



PATRIOT BATTERY METALS INC.

Management's Discussion and Analysis

For the three and nine-month periods ended December 31, 2023

TSX: PMET - ASX: PMT - OTCQX: PMETF



I. OVERVIEW

The following is Management's Discussion and Analysis ("MD&A") of the condensed interim consolidated financial statements of operations of Patriot Battery Metals Inc. and its subsidiaries (together, the "Company" or "Patriot") for the three and nine months ended December 31, 2023. This MD&A should be read in conjunction with the condensed interim consolidated financial statements for the three and nine months ended December 31, 2023 and 2022 (the "Financial Statements") and the audited consolidated financial statements for the year ended March 31, 2023 and 2022 including the notes thereto, prepared in accordance with the International Financial Reporting Standards ("IFRS"). A copy of this MD&A is filed on SEDAR+ at www.sedarplus.com and on the Australian Securities Exchange (ASX) at 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.

The MD&A is prepared by management and approved by the Board of Directors as of February 14, 2024. All figures are in Canadian dollars unless stated otherwise. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

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

2. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

All statements, other than statements of historical fact included in this MD&A, regarding the Company's strategy, future operations, financial position, prospects, plans and objectives of management are forward-looking statements. Forward-looking statements are typically identified by words such as "plan", "expect", "estimate", "intend", "anticipate", "believe", or variations of such words and phrases or statements that certain actions, events, or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. In particular and without limitation, this MD&A contains forward-looking statements pertaining to the intended use of the proceeds from the sale of Common Shares pursuant to the subscription agreement with respect to the private placement by Albemarle Corporation ("Albemarle") (the "Strategic Investment"); the completion of a study for a lithium hydroxide plant and the formation of a joint venture or partnership with Albemarle pursuant to the non-binding memorandum of understanding (the "MOU"); the development of the Corvette 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 perceived merit and further potential of the Company's properties; preliminary economic assessments and other development study results; exploration results at the Company's properties; budgets; strategic plans; market price and demand for lithium; permitting or other timelines; government regulations and relations.

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

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Forward-looking statements are also subject to risks and uncertainties facing the Company's business, any of which could have a material adverse effect on the Company's business, financial condition, results of operations and growth prospects. Some of the risks the Company faces and the uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements include, among others, the Company's ability to execute on plans relating to its Corvette Project including the timing thereof the Company's ability to generate revenue and future capital requirements; the Company's profitability in the short or medium term; mineral resource estimation risks; exploration, development and operating risks and costs; the Company's dependence upon the Corvette Property; the titles to the Company's mineral properties being challenged or impugned; the Company receiving and maintaining licenses and permits from appropriate governmental authorities; environmental and safety regulations; land access risk; access to sufficient used and new equipment; maintenance of equipment; the Company's reliance on key personnel; the Company's ability to obtain social acceptability by First Nations with respect to its Corvette 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.

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 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

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

The address of its head office is Suite 700-838 W Hastings Street, Vancouver, British Columbia, V6C 0A6 and the address of its registered and records office is Suite 1800, 510 West Georgia Street, Vancouver, British Columbia, V6B 0M3. The Company 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 Corvette Property in the Eeyou Istchee James Bay region of Quebec, Canada, and proximal to regional road and powerline infrastructure.

The Corvette Property hosts the CV5 Spodumene Pegmatite ("CV5") with a maiden inferred mineral resource estimate of 109.2 Mt at 1.42% Li₂O and 160 ppm Ta₂O₅ (at a cut-off of 0.40% Li₂O). The Corvette Property ranks as the largest lithium pegmatite resource in the Americas based on contained lithium carbonate equivalent ("LCE") and one of the top 10 largest lithium pegmatite resources in the world. Additionally, the Corvette Property hosts multiple other spodumene pegmatite clusters that remain to be drill tested and more than 20 km of prospective trend that remains to be assessed.

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

The Company also holds several other non-core assets in Quebec, Northwest Territories, British Columbia 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 Annual Information Form for the year ended March 31, 2023, dated as of June 29, 2023 ("AIF"), the press release dated July 30, 2023 in which Patriot announces the largest lithium pegmatite resource in the Americas at CV5, Corvette Property, Quebec, Canada and the Technical Report.

