



PATRIOT BATTERY METALS INC.
Condensed Interim Consolidated Financial Statements
As at and for the three and nine-month periods ended December 31, 2024
(Unaudited - Expressed in Canadian dollars)

Management's Responsibility for Financial Reporting

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

The Financial Statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the Financial Statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standard") applicable to the preparation of the Financial Statements, including International Accounting Standard 34, Interim Financial Reporting.

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

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

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

The Company's independent auditor has not performed a review of these Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

"Ken Brinsden"

President, Chief Executive Officer and Managing Director

"Natacha Garoute"

Chief Financial Officer



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

	Notes	December 31, 2024	March 31, 2024
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		43,699,000	73,004,000
Receivables	3	8,661,000	9,959,000
Prepaid expenses		986,000	699,000
Deferred financing fees	13	1,396,000	-
		54,742,000	83,662,000
Non-current assets			
Exploration and evaluation assets	4	169,144,000	111,927,000
Property and equipment	5	68,711,000	52,327,000
Listed shares	4	832,000	-
Total assets		293,429,000	247,916,000
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		9,249,000	30,408,000
Current portion of lease liabilities		134,000	151,000
Flow-through premium liability	6	15,173,000	-
		24,556,000	30,559,000
Non-current liabilities			
Asset retirement obligation		2,819,000	2,218,000
Lease liabilities		265,000	214,000
Deferred income taxes		20,647,000	11,710,000
Total liabilities		48,287,000	44,701,000
EQUITY			
Share capital	7	249,250,000	207,770,000
Reserves	7	21,759,000	15,723,000
Accumulated other comprehensive income		11,000	1,000
Deficit		(25,878,000)	(20,279,000)
Total equity		245,142,000	203,215,000
Total liabilities and equity		293,429,000	247,916,000

Commitments (Note 10) and Events After the Reporting Period (Note 13)

APPROVED ON BEHALF OF THE BOARD on February 13, 2025:

“Ken Brinsden”

Director

“Brian Jennings”

Director

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



PATRIOT BATTERY METALS INC.

Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income

(Unaudited - Expressed in Canadian dollars)

	Notes	Three-month periods ended		Nine-month periods ended	
		December 31,	December 31,	December 31,	December 31,
		2024	2023	2024	2023
		\$	\$	\$	\$
General and Administrative Expenses					
Share-based compensation	7	2,240,000	947,000	6,205,000	2,686,000
Salaries, benefits and management fees		1,628,000	1,214,000	4,203,000	3,588,000
Office and miscellaneous		608,000	389,000	2,037,000	1,195,000
Professional fees		387,000	1,270,000	1,523,000	2,824,000
Travel		333,000	84,000	1,258,000	702,000
Investor relations and business development		359,000	263,000	778,000	935,000
Consulting fees		70,000	72,000	453,000	393,000
Transfer agent and filing fees		107,000	72,000	348,000	386,000
Total general and administrative expenses		(5,732,000)	(4,311,000)	(16,805,000)	(12,709,000)
Other Income					
Flow-through premium income	6	5,148,000	8,706,000	17,769,000	18,040,000
Interest income		595,000	1,613,000	2,635,000	3,523,000
Gain on disposal of exploration and evaluation assets	4	152,000	-	152,000	-
Income before income taxes		163,000	6,008,000	3,751,000	8,854,000
Income taxes					
Deferred income tax expense		(2,393,000)	(3,647,000)	(9,350,000)	(6,964,000)
(Loss) Income for the period		(2,230,000)	2,361,000	(5,599,000)	1,890,000
Other comprehensive (loss) income					
Foreign currency translation adjustment		10,000	(4,000)	10,000	(1,000)
Comprehensive (Loss) Income for the period		(2,220,000)	2,357,000	(5,589,000)	1,889,000
(Loss) Income per share					
Basic	8	(0.02)	0.02	(0.04)	0.02
Diluted	8	(0.02)	0.02	(0.04)	0.02

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



PATRIOT BATTERY METALS INC.
Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars, except for number of shares)

