for the same period in 2022, mainly due to:

- **Share-Based Compensation.** Given that the Company had made a material lithium raw materials discovery at the Corvette project, building the Company's capacity to realize the Corvette project's potential as soon as possible was key during the fiscal year ended March 2023. To achieve this objective, stock option grants were an important tool to attract top industry talent. Given the Company was cash-constrained, the Company also used stock options as compensation for suppliers with the right skills and experience.



For the fiscal year ending March 31, 2024, the Board of Directors adopted a formal compensation program based on the recommendations of an independent expert composed of stock options restricted share units ("RSUs"), performance share units ("PSUs") and deferred share units ("DSUs") in accordance with the Omnibus Equity Incentive Plan (the "Omnibus Plan"). As the annual long-term incentive grant for the fiscal year ending March 31, 2024 occurred on June 29, 2023, the share-based compensation expense recognized during the three-month period ended September 30, 2023 totalled \$937,000 (compared with \$6,002,000 for the three-month period ended September 30, 2022) and relates to the vesting of stock options PSUs and RSUs granted previously.

- The decrease in share-based compensation during the three-month period ended September 30, 2023, was partially offset by increases in costs in the following activities to sustain the accelerated growth of the Company.
  - **Salaries, benefits and management fees** totalling \$1,698,000 (compared with \$140,000 for the three-month period ended September 30, 2022) reflect the increase in headcount, the addition of key personnel to the management team and accruals related to management incentives as the Company pursues its growth.
  - **Professional fees** totalling \$985,000 (compared with \$196,000 for the three-month period ended September 30, 2022) were driven by additional activities relating to general corporate matters and by the fact that the Company uses its financial liquidities as opposed to granting stock options to pay its experienced professionals and additional activities to sustain the Company's strategic plan.
  - **Office and administrative costs** totalling \$560,000 (compared with \$24,000 for the three-month period ended September 30, 2022) include recruitment fees, and costs associated with the enhancement of the information technology systems. It also reflects the higher insurance premium associated with the development stage of the Company and its impact of its dual listings.

*Other Income (Loss)*

The flow-through premium income of \$5,329,000 (compared with \$1,286,000 for the three-month period ended September 30, 2022) relates to the realization of premium from the flow-through offering that closed on March 20, 2023. The variation between periods reflects the size and greater stock price of the Company associated with the financing, along with the increase in qualifying expenditures in the three-month period ended September 30, 2023, resulting in a higher premium in the period.

Interest income of \$1,385,000 (nil for the three-month period ended September 30, 2022) is the result of interest earned on high balances in the Company's operating bank accounts.



### *Income Taxes*

Deferred income tax expense for the period is non-cash and essentially due to the recognition of a deferred tax provision of \$1,794,000 (nil for the three-month period ended September 30, 2022) that arose following the capitalization for accounting purposes of exploration expenses, while such expenses are being renounced to investors for tax purposes.

### *Net Loss and Comprehensive Loss*

Due to the variances detailed above, the Company's net loss and comprehensive loss for the three-month period ended September 30, 2023, totalled \$280,000 compared to a net loss and comprehensive loss of \$5,403,000 for the three-month period ended September 30, 2022.

### **Six-Month Periods Ended September 30, 2023, and 2022:**

#### *General and Administrative Expenses*

Total general and administrative expenses decreased to \$8,398,000 from \$11,086,000 for the same period in 2022, mainly due to:

- **Share-Based Compensation.** Given that the Company had made a material lithium raw materials discovery at the Corvette project, building the Company's capacity to realize the Corvette project's potential as soon as possible was key during the fiscal year ended March 2023. To achieve this objective, stock option grants were an important tool to attract top industry talent. Given the Company was cash-constrained, the Company also used stock options as compensation for suppliers with the right skills and experience.

The share-based compensation expense recognized during the six-month period ended September 30, 2023 totalled \$1,739,000 (compared with \$9,631,000 for the six-month period ended September 30, 2022) and relates to the vesting of stock options PSUs and RSUs granted previously.

- The decrease in share-based compensation during the six-month period ended September 30, 2023, was partially offset by increases in costs in the following activities to sustain the accelerated growth of the Company.
  - **Salaries, benefits and management fees** totalling \$2,374,000 (compared with \$582,000 for the six-month period ended September 30, 2022) reflect the increase in headcount, the addition of key personnel to the management team and accruals related to management incentives as the Company pursues its growth.
  - **Professional fees** totalling \$1,554,000 (compared with \$291,000 for the six-month period ended September 30, 2022) were mainly driven by additional activities relating to general corporate matters as the Company pursues its growth.
  - **Office and miscellaneous** totalling \$806,000 (compared with \$39,000 for the six-month period ended September 30, 2022) is supported by the expansion of personnel and therefore the expansion of the needs for technological supplies, recruitment, insurance and the impact of its dual listing.



