PATRIOT BATTERY METALS INC.
Interim Condensed Consolidated Financial Statements

September 30, 2022 and 2021
(Expressed in Canadian dollars)

Management's Responsibility for Financial Reporting

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

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

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

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

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

"Blair Way"
President and Chief Executive Officer

"Dusan Berka"
Chief Financial Officer

NOTICE TO READER
The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim condensed consolidated financial statements for the three and six months ended September 30, 2022 and 2021 have not been reviewed by the Company's auditors.

(Expressed in Canadian dollars)

	Notes	September 30, 2022 (Unaudited)	March 31, 2022 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents	4	**$ 2,862,832**	$ 11,697,720
Amounts receivable	5	**1,455,980**	478,549
Prepaid expenses	6	**100,076**	32,301
		4,418,888	12,208,570
Non-current assets			
Exploration and evaluation properties	7	**27,854,380**	14,411,972
Total assets		**$ 32,273,268**	$ 26,620,542
SHAREHOLDERS' EQUITY AND LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	**$ 2,842,208**	$ 894,450
Flow-through premium liability	15	**-**	1,862,874
Taxes payable	16	**44,260**	-
Total liabilities		**2,886,468**	2,757,324
Shareholders' equity			
Share capital	9	**38,362,730**	32,922,316
Shares to be issued		**-**	251,730
Reserves	9	**13,061,522**	3,458,811
Accumulated other comprehensive income		**1,855**	(49)
Deficit		**(22,039,307)**	(12,769,590)
Total equity		**29,386,800**	23,863,218
Total shareholders' equity and liabilities		**$ 32,273,268**	$ 26,620,542

Corporate Information and Going Concern (Note 1), Commitments (Note 14), and Events after the Reporting Period (Note 18)

APPROVED ON BEHALF OF THE BOARD on November 25, 2022:

"Brian Jennings"
Director

"Jon Christian Evensen"
Director

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

(Expressed in Canadian dollars)

		Three months ended		Six months ended	
		September 30,		September 30,	
	Notes	**2022**	2021	**2022**	2021
Expenses					
Business development		**$ 124,723**	$ 64,083	$ 222,528	$ 104,924
Consulting	12	**45,000**	101,960	75,000	136,460
Investor communications		**11,127**	614,143	24,427	614,143
Management and administration fees	12	**140,037**	161,592	581,656	243,183
Office and miscellaneous		**24,105**	26,023	39,255	31,587
Professional fees		**195,557**	66,275	291,083	112,216
Share-based compensation	9,12	**6,002,386**	853,503	9,631,620	853,503
Transfer agent and filing fees		**42,563**	14,031	72,667	41,480
Travel		**96,705**	3,511	147,843	7,423
		(6,682,203)	(1,905,121)	(11,086,079)	(2,144,919)
Other items					
Other income, net	15	**1,286,388**	2,730	1,862,874	2,730
Interest income (expense)		**(427)**	(977)	(2,252)	(916)
Taxes	17	**(9,330)**	-	(44,260)	-
Net loss for the period		**(5,405,572)**	(1,903,368)	(9,269,717)	(2,143,105)
Other Comprehensive Income					
Foreign exchange (gain) loss on translation to reporting currency		**1,904**	-	1,904	-
Comprehensive loss for the period		**$ (5,403,668)**	$ (1,903,368)	**$ (9,267,813)**	$ (2,143,105)
Loss per common share					
Basic and diluted		**$ (0.06)**	$ (0.16)	**$ (0.11)**	$ (0.18)