	Number of shares	Share capital	Reserves	AOCI	Deficit	Total
		\$	\$	\$	\$	\$
Balances, March 31, 2023	99,357,207	77,966,000	14,922,000	-	(22,885,000)	70,003,000
Shares issued for:						
Cash	7,128,341	108,992,000	-	-	-	108,992,000
Mineral Properties	120,000	1,244,000	-	-	-	1,244,000
Warrants exercised	23,664,939	16,251,000	(807,000)	-	-	15,444,000
Options exercised	1,399,474	1,079,000	(807,000)	-	-	272,000
Share issuance costs - cash	-	(2,757,000)	-	-	-	(2,757,000)
Share-based compensation	-	-	2,686,000	-	-	2,686,000
Net income and comprehensive income for the period	-	-	-	(1,000)	1,890,000	1,889,000
Balances, December 31, 2023	131,669,961	202,775,000	15,994,000	(1,000)	(20,995,000)	197,773,000
Balances, March 31, 2024	135,646,627	207,770,000	15,723,000	1,000	(20,279,000)	203,215,000
Shares issued for:						
Cash	5,159,959	75,000,000	-	-	-	75,000,000
Less flow-through liability related to the premium on flow-through shares	-	(34,082,000)	-	-	-	(34,082,000)
Mineral properties	150,000	1,304,000	-	-	-	1,304,000
Warrants exercised	240,000	180,000	-	-	-	180,000
Options exercised	392,379	221,000	(169,000)	-	-	52,000
Share issuance costs ¹	-	(1,143,000)	-	-	-	(1,143,000)
Share-based compensation	-	-	6,205,000	-	-	6,205,000
Net loss and comprehensive loss for the period	-	-	-	10,000	(5,599,000)	(5,589,000)
Balances, December 31, 2024	141,588,965	249,250,000	21,759,000	11,000	(25,878,000)	245,142,000

¹ Share issuance costs for the period total \$2,694,000 and relate to the \$75,000,000 flow-through offering completed on May 31, 2024 (See Note 6). \$1,140,000 was allocated as a reduction of the flow-through premium liability. Share issuance costs of \$1,143,000 represents the remaining \$1,554,000 balance, net of a deferred tax recovery amount of \$411,000 (March 31, 2024 - \$1,002,000).

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



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

	Notes	Three-month periods ended		Nine-month periods ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		\$	\$	\$	\$
OPERATING ACTIVITIES					
Net (Loss) Income for the period		(2,230,000)	2,361,000	(5,599,000)	1,890,000
Adjustments for non-cash items:					
Flow-through premium income	6	(5,148,000)	(8,706,000)	(17,769,000)	(18,040,000)
Share-based compensation	7	2,240,000	947,000	6,205,000	2,686,000
Deferred income tax expense		2,393,000	3,647,000	9,350,000	6,964,000
Gain on disposal of exploration and evaluation assets	4	(152,000)	-	(152,000)	-
Other		41,000	(81,000)	87,000	(61,000)
Changes in non-cash working capital items:					
Decrease (increase) in receivables		1,245,000	(307,000)	1,298,000	(1,168,000)
Decrease (Increase) in prepaid expenses		725,000	(747,000)	(287,000)	(759,000)
Increase (decrease) in accounts payable and accrued liabilities		450,000	(917,000)	(1,285,000)	916,000
Cash used in operating activities		(436,000)	(3,803,000)	(8,152,000)	(7,572,000)
INVESTING ACTIVITIES					
Exploration and evaluation assets	4	(23,682,000)	(18,647,000)	(61,541,000)	(38,074,000)
Acquisition of property and equipment	5	(1,801,000)	(15,124,000)	(31,274,000)	(26,252,000)
Cash used in investing activities		(25,483,000)	(33,771,000)	(92,815,000)	(64,326,000)
FINANCING ACTIVITIES					
Proceeds from issuance of common shares	7	-	-	75,000,000	108,992,000
Proceeds from exercise of options	7	-	60,000	52,000	272,000
Proceeds from exercise of warrants	7	60,000	13,575,000	180,000	15,444,000
Principal payment of lease liabilities		(64,000)	-	(222,000)	-
Deferred financing fees	13	(664,000)	-	(664,000)	-
Share issuance costs	7	(184,000)	(3,778,000)	(2,694,000)	(3,778,000)
Cash provided by (used in) financing activities		(852,000)	9,857,000	71,652,000	120,930,000
Increase (decrease) in cash and cash equivalents		(26,771,000)	(27,717,000)	(29,315,000)	49,032,000
Effect of exchange rate on cash		10,000	(4,000)	10,000	(1,000)
Cash and cash equivalents, beginning of period		70,460,000	133,476,000	73,004,000	56,724,000
Cash and cash equivalents, end of period		43,699,000	105,755,000	43,699,000	105,755,000

Supplemental cash flow information (Note 9)

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

PATRIOT BATTERY METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine-month periods ended December 31, 2024 and 2023 (Unaudited - Expressed in Canadian dollars, unless specified otherwise)

I. CORPORATE INFORMATION

Patriot Battery Metals Inc. 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.