**PATRIOT BATTERY METALS INC.**

**Management's Discussion and Analysis**

As at and for the three and six-month period ended September 30, 2023

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*Other Income (Loss)*

The flow-through premium income of \$9,334,000 (compared with \$1,862,000 for the six-month period ended September 30, 2022) relates to the realization of premium from the flow-through offering that closed on October 6, 2022 and the flow-through offering that closed on March 20, 2023. The variation between periods reflects the size and greater stock price of the Company associated with each financing, along with an increase in qualifying expenditures in the six-month period, resulting in a higher premium in the period.

Interest income of \$1,910,000 (compared with expense of \$2,000 for the six-month period ended September 30, 2022) is the result of interest earned on high balances in the Company's operating bank accounts.

*Income Taxes*

Deferred income tax expense for the period is non-cash and essentially due to the recognition of a deferred tax provision of \$3,317,000 (nil for the six-month period ended September 30, 2022) that arose following the capitalization for accounting purposes of exploration expenses, while such expenses are being renounced to investors for tax purposes.

*Net Loss and Comprehensive Loss*

Due to the variances detailed above, the Company's net loss and comprehensive loss for the period ended September 30, 2023, totalled \$468,000 compared to a net loss and comprehensive loss of \$9,268,000 for the six-month period ended September 30, 2022.



**PATRIOT BATTERY METALS INC.**  
**Management's Discussion and Analysis**

As at and for the three and six-month period ended September 30, 2023

The following table sets forth the interim condensed consolidated statements of cash flows for the six-month periods ended September 30, 2023, and 2022:

	Notes	Six-month periods ended	
		September 30, 2023	September 30, 2022
		\$	\$
<b>OPERATING ACTIVITIES</b>			
Net loss for the year		(471,000)	(9,270,000)
Adjustments for:			
Accrued interest income		(49,000)	-
Flow-through premium income	8	(9,334,000)	(1,863,000)
Depreciation	6	69,000	-
Share-based compensation	9, 12	1,739,000	9,631,000
Deferred income tax expense		3,317,000	-
Changes in non-cash working capital items			
Increase in receivables	4	(861,000)	(977,000)
Increase in prepaid expenses		(12,000)	(67,000)
Increase in flow-through taxes payable		-	44,000
Decrease in accounts payable and accrued liabilities		1,833,000	21,000
<b>Cash used in operating activities</b>		<b>(3,769,000)</b>	<b>(2,481,000)</b>
<b>INVESTING ACTIVITIES</b>			
Property and equipment	6	(11,128,000)	-
Exploration and evaluation property expenditures	5	(19,427,000)	(10,062,000)
<b>Cash used in investing activities</b>		<b>(30,555,000)</b>	<b>(10,062,000)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issuance of common shares		108,992,000	-
Proceeds from exercise of options	9	212,000	885,000
Proceeds from exercise of warrants	9	1,869,000	3,085,000
Share issuance costs-cash	9	-	(12,000)
Subscriptions received		-	(252,000)
<b>Cash provided by financing activities</b>		<b>111,073,000</b>	<b>3,706,000</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>76,749,000</b>	<b>(8,837,000)</b>
<b>Effect of exchange rate on cash</b>		<b>3,000</b>	<b>2,000</b>
<b>Cash and cash equivalents, beginning of period</b>		<b>56,724,000</b>	<b>11,698,000</b>
<b>Cash and cash equivalents, end of period</b>		<b>133,476,000</b>	<b>2,863,000</b>

As the Company is in the exploration phase, it does not receive, nor does it anticipate receiving any revenue in the next fiscal year. The Company's mineral interests do not currently generate cash flow from operations.

During the six-month period ended September 30, 2023, the Company's cash and cash equivalents increased by \$76,749,000 compared to a decrease of \$8,837,000 during the six-month period ended September 30, 2022.



Cash used for operating activities amounted to \$3,769,000 (compared to \$2,481,000 used during the same period in 2022), resulting from the net loss of \$471,000 for the six-month period ended September 30, 2023 (2022: net loss of \$9,270,000), flow-through premium income and changes in non-cash working capital, offset by non-cash items such as share-based compensation and deferred income tax expense.