4. QUARTERLY HIGHLIGHTS

A. EXPLORATION

- Awarded the 2023 "Discovery of the Year" from the Quebec Mineral Exploration Association for the discovery of the CV5 Spodumene Pegmatite.
- Drill results confirmed the extension of the CV5 Spodumene Pegmatite to 4.35 km in strike length, which remains open. As of the end of the quarter, drill results for an additional 0.25 km of prospective strike length remained to be reported.
- Drill results for 1.1 km of the CV13 Spodumene Pegmatite's collective 2.3 km strike length – as defined by outcrop and drill hole – were reported. As of the end of the quarter, drill results for an additional 1.2 km of prospective strike length remained to be reported.
- Discovery of a new high-grade zone (with sample ranges including 3 – 5% Li₂O) near-surface at the CV13 Spodumene Pegmatite.
- Discovery of significant widths (60+ m core length) of pegmatite at depth at the CV9 Pegmatite, with spodumene mineralization identified in multiple holes over the program. The CV9 Pegmatite was traced by drilling over an approximate 450 m strike length and is located approximately 14 km west of the CV5 mineral resource. As of the end of the quarter, core assay results remained to be reported.

B. PROJECT DEVELOPMENT

- Progress of the all-season Road Phase I continues. CV5 is now accessible via a combination of all-season road and winter road.
- Progress of the 100% owned exploration camp installation; substantially completed and operational as of January 4, 2024.
- Progress of the engineering for the Pre-Feasibility Study ("PFS") for a targeted completion date in late 2024 or early 2025.

C. ESG

- Submission of the Preliminary Information Statement for the Corvette Mine Project starting the Environmental and Social Impact Assessment or "ESIA" process.
- Submission of the Policies and Procedures Manual for the UL2723 ECOLOGO audit process along with supporting documentation.
- In collaboration with the tallyman's family, unveiling the name and logo selected for the Company's exploration camp: "Shaakichiuwaan" – a Cree word meaning "climbing up a hill or mountain".



D. CORPORATE

- Cash on hand of \$106 million as of December 31, 2023.
- Expansion of the Company's land position at its Eastmain Project in the Eeyou Istchee James Bay region, Quebec, by acquiring a 100% interest in two (2) proximal claim blocks. The new claim blocks are immediately adjacent to Arcadium's James Bay Lithium Project and on strike of the James Bay Lithium Deposit.

E. EVENTS SUBSEQUENT TO DECEMBER 31, 2023

- Revisions to both the Board and the Company's Executive team in support of the further rapid progress of the Company's Corvette Project.
- Ken Brinsden, transitioned from Non-Executive Chair to CEO / President / Managing Director residing in Montreal, Quebec. Under Mr. Brinsden's leadership, the Pilbara Mineral's valuation soared to AUD \$11 billion, with an impressive annual production and sale of over 600,000 tonnes of spodumene concentrate. Throughout his career, Mr. Brinsden demonstrated a keen aptitude for navigating through corporate development, financing, project execution, and production phases with success while contributing positively to local communities.
- Pierre Boivin, the Quebec Leader of the Global Metals & Mining Group and National Leader of the Africa Group and Member of the Strategic Advisors Committee for McCarthy Tétrault, a prominent Canadian law firm, stepped into the role of Non-Executive Chair from Non-Executive Director. With more than 40 years of experience in business law, Mr. Boivin has specialized in mergers and acquisitions, private equity and related commercial matters. He has been repeatedly recognized as a leading Canadian lawyer, notably in the mining and oil and gas sectors, and is also an experienced board director, notably currently sitting on the boards of Export Development Canada ("EDC").
- Former CEO / President, Blair Way, transitioned into the Chief Operating Officer role, retaining his Executive Board position.
- Graduation to the TSX effective as of February 1, 2024.

5. CORVETTE PROJECT EXPLORATION AND DEVELOPMENT UPDATES

A. EXPLORATION PROGRAM

During the three months ended December 31, 2023, the Company received the 2023 "Discovery of the Year" award from the Quebec Mineral Exploration Association ("QMEA") in the presence of the Cree tallyman, his wife and his four sons. The award, presented to the Company in early November at the QMEA's 2023 Xplor Convention, is a recognition by industry peers for discovering the CV5 Spodumene Pegmatite at the Corvette Property. The Xplor Convention, hosted annually by the QMEA in Montreal, Quebec, is one of the province's most prominent mineral exploration industry events.

a) CV5 Mineral Resource ("CV5")

At CV5, step-out drilling over the western extension, outside of the June 2023 CV5 mineral resource estimate, returned strong grades including at least four (4) intervals of 5+ m at 3.4+% Li₂O. Additional step-out results include:



- 56.6 m at 1.37% Li₂O (CV23-231), and
- 25.6 m at 1.98% Li₂O (CV23-222).

Infill drilling also returned wide and well-mineralized intercepts, including:

- 67.1 m at 1.56% Li₂O (CV23-241).

Through the end of the 2023 program, the Company has extended the CV5 Pegmatite to approximately 4.35 km total strike length. It remains open, with drill results for an additional 0.25 km of prospective strike length remaining to be reported.

b) CV13 Pegmatite ("CV13")

At CV13, step-out drilling has returned well-mineralized pegmatite intercepts including:

- 19.2 m at 1.74% Li₂O (CV23-215), and
- 14.8 m at 1.36% Li₂O (CV23-210).