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 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's mineral properties are located in the provinces of Quebec, British Columbia and in the State of Idaho (USA).

The shares of the Company are traded under the symbol "PMET" on the Toronto Stock Exchange ("TSX"), under the symbol "PMT" on the Australian Securities Exchange ("ASX"). Each share traded on the ASX settles in the form of CHESS Depository Interests ("CDIs") at a ratio of 10 CDIs to 1 common share.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited condensed interim consolidated financial statements (the "Financial Statements") have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standard") applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting. The unaudited condensed interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended March 31, 2024, which have been prepared in accordance with IFRS Accounting Standard.

These Financial Statements were approved and authorized for issue in accordance with a resolution from the Board of Directors on February 13, 2025.

2.2 Basis of presentation

Basis of Presentation

These Financial Statements include the accounts of the Company and the following wholly owned subsidiaries:

Subsidiary	Country of Incorporation	Date of Incorporation	Functional Currency
Metals Nevada Corp.	United States	March 2, 2021	U.S Dollars
Innova Lithium Inc.	Canada	October 5, 2023	Canadian Dollars
14352891 Canada Inc	Canada	October 5, 2023	Canadian Dollars
Patriot Battery Metals (Australia) Pty	Australia	July 23, 2024	Australian Dollars

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

PATRIOT BATTERY METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine-month periods ended December 31, 2024 and 2023 (Unaudited - Expressed in Canadian dollars, unless specified otherwise)

Basis of Measurement

The Company's Financial Statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the material accounting policies in Note 3 of the Company's audited consolidated financial statements for the year ended March 31, 2024. The Company's Financial Statements are presented in Canadian dollars except where otherwise indicated. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and Presentation Currency

These Financial Statements are presented in Canadian dollars, which is the Company's functional currency. Assets and liabilities of subsidiaries with a functional currency other than Canadian dollars are translated at the rate of exchange prevailing at the reporting date and their income and expense items are translated at average exchange rates for the period. Exchange differences arising on the translation are recognized in other comprehensive income.

2.3 Significant accounting policies

The accounting policies used in these financial statements are consistent with those disclosed in the Company's audited consolidated financial statements for the year ended March 31, 2024.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS Accounting Standards requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

2.5 Adoption of new revised standards and interpretation

Certain pronouncements were issued by the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2024. They are not applicable or do not have a significant impact on the Company.

3. RECEIVABLES

The Company's receivables arise from Goods and Services Tax ("GST") and Quebec Sales Tax ("QST") due from the government taxation authorities and tax credits receivable.

	December 31, 2024	March 31, 2024
	\$	\$
GST receivable	1,074,000	3,027,000
QST receivable	2,115,000	5,112,000
Exploration tax credits	5,472,000	1,820,000
Total	8,661,000	9,959,000

PATRIOT BATTERY METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine-month periods ended December 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars, unless specified otherwise)

4. EXPLORATION AND EVALUATION ASSETS

On July 31, 2024, the Company announced the renaming of the Corvette Property to the Shaakichiuwaanaan Property.

On December 12, 2024, the Company sold its remaining 40% interest in 5 claims located in the Northwest Territories (the "Interest") to Loyal Lithium Limited (the "Purchaser"). In consideration for the Interest, the Purchaser issued 8,000,000 fully paid ordinary shares to the Company for a total value of \$832,000. Pursuant to this transaction, the Company derecognized its exploration and evaluation assets related to its Northwest Territories Property and recorded a gain on disposal exploration and evaluation assets of \$152,000 in the interim consolidated statement of loss and comprehensive loss.