The Company's investments amounted to \$30,555,000 (compared with \$10,062,000 for six-month period ended September 30, 2022), consisting higher exploration and evaluation expenditures, and property and equipment associated to increased activity levels on site. Even though on-site activities were halted as a result of the wildfires, exploration and evaluation expenditures are higher than the same semester last year due to a higher number of rigs active at the Corvette Property, combined with the expenditures associated with the completion of the MRE. Property and equipment investments include \$1,648,000 for the camp exploration modules and \$10,611,000 associated with civil earthworks and utility supplies costs.

Cash inflows consisted of cash provided by financing activities totalling \$111,073,000 compared with \$3,706,000 for the six-month period ended September 30, 2022. The increase is due to the proceeds received from the Strategic Investment with Albemarle, along with proceeds from share purchase warrants and stock options exercised during both periods.

## **8. SUMMARY OF QUARTERLY RESULTS**

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The following is a summary of the Company's financial results for the eight (8) most recent quarters, derived from the financial statements and prepared in accordance with IFRS:

<b>Three-month period ended</b>	<b>Comprehensive Income (Loss) for the period</b>	<b>Basic and Diluted Earnings (Loss) per Share</b>
September 30, 2023	(280,000)	(0.00)
June 30, 2023	(188,000)	(0.00)
March 31, 2023	(1,661,000)	(0.02)
December 31, 2022	816,000	0.01
September 30, 2022	(5,403,000)	(0.06)
June 30, 2022	(3,864,000)	(0.05)
March 31, 2022	(62,000)	(0.00)
December 31, 2021	(1,677,000)	(0.04)

Variations over the last eight (8) quarters are primarily due to the following factors:

- Timing of stock options grants under the previous Omnibus plan,
- Increase in corporate activities and personnel costs to support the Company's growth.
- Timing of FT financings and qualifying expenditures: FT premium liabilities are amortized over the period in which the funds are spent on qualifying expenditures.
- Recognition of deferred tax income taxes arising following the capitalization for accounting purposes of exploration expenses, while such expenses are being renounced to investors for tax purposes.



## **9. LIQUIDITY AND CAPITAL RESOURCES**

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As at September 30, 2023, the Company had working capital of \$123,288,000, excluding the FT premium liability (March 31, 2023 – \$55,357,000). The change in working capital during the six-month period ended September 30, 2023 is primarily due to the \$109 million private placement, offset by amounts invested in exploration and evaluation expenditures and property and equipment.

As at September 30, 2023, the Company has 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 September 30, 2023, the Company has an accumulated deficit of \$23,356,000 (March 31, 2023 - \$22,885,000) 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 equity instruments or other types of financing arrangements to fund ongoing operations and investment.

The Company believes it has sufficient working capital to meet its exploration and administrative overhead expenses and maintain its planned exploration activities for the next 12 months. The ability of the Company to raise capital will depend on market conditions, and it may not be possible for the Company to issue Common Shares on acceptable terms or at all.

For more information on the financial risks facing the Company and their potential impact, please refer to the "Risk and Uncertainties" section of this MD&A.

## **10. OUTSTANDING SHARE DATA**

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As at	September 30, 2023	November 9, 2023
Issued and outstanding Common Shares	111,427,656	114,550,356 <sup>(1) (2)</sup>
Share purchase warrants outstanding	26,051,360	23,051,660 <sup>(1)</sup>
Stock options outstanding	7,901,333	7,898,333 <sup>(1)</sup>
Preferred share units	48,002	48,002
Restricted share units	48,002	48,002

Note: Subsequent to September 30, 2023:

- (1) The Company issued 2,999,700 Common Shares for warrants exercised and 3,000 Common Shares for options exercised.
- (2) The Company issued 120,000 Common Shares as part of its acquisition of two (2) claim blocks at its Eastmain Project.

## **11. RELATED PARTY TRANSACTIONS**

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The Company's related parties include its subsidiary and key management personnel. 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 personnel refers to directors and senior officers of the Company, more specifically the President and Chief Executive Officer, the Chief Financial Officer and the Vice President, Exploration.



