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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, 2024**

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**TSX: PMET - ASX: PMT - OTCQX: PMETF**

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## **I. OVERVIEW**

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The following is a Management's Discussion and Analysis ("MD&A") of the consolidated financial statements of operations of Patriot Battery Metals Inc. and its subsidiaries (together, the "Company" or "Patriot") for the six-month period ended September 30, 2024. This MD&A should be read in conjunction with the condensed interim consolidated financial statements for the three and six-month periods ended September 30, 2024 (the "Financial Statements") including the notes thereto, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements, including International Accounting Standard 34 – Interim Financial Reporting and should be read in conjunction with the Company's audited annual financial statements and MD&A for the financial year ended March 31, 2024. A copy of this MD&A is filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Australian Securities Exchange ("ASX") website at [www.asx.com.au](http://www.asx.com.au).

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 and references to "A\$" in this MD&A are to Australian dollars.

The MD&A is prepared by management and approved by the board of directors of the Company (the "Board of Directors" or the "Board") as of November 14, 2024. Additional information relevant to the Company's activities can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the ASX website at [www.asx.com.au](http://www.asx.com.au).

For the purposes of preparing this MD&A, management, in conjunction with 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.

## **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 and other statements that are not historical facts. Forward-looking statements are included to provide information about management's current expectations and plans that allow 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, technical assessments, 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 intended use of the proceeds from the Company's recent private placements; the development of the Company's Shaakichiuwaanaan Property (the "Shaakichiuwaanaan Property" or the "Shaakichiuwaanaan Project"); the potential for resource growth through continued drill exploration at the Shaakichiuwaanaan Property; 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 Company's potential position in the markets and industries it operates in; the perceived merit and further potential of the Company's properties; preliminary economic assessments and other development; the results and conclusion from the preliminary economic assessment ("PEA"); the feasibility study, including the timing of release, the environmental and social impact assessment ("ESIA") and results thereof; exploration results and potential for production at the Company's properties; exploration targets; budgets; strategic plans; market price and demand for lithium and the Company's resilience to changes in market price and demand for lithium; permitting or other timelines; government regulations and relations; and the Company's outlook for the financial year ending March 31, 2025.

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 Shaakichiuwaanaan 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, 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 Shaakichiuwaanaan 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 Shaakichiuwaanaan 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 ability to obtain social acceptability by First Nations with respect to its Shaakichiuwaanaan Project; 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. In addition, readers are directed to carefully review the detailed risk discussion in the Company's most recent Annual Information Form ("AIF") filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), which discussion is incorporated by reference in this news release, for a fuller understanding of the risks and uncertainties that affect the Company's business and operations.

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 "Risks and Uncertainties" section of this MD&A should be considered carefully by readers.

The forward-looking statements contained herein are made only as of the date hereof. 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 all provinces of Canada. 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 operates from its Montreal office located at 1801, McGill College, Suite 900, H3A 1Z4.

The Company is a hard-rock lithium exploration company focused on advancing its district-scale 100% owned Shaakichiuwaanaan (formerly Corvette) Property in the Eeyou Istchee James Bay region of Quebec, Canada, and proximal to regional road and powerline infrastructure.

The Shaakichiuwaanaan Property hosts the Shaakichiuwaanaan Mineral Resource, which includes the CV5 and CV13 spodumene pegmatites pursuant to an updated consolidated Mineral Resource Estimate of a total of 80.1 Mt at 1.44% Li<sub>2</sub>O Indicated and 62.5 Mt at 1.31% Li<sub>2</sub>O Inferred, for 4.88 Mt contained lithium carbonate equivalent ("LCE") (the "MRE" or the "Consolidated MRE"). Presented by resource location/name, the Shaakichiuwaanaan Mineral Resource includes 78.6 Mt at 1.43% Li<sub>2</sub>O Indicated and 43.3 Mt at 1.25% Li<sub>2</sub>O Inferred at CV5, and 1.5 Mt at 1.62% Li<sub>2</sub>O Indicated and 19.1 Mt at 1.46% Li<sub>2</sub>O Inferred at CV13. The cut-off grade is variable depending on the mining method and pegmatite (0.4% Li<sub>2</sub>O open-it, 0.6% Li<sub>2</sub>O underground CV5, and 0.8% Li<sub>2</sub>O underground CV13). The Effective Date of the Consolidated MRE is August 21, 2024. Mineral Resources are not Mineral or Ore Reserves as they do not have demonstrated economic viability. The Shaakichiuwaanaan Mineral Resource ranks as the largest lithium pegmatite resource in the Americas – by a wide margin – and the 8th largest lithium pegmatite resource in the world. Additionally, the Shaakichiuwaanaan Property hosts multiple other spodumene pegmatite clusters that remain to be drill tested, as well as significant areas of prospective trend that remain to be assessed.

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

The Common Shares are listed and posted for trading on the Toronto Stock Exchange ("TSX") (since February 1, 2024, and previously on the TSX-V) under the symbol "PMET" and 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 current AIF available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the ASX website at [www.asx.com.au](http://www.asx.com.au), and the press release dated August 5, 2024, and the related material change report dated August 13, 2024, in which Patriot reaffirmed the Shaakichiuwaanaan Project as the largest lithium pegmatite resource in the Americas.

#### **4. FISCAL QUARTER ENDED SEPTEMBER 30, 2024 HIGHLIGHTS**

##### **A. Project Development**

- On September 12, 2024, the Company announced it had filed a National Instrument 43-101 – *Standards for Disclosure of Mineral Projects* ("NI 43-101") PEA with an issue date of September 12, 2024 for the Shaakichiuwaanaan Project's CV5 Spodumene Pegmatite with a potential pre-tax net present value ("NPV")<sub>8%</sub> of \$4.7 billion (US\$3.6 billion) and after-tax NPV<sub>8%</sub> of \$2.9 billion (US\$2.2 billion) with a pre-tax internal rate of return ("IRR") of 38% (after-tax IRR of 34%) at US\$1,375 per tonne (SC5.5, FOB Bécancour basis). See the Company's Press Release dated August 21, 2024, titled "PEA Highlights Shaakichiuwaanaan Project as a Potential North American Lithium Raw Materials Supply Base", and the related material change report dated August 28, 2024, for more details and available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), on the ASX website at [www.asx.com.au](http://www.asx.com.au) and on our website at [www.patriotbattery.com](http://www.patriotbattery.com).

*The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources are not mineral reserves as they do not have demonstrated economic viability.*

- At the targeted Stage 2 production rate of ~800 ktpa spodumene concentrate, this would potentially position Patriot as the 4<sup>th</sup> largest spodumene concentrate producer globally.
- Based on the results of the PEA, the Board of Directors has decided to progress a Feasibility Study ("FS") on the Shaakichiuwaanaan Project targeted for completion before September 30, 2025.



- Aligned with our Value Statement that Safety Matters, the Company transitioned site management and health and safety responsibilities to an owner's team further developing Patriot's culture.
- Strengthening its commitment to environmental stewardship, Patriot hired an environmental superintendent and technician to oversee on-site environmental activities for the Shaakichiuwaanaan Project.
- Advancing key permitting milestones, the Company presented its permitting calendar and strategy to regulators, initiated environmental planning for climate resilience, fish habitat compensation, and detailed closure, while progressing on baseline studies across physical, biological, and social components at the site.