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

	Number of shares[1]	Share capital	Subscriptions received	Reserves	AOCI	Deficit	Total
Balances, March 31, 2021	10,897,605	$ 11,491,737	$ -	$ 1,607,953	$ -	$ (8,887,751)	$ 4,211,939
Shares issued for:							
Cash	23,182,000	3,709,120	-	-	-	-	3,709,120
Warrants exercised	1,200,330	447,719	-	-	-	-	447,719
Fair value of warrants exercised	-	460	-	(460)	-	-	-
Share issuance costs – warrants	-	(111,611)	-	111,611	-	-	-
Share issuance costs – cash	-	(75,412)	-	-	-	-	(75,412)
Subscriptions received	-	-	7,501	-	-	-	7,501)
Share-based payments	-	-	-	853,503	-	-	853,503
Net loss and comprehensive loss for the period	-	-	-	-	-	(2,143,105)	(2,143,105)
Balances, September 30, 2021	**35,279,935**	**$ 15,462,013**	**$ 7,501**	**$ 2,572,607**	**$ -**	**$ (11,030,856)**	**$ 7,011,265**
Balance, March 31, 2022	**78,548,991**	**$ 32,922,316**	**$ 251,730**	**$ 3,458,811**	**$ (49)**	**$ (12,769,590)**	**$ 23,863,218**
Shares issued for:							
Mineral properties	220,000	1,454,200	-	-	-	-	1,454,200
Warrants exercised	9,023,926	3,084,650	-	-	-	-	3,084,650
Options exercised	1,937,630	884,579	-	-	-	-	884,579
Fair value of warrants exercised	-	29,674	-	(29,674)	-	-	-
Fair value of options exercised	-	684,368	-	(684,368)	-	-	-
Share issuance costs – warrants	-	(685,133)	-	685,133	-	-	-
Share issuance costs – cash	-	(11,924)	-	-	-	-	(11,924)
Shares to be issued	-	-	(251,730)	-	-	-	(251,730)
Share-based payments	-	-	-	9,631,620	-	-	9,631,620
Net loss and comprehensive loss for the period	-	-	-	-	1,904	(9,269,717)	(9,267,813)
Balances, September 30, 2022	**89,730,547**	**$ 38,362,730**	**$ -**	**$ 13,061,522**	**$ 1,855**	**$ (22,039,307)**	**$ 29,386,800**

[1]Number of shares are adjusted for the share consolidation of one post-consolidated share for every 3 pre-consolidated share on June 7, 2021.

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

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

	Six months ended September 30,	
	2022	2021
OPERATING ACTIVITIES		
Net loss for the period	**$ (9,269,717)**	$ (2,143,105)
Adjustments for:		
Interest income accruals	**(177)**	(29)
Flow-through income	**(1,862,874)**	-
Share-based compensation	**9,631,620**	853,503
Changes in non-cash working capital items:		
Increase in accounts receivable	**(977,254)**	(14,271)
Increase (Decrease)in accounts payables and accrued liabilities	**21,363**	(57,394)
Increase in flow-through taxes payable	**44,260**	-
Increase in prepaid expenses	**(67,775)**	(19,819)
Cash used in operating activities	**(2,480,554)**	(1,381,115)
INVESTING ACTIVITIES		
Exploration and evaluation property expenditures	**(10,061,813)**	(1,219,307)
Cash used in investing activities	**(10,061,813)**	(1,219,307)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	**-**	3,709,120
Payment of promissory note	**-**	(40,000)
Share issuance costs - cash	**(11,924)**	(75,412)
Proceeds from exercise of options	**884,579**	-
Proceeds from exercise of warrants	**3,084,650**	447,719
Subscriptions received	**(251,730)**	7,501
Cash provided by financing activities	**3,705,575**	4,048,928
Increase (decrease) in cash and cash equivalents	**(8,859,687)**	1,448,506
Effect of exchange rate on cash	**1,904**	-
Cash and cash equivalents, beginning of year	**11,697,720**	149,554
Cash and cash equivalents, end of period	**$ 2,862,832**	$ 1,598,060

Supplemental cash flow information (Note 13)

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

1. CORPORATE INFORMATION

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

As at September 30, 2022, the Company has not yet determined whether the properties contained ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

For the period ended September 30, 2022, the Company incurred a comprehensive loss of $9,267,813 (2021 – $2,143,105). As at September 30, 2022, the Company had an accumulated deficit of $22,039,307 (March 31, 2021 – $12,769,590) which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values are dependent upon obtaining additional financing sufficient to cover its operating costs.