**PATRIOT BATTERY METALS INC.**

**Management's Discussion and Analysis**

As at and for the three and six-month period ended September 30, 2023

In the six-month periods ended September 30, 2023, and 2022 key management personnel of the Company received the following:

<b>Six-Month Period Ended</b>	<b>September 30, 2023</b>	September 30, 2022
	\$	\$
Management and administration fees	<b>1,170,000</b>	532,000
Consulting fees	-	71,000
Management and consulting fees included in Exploration and Evaluation properties	<b>500,000</b>	45,000
Share-based compensation	<b>1,056,000</b>	8,306,000
<b>Total key management compensation</b>	<b>2,726,000</b>	8,954,000

All transactions with related parties were made in the normal course of business. Share-based compensation expense was calculated using the Black-Scholes option-pricing model. Additional information on this valuation model can be found in Note 3 to the Company's audited consolidated financial statements for the years ended March 31, 2023, and 2022, available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on the ASX at [www.asx.com.au](http://www.asx.com.au).

## 12. COMMITMENTS

The Company has an agreement with a vendor related to accommodation at its Corvette Property. The agreement includes a \$2,400,000 commitment as at September 30, 2023 (March 31, 2023 - \$3,200,000), which has a maturity of less than a year.

## 13. SEGMENTED INFORMATION

The Company operates in one business segment, the exploration and development of mineral properties. Geographical information is as follows:

	<b>Canada</b>	<b>US</b>	<b>Total</b>
<b>Balance, as at September 30, 2023</b>			
Exploration and evaluation assets	\$66,215,000	\$1,783,000	\$67,998,000
<b>Balance, as at March 31, 2023</b>			
Exploration and evaluation assets	\$44,498,000	\$1,770,000	\$46,268,000

## 14. CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.





Critical accounting estimates and assumptions as well as critical judgments in applying the Company's accounting policies are detailed in Note 3 of the Company's audited consolidated financial statements for the years ended March 31, 2023, and 2022, which are available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on the ASX at [www.asx.com.au](http://www.asx.com.au).

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current or future reporting periods. There were no significant changes in the Company's accounting policies during the six-month period ended September 30, 2023.

## **15. OFF-BALANCE SHEET ARRANGEMENTS**

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

## **16. PROPOSED TRANSACTIONS**

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The Company has no proposed transactions.

## **17. 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.

## **18. FINANCIAL INSTRUMENTS**

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The nature and extent of risks arising from the Company's financial instruments are summarized in Note 11 of the Company's Financial Statements and in Note 12 to the Company's audited consolidated financial statements for the years ended March 31, 2023, and 2022, available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on the ASX at [www.asx.com.au](http://www.asx.com.au).

## **19. RISKS AND UNCERTAINTIES**

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As a mining company, the Company faces the financial and operational risks inherent to the nature of its business that may have a material adverse effect on its financial condition, results of operations or the trading price of the Company's shares.



For a description of the risk factors related to the Company and its activities, please refer to the section entitled "Risk Factors" of the Company's AIF dated June 29, 2023, available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on the ASX at [www.asx.com.au](http://www.asx.com.au). This section is incorporated by reference into this MD&A.

## **20. NATURE OF SECURITIES**

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The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

## **21. INTERNAL CONTROL OVER FINANCIAL REPORTING**

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### **Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings or, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

### **Internal Controls Over Financial Reporting**

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's internal controls over financial reporting include policies and procedures that: pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with the authorization of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

As at September 30, 2023, there has not been any material change to internal controls over financial reporting for the period. Management, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting. As of September 30, 2023, the Chief Executive Officer and Chief Financial Officer have each concluded that the Company's internal controls over financial reporting, as defined in National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings*, are effective to achieve the purpose for which they have been designed. Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements.



Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. The control framework used to evaluate the effectiveness of the design and operation of the Company's internal controls over financial reporting is the 2013 Internal Control– *Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission.

## **22. ADDITIONAL INFORMATION**

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Additional information about the Company, including its AIF dated June 29, 2023, can be found on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on the ASX at [www.asx.com.au](http://www.asx.com.au).

## **23. QUALIFIED PERSON**

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Darren L. Smith, M.Sc., P.Geo., who is a Qualified Person as defined by NI 43-101, and member in good standing with the Ordre des Géologues du Québec (Geologist Permit number 1968), and with the Association of Professional Engineers and Geoscientists of Alberta (member number 87868) has reviewed and approved the technical information in this MD&A.

Mr. Smith is the Vice President of Exploration for the Company. Mr. Smith holds Common Shares and stock options in the Company. Mr. Smith consents to the inclusion in this MD&A of the matters based on his information in the form and context in which it appears.

## **24. APPROVAL**

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The content of this MD&A has been approved by the Board of Directors and the Audit Committee of the Company.