## **B. Exploration**

- Significant MRE upgrade for the Shaakichiuwaanaan Project (formerly known as Corvette) which is reaffirmed as the largest lithium pegmatite Mineral Resource in the Americas and the 8<sup>th</sup> largest globally. Shaakichiuwaanaan's consolidated Mineral Resource statement (CV5 & CV13 spodumene pegmatites) is 80.1 Mt at 1.44% Li<sub>2</sub>O and 163 ppm Ta<sub>2</sub>O<sub>5</sub> Indicated, and 62.5 Mt at 1.31% Li<sub>2</sub>O and 147 ppm Ta<sub>2</sub>O<sub>5</sub>, Inferred.

*The cut-off grade is variable depending on the mining method. The effective date of the consolidated MRE is August 21, 2024. Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability. See the Company's Press Release dated August 5, 2024, titled "Significant Mineral Resource Upgrade at Shaakichiuwaanaan Lithium Project to Underpin Impending PEA" for more details and available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), on the ASX website at [www.asx.com.au](http://www.asx.com.au) and on our website at [www.patriotbattery.com](http://www.patriotbattery.com).*

- Determination of significant exploration target outlining the potential for additional tonnage of approximately 146 to 231 Mt at 1.0 to 1.5% Li<sub>2</sub>O at the Shaakichiuwaanaan Property (the "Exploration Target"). The Exploration Target only considers the CV Lithium Trend and immediately proximal areas and is in addition to (i.e., does not include) the Consolidated MRE. See the Company's Press Release dated August 5, 2024, titled "Exploration Target for the Shaakichiuwaanaan Lithium Project Outlines District Scale Opportunity, Quebec, Canada" for more details and available at [www.patriotbattery.com](http://www.patriotbattery.com).

*The potential quantity and grade of the Exploration Target are conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the Exploration Target being delineated as a Mineral Resource. The Exploration Target has been determined based on the interpretation of a consolidated dataset of surface rock sample descriptions and assays, outcrop mapping and descriptions, drill hole logs and core sample assays, geophysical surveys, and remote sensing data.*

- Completion of ~46,214 metres of infill drilling at CV5 Spodumene Pegmatite to support conversion of Inferred resources to Indicated resources as well as the completion of a comprehensive geotechnical, hydrogeological, and geomechanical drill program required to support the FS scheduled for the third quarter of calendar 2025. Additionally, 4,516 metres of step-out drilling was completed at the CV13 Spodumene Pegmatite.

## **C. Corporate**

- Cash on hand of \$70 million as of September 30, 2024.
- On July 2, 2024, the Company announced Blair Way's retirement from his role as Chief Operating Officer of the Company, effective June 30, 2024. Blair Way continues to serve on the board of directors of the Company as a non-executive director and provides advisory services on a consulting basis to ensure a smooth transition for site and studies works.
- On August 15, 2024, Alex Eastwood was appointed as Executive Vice President- Commercial contributing to the extensive engagement that Patriot currently has underway with the industry downstream as it positions for the future of the Shaakichiuwaanaan Project.

**D. ESG**

- On July 31, 2024, the Corvette Project was formally renamed Shaakichiuwaanaan Project as proposed by the Chisasibi elders and members of the tallyman's family. The name is inspired by the four Shaakichiuwaanaan hills in the vicinity of the CV5 spodumene pegmatite.
- On September 30, 2024, the Company received the UL 2723 ECOLOGO® Certification for Mineral Exploration Companies, a comprehensive certification that features credible third-party auditing of environmental, social and economic practices.

**5. COMPANY'S OUTLOOK FOR THE FINANCIAL YEAR ENDING MARCH 31, 2025**

- Launch of a comprehensive FS, targeting publication by September 30, 2025.
- Release of Patriot's inaugural Sustainable Development Report, spotlighting our ESG commitments.
- Expansion of our Mineral Resource base, unlocking new potential.
- Targeted exploration of new prospects to maximize the Shaakichiuwaanaan Project's value.
- Progress of Patriot's ongoing engagement with downstream industry partners.

The Company's outlook for the financial year ending March 31, 2025, constitutes forward-looking statements within the meaning of applicable securities laws, and are based on a number of assumptions, including in relation to prevailing market conditions and macroeconomic and geopolitical factors. As the basis of its financial 2025 outlook, management assumes no disruptions to the Company's operations and its ability to conduct its exploration program. Expectations are also subject to a number of risks and uncertainties as well as material assumptions. For a description of the risk factors and material assumptions related to the Company and its activities, please refer to the section entitled "Risk Factors" of the Company's current AIF, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), on the ASX website at [www.asx.com.au](http://www.asx.com.au) and on our website at [www.patriotbattery.com](http://www.patriotbattery.com). Refer also to "Cautionary note regarding forward-looking statements" in this MD&A.

**6. MINERAL RESOURCE ESTIMATE**

On August 5, 2024, the Company announced the Consolidated MRE for the Shaakichiuwaanaan Project, which includes both the CV5 and CV13 spodumene pegmatites, and is presented in the table below.

The Consolidated MRE, including that of the CV5 Pegmatite on its own, reaffirms it – by a wide margin – as the largest lithium pegmatite Mineral Resource in the Americas and 8th largest globally. These metrics and context firmly reaffirm and entrench the Shaakichiuwaanaan Project as a Tier 1, world class lithium pegmatite asset.

The Consolidated MRE includes only the CV5 and CV13 spodumene pegmatites, covering a collective mineralized strike length of 6.9 km (4.6 km at CV5 and 2.3 km at CV13), and remains open at both ends along strike and to depth. Therefore, this Mineral Resource does not include any of the other known spodumene pegmatite clusters on the Shaakichiuwaanaan Property – CV4, CV8, CV9, CV10, CV12, and CV14. Collectively, this highlights a considerable potential for resource growth through continued drill exploration at the Shaakichiuwaanaan Property.

NI 43-101 Mineral Resource Statement for the Shaakichiuwaanaan Project

Pegmatite	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)
CV5 & CV13	Indicated	80,130,000	1.44	163	1.15	2.85
	Inferred	62,470,000	1.31	147	0.82	2.03

**Notes:**

- 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 independent Competent Person (CP), as defined under JORC, and Qualified Person (QP), as defined by NI 43-101 for this estimate is Todd McCracken, P.Geo., Director – Mining & Geology – Central Canada, BBA Engineering Ltd. The effective date of the estimate is August 21, 2024 (through drill hole CV24-526).
- Estimation was completed using a combination of ordinary kriging and inverse distance squared (ID2) in Leapfrog Edge software with dynamic anisotropy search ellipse on specific domains.
- Drill hole composites at 1 m in length. Block size is 10 m x 5 m x 5 m with sub-blocking.
- Both underground and open-pit conceptual mining shapes were applied as constraints to demonstrate reasonable prospects for eventual economic extraction. Cut-off grades for open-pit constrained resources are 0.40% Li<sub>2</sub>O for both CV5 and CV13, and for underground constrained resources are 0.60% Li<sub>2</sub>O for CV5 and 0.80% Li<sub>2</sub>O for CV13. Open-pit and underground Mineral Resource constraints are based on a spodumene concentrate price of US\$1,500/tonne (6% basis FOB Bécancour) and an exchange rate of 0.76 USD/CAD.
- 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 (both CV5 & CV13) were estimated using a linear regression function (SG = 0.0688x Li<sub>2</sub>O% + 2.625) derived from the specific gravity ("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.