The summer-fall program has also identified a new high-grade zone near-surface (~40-50 m vertical depth). It remains open in multiple directions with a current strike length of at least 200+ m. Results from this zone include:

- 12.7 m at 2.46% Li₂O including 7.6 m at 3.82% Li₂O (CV23-191), and
- 8.0 m at 2.86% Li₂O including 4.3 m at 5.03% Li₂O (CV23-195).

As of December 31, 2023, CV13 trend extends over an approximate 2.3-km strike length through multiple outcrop exposures, of which, approximately 1.1 km has now been traced continuously by drilling with core assay results announced. The CV13 Pegmatite remains open along strike at both ends and at depth, with core assay results for drill holes covering an additional ~1.2 km of prospective strike length remaining to be reported.

c) CV9 Pegmatite ("CV9")

In summer-fall 2023, the Company completed its first drill program at "CV9", located approximately 14 km west of the CV5 mineral resource. The program included 18 diamond drill holes, totalling approximately 4,070 m. The drilling returned multiple holes with 10+ m pegmatite intersections, including 3 holes with 60+ m pegmatite intersections. Spodumene mineralization was observed within the pegmatite intervals of multiple holes. Based on the initial drill testing, the CV9 Pegmatite is interpreted to be a single principal dyke, which outcrops at surface, has a steep northerly dip, and is moderately plunging to the east-southeast. Drill core sample assay results remain to be reported for all 18 drill holes.

d) Summary of CV9, CV13, and CV5

Combining the exploration programs at CV9, CV13, and CV5, the Company completed its 2023 summer fall exploration drill program during the quarter by drilling 177 holes, totalling 45,764 m. Collectively, the Company completed 266 holes, totalling 78,213 m, over its 2023 drill campaign.



B. PROJECT DEVELOPMENT

Following the re-opening of site access in late August, delivery of the remaining camp modules, camp installation, and access road construction were recommenced. During the three-month period ended December 31, 2023, respectively up to 40 and 24 people worked on the all-season and exploration camp.

The commissioning of the exploration camp ("Shaakichiuwaan") started in December 2023 with occupation commencing in January 4, 2024. At the beginning of February 2024, 75 workers were lodged at camp Shaakichiuwaan. An official opening ceremony with the local community is scheduled for the first calendar quarter of 2024.

The enhancement of the former winter road and more specifically, the road substructure and Phase I road access progressed during the three-month period ended December 2023. The Company is now using the services of two different contractors, including one from the local Cree Community of Chisasibi. CV5 is currently road accessible via a combination of all-season and winter road. The finalization of the all-season road is scheduled after the thawing season.

C. ESG

On November 30, 2023, Patriot filed the Preliminary Information Statement for the Corvette Mine Project with the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs (MELCCFP). Submission of this document represents the first step in the Environmental and Social Impact Assessment or "ESIA" process. The MELCCFP forwarded the file to the Evaluating Committee or "COMÉV"; a committee composed of members appointed by the Cree Nation Government, the Government of Québec, and the Canadian Government. The COMÉV is analyzing the documentation presented and will issue guidelines outlining the scope and nature of the impact study that must be undertaken for the Project. The next stage for the Company will be to conduct an impact study that complies with the guidelines. In parallel, the Company has prepared a Project Description to meet Federal Government's Impact Assessment Act (IAA) requirements.

In collaboration with the tallyman's family, Patriot announced the name and logo for the Company's exploration camp. The camp name is "Shaakichiuwaan" – a Cree word meaning "climbing up a hill or mountain". The family consulted elders in the community of Chisasibi and land users from the trapline to recommend the name. The name is a reference to the area with the CV5 outcrop/hill and the lake overlying part of the CV5 deposit. The logo includes items representing the CV5 outcrop/mountain and the lake as well as elements of the Cree culture such as a goose, teepee and syllabic writing. Finally, the three stars represent team spirit. Referring to a geographic landmark, Shaakichiuwaan is also a metaphor on the journey we are undertaking with our Cree partners and how it will be rewarding to enjoy the view together when we reach our common goals.

On November 17, 2023, Patriot submitted the Policies and Procedures Manual for the ECOLOGO audit process. Ecologo certification for mineral exploration features third-party certification of environmental, social and economic practices for mineral exploration companies.

Finally, the Company continued its engagement with the local communities. During Q3 2023, more than 30 community communication activities were conducted with stakeholders, two third of these activities with Cree Nation of Chisasibi community members. Patriot hosted a public information event in Chisasibi to present an update on the Corvette Project including the ways in which Chisasibi community members have been participating in the project and to discuss the preliminary field survey results on winter birds and large mammals. Introduction meetings were also held with the Localité de Radisson.