The Company's exploration and evaluation assets for the nine-month period ended December 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
	\$	\$	\$	\$	\$
Acquisition Costs					
Balance, March 31, 2024	5,871,000	880,000	177,000	3,768,000	10,696,000
Additions	1,842,000	15,000	-	-	1,857,000
Disposals	-	-	(177,000)	-	(177,000)
Balance, December 31, 2024	7,713,000	895,000	-	3,768,000	12,376,000
Exploration and Evaluation Costs					
Balance, March 31, 2024	99,255,000	998,000	503,000	475,000	101,231,000
Additions					
Drilling expenditures	18,688,000	-	-	-	18,688,000
Transportation & accommodation	17,870,000	-	-	-	17,870,000
Studies	10,266,000	-	-	-	10,266,000
Geology services and expenditures	6,812,000	1,000	-	199,000	7,012,000
Depreciation	4,364,000	-	-	-	4,364,000
Assays and testing	1,812,000	-	-	-	1,812,000
Administrative and other	1,215,000	-	-	44,000	1,259,000
Deposits	(1,442,000)	-	-	-	(1,442,000)
Total additions	59,585,000	1,000	-	243,000	59,829,000
Disposals	-	-	(503,000)	-	(503,000)
Exploration tax credits	(3,789,000)	-	-	-	(3,789,000)
Balance, December 31, 2024	155,051,000	999,000	-	718,000	156,768,000
Total, December 31, 2024	162,764,000	1,894,000	-	4,486,000	169,144,000

PATRIOT BATTERY METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine-month periods ended December 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars, unless specified otherwise)

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

The Company's exploration and evaluation assets expenditures for 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
	\$	\$	\$	\$	\$
Acquisition Costs					
Balance, March 31, 2023	5,746,000	880,000	177,000	2,008,000	8,811,000
Additions	125,000	-	-	1,760,000	1,885,000
Balance, March 31, 2024	5,871,000	880,000	177,000	3,768,000	10,696,000
Exploration and Evaluation Costs					
Balance, March 31, 2023	35,600,000	890,000	503,000	464,000	37,457,000
Additions					
Drilling expenditures	26,761,000	-	-	-	26,761,000
Transportation & accommodation	20,388,000	-	-	-	20,388,000
Studies	5,694,000	-	-	-	5,694,000
Geology services and expenditures	9,587,000	82,000	-	7,000	9,676,000
Depreciation	860,000	-	-	-	860,000
Assays and testing	1,441,000	-	-	4,000	1,445,000
Administrative and other	927,000	47,000	-	-	974,000
Deposits	(313,000)	(21,000)	-	-	(334,000)
Total additions	65,345,000	108,000	-	11,000	65,464,000
Exploration tax credits	(1,690,000)	-	-	-	(1,690,000)
Balance, March 31, 2024	99,255,000	998,000	503,000	475,000	101,231,000
Total, March 31, 2024	105,126,000	1,878,000	680,000	4,243,000	111,927,000

PATRIOT BATTERY METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine-month periods ended December 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars, unless specified otherwise)

5. PROPERTY AND EQUIPMENT

As at December 31, 2024, the Company had property and equipment as follows:

Cost	Construction	Camp	Machinery and		Other	Total
	in progress		Road	Equipment		
	\$	\$	\$	\$	\$	\$
Balance, March 31, 2024	32,199,000	18,216,000	-	2,439,000	370,000	53,224,000
Additions	20,077,000	-	237,000	232,000	216,000	20,762,000
Transfers	(33,234,000)	-	33,234,000	-	-	-
Balance, December 31, 2024	19,042,000	18,216,000	33,471,000	2,671,000	586,000	73,986,000
Accumulated Depreciation						
Balance, March 31, 2024	-	667,000	-	213,000	17,000	897,000
Depreciation	-	2,395,000	1,662,000	307,000	14,000	4,378,000
Balance, December 31, 2024	-	3,062,000	1,662,000	520,000	31,000	5,275,000
Net book value -						
December 31, 2024	19,042,000	15,154,000	31,809,000	2,151,000	555,000	68,711,000

As at March 31, 2024, the Company had property and equipment as follows:

Cost	Construction	Camp	Machinery and	Other	Total
	in progress		Equipment		
	\$	\$	\$	\$	\$
Balance, March 31, 2023	-	-	609,000	-	609,000
Additions	50,415,000	-	1,830,000	370,000	52,615,000
Transfers	(18,216,000)	18,216,000	-	-	-
Balance, March 31, 2024	32,199,000	18,216,000	2,439,000	370,000	53,224,000
Accumulated Depreciation					
Balance, March 31, 2023	-	-	21,000	-	21,000
Depreciation	-	667,000	192,000	17,000	876,000
Balance, March 31, 2024	-	667,000	213,000	17,000	897,000
Net book value -					
March 31, 2024	32,199,000	17,549,000	2,226,000	353,000	52,327,000

As at December 31, 2024, Property and equipment includes an amount of \$2,750,000 of asset retirement obligation (\$2,200,000 as at March 31, 2024).