**7. EXPLORATION**

The Company continued its exploration program at the Shaakichiuwaanaan Property during the second quarter of fiscal year 2024, focusing on infill drilling at the CV5 Spodumene Pegmatite, step-out drilling at the CV13 Spodumene Pegmatite, and geotechnical, hydrogeological, and geomechanical drilling in support of CV5 development. During the Summer-Fall 2024 drilling program (June 2024 through October 2024), the Company completed a total of approximately 65,350 m (265 holes) including approximately 55,400 m (232 holes) at CV5 and in support of its development, and approximately 9,950 m (33 holes) at CV13.

**A. CV5 Spodumene Pegmatite**

- No drill results for CV5 were announced during the quarter ended September 30, 2024.

**B. CV13 Spodumene Pegmatite**

Final drill hole results from the 2024 winter program at a high-grade zone at the CV13 Pegmatite, termed the Vega Zone, were announced during the quarter ended September 30, 2024 and include:

- 51.7 m at 1.77% Li<sub>2</sub>O, including 9.7 m at 5.16% Li<sub>2</sub>O (CV24-525).
- 35.3 m at 2.40% Li<sub>2</sub>O, including 17.4 m at 3.12% Li<sub>2</sub>O (CV24-520).
- 34.8 m at 1.87% Li<sub>2</sub>O, including 19.1 m at 3.17% Li<sub>2</sub>O (CV24-524).
- 41.5 m at 2.00% Li<sub>2</sub>O, including 10.6 m at 3.50% Li<sub>2</sub>O (CV24-510).





The high-grade Vega Zone at the CV13 Pegmatite is situated approximately 6 km south-west and along geological trend of the high-grade Nova Zone at the CV5 Pegmatite. Both zones share several similarities including lithium grades and very coarse decimetre to metre size spodumene crystals which emphasize the scale and quality of the mineralized system at Shaakichiuwaanaan. For more information please refer to the Press Release dated July 7, 2024, titled "Patriot Extends Vega Zone with Standout Intercepts including 9.7 m at 5.16% Li<sub>2</sub>O and 35.3 m at 2.40% Li<sub>2</sub>O" and available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), on the ASX website at [www.asx.com.au](http://www.asx.com.au) and on our website at [www.patriotbatterymetals.com](http://www.patriotbatterymetals.com).

### **C. Exploration Target for Shaakichiuwaanaan**

In addition to the updated MRE, the Company announced a maiden Exploration Target (approximately 146 to 231 Mt at 1.0 to 1.5% Li<sub>2</sub>O) for the Shaakichiuwaanaan Project, which outlines the potential for a district-scale lithium resource. The Exploration Target is in addition to (i.e., does not include) the Shaakichiuwaanaan MRE and only considers the CV Lithium Trend and immediately proximal areas at the Shaakichiuwaanaan Property.

*The potential quantity and grade of the Exploration Target are conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the Exploration Target being delineated as a Mineral Resource. The Exploration Target has been determined based on the interpretation of a consolidated dataset of surface rock sample descriptions and assays, outcrop mapping and descriptions, drill hole logs and core sample assays, geophysical surveys, and remote sensing data.*

The Exploration Target has been presented as an approach to assess the potential endowment of the Project or the potential to host additional Mineral Resources of lithium pegmatite, subject to the success of future mineral exploration at the Property, and outside of that already defined.

The Company intends to test the validity of the Exploration Target over a several year period, starting in 2025, through systematic diamond drilling of the known spodumene pegmatite clusters and corridors between and proximal. Systematic diamond drilling (NQ core size) of the known spodumene pegmatite clusters and corridors between and proximal, which collectively form the basis of the Exploration Target, will be the primary method of exploration.

## **8. PROJECT DEVELOPMENT**

### **A. Preliminary Economic Assessment ("PEA")**

A PEA was announced for the Shaakichiuwaanaan Project (CV5 Pegmatite) on August 21, 2024, and highlights it as a potential North American Lithium Raw Materials Powerhouse. The PEA outlines the potential for a competitive and globally significant high-grade lithium project targeting up to ~800 ktpa spodumene concentrate using a simple Dense Media Separation ("DMS") only process flowsheet.

The completion of the PEA for the Shaakichiuwaanaan Project's CV5 Pegmatite marks a pivotal moment in the Company's history, providing a robust foundation for the Shaakichiuwaanaan Project's development and reinforcing its position as a potential top-tier lithium producer. The PEA outlines a phased development approach that balances both short-term and long-term project economics, setting the stage for the upcoming FS, expected to be finalized by September 2025.

#### **i) Key Highlights of the PEA**

The PEA envisions a two-phase development strategy for the CV5 pegmatite, utilizing open-pit and underground mining methods. Phase 1 is designed to bring the Shaakichiuwaanaan Project into production with a targeted output of 400 ktpa of spodumene concentrate, expanding to 800 ktpa in Phase 2.

With an after-tax NPV (8%) of \$2.9 billion and an after-tax IRR of 34%, the Shaakichiuwaanaan Project demonstrates strong financial viability. The initial capital expenditure for Phase 1 is estimated at \$640 million, including contingency costs less estimated CMT-ITC tax credits, with Phase 2 expansion requiring an additional \$504 million. The Shaakichiuwaanaan Project is expected to generate \$8.3 billion in cash flows over its 24-year LOM.

The Shaakichiuwaanaan Project aims to be a low-cost producer, with an estimated operating cost of US\$593 ASIC per tonne of spodumene concentrate FOB Bécancour, positioning Shaakichiuwaanaan as one of the most competitive lithium projects globally.



Furthermore, the PEA positions Patriot as a potential top four global producer of spodumene concentrate once the Shaakichiuwaanaan Project reaches full production. The high-grade Nova and Vega zones at CV5 and CV13, respectively, provide the Company with the flexibility to access premium-grade material, enhancing the Shaakichiuwaanaan Project's economic robustness even in a low-price lithium environment.

Finally, the Shaakichiuwaanaan Project is strategically located in Quebec, benefitting from proximity to high-quality infrastructure, including road and powerline access, and supported by a strong and stable mining jurisdiction. The favorable geographic location and potential alignment with North American and European supply chains for battery materials strengthen the Shaakichiuwaanaan Project's value proposition, particularly in light of the *Inflation Reduction Act* ("IRA") and European Union's Battery Passport requirements.

## **ii) Progressing a Feasibility Study**

Considering the economic potential outlined in the PEA, the Shaakichiuwaanaan Project is now advancing to its next phase of development – with a FS. Scheduled for completion by September 30, 2025, the FS will further de-risk the Shaakichiuwaanaan Project, preparing it for a potential final investment decision ("FID"). The FS will incorporate additional drilling, the ESIA, and infrastructure planning. Furthermore, the FS would seek to determine the most economic approach for mining the resource, based on the PEA's hybrid mining method (inclusive of both open pit and underground mining methods) for the base scope.