6. EXPLORATION AND EVALUATION EXPENDITURES

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

	Corvette Property <i>Quebec, Canada</i>	US Property <i>Idaho, USA</i>	Northwest Territories Property <i>NW Territories, Canada</i>	Other Quebec Properties <i>Quebec, Canada</i>	TOTAL
	\$	\$	\$	\$	\$
EXPLORATION AND EVALUATION COSTS					
Balance, March 31, 2023	35,600,000	890,000	503,000	464,000	37,457,000
Additions					
Advances (Refunds)	(1,066,000)	-	-	-	(1,066,000)
Assays and testing	876,000	-	-	4,000	880,000
Consulting	-	104,000	-	-	104,000
Depreciation	126,000	-	-	-	126,000
Drilling expenditures	14,108,000	-	-	-	14,108,000
Environmental Studies	2,012,000	-	-	-	2,012,000
Geology salaries and expenditures	5,457,000	-	-	6,000	5,463,000
Geophysics and remote sensing	66,000	-	-	-	66,000
Reports and admin	2,358,000	-	-	-	2,358,000
Transportation costs	9,952,000	-	-	-	9,952,000
Travel and accommodation	3,783,000	-	-	-	3,783,000
Balance, December 31, 2023	73,272,000	994,000	503,000	474,000	75,243,000
ACQUISITION COSTS					
Balance, March 31, 2023	5,746,000	880,000	177,000	2,008,000	8,811,000
Additions	125,000	-	-	1,758,000	1,883,000
Balance, December 31, 2023	5,871,000	880,000	177,000	3,766,000	10,694,000
Total, December 31, 2023	79,143,000	1,874,000	680,000	4,240,000	85,937,000



A. EXPLORATION AND EVALUATION COSTS

a) Corvette Property

During the nine-month period ending December 31, 2023 the Company capitalized \$37,672,000 in exploration and evaluation costs for our Corvette Property. The more significant additions during the period were as follows:

- Geology and drilling expenditures of \$5,457,000 and \$14,108,000 respectively, are associated with the acceleration of the exploration program during the period ended December 31, 2024. More than 52,000 metres of diamond drilling were completed during the period. Approximately 34,000 m was completed at CV5, with a significant portion targeting infill drilling, while approximately 15,000 metres and 4,000 metres were completed at CV13 and CV9, respectively targeting exploration drilling.
- Travel and accommodation of \$3,783,000 and transportation costs of \$9,952,000, reflect the intensity of the activities undertaken as the Company's exploration activities ramped up from 6 rigs in April 2023 to 8 rigs in operation at one point during the fall of 2023. These costs also include demobilization and remobilization costs incurred due to the wildfires in Quebec.
- Environmental Studies expenditures of 2,012,000 during the nine months ended December 31, 2023 are mainly due to expenditures relating to the completion of the Preliminary Information Statement, starting the permitting process, and progressing the various components that feed into the Pre-Feasibility Study.

B. ACQUISITION COSTS

a) Other Properties

During the nine-month period ending December 31, 2023 the Company capitalized \$1,758,000 in acquisition costs for our other Quebec Properties, as explained below.

On October 30, 2023, the Company increased its land position at its Eastmain Project, located in the James Bay region, Quebec, through the arms' length acquisition of a 100% interest in two (2) proximal claim blocks. The new claim blocks total 73 claims (3,851.5 ha) and are located immediately adjacent to Arcadium Limited's James Bay Lithium Project, and on strike of the James Bay Lithium Deposit within the prospective Eastmain Greenstone Belt. The Company paid an aggregate \$500,000 cash and issued 120,000 Common Shares in the capital of the Company. There are no royalty rights associated with the acquisition. Apart from these acquisition costs included in additions related to other Quebec properties, the Company did not incur material expenditures on its other properties as the Company concentrated its exploration efforts on the Corvette Property. All other properties' claims are in good standing.



7. RESULTS OF OPERATIONS

The following table presents the interim condensed consolidated statements of income (loss) and comprehensive income (loss) for the three and nine-month periods ended December 31, 2023, and 2022:

	Three-month periods ended		Nine-month periods ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	\$	\$	\$	\$
General and Administrative Expenses				
Investor relations and business development	263,000	143,000	935,000	390,000
Consulting fees	72,000	78,000	393,000	153,000
Salaries, benefits and management fees	1,214,000	142,000	3,588,000	724,000
Office and miscellaneous	389,000	21,000	1,195,000	60,000
Professional fees	1,270,000	159,000	2,824,000	450,000
Share-based compensation	947,000	37,000	2,686,000	9,668,000
Transfer agent and filing fees	72,000	183,000	386,000	255,000
Travel	84,000	77,000	702,000	225,000
Total general and administrative expenses	(4,311,000)	(840,000)	(12,709,000)	(11,925,000)
Other Income (Loss)				
Flow-through premium income	8,706,000	1,651,000	18,040,000	3,513,000
Interest income	1,613,000	4,000	3,523,000	3,000
Flow-through interest	-	-	-	(44,000)
Income (Loss) before income taxes	6,008,000	815,000	8,854,000	(8,453,000)
Income taxes				
Deferred income tax expense	(3,647,000)	-	(6,964,000)	-
Net Income (Loss) for the period	2,361,000	815,000	1,890,000	(8,453,000)
Other comprehensive income				
Foreign currency translation adjustment	(4,000)	-	(1,000)	1,000
Net Income (Loss) and Comprehensive Income (Loss) for the period	2,357,000	815,000	1,889,000	(8,452,000)
Earnings (Loss) per share				
Basic	0.02	0.01	0.02	(0.10)
Diluted	0.02	0.01	0.02	(0.10)

**A. THREE-MONTH PERIOD ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2022****a) Net Income**

Net income was \$2,357,000 or \$0.02 per share for the three months ended December 31, 2023 compared to net income of \$815,000 or \$0.01 per share for the prior period. The more significant differences between the periods are as follows:

b) General and Administrative Expenses

General and administrative expenses totalled \$4,311,000 for the three-month period ended December 31, 2023, compared to \$840,000 for the same period in 2022. The increase is a direct result of the growth of the Company over the last 12 months.

Salaries, benefits and management fees totalled \$1,214,000 for the quarter ended December 31, 2023, compared to \$142,000 for the same period in 2022. The increase reflects a higher headcount as the Company built its management team and transitioned from a consultant-based model in the previous year to an in-house based model. Costs also include accruals related to management incentives based on the Company's Short-Term Incentive Program ("STIP") suggested by an independent remuneration expert.

For the three months ended December 31, 2023, professional fees totalled \$1,270,000, compared to \$159,000 for the comparative period. The increase was the result of an accelerated exploration program and development of the Corvette Project combined with the additional costs related to the complexity of our shares being listed in different jurisdictions and different stock exchanges.

Share-based Compensation was \$947,000 for the three-month period ended December 31, 2023 compared to \$37,000 for the comparative period. The increase is due to vesting of equity awards under the Omnibus Plan for compensation for the Long-Term Incentive Program ("LTIP") which did not exist in the prior period.

The increase in the remaining general and administrative expenses is mainly due to an increase in costs associated with the mind and management being physically located in Montreal, Quebec, since June 2023.

c) Other Income (Loss)

Upon completing a flow-through financing, the Company recognizes a flow-through premium liability for the difference between the price of the flow-through common shares and the fair value of the Company's common shares at the time of the equity issuance. The flow-through premium liability is amortized over the periods in which the funds are spent on qualifying Canadian Eligible Exploration Expenditures via the flow-through premium income. The flow-through premium income is non-cash and totalled \$8,706,000 for the three months ended December 31, 2023 compared with \$1,651,000 for the three months ended December 31, 2022. A larger financing in March 2023 at a higher stock price than the one completed in October 2022 and an increase in qualifying expenditures period-over-period contributed to the higher premium income for the current period.

Interest income of \$1,613,000 results from interest earned on high cash balances in the Company's operating bank accounts.

**d) Income Taxes**

Deferred income tax expense for the period totalling \$3,647,000 is non-cash. The Company capitalizes Canadian Eligible Exploration Expenses ("CEE") in its Financial Statements. However, from a tax perspective, the CEE are being renounced in favour of the Charity Flow-Through investors that participated in past equity financings. As such, the Company will not be able 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.

B. NINE-MONTH PERIOD ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2022**a) Net income**

Net income was \$1,889,000 or \$0.02 per share for the nine months ended December 31, 2023 compared to net loss of \$8,452,000 or \$0.10 per share for the prior period. The more significant differences between the periods are as follows:

b) General and Administrative Expenses

General and Administrative Expenses totalled \$12,709,000 compared \$11,925,000 for the comparative period.

Salaries, benefits and management fees totalling \$3,588,000 for that period compared with \$724,000 for the nine months ended December 31, 2022. The increase reflects the addition of key personnel to the management team, accruals for the STIP as well as the March 31, 2023 financial year-end bonus paid to the executive team totalling \$850,000.

For the nine months ended December 31, 2023, professional fees totalled \$2,824,000 compared to \$450,000 for the comparative period. The increase was the result of additional activities relating to general corporate matters as the Company pursues its growth.