PATRIOT BATTERY METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine-month periods ended December 31, 2024 and 2023 (Unaudited - Expressed in Canadian dollars, unless specified otherwise)

6. FLOW-THROUGH PREMIUM LIABILITY

On May 30, 2024, the Company closed a private placement for 5,159,959 flow-through common shares at \$14.54 per common share for aggregate gross proceeds of \$75,000,000 ("FT#24 Offering"). The trading share price at the date of issuance of the common shares was \$7.93 per common share, resulting in the recognition of a flow-through premium liability of \$6.61 per common share for a total balance of \$34,082,000. This balance was reduced by share issuance costs related to the private placement allocated to the flow-through premium liability (\$1,140,000), resulting in the recognition of a net balance of \$32,942,000. As at December 31, 2024, the Company incurred \$40,456,000 in flow-through eligible expenditures, reducing the flow-through premium liability to \$15,173,000.

The flow-through premium liability from the FT#24 Offering is amortized over the periods in which the funds are spent on qualifying expenditures.

	December 31, 2024	March 31, 2024
	\$	\$
Opening Balance	-	29,506,000
Flow-through share premium issuance: FT#24 Offering, net of issuance costs	32,942,000	-
Flow-through premium income	(17,769,000)	(29,506,000)
Ending Balance	15,173,000	-

7. SHARE CAPITAL

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

7.1 Common Shares

During the nine-month period ended December 31, 2024:

On May 2, 2024, the Company increased its land position at its Shaakichiwaanaan property through the acquisition of a 100% interest in a proximal claim block, 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 at a price of \$8.69 per common share. The claim block is subject to a 2% Net Smelter Royalty.

On May 30, 2024, the Company closed a private placement for 5,159,959 flow-through common shares at \$14.54 per common share for aggregate gross proceeds of \$75,000,000 ("FT#24 Offering"). Total share issuance costs amounted to \$2,694,000 for the nine-month period ended December 31, 2024, of which \$1,554,000 was allocated to share capital and \$1,140,000 to flow-through premium liability.

During the nine-month period ended December 31, 2023:

On August 3, 2023, the Company completed a private placement with Albemarle Inc. of 7,128,341 common shares at a price of \$15.29 per common share for aggregate gross proceeds of \$109 million. In connection with this private placement, the Company incurred \$3,733,000 in financing fees.

PATRIOT BATTERY METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine-month periods ended December 31, 2024 and 2023 (Unaudited - Expressed in Canadian dollars, unless specified otherwise)

7.1 Common Shares (continued)

On October 31, 2023, the Company increased its land position at its Eastmain Project, located in the James Bay region, Quebec, through the acquisition of a 100% interest in two proximal claim blocks. The new claim blocks total 73 claims (3,851.5 ha) and are located immediately 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.

7.2 Share purchase warrants

During the nine-month period ended December 31, 2024, the Company issued a total of 240,000 shares for warrants exercised, for total proceeds of \$180,000, at a weighted average exercise price of \$0.75 per warrant exercised. The weighted average share price at the exercise dates was \$6.23. During the same period, a total of 71,530 warrants expired.

During the nine-month period ended December 31, 2023, the Company issued a total of 23,664,939 shares for warrants exercised, for total proceeds of \$15,444,000, at a weighted average exercise price of \$0.65 per warrant exercised. The weighted average share price at the exercise dates was \$10.76. During the same period, a total of 875 warrants expired.

As at December 31, 2024, there are 4,840,000 share purchase warrants outstanding, with a weighted average exercise price of \$0.75 and a weighted average 0.22 years to expiry.

7.3 Share-base payments

On January 20, 2023, the Company adopted the Omnibus Incentive Plan (the “Omnibus Plan”) which was later approved by the Shareholders on March 3, 2023. The Omnibus Plan replaced the Company’s Stock Option Plan (the “Plan”) and the stock options which had been granted thereunder are now governed by the Omnibus Plan. On September 19, 2023, the Shareholders approved an amended Omnibus Equity Incentive Plan (the “Amended Omnibus Plan”). The objective of the Amended Omnibus incentive plan is to enhance the Company’s ability to attract and retain talented employees and to provide alignment of interests between such employees and shareholders of the Company.