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

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced volatility and weaknesses.

Mineral exploration has been recognized as an essential service in Canada and the Province of Quebec. The Company has developed a COVID Management Plan for its exploration programs and carried out its field programs while adhering to all federal, provincial, and regional restrictions in place due to the COVID-19 pandemic. With recent widespread adoption of vaccination, these restrictions have been lifted. The Company has not been significantly impacted to date. Nevertheless, the Company continues to adapt its programs to ensure team safety, and local community safety, while maintaining its exploration objectives.

2. BASIS OF PREPARATION

2.1 Basis of presentation

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

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

The Company's Financial Statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 11, and are presented in Canadian dollars except where otherwise indicated. The functional currency of Metals Nevada is U.S. Dollars. The assets and liabilities of Metals Nevada are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their income and expense items are translated at average exchange rates for the period. Exchange differences arising on the translation are recognized in other comprehensive income. These Financial Statements are presented in Canadian dollars, which is the Company's functional currency.

2.2 Statement of compliance

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

These Financial Statements were approved and authorized for issue in accordance with a resolution from the Board of Directors on November 25, 2022.

2.3 Adoption of new and revised standards and interpretation

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting judgments, estimates and assumptions

The preparation of these Financial Statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These Financial Statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the Financial Statements and may require accounting adjustments based on future occurrences.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

3.1 Significant accounting judgments, estimates and assumptions (continued)

Critical accounting estimates

i. the inputs used in accounting for share-based payment expense in profit or loss;
ii. the assessment of indications of impairment of exploration and evaluation properties and related determination of net realizable values and write-down of the properties where applicable;
iii. the assessment of the amount of decommissioning liabilities;
iv. expected future tax rates used in the deferred income tax disclosures.

Critical accounting judgments

i. the determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management;
ii. the determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets; and
iii. the determination of the Company's ability to continue as a going concern.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash and liquid investments, which are readily convertible into cash with maturities of three months or less when purchased. The Company's cash and cash equivalents are invested with major financial institutions and are not invested in any asset-backed deposits or investments.

3.3 Prepaid expenses

Prepaid expenses consist of expenditures paid for future services which will occur within one year. Prepaid expenses include cash prepayments for management services, rent expense, and transfer agent fees which are being amortized over the terms of their respective agreements.

3.4 Exploration and evaluation properties

All costs related to the acquisition, exploration and development of exploration and evaluation properties ("E&E assets") are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units of production method over estimated recoverable reserves. Management annually assesses carrying values of properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if (1) the property has been abandoned; (2) there are unfavorable changes in the property economics; (3) there are restrictions on development; or (4) when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

The recoverability of exploration and evaluation properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future exploration and evaluation properties contain economically recoverable reserves. Amounts capitalized to exploration and evaluation properties as exploration and development costs do not necessarily reflect present or future values. When options are granted on exploration and evaluation properties or when properties are sold, proceeds are credited to the cost of the property.

3.4 Exploration and evaluation properties (continued)

If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

Government grants related to exploration and evaluation properties

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions and requirements of the approved grant program and there is reasonable assurance that the grant will be received. Government grants are recorded as a reduction of carrying value of the exploration and evaluation properties acquired and shall be amortized to profit or loss as a reduced depreciation expense.

3.5 Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regards to previous years.

Taxes on income in the periods are accrued using the tax rate that would be applicable to expected total annual earnings. The tax rate used is the rate that is enacted or substantively enacted.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3.6 Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of an exploration and evaluation property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for, and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on several factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

3.6 Decommissioning, restoration and similar liabilities (continued)

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation, and environmental obligations as the disturbance to date is immaterial.