The FS would also include an early trade-off study that will evaluate accelerated development of the higher-grade Nova Zone, with the aim of bringing it into production as early as possible. Increasing the feed grade to the processing facility from a higher-grade zone is expected to be directly correlated to lower process plant production costs, and therefore earlier access to the Nova Zone potentially creates greater resilience to lower product pricing outcomes.

## **B. Site Infrastructure**

The All-Season Access Road construction work is now fully completed. It extends south from KM270 on the Trans-Taiga Road a distance of ~20 km south to the CV5 Deposit. The road includes three temporary bridges (ranging from 30 feet to 100 feet in length) and 12 culvert installations and has been constructed to MRNF Class 4 standards. It will provide safe reliable access to the CV5 Deposit until the Company makes a Funding Investment Decision and builds a mining road.

The construction team continues to focus on the enhancements required for the second phase of the exploration camp, which includes installing the potable water and wastewater treatment plants. The commissioning and ramp-up of these facilities are in progress. The facilities are expected to be fully operational to support the 2025 drilling campaign.

## **C. Site Management**

With the potential expansion of the Shaakichiuwaanaan's Mineral Resource base and plans for targeted exploration to maximize the Shaakichiuwaanaan Project value, the Company is actively recruiting top talent. By transitioning responsibilities from contractors to an in-house Patriot team, the Company anticipate benefits like cost savings, greater operational continuity, and enhanced risk management, all of which support an accelerated project development timeline. Health and Safety responsibilities are now fully managed by Patriot's team. The Company's environmental team also grew over the period with the hiring of two full-time on-site environmental staff members. The on-site environmental team is focused on establishing and optimizing management systems including spill reporting, waste management, and drill site inspections.

## **D. Permitting**

During the quarter ended September 30, 2024, Patriot progressed work toward the 2025 ESIA submission and other permitting requirements. Fieldwork included baseline studies in hydrology, water quality, vegetation, and fisheries, as well as a soil quality program and an archaeological assessment. The Company engaged with provincial and federal regulators to present the environmental study assumptions, data collection methods, and share its permitting strategy and schedule.



## **E. Environment Planning**

Additionally, three important environmental planning initiatives were advanced: a climate change risk assessment, a request for review of potential fish habitat impacts by Fisheries and Oceans Canada, and the start of detailed closure planning. Patriot maintained open communication with municipal, provincial, and federal regulators, keeping them informed of the environmental studies and planning efforts.

## **9. ESG**

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During the six-month period ended September 30, 2024, more than 55 communication activities were conducted with stakeholders, most of these with the Cree Nation of Chisasibi community members. During the period, the ESG team travelled to the Cree Nation of Chisasibi to share information about the Shaakichiuwaanaan Project and hear comments and concerns from the community members. Community information events were hosted in Chisasibi to present the content of the Preliminary Information Statement, the MRE, and the PEA for the Shaakichiuwaanaan Project and gather feedback from community members, community leadership, members of the tallyman's family (trapline CH39) and the business community. In-person meetings for the members of the tallyman's family were also organized to directly address their questions and to present information about the ESIA and baseline data collection and to discuss their traditional land use and knowledge.

In July 2024, Patriot formally renamed the Corvette Project, the Shaakichiuwaanaan Project as proposed by the Chisasibi elders and members of the tallyman's family. The name is inspired by the four Shaakichiuwaanaan hills in the vicinity of the CV5 spodumene pegmatite. A logo has been developed for the Shaakichiuwaanaan Project, designed in collaboration with the tallyman's family. This change of name reflects Patriot's commitment to build a strong relationship with the Cree Nation of Chisasibi and the tallyman's family. Introducing a Cree language reference to the Shaakichiuwaanaan Project name presents a great opportunity to share Cree culture through the storyline the name represents. In this way, Patriot can further share Cree culture with the broader Patriot stakeholder community.

To further the Company's community presence, on August 1, 2024, Patriot began leasing an office space in the Chisasibi Commercial Center. Patriot's Community Liaison Coordinator is working out of the office, providing community members with the opportunity to discuss the Shaakichiuwaanaan Project and provide feedback as the Shaakichiuwaanaan Project progresses.

For the National Day of Truth and Reconciliation and the Orange shirt Day (September 30), Patriot invited the workers to wear orange as a sign of solidarity and to learn on the impacts of the residential school's history and the richness of indigenous cultures. Under the theme "I'm listening and learning" and "Every Child Matters" orange t-shirts were distributed at the Shaakichiuwaanaan site and at the Montreal office. Patriot also provided books and online resources to get workers started on their learning journey.

The participation of Cree community members in Shaakichiuwaanaan site activities includes drilling operations, civil works, camp operations and road construction. During the six-month period ended September 30, 2024, approximately 21% of the workers at the Shaakichiuwaanaan Project were comprised of First Nations people, mainly from the local Chisasibi Cree community.

Patriot's environmental team grew over the period with the hiring of two full-time on-site environmental staff members. The on-site environmental team is focused on establishing and optimizing management systems including spill reporting, waste management, and drill site inspections. The establishment of an environmental trailer to support the commissioning of potable water and wastewater treatment systems was initiated.

Baseline studies in the field during the period included hydrology, water quality, vegetation and fisheries. A soil quality program and an archaeological assessment were also undertaken. Meetings with both provincial and federal regulators were undertaken to present environmental study assumptions and data collection methods. The Company's permitting strategy and schedule was also shared with regulators. Three key environmental planning initiatives were undertaken during the period including a climate change risk assessment, preparation of a request for review of potential fish habitat impacts by the Fisheries and Oceans Canada and the kickoff of detailed closure planning work.



The Company continues to keep government regulators informed of our environmental studies and planning. Meetings with municipal, provincial and federal regulators took place throughout the period.

On November 17, 2023, Patriot submitted its Policies and Procedures Manual to Underwriters Laboratories of Canada (“UL”). The UL auditor reviewed the documentation and on September 30, 2024, Patriot received desktop audit certification under the UL 2723 ECOLOGO® Certification for Mineral Exploration Companies. The next step is a field visit to the Shaakichiuwaanaan Site by the UL auditor early next year. UL ECOLOGO® Certification for Mineral Exploration Companies is a comprehensive certification for mineral exploration companies and their service providers that features a third-party audit of environmental, social and economic practices.