Share-based compensation is a non-cash expenditure. The expenditures for the period ended December 31, 2023, relate to the amortization of the expenses associated with the grant of stock options, restricted shares units and performance share units over their vesting periods to employees hired since January 2023. For the comparative period, the share-based compensation expenditures include the fair value of stock options granted to directors and consultants that also vested immediately. The share-based compensation expense recognized during the nine months ended December 31, 2023, was \$2,686,000, compared to \$9,668,000 for the nine months ended December 31, 2022, and relates to the vesting of stock options PSUs and RSUs granted previously.

The increase in the remaining expenses reflects the opening of a management office, higher travel costs, and investor relations activities associated with the dual listings and shareholders located in Australia, Europe, and North America.

c) Other Income (Loss)

The flow-through premium income of \$18,040,000 for the nine months that ended December 31, 2023, compared with \$3,513,000 for the nine months ended December 31, 2022, relates to the realization of a non-cash premium income from the flow-through offering that closed on October 6, 2022, and the flow-through offering that closed on March 20, 2023. The variation between periods reflects the size and greater stock price



of the Company associated with each financing, along with an increase in qualifying expenditures in the nine-month period, resulting in a higher premium in the period.

Interest income of \$3,523,000 for the period results from interests earned on high balances in the Company's operating bank accounts.

d) Income Taxes

For the nine months ended December 31, 2023, deferred income tax expense is non-cash and essentially due to the recognition of a deferred tax provision of \$6,964,000 (nil for the nine months ended December 31, 2022) that arose following the capitalization for accounting purposes of exploration expenses, while such expenses are being renounced to investors for tax purposes.

8. FINANCIAL POSITION

A. ASSETS

As at December 31, 2023, the Company had total assets of \$230,514,000, a notable increase from March 31, 2023 when the Company had total assets of \$107,720,000. The Companies assets consist of the following significant items:

Current assets totalling \$111,890,000 (\$60,864,000 as at March 31, 2023). Current assets consist essentially of cash and cash equivalents of \$105,755,000 (\$56,724,000 as at March 31, 2023), and accounts receivable of \$5,127,000 and \$3,891,000. Cash and cash equivalents is held in high-interest bank accounts. The increase in cash from March 2023 and December 2023 is mainly due to cash generated from the Strategic Investment, totalling 109,000,000 before transaction costs. Accounts receivable is comprised of sales tax receivable, which is recovered quarterly from the Federal and Quebec Government tax authorities.

The non-current assets as at December 31, 2023, include exploration and evaluation assets of 85,937,000 (for more details, see section 6 – Exploration and Evaluation Assets of this MD&A) and new property and equipment totalling \$32,687,000, (588,000 as at March 31, 2023). The property and equipment during the nine-month period ended December 31, 2023, reflects the Company's cost of to construct a camp to accommodate its workers as well as the construction costs for the 2022 winter road into an all-season road. These investments will significantly decrease the accommodation cost and travel time for personnel and reduce the dependency on helicopters and third-party accommodations. The Company also recognized \$2,200,000 during the third quarter an asset retirement obligation associated with these two construction projects.

B. LIABILITIES

As at December 31, 2023, the Company had total liabilities of \$32,741,000 (\$37,717,000 as at March 31, 2023) which consisted of current liabilities of \$21,806,000 (\$35,013,000 as at March 31, 2023) and long-term liabilities of \$10,935,000 (\$2,704,000 as at March 31, 2023).

Current liabilities consist of accounts payable and accrued liabilities of \$10,311,000 associated with the Corvette Property (\$5,507,000 as at March 31, 2023) and non-cash flow through liability of \$11,466,000 (\$29,506,000 as at March 31, 2023). The higher accounts payable and accrued liabilities as at December 31, 2023 compared to March 31, 2023 is mainly due to the increased level of exploration activities at the Corvette project along with the ongoing construction of the exploration camp and the all-season road. The reduced



flow-through liability results from the amortization of this non-cash liability over the periods in which the flow-through financing proceeds are spent on qualifying expenditures. Long-term liabilities include the asset retirement obligation associated with the exploration camp and the all-season road. The deferred income tax liability of \$8,647,000 (\$2,704,000) relates to the permanent difference associated with the capitalization of CEE renounced in favour of Flow-Through investors.

9. 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:

	Nine-month periods ended	
	December 31, 2023	December 31, 2022
	\$	\$
Cash used in operating activities before working capital	(6,561,000)	(2,302,000)
Changes in non-cash working capital items	(1,011,000)	(1,846,000)
Cash used in operating activities	(7,572,000)	(4,148,000)
Cash used in investing activities	(64,326,000)	(15,561,000)
Cash provided by financing activities	120,930,000	27,355,000
Increase in cash and cash equivalents	49,032,000	7,646,000
Effect of exchange rate on cash	(1,000)	1,000
Cash and cash equivalents, beginning of period	56,724,000	11,698,000
Cash and cash equivalents, end of period	105,755,000	19,345,000

During the nine-month period ended December 31, 2023, the Company's cash and cash equivalents increased by \$49,032,000 compared to \$7,646,000 during the nine-month period ended December 31, 2022.