Under the Amended Omnibus Plan, the Company grants stock options, restricted shares units (“RSUs”), performance share units (“PSUs”) and deferred share units (“DSUs”).

The following table summarizes the share-based compensation expense for nine-month periods ended December 31, 2024 and 2023:

	Three-month periods ended		Nine-month periods ended	
	December 31, 2024 \$	December 31, 2023 \$	December 31, 2024 \$	December 31, 2023 \$
Stock options	1,690,000	807,000	5,193,000	2,410,000
RSUs	233,000	70,000	383,000	138,000
PSUs	233,000	70,000	383,000	138,000
DSUs	84,000	-	246,000	-
Total share-based compensation expense	2,240,000	947,000	6,205,000	2,686,000

PATRIOT BATTERY METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine-month periods ended December 31, 2024 and 2023 (Unaudited - Expressed in Canadian dollars, unless specified otherwise)

7.3.1 Stock Options

During the nine-month period ended December 31, 2024, 430,000 stock options were exercised for net proceeds of \$52,000, at a weighted average exercise price of \$0.53 per option exercised. A portion of the stock options were exercised utilizing the cashless exercise process available under the Amended Omnibus Plan. As a result, the Company issued a total of 392,379 shares during the period. The weighted average share price at the exercise dates was \$4.76.

During the nine-month period ended December 31, 2024, the Company also issued 400,000 stock options to one of its executives while a total of 200,000 stock options expired.

The grant date fair value of the options granted during the nine-month period ended December 31, 2024 was estimated at \$2.80 (March 31, 2024 - \$6.19) per option using the Black-Scholes Option Pricing Model. Expected volatility is based on the historical share price volatility.

The weighted average assumptions used for the calculation were:

	December 31, 2024	March 31, 2024
Share price at grant date	\$4.24	\$6.86
Risk free interest rate	3.22%	3.55%
Expected life (years)	3	5
Expected volatility	110%	150%
Fair market value of the option on grant date	\$2.80	\$6.19

During the nine-month period ended December 31, 2023, 1,476,666 stock options were exercised for total proceeds of \$272,000, at a weighted average exercise price of \$0.68 per stock option exercised. A portion of the stock options were exercised utilizing the cashless exercise process available under the Amended Omnibus Plan and the Company issued a total of 1,399,474 shares during the period. The weighted average share price at the exercise dates was \$9.79.

As at December 31, 2024, there are 5,743,016 stock options outstanding, with a weighted average exercise price of \$7.68 and a weighted average 2.00 years to expiry.

7.3.2 RSUs and PSUs

During the nine-month period ended December 31, 2024, the Company granted an aggregate of 485,534 RSUs and 485,534 PSUs to certain employees and officers of the Company, at a weighted average price of \$3.48. 485,534 common shares are issuable upon vesting of the RSUs while up to 728,301 common shares are issuable pursuant to the vesting of the PSUs upon the achievement of certain performance milestones by the Company. The entirety of the RSUs will vest on March 31, 2027. All RSUs and PSUs were granted in accordance with the Company's Omnibus Equity Incentive Plan. During the same period, 4,892 RSUs and 4,892 PSUs were cancelled.

During the nine-month period ended December 31, 2023, the Company granted an aggregate of 56,971 RSUs and 56,971 PSUs to employees and consultants of the Company, at a weighted average grant price of \$16.10. 56,971 common shares are issuable upon vesting of the RSUs while up to 81,962 common shares are issuable pursuant to the vesting of the PSUs upon the achievement of certain performance milestones by the Company. The entirety of the RSUs will vest on June 29, 2026. All RSUs and PSUs were granted in accordance with the Company's Omnibus Equity Incentive Plan.

PATRIOT BATTERY METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine-month periods ended December 31, 2024 and 2023 (Unaudited - Expressed in Canadian dollars, unless specified otherwise)

7.3.3 RSUs and PSUs (continued)

As at December 31, 2024, there are 535,283 RSUs and 535,283 PSUs outstanding, with a weighted average exercise price of \$4.65 for both RSUs and PSUs.

7.3.4 DSUs

During the nine-month period ended December 31, 2024, the Company granted an aggregate of 86,289 DSUs to independent directors of the Company at a weighted grant price of \$3.48. These units will vest on September 17, 2025. All DSUs were granted in accordance with the Company's Omnibus Equity Incentive Plan.

As at December 31, 2024, there are 106,374 DSUs outstanding, with a weighted average exercise price of \$5.86.