## 10. EXPLORATION AND EVALUATION ASSETS

The Company’s exploration and evaluation assets for the six-month period ended September 30, 2024, and the year ended March 31, 2024 are as follows:

	Shaakichiu- waanaan 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>					
<b>Balance, March 31, 2024</b>	<b>5,871,000</b>	<b>880,000</b>	<b>177,000</b>	<b>3,768,000</b>	<b>10,696,000</b>
Additions	1,833,000	15,000	1,000	-	1,849,000
<b>Balance, September 30, 2024</b>	<b>7,704,000</b>	<b>895,000</b>	<b>178,000</b>	<b>3,768,000</b>	<b>12,545,000</b>
<b>Exploration and Evaluation Costs</b>					
<b>Balance, March 31, 2024</b>	<b>99,255,000</b>	<b>998,000</b>	<b>503,000</b>	<b>475,000</b>	<b>101,231,000</b>
Additions					
Drilling expenditures	16,073,000	-	-	-	16,073,000
Transportation & accommodation	12,488,000	-	-	-	12,488,000
Studies	6,023,000	-	-	-	6,023,000
Geology services and expenditures	5,488,000	1,000	-	178,000	5,667,000
Depreciation	2,644,000	-	-	-	2,644,000
Assays and testing	1,184,000	-	-	-	1,184,000
Administrative and other	1,094,000	-	-	-	1,094,000
Exploration tax credit	(3,789,000)	-	-	-	(3,789,000)
<b>Balance, September 30, 2024</b>	<b>140,460,000</b>	<b>999,000</b>	<b>503,000</b>	<b>653,000</b>	<b>142,615,000</b>
<b>Total, March 31, 2024</b>	<b>105,126,000</b>	<b>1,878,000</b>	<b>680,000</b>	<b>4,243,000</b>	<b>111,927,000</b>
<b>Total, September 30, 2024</b>	<b>148,164,000</b>	<b>1,894,000</b>	<b>681,000</b>	<b>4,421,000</b>	<b>155,160,000</b>

### A. Acquisition costs

#### i) Shaakichiuwaanaan Property

On May 2, 2024, the Company increased its land position at its Shaakichiuwaanaan Property through the acquisition of a 100% interest in a proximal claim block (JBN-57), which is comprised of 39 claims. The Company paid an aggregate \$500,000 in cash and issued 150,000 Common Shares in the capital of the Company for a total acquisition cost of \$1,804,000. The claim block is subject to a 2% NSR royalty. Apart from these acquisition costs, the Company did not incur material expenditures on its other properties as the Company concentrated its exploration efforts on the Shaakichiuwaanaan Property. All other properties’ claims are in good standing.



**B. Exploration and evaluation costs**

During the six-month period ended September 30, 2024, the Company invested \$44,994,000 towards exploration and evaluation activities for its Shaakichiuwaanaan Property. The more significant additions during the period were as follows:

- Drilling and geology expenditures of \$16,073,000 and \$5,488,000, respectively, are associated with the completion of the infill drill program as well as geotechnical, hydrogeological, and geomechanical drilling required to support the upcoming FS of the Shaakichiuwaanaan Project. Approximately 64,700 metres of drilling were completed during the six-month period ended September 30, 2024, compared to 29,000 metres during the same period the year prior.
- Transportation and accommodation expenditures totalled \$12,488,000 for the period. The expenditures include helicopter costs of \$3,576,000 to service mainly CV13 and the surface work program and charter costs to the site for employees and contractors, totalling \$1,422,000. The remaining costs are associated with the lodging costs at Mirage outfitters camp, and the operating costs of the Company's exploration camp. During the second quarter ended September 30, 2024, there were, on average, 130 individuals working on the Shaakichiuwaanaan Project, peaking at 140 in August 2024.
- The \$6,023,000 in studies costs is essentially composed of environmental and engineering studies costs totalling \$2,769,000 and \$3,254,000, respectively. The engineering studies investments relate mainly to completing the PEA, as the Shaakichiuwaanaan Project only progressed to the FS stage in September 2024.
- Depreciation totalled \$2,644,000 for the period and is related to the exploration camp and the exploration all-season road. Depreciation is capitalized in Exploration and Evaluation Assets as the Shaakichiuwaanaan Project is not in operation.

**II. PROPERTY AND EQUIPMENT**

The Company's property and equipment for the six-month period ended September 30, 2024, and the year ended March 31, 2024 are as follows:

	Construction in progress	Camp	Asset Retirement Obligation	Road	Machinery and Equipment and Other	Total
Cost	\$	\$	\$		\$	\$
Balance, March 31, 2024	32,199,000	16,016,000	2,200,000	-	2,809,000	53,224,000
Additions	18,520,000	-	550,000	-	357,000	19,427,000
Transfers	(33,234,000)	-	-	33,234,000	-	-
<b>Balance, September 30, 2024</b>	<b>17,485,000</b>	<b>16,016,000</b>	<b>2,750,000</b>	<b>33,234,000</b>	<b>3,166,000</b>	<b>72,651,000</b>
<b>Accumulated Depreciation</b>						
Balance, March 31, 2024	-	667,000	-	-	230,000	897,000
Depreciation	-	1,335,000	275,000	831,000	212,000	2,653,000
<b>Balance, September 30, 2024</b>	<b>-</b>	<b>2,002,000</b>	<b>275,000</b>	<b>831,000</b>	<b>442,000</b>	<b>3,550,000</b>
<b>Net book value</b>						
At March 31, 2024	32,199,000	15,349,000	2,200,000	-	2,579,000	52,327,000
<b>At September 30, 2024</b>	<b>17,485,000</b>	<b>14,014,000</b>	<b>2,475,000</b>	<b>32,403,000</b>	<b>2,724,000</b>	<b>69,101,000</b>

The main additions in property, plant and equipment, during the six-month period ended September 30, 2024, are associated with the construction-in-progress expenditures totalling \$18,520,000.



During the six-month period ended September 30, 2024, the Company completed the 20-km all-season road from KM270 on the Trans-Taiga Road to the CV5 Deposit, for a total expenditure of \$9,551,000 recorded during the period within additions in Construction in progress. To ensure compliance with a Class-4 permit issued by Quebec authorities, the road was constructed to meet specified engineering and construction standards, ensuring sustainability for a minimum of ten years. The all-season road was put into service on July 1, 2024, and the Company transferred all costs incurred for its construction (\$33,234,000) from Construction in progress to its own category within Property and equipment.

The Company also continued investing in the exploration camp during the six-month period ended September 30, 2024, for a total expenditure of \$8,969,000 recorded within additions in Construction in Progress. Most of the investments relate to camp construction, including the update of a 500Kw power station and design engineering and construction costs for wastewater and potable water treatment facilities. While a significant portion of the exploration camp is in operation, the critical water facilities commissioning progressed during the six-month period ended September 30, 2024, and will be operational to support the 2025 drilling campaigns. The Company also increased during the six-month period ended September 30, 2024, its asset retirement obligation associated with its construction projects.

These investments were made with the knowledge that the MRE of the CV5 Pegmatite is recognized as the largest lithium pegmatite resource in the Americas and the 8th largest globally. The decision to invest in the exploration camp was also influenced by the future unavailability of the Mirage outfitter camp to accommodate the workforce at the Shaakichiuwaanaan Property.