A. OPERATING

Cash used for operating activities amounted to \$7,572,000 for the nine-month period ended December 31, 2023 compared to \$4,148,000 during the same period in 2022. Net of non-cash adjustments, the increase of \$3,424,000 in cash utilized is essentially due to higher general and administrative expenses reflecting the larger team and the more advanced development stage of the Company when compared to the same period the year prior, partially offset by the interest income.

B. INVESTING

The Company's investments amounted to \$64,326,000 for the nine-month period ended December 31, 2023 compared with \$15,561,000 for the nine months ended December 31, 2022. Investments in exploration and evaluation asset expenditures more than doubled as a result of operating 8 drill rigs in December 31, 2023, compared to 3 drill rigs in December 31, 2022. Investments also include expenditures associated with the preparation of the Preliminary Information Statement, starting the permitting process, and engineering studies for the MRE and the PFS. Property and equipment comprise investments totalling \$19,355,000 for the exploration camp, now 95% complete and \$8,713,000 associated with the all-season road.



C. FINANCING

Cash inflows consisted of cash provided by financing activities totalling \$120,930,000 for the nine-month period ended December 31, 2023 compared with \$27,355,000 for the nine months ended December 31, 2022. The increase is mainly due to the net proceeds of \$105,214,000 from the Strategic Investment made by Albemarle. The proceeds from the exercise of the share purchase warrants amounting to \$15,444,000 are associated with equity issuances completed in the calendar years 2020 to 2022.

This table sets out, as at December 31, 2023, 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 (i) the Company's prior financings during the Company's fiscal year ended March 31, 2023 and the nine-period ended December 31, 2023:

Financings	Anticipated Use of Proceeds Allocated	Allocated Proceeds (\$)	Actual Use of Proceeds (as at December 31, 2023) (\$)	Variation from Anticipated Use of Proceeds	Explanation and Impact
Private placement to Albemarle Corporation for proceeds of approximately \$109,000,000 (August 8, 2023)	Corvette development program	\$87,200,000	\$31,806,000	The Company has not yet spent all of the proceeds of the financing.	N/A
	General corporate purposes	\$21,800,000	\$758,000		
Private placement of charity flow-through common shares for proceeds of \$50,000,000 (March 20, 2023)	Qualifying critical mineral mining expenditures	\$48,800,000	\$29,332,000	The Company has not yet spent all of the proceeds of the financing.	N/A
	Transaction costs	\$1,200,000	1,200,000		
Prospectus offering in Australia for proceeds of AU\$4,200,000 (November 9, 2022)	Exploration program	AU\$3,591,000	AU\$3,591,000	N/A	N/A
	Transaction costs	AU\$105,000	AU\$105,000		
	General corporate purposes	AU\$504,000	AU\$504,000		
Private placement of charity flow-through common shares for proceeds for \$20,000,000 (October 6, 2022)	Qualifying critical mineral mining expenditures	\$20,000,000	\$20,000,000	N/A	N/A



10. 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:

Three-month period ended	Dec 31 2023	Sept 30 2023	June 30 2023	March 31 2023	Dec 31 2022	Sept 30 2022	June 30 2022	March 31 2022
Operating Results								
Net Income (Loss)	2,361,000	(285,000)	(186,000)	(1,661,000)	815,000	(5,405,000)	(3,864,000)	(62,000)
Basic & Diluted Earnings (Loss) per share	0.02	(0.00)	(0.00)	(0.02)	0.01	(0.06)	(0.05)	(0.00)
Financial Position								
Working Capital	90,084,000	103,116,000	12,073,000	25,851,000	8,989,000	1,532,000	6,847,000	9,452,000
Exploration and Evaluation Assets	85,937,000	67,998,000	55,603,000	46,268,000	33,052,565	27,854,380	19,110,000	14,412,000
Property and Equipment	32,687,000	13,871,000	9,343,000	588,000	-	-	-	-
Shares issued and outstanding	131,669,961	111,427,656	103,918,623	99,357,207	92,790,239	89,730,547	86,617,287	78,548,991

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 and under the previous 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.

11. LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2023, the Company had a cash balance of \$105,755,000 (\$56,724,000 as of March 31, 2023) and had working capital of \$101,550,000, excluding the FT premium liability (\$55,357,000 as of March 31, 2023).

During the nine months ended December 31, 2023, the Company's main source of funds has been through equity issuances.

On August 3, 2023, the Company completed a private placement with Albemarle Inc. of 7,128,341 common shares for \$15.29 per common share for aggregate gross proceeds of \$105,214,000 net of financing fees. The Company also received \$15,444,000 in proceeds related to the exercise of warrants during the nine-month period ended December 31, 2023.