8. EARNING (LOSS) PER SHARE

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

	Three-month periods ended		Nine-month periods ended	
	December 31, 2024 \$	December 31, 2023 \$	December 31, 2024 \$	December 31, 2023 \$
Net (loss) income for the period	(2,230,000)	2,361,000	(5,599,000)	1,890,000
(Loss) earnings per share				
Basic	(0.02)	0.02	(0.04)	0.02
Diluted	(0.02)	0.02	(0.04)	0.02
Weighted average number of shares				
Basic	141,551,976	120,305,498	140,155,593	109,543,591
Dilutive effect of share purchase warrants and stock options	-	10,262,544	-	10,262,544
Diluted	141,551,976	130,568,042	140,155,593	119,806,135

The basic earnings (loss) per share is computed by dividing the net income (loss) by the weighted average number of common shares outstanding during the period. The diluted earnings (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options, and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive.

All of the stock options, share purchase warrants and PSUs and RSUs were anti-dilutive for the three and nine-month periods ended December 31, 2024 as the Company incurred losses during these periods.

For the three and nine-month periods ended December 31, 2023, 750,000 stock options and all PSUs and RSUs outstanding were excluded from the computation of diluted earnings per share as their effect was anti-dilutive.

PATRIOT BATTERY METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine-month periods ended December 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars, unless specified otherwise)

9. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred the following non-cash financing and investing transactions during the nine-month periods ended December 31, 2024 and 2023.

	Three-month periods ended		Nine-month periods ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	\$	\$	\$	\$
Non-cash investing activities:				
Shares issued for Exploration and evaluation assets	-	1,244,000	1,304,000	1,244,000
Depreciation of Property and equipment capitalized in Exploration and evaluation assets	1,720,000	126,000	4,364,000	126,000
Disposal of Exploration and evaluation assets in exchange of Listed shares	680,000		680,000	
Asset retirement obligation within Property and equipment	-	2,200,000	550,000	2,200,000
Right-of-use assets within Property and equipment	-	-	232,000	110,000
Non-cash financing activities:				
Value of warrants exercised from reserves	-	685,000	-	807,000
Value of options exercised from reserves	-	648,000	169,000	807,000
Included in Accounts payable and accrued liabilities:				
Additions to Deferred financing fees	732,000	-	732,000	-
Additions to Exploration and evaluation assets	5,051,000	4,324,000	5,051,000	4,324,000
Additions to Property and equipment	375,000	3,663,000	375,000	3,663,000

10. COMMITMENTS

The Company has certain agreements with suppliers related to its exploration activities. As at December 31, 2024, there are no commitments (March 31, 2024 - \$2,700,000).

11. SEGMENTED INFORMATION

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

	Canada	US	Total
Balance, as at December 31, 2024			
Exploration and Evaluation assets	\$167,250,000	\$1,894,000	\$169,144,000
Balance, as at March 31, 2024			
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.

PATRIOT BATTERY METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine-month periods ended December 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars, unless specified otherwise)

12. FINANCIAL INSTRUMENTS

12.1 Categories of financial instruments

	December 31, 2024	March 31, 2024
	\$	\$
Financial assets		
At amortized cost		
Cash and cash equivalents	43,699,000	73,004,000
At fair market value through profit or loss		
Listed shares	832,000	
Total financial assets	44,531,000	73,004,000
Financial liabilities		
At amortized cost		
Accounts payable and accrued liabilities	9,222,000	30,382,000
Total financial liabilities	9,222,000	30,382,000

12.2 Fair value

The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the Financial Statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

13. EVENTS AFTER THE REPORTING PERIOD

On January 21, 2025, the Company completed a strategic private placement with Volkswagen Group (“Volkswagen”), of 15,557,500 common shares representing 9.9% of the Company’s issue and outstanding common share for aggregate gross proceeds of approximately \$69 million. The subscription price of \$4.42 represents a 65% and 35% premium to the 30-day and 90-day volume-weighted average trading price of the Common Shares on the TSX for the period ending December 17, 2024, the last trading day prior to the announcement of the strategic private placement. As part of the strategic private placement, the Company will enter into a binding offtake term sheet with Volkswagen’s wholly-owned and vertically integrated battery manufacturer, PowerCo, for the Company to supply 100,000 tons of spodumene concentrate (SC 5.5 target) per year over a 10-year term.