## 12. RESULTS OF OPERATIONS

The following table presents consolidated statements of loss and comprehensive loss for the three and six-month periods ended September 30, 2024, and 2023:

	Three-month periods ended		Six-month periods ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$	\$	\$	\$
<b>General and Administrative Expenses</b>				
Share-based compensation	2,203,000	937,000	3,965,000	1,739,000
Salaries, benefits and management fees	1,362,000	1,698,000	2,575,000	2,374,000
Professional fees	449,000	985,000	1,136,000	1,554,000
Office and miscellaneous	845,000	560,000	1,429,000	806,000
Travel	428,000	263,000	925,000	618,000
Investor relations and business development	235,000	387,000	419,000	672,000
Consulting fees	200,000	158,000	383,000	321,000
Transfer agent and filing fees	118,000	217,000	241,000	314,000
<b>Total general and administrative expenses</b>	<b>(5,840,000)</b>	<b>(5,205,000)</b>	<b>(11,073,000)</b>	<b>(8,398,000)</b>
<b>Other Income</b>				
Flow-through premium income	10,899,000	5,329,000	12,621,000	9,334,000
Interest income	1,125,000	1,385,000	2,040,000	1,910,000
<b>Income before income taxes</b>	<b>6,184,000</b>	<b>1,509,000</b>	<b>3,588,000</b>	<b>2,846,000</b>
<b>Income taxes</b>				
Deferred income tax expense	(6,392,000)	(1,794,000)	(6,957,000)	(3,317,000)
<b>Loss for the period</b>	<b>(208,000)</b>	<b>(285,000)</b>	<b>(3,369,000)</b>	<b>(471,000)</b>
<b>Other comprehensive income</b>				
Foreign currency translation adjustment	-	5,000	-	3,000
<b>Comprehensive Loss for the period</b>	<b>(208,000)</b>	<b>(280,000)</b>	<b>(3,369,000)</b>	<b>(468,000)</b>
<b>Loss per share</b>				
Basic and diluted	(0.00)	(0.00)	(0.02)	(0.00)

### A. Net Loss

Net loss was \$208,000 for the three-month period ended September 30, 2024 compared to a net loss of \$285,000 for the comparative period. Net loss was \$3,369,000 for the six-month period ended September 30, 2024 compared to a net loss of \$471,000 for the comparative period. The more significant variances between the periods are as follows:

**B. General and Administrative Expenses**

For the three-month period ended September 30, 2024, general and administrative expenses totalled \$5,840,000, compared to \$5,205,000 in the same period last year. For the six-month period, these expenditures increased from \$8,398,000 to \$11,073,000. The variation is a direct result of the accelerated development of the Shaakichiuwaanaan Project and the Company over the last 12 months.

Share-based compensation is a non-cash expenditure. It increased to \$2,203,000 and \$3,965,000 for the three and six-month periods ended September 30, 2024, respectively from \$937,000 and \$1,739,000 for the respective comparative period. Both variations are attributable to the equity awards granted to the directors and selected employees of the Company in support of the further rapid progress of the Company's Shaakichiuwaanaan Project.

Salaries, benefits, and management fees reflect the increase in headcount and the addition of key personnel to the management team. The decrease year-over-year for the three-month period is associated with the fiscal year 2023 discretionary bonus paid to selected executives.

Office and miscellaneous as well as travel expenditures increased period over period. The variations are due to non-recurring expenses. Office and miscellaneous include investments associated with setting up new offices in Perth, Australia and in Chisasibi in the Eeyou Istchee James Bay region of Quebec, recruitment costs as the Company is building a team capable of delivering the Shaakichiuwaanaan Project on time and on budget, as well as expenditures associated with the First Nation Blessing Ceremony of the Lake at the Shaakichiuwaanaan Project. Travel includes additional expenditures for additional investor site visits and costs associated with a team servicing stakeholders located in the Eeyou Istchee James Bay region of Quebec, North-America, Europe, Australia and Asia given the ongoing engagement with downstream industry partners.

The remaining expenses are aligned with prior period levels.

**C. Other Income**

Upon completing a flow-through financing, the Company recognizes a flow-through financing premium liability for the difference between the price of the flow-through Common Shares and the fair value of the Common Shares at the time of the equity issuance. This balance is reduced by share issuance costs related to the private placement allocated to the flow-through liability. The flow-through premium liability is amortized over the periods in which the funds are spent on qualifying Canadian Eligible Exploration Expenditures ("CEE") via the flow-through premium income.

The flow-through premium income is non-cash and totalled \$10,899,000 for the three-month period ended September 30, 2024 (\$12,621,000 for the six-month period ended September 30, 2024). Flow-through premium income has increased significantly in the second quarter ended September 30, 2024, as the exploration activities on site intensified, which resulted in significant flow-through eligible expenses.

Interest income of \$1,125,000 for the three-month period ended September 30, 2024 (\$2,040,000 for the six-month period ended September 30, 2024) results from interest earned on cash balances in the Company's operating bank accounts.

**D. Income Taxes**

The deferred income tax expense for the three-month period ended September 30, 2024 totalling \$6,392,000 is non-cash (\$6,957,000 for the six-month period ended September 30, 2024). The Company capitalizes CEE in its Financial Statements. However, from a tax perspective, CEE are being renounced in favour of the flow-through investors that participated in past equity financings. As such, the Company will be unable to reduce its future income tax with tax depreciation associated with the CEE. Consequently, the Company recognized a deferred tax liability and a related non-cash deferred tax expense.





**13. FINANCIAL POSITION**

	September 30, 2024	March 31, 2024	Variation
	\$	\$	%
<b>ASSETS</b>			
Current assets	82,077,000	83,662,000	(2%)
Exploration and evaluation assets	155,160,000	111,927,000	39%
Property and equipment	69,101,000	52,327,000	32%
<b>Total assets</b>	<b>306,338,000</b>	<b>247,916,000</b>	<b>24%</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities & Other	19,534,000	30,559,000	(36%)
Flow-through premium liability	20,321,000	-	-
Non-current liabilities	21,365,000	14,142,000	51%
<b>Total liabilities</b>	<b>61,220,000</b>	<b>44,701,000</b>	<b>37%</b>
<b>EQUITY</b>			
Share capital	249,246,000	207,770,000	20%
Reserves	19,519,000	15,723,000	24%
Accumulated other comprehensive income	1,000	1,000	-
Deficit	(23,648,000)	(20,279,000)	17%
<b>Total equity</b>	<b>245,118,000</b>	<b>203,215,000</b>	<b>21%</b>
<b>Total liabilities and equity</b>	<b>306,338,000</b>	<b>247,916,000</b>	<b>24%</b>

**A. Assets**

Exploration and evaluation assets primarily increased because of drilling, geology, transportation and accommodation expenditures incurred at its Shaakichiuwaanaan Property during the six-month period. Property and equipment as at September 30, 2024, reflect the Company's investments towards constructing a permanent exploration camp to accommodate its workers (including potable water and wastewater treatment plants) and the completion of a 20.2 km all-season road, compliant with a Class-4 permit from Quebec authorities. These investments will significantly decrease the accommodation costs and travel time for personnel and reduce the dependency on helicopters and third-party accommodations. Further information on exploration and evaluation assets and property and equipment is presented in sections 7 and 8 of this MD&A, respectively.

**B. Liabilities**

The decrease in accounts payable and accrued liabilities is mainly attributable to the decrease in construction activities on site due to the completion of the all-season road at the beginning of July. The Flow-Through liability is associated with the 2024 FT Financing (as defined below).

Long-term liabilities include a deferred income tax liability of \$18,275,000 (\$11,710,000 as at March 31, 2024) primarily relates to the permanent difference associated with the capitalization of CEE renounced in favour of flow-through investors.



**C. Equity**

The increase in the Company's equity is primarily related to the proceeds received in relation to the 2024 FT Financing, net of the flow-through liability related to the premium on flow-through shares.