Currently, the Company's operations do not generate cash in-flows, and its financial success depends on management's ability to discover 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, detailed engineering, and environmental assessment and to cover administrative and overhead expenses, the Company raises money 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 exploration and administrative overhead expenses and maintain its planned activities for the next 12 months. The ability of the Company to raise capital will depend on market conditions, and it may not be possible for the Company to issue Common Shares on acceptable terms or at all. For more information on the financial risks facing the Company and their potential impact, please refer to the "Risks and Uncertainties" section of this MD&A.

12. OUTSTANDING SHARE DATA

As at	December 31, 2023	February 13, 2024
Issued and outstanding Common Shares	131,669,961	131,836,627 ⁽¹⁾
Share purchase warrants outstanding	7,088,196	6,921,530 ⁽¹⁾
Stock options outstanding	6,665,000	8,013,016 ⁽²⁾
Preferred share units	58,252	58,252
Restricted share units	58,252	58,252
Deferred share units	Nil	20,085 ⁽²⁾

Note: Subsequent to December 31, 2023:

- (1) The Company issued 166,666 Common Shares further the exercise of share purchase warrants.
- (2) The Company granted an aggregate of 1,348,016 stock options and an aggregate of 20,085 deferred share units to certain directors of the Company.



13. RELATED PARTY TRANSACTIONS

The Company's related parties include its subsidiaries and key management personnel. Key management personnel are considered to be those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

In the nine-month periods ended December 31, 2023, and 2022, key management personnel of the Company received the following:

Nine-month period ended	December 31, 2023 \$	December 31, 2022 \$
Management and administration fees	2,331,000	725,000
Consulting fees	-	111,000
Management and consulting fees included in Exploration and Evaluation properties	650,000	150,000
Share-based compensation	1,587,000	8,306,000
Total key management compensation	4,568,000	9,292,000

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

14. COMMITMENTS

The Company has an agreement with a vendor for lodging personnel, consultants and contractors working at its Corvette Property. The agreement includes a \$4,300,000 commitment as at December 31, 2023 (March 31, 2023 - \$3,200,000), which has a maturity of less than a year.

15. SEGMENTED INFORMATION

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

	Canada	US	Total
Balance, as at December 31, 2023			
Exploration and evaluation assets	\$84,063,000	\$1,874,000	\$85,937,000
Balance, as at March 31, 2023			
Exploration and evaluation assets	\$44,498,000	\$1,770,000	\$46,268,000

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



16. CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

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 3 of the Company's audited consolidated financial statements for the year-ended March 31, 2023, and 2022, which are available on SEDAR+ at www.sedarplus.com and on the ASX at 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 nine-month period ended December 31, 2023, except those detailed in the Financial Statements.

17. OFF-BALANCE SHEET ARRANGEMENTS

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

18. PROPOSED TRANSACTIONS

The Company has no proposed transactions.

19. RISKS AND UNCERTAINTIES

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.

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

20. NATURE OF SECURITIES

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



21. INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

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

Internal Controls Over Financial Reporting

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

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

As at December 31, 2023, there has not been any material change to internal controls over financial reporting for the period. Management, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting. As of December 31, 2023, the Chief Executive Officer and Chief Financial Officer have each concluded that the Company's internal controls over financial reporting, as defined in National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings*, are effective to achieve the purpose for which they have been designed. Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements.

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

22. ADDITIONAL INFORMATION

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



23. QUALIFIED PERSON

The information in this news release that relates to exploration results for the Corvette 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 1968), and with the Association of Professional Engineers and Geoscientists of Alberta (member number 87868). Mr. Smith has reviewed and approved the technical information in this MD&A.

Mr. Smith is the Vice President of Exploration for the Company. Mr. Smith holds Common Shares and stock options in the Company.

Mr. Smith 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 relates to:

- the CV5 Pegmatite Maiden Mineral Resource Estimate ("MRE") was first reported by the Company in a market announcement titled "Patriot Announces the Largest Lithium Pegmatite Resource in the Americas at CV5, Corvette Property, Quebec, Canada" dated July 30, 2023 (Vancouver time); and
- the filing of a technical report prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") on September 8, 2023 (the "Technical Report") was first reported by the Company in a market announcement titled "Patriot Files NI 43-101 Technical Report on the CV5 Mineral Resource Estimate, Corvette Property, Quebec, Canada" dated 8 September 2023 (Vancouver time).

These announcements are available on the Company's website at www.patriotbatterymetals.com, on SEDAR+ at www.sedarplus.com and on the Australian Securities Exchange (ASX) at www.asx.com.au.

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

24. APPROVAL

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

"Ken Brinsden"

Ken Brinsden

President, CEO and Managing Director

February 14, 2024