*"Blair Way"*

Blair Way  
President, CEO and Director

November 10, 2023



**PATRIOT BATTERY METALS INC.**

**Management's Discussion and Analysis**

As at and for the three and six-month period ended September 30, 2023

**APPENDIX 1: SOURCES FOR TONNAGE VS GRADE CHART (AS OF JUNE 25, 2023)**

Company name	Stock Ticker	Project Name	Source
Livent / IQ	AKE	Whabouchi	ASX announcement dated May 10, 2023
Allkem	AKE	James Bay	ASX announcement dated May 10, 2023
Critical Elements	CRE	Rose	NI 43-101 technical report dated July 26, 2022
Albemarle	ALB	Kings Mountain	SEC filing dated February 15, 2023
Sayona Mining	SYA	Authier	ASX announcement dated April 14, 2023
Sayona Mining	SYA	NAL	ASX announcement dated April 14, 2023
Sayona Mining	SYA	Moblan	ASX announcement dated April 17, 2023
AMG Lithium	AMG	Mibra	Euronext announcement dated April 3, 2017
Frontier Lithium	FL	PAK (+Spark)	NI 43-101 technical report dated May 9, 2022
Sigma Lithium	SGML	Grota do Cirilo	TSX.V announcement dated December 4, 2022
Piedmont Lithium	PLL	Carolina	ASX announcement dated October 21, 2021
Avalon Advanced Materials	AVL	Separation Rapids	TSX.V announcement dated August 21, 2018
Snow Lake Resources	SLR	Thompson Brothers	SEC filing effective June 9, 2021
Latin Resources	LRS	Colina	ASX announcement dated June 20, 2023
Rock Tech Lithium	RCK	Georgia Lake	TSX.V announcement dated 21 April 2021

**APPENDIX 2: MINERAL RESOURCE DETAILS FOR DEPOSITS/PROJECTS USED IN TONNAGE VS GRADE CHART (AS OF JUNE 25, 2023)**

Company Name	Project Name	Region	Stage	Category	Tonnage (Mt)	Grade (Li <sub>2</sub> O)
Livent / IQ	Whabouchi	Americas	Development	Measured	17.7	1.60%
				Indicated	20.8	1.33%
				Inferred	17.2	1.29%
Allkem	James Bay	Americas	Development	Measured	-	-
				Indicated	40.3	1.40%
				Inferred	-	-
Critical Elements	Rose	Americas	Development	Measured	-	-
				Indicated	31.5	0.91%
				Inferred	2.7	0.77%
Albemarle	Kings Mountain	Americas	Development	Measured	-	-
				Indicated	46.8	1.37%
				Inferred	42.9	1.10%
Sayona Mining	Authier	Americas	Development	Measured	6.0	0.98%
				Indicated	8.1	1.03%
				Inferred	2.9	1.00%
Sayona Mining	NAL	Americas	Production	Measured	1.0	1.19%
				Indicated	24.0	1.23%
				Inferred	33.0	1.23%
Sayona Mining	Moblan	Americas	Development	Measured	6.3	1.46%
				Indicated	43.6	1.16%
				Inferred	21.0	1.02%



**PATRIOT BATTERY METALS INC.**

**Management's Discussion and Analysis**

As at and for the three and six-month period ended September 30, 2023

AMG Lithium	Mibra	Americas	Production	Measured	3.4	1.00%
				Indicated	16.9	1.07%
				Inferred	4.2	1.03%
Frontier Lithium	PAK	Americas	Development	Measured	1.3	2.14%
				Indicated	24.7	1.59%
				Inferred	32.5	1.41%
Sigma Lithium	Grota do Cirilo	Americas	Production	Measured	37.1	1.43%
				Indicated	39.9	1.43%
				Inferred	8.6	1.43%
Piedmont Lithium	Carolina	Americas	Development	Measured	-	-
				Indicated	28.2	1.11%
				Inferred	15.9	1.02%
Avalon Advanced Materials	Separation Rapids	Americas	Development	Measured	3.4	1.43%
				Indicated	5.0	1.39%
				Inferred	1.8	1.35%
Snow Lake Resources	Thompson Brothers	Americas	Development	Measured	-	-
				Indicated	9.1	1.00%
				Inferred	2.0	0.98%
Latin Resources	Colina	Americas	Development	Measured	0.4	1.34%
				Indicated	29.7	1.37%
				Inferred	15.0	1.22%
Rock Tech Lithium	Georgia Lake	Americas	Development	Measured	-	-
				Indicated	10.6	0.88%
				Inferred	4.2	1.00%
Patriot Battery Metals	Corvette	Americas	Development	Measured	-	-
				Indicated	-	-
				Inferred	109.2	1.42%