**14. CASH FLOW**

As the Company is in the exploration phase, it does not receive or anticipate any cash revenue in the next financial year. The Company's mineral interests do not currently generate cash flow from operations.

The following table summarizes cash flow activities:

	Three-month periods ended		Six-month periods ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$	\$	\$	\$
Cash used in operating activities before working capital	(2,495,000)	(2,876,000)	(5,022,000)	(4,729,000)
Changes in non-cash working capital items	(4,298,000)	2,051,000	(2,694,000)	960,000
Cash used in operating activities	(6,793,000)	(825,000)	(7,716,000)	(3,769,000)
Cash used in investing activities	(23,910,000)	(10,362,000)	(67,332,000)	(30,555,000)
Cash provided by (used in) financing activities	(451,000)	109,263,000	72,504,000	111,073,000
Increase (decrease) in cash and cash equivalents	(31,154,000)	98,076,000	(2,544,000)	76,749,000
Effect of exchange rate on cash	-	5,000	-	3,000
Cash and cash equivalents, beginning of period	101,614,000	35,395,000	73,004,000	56,724,000
Cash and cash equivalents, end of period	70,460,000	133,476,000	70,460,000	133,476,000

**A. Operating**

For the three-month period ended September 30, 2024, cash used in operating activities amounted to \$6,793,000 compared to \$825,000 for the same period in the prior year. For the six-month period ended September 30, 2024, cash used in operating activities amounted to \$7,716,000 compared to \$3,769,000 for the same period in the prior year. The variation results mostly from changes in non-cash working capital. Such changes are primarily related to the direct development of the Shaakichiuwaanaan Project as well as timing of commodity tax received in the last quarter and semester compared to the quarter and semester ended September 30, 2023.

**B. Investing**

For the three-month period ended September 30, 2024, the Company's investments amounted to \$23,910,000 compared to \$10,362,000 for the same period in the prior year. For the six-month period ended September 30, 2024, the Company's investments amounted to \$67,332,000 compared to \$30,555,000 for the same period in the prior year. Cash investments in exploration and evaluation assets totalling \$37,859,000 for the six-month period ended September 30, 2024 (\$17,957,000 for the last three-month period) also include payments made towards investment made as of March 31, 2024. Consequently, these investments are associated with the drilling program to support the updated MRE as well as expenditures related to the PEA, ESIA and drilling efforts to support the FS. The variation with the same period last year is due to the intensity of the activities for each period. Investments towards property and equipment totalling \$29,473,000 for the six-month period ended September 30, 2024 (\$5,953,000 for the last three-month period) reflect the completion of the all-season road at the beginning of the second quarter ended September 30, 2024 and the enhancement of the exploration camp to support its operation beyond the initial exploration temporary camp permit valid for six months. Further information on exploration and evaluation assets and property and equipment is presented in sections 8 and 9 of this MD&A, respectively.



**C. Financing**

For the three-month period ended September 30, 2024, cash used in financing activities amounted to \$451,000 compared to cash provided by financing activities amounted to \$109,263,000 for the same period last year. For the six-month period ended September 30, 2024, cash provided by financing activities amounted \$72,504,000 compared to \$111,073,000 for the same period in the prior year. The variation is mainly due to the timing of the financing activities. The approximately \$75 million gross proceeds in relation to the private placement of flow-through common shares completed by the Company on May 30, 2024 (“2024 FT Financing”), net of share issuance costs has been received during the first quarter of fiscal year 2025. Approximately \$109 million were received in connection with the private placement to Albemarle Corporation (“Albemarle”) during the second quarter of fiscal year 2024.

This table sets out, as at September 30, 2024, the particulars of how the Company is and has been using the proceeds, as well as variations, if any, from the Company’s anticipated use of proceeds, from the Company’s prior financings during the Company’s financial year ended March 31, 2024 and the six-month period ended September 30, 2024.

Financings	Anticipated Use of Proceeds Allocated	Allocated Proceeds (\$)	Actual Use of Proceeds (as at September 30, 2024) (\$)	Variation from Anticipated Use of Proceeds	Explanation and Impact
Private placement of flow-through Common Shares for proceeds of approximately \$75,000,000 (May 30, 2024)	Qualifying critical mineral mining expenditures	\$75,000,000	\$18,271,000	The Company has not yet spent all of the proceeds of the financing.	N/A
Private placement to Albemarle for proceeds of approximately \$109,000,000 (August 3, 2023)	Shaakichiuwaanaan Project development program	\$87,200,000	\$87,200,000	The Company has not yet spent all of the proceeds of the financing.	N/A
	General corporate purposes	\$21,800,000	\$10,092,000		

As at September 30, 2024, all proceeds from the \$50,000,000 private placement of flow-through Common Shares announced on March 20, 2023, have been spent. All such proceeds were allocated to qualifying critical mineral mining expenditures, as previously disclosed.



## 15. SUMMARY OF QUARTERLY RESULTS

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 Accounting Standards:

Three-month periods ended	Sept 30 2024	June 30 2024	Mar 31 2024	Dec 31 2023	Sept 30 2023	June 30 2023	March 31 2023	Dec 31 2022
<b>Operating Results</b>								
Net Income (Loss)	(208,000)	(3,161,000)	716,000	2,361,000	(285,000)	(186,000)	(1,661,000)	815,000
Basic & Diluted Earnings (Loss) per share	(0.00)	(0.02)	0.01	0.02	(0.00)	(0.00)	(0.02)	0.01
<b>Financial Position</b>								
Working Capital	42,222,000	61,976,000	53,103,000	90,084,000	103,116,000	12,073,000	53,103,000	8,989,000
Exploration and Evaluation assets	155,160,000	128,627,000	111,927,000	85,937,000	67,998,000	55,603,000	46,268,000	33,052,565
Property and Equipment	69,101,000	67,056,000	52,327,000	32,687,000	13,871,000	9,343,000	588,000	-
Shares issued and outstanding	141,508,965	141,146,586	135,646,627	131,669,961	111,427,656	103,918,623	99,357,207	92,790,239

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

- Increase in corporate activities and personnel costs to support the Company's growth.
- Timing and vesting of stock options grants under the current Omnibus Plan.
- Timing of flow-through financings, the period the funds are spent on qualifying expenditures and the deferred income tax liability arising from the financing.
- Investments in exploration evaluation assets and property and equipment to support the development of the Shaakichiuwaanaan Project.

## 16. LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2024, the Company had a cash and cash equivalent balance of \$70,460,000 (\$73,004,000 as of March 31, 2024) and a working capital of \$62,543,000, excluding the FT premium liability (\$53,103,000 as of March 31, 2024). As at September 30, 2024, the FT premium liability amounted to \$20,321,000 (nil as at March 31, 2024).

During the six-month period ended September 30, 2024, the Company's main source of funds has been through equity issuances with proceeds amounting to approximately \$75,000,000 from the 2024 FT Financing. For the same period last year, the Company's main source of funds has been through a private placement of \$109 million, net of costs.

Currently, the Company's operations do not generate cash in-flows, and its financial success depends on management's ability to discover, finance and bring to a production stage an economically viable mineral deposit. The mineral exploration process can take many years and is subject to factors beyond the Company's control. To finance the Company's exploration programs, feasibility study, detailed engineering, environmental, social and impact assessment and to cover administrative and overhead expenses, the Company currently raises funds through equity issuances.

Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to several factors, including the progress of exploration and development activities.

Management believes it will be able to raise capital as required in the long term but recognizes risks may be involved beyond its control. If the Company cannot raise sufficient financing, it may need to scale back its intended operational programs and other expenses. Other than as discussed herein, the Company is unaware of any trends, demands, commitments, events or uncertainties that may result in its liquidity materially increasing or decreasing at present or in the foreseeable future, other than general market conditions, which are uncertain for exploration companies. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of its exploration and development programs and its continued ability to raise capital.



The Company believes it has sufficient working capital to meet its planned activities for the next 12 months. As previously stated, 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 or other securities on acceptable terms or at all. For more information on the financial risks facing the Company and their potential impact, please refer to the “Risks and Uncertainties” section of this MD&A.

## 17. OUTSTANDING SHARE DATA

As at	September 30, 2024	November 13, 2024
Issued and outstanding Common Shares	141,508,965	141,588,965 <sup>(1)(2)</sup>
Share purchase warrants outstanding	4,991,530	4,840,000 <sup>(1)(2)</sup>
Stock options outstanding	5,943,016	5,943,016
Preferred share units	54,641	54,641
Restricted share units	54,641	54,641
Deferred share units	20,085	20,085

Note: Subsequent to September 30, 2024:

(1) 71,530 warrants expired.

(2) The Company issued 80,000 Common Shares for warrants exercised.

## 18. RELATED PARTY TRANSACTIONS

The Company's related parties include its subsidiaries and key management personnel. Key management personnel refers to directors and named executive officers of the Company. Transactions with key management personnel are disclosed in note 14 of the of the Company's audited consolidated financial statements for the year-ended March 31, 2024, and 2023, which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the ASX website at [www.asx.com.au](http://www.asx.com.au).

In connection with related party transactions, no significant changes occurred in the three and six-month periods ended September 30, 2024.

## 19. COMMITMENTS

The Company has certain agreements with suppliers related to its exploration activities. Agreements include a \$1,065,000 commitment as at September 30, 2024 (March 31, 2024 - \$2,700,000) which has a maturity of less than a year.

## 20. SEGMENTED INFORMATION

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

	Canada	US	Total
<b>Balance, as at September 30, 2024</b>			
Exploration and Evaluation assets	\$153,266,000	\$1,894,000	\$155,160,000
<b>Balance, as at March 31, 2024</b>			
Exploration and Evaluation assets	\$110,049,000	\$1,878,000	\$111,927,000

All of the Company's property and equipment is located in Canada.



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## **21. CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

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Estimates and assumptions are continually evaluated 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 5 of the Company's audited consolidated financial statements for the year-ended March 31, 2024, and 2023, which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the ASX website 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 three-month period ended September 30, 2024.

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

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

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## **23. PROPOSED TRANSACTIONS**

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The Company has no proposed transactions.

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## **24. 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.

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## **25. FINANCIAL INSTRUMENTS**

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The nature and extent of risks arising from the Company's financial instruments are summarized in Note 13 of the Company's audited consolidated financial statements for the year-ended March 31, 2024, and 2023, which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the ASX website at [www.asx.com.au](http://www.asx.com.au).

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## **26. RISKS AND UNCERTAINTIES**

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As an exploration company, the Company faces the financial and operational risks inherent to 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. The reader should carefully consider these risks as well as the information disclosed herein.



For a comprehensive discussion and description of the risk factors related to the Company and its activities, please refer to the section entitled “Risk Factors” of the Company’s current AIF, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the ASX website at [www.asx.com.au](http://www.asx.com.au). This section is incorporated by reference into this MD&A. Please note that the Company’s view of risks is not static, and readers are cautioned that there can be no assurance that all risks to the Company, at any point in time, can be accurately identified, assessed as to significance or impact, managed or effectively controlled or mitigated. There can be additional new or elevated risks to the Company that are not described therein.

## **27. 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, shareholders are encouraged to seek the advice of an appropriately qualified financial adviser before making any investment decisions regarding the Company’s securities.

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

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The Company’s President, CEO and Managing Director (“CEO”) and Chief Financial Officer (“CFO”) are responsible for establishing and maintaining the Company’s disclosure controls and procedures as well as its internal control over financial reporting, as those terms are defined in National Instrument 52-109 - *Certification of Disclosure in Issuers’ Annual and Interim Filings*.

The CEO and the CFO have designed disclosure controls and procedures, or caused them to be designed under their supervision, to provide reasonable assurance that:

- material information relating to the Company is made known to them by others, particularly during the period in which the interim filings are being prepared; and
- information required to be disclosed by the Company in its annual filings, 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 securities legislation.

The CEO and CFO have also designed internal control over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standard.

There have been no changes in the Company’s internal control over financial reporting that occurred during the period beginning on April 1, 2024 and ended on September 30, 2024 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

## **29. ADDITIONAL INFORMATION**

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

## **30. QUALIFIED PERSON**

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The technical information in this MD&A that relates to the Mineral Resource Estimate, Exploration Target, the PEA, and exploration results for the Shaakichiuwaanaan Property is based on, and fairly represents, information compiled by 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 01968), and with the Association of Professional Engineers and Geoscientists of Alberta (member number 87868). Mr. Smith has reviewed and approved all technical information in this MD&A.



Mr. Smith is an Executive Vice President of Exploration for the Company. Mr. Smith holds Common Shares, stock options, performance share units and restricted share units in the Company.

Mr. Smith has sufficient experience, which is relevant to the style of mineralization, type of deposit under consideration, and to the activities being undertaken to qualify as a Competent Person as described by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). 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.

The information in this MD&A that relates to the Consolidated MRE for the Shaakichiuwaanaan Project, which was first reported by the Company in a market announcement titled "Significant Mineral Resource Upgrade at Shaakichiuwaanaan Lithium Project to Underpin Impending PEA" dated August 5, 2024 (Vancouver time) is available on the Company's website at [www.patriotbatterymetals.com](http://www.patriotbatterymetals.com), on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the ASX website at [www.asx.com.au](http://www.asx.com.au).

The information in this MD&A that relates to the Exploration Target for the Shaakichiuwaanaan Project, which was first reported by the Company in a market announcement titled "Exploration Target for the Shaakichiuwaanaan Lithium Project Outlines District Scale Opportunity, Quebec, Canada" dated August 5, 2024 (Vancouver time) is available on the Company's website at [www.patriotbatterymetals.com](http://www.patriotbatterymetals.com), on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the ASX website at [www.asx.com.au](http://www.asx.com.au).

The information in this MD&A that relates to the Preliminary Economic Assessment for the Shaakichiuwaanaan Project's CV5 Pegmatite, which was first reported by the Company in a market announcement titled "PEA Highlights Shaakichiuwaanaan Project as a Potential North American Lithium Raw Materials Supply Base" dated August 21, 2024 (Vancouver time) is available on the Company's website at [www.patriotbatterymetals.com](http://www.patriotbatterymetals.com), on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the ASX website at [www.asx.com.au](http://www.asx.com.au).

### **31. APPROVAL**

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

*"Ken Brinsden"*

Ken Brinsden

President, CEO and Managing Director

November 14, 2024