3.7 Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payment reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payment reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

3.8 Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the year. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

3.9 Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

3.10 Warrants issued in equity financing

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants.

3.10 Warrants issued in equity financing (continued)

Depending on the terms and conditions of each financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are accounted for using the residual method, following an allocation of the unit price to the fair value of the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

3.11 Flow-through shares

Current Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the shareholders. The issue of flow-through shares is in substance an issue of ordinary shares and the sale of tax deductions. At the time the Company issues flow-through shares, the sale of tax deductions is deferred and presented as other liabilities in the statement of financial position to recognize the obligation to incur and renounce eligible resource exploration and evaluation expenditures. The tax deduction is measured as the difference between the current market price of the Company's common shares and the issue price of the flow-through share. Upon incurring and renouncing eligible resource exploration and evaluation expenditures, the Company recognizes the sale of tax deductions as a tax deduction recovery on the statement of comprehensive loss and reduces the other liability.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

3.12 Impairment of non-financial assets

At the end of each reporting period, the Company assesses each cash-generating unit to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounted rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

When impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3.13 Financial assets

At initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). Financial assets are recognized initially at fair value, unless they are trade receivables that do not contain a significant financing component in accordance with IFRS 15, which shall be measured at their transaction price. The subsequent measurement of financial assets depends on their classification based on both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as follows:

Amortized Cost

The financial asset is subsequently measured at amortized cost if both the financial asset is held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the financial assets are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset.

Financial Assets at FVTOCI

The financial asset is subsequently measured at FVTOCI if both the financial asset is held within a business model whose objectives achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding or if an irrevocable election was made for certain equity instruments at initial recognition. After initial recognition, the financial assets are measured at fair value, with gains or losses recognized within other comprehensive income except for impairment gains (losses) and foreign exchange gain (losses). Accumulated changes in fair value are recorded as a separate component of equity until the financial asset is derecognized, at which point, they are reclassified from equity to profit or loss as a reclassification adjustment. Transaction costs are included in the initial carrying amount of the asset. The Company does not have any assets measured at FVTOCI.

Financial Assets at FVTPL

A financial asset shall be measured at FVTPL if it is not measured at amortized cost or at FVTOCI. If the financial asset that would otherwise be measured at FVTPL is not acquired or incurred principally for the purpose of selling or repurchasing it in the near term, not part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking or a derivative, the Company may make an irrevocable election at initial recognition to present subsequent fair value changes of the equity instrument in OCI. Transaction costs associated with financial assets at FVTPL are expensed as incurred. These assets are carried at fair value with gains or losses recognized in profit or loss. Cash and cash equivalents are included in this category of financial assets.

3.14 Impairment of financial assets

The Company shall recognize a loss allowance for expected credit losses on financial assets measured at amortized cost or FVTOCI, a lease receivable, a contract asset or a loan commitment. If the credit risk on the financial instrument has increased significantly since initial recognition, the loss allowance shall be measured at an amount equal to the lifetime expected credit losses, otherwise, it shall be measured at an amount equal to the 12-month expected credit losses.

3.15 Financial liabilities

At initial recognition, financial liabilities are classified as financial liabilities measured at amortized cost unless they are financial liabilities at FVTPL (including derivatives that are liabilities), financial liabilities that arise when a transfer of financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market rate or contingent consideration recognized by an acquirer in a business combination. Financial liabilities are recognized initially at fair value. Transaction costs directly attributable to the issue of a financial liability are included in the initial carrying value of financial liabilities if they are not measured at FVTPL. The subsequent measurement of financial liabilities depends on their classification, as follows:

Financial Liabilities Measured at Amortized Cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Accounts payables and promissory note payables are included in this category of financial liabilities.

Financial Liabilities at FVTPL

Financial liabilities are carried at fair value with gains or losses recognized in net income (loss). Where the financial liability is designated as at FVTPL, only the amount of change in the fair value of the financial liability that is attributable to the changes in the credit risk of that liability shall be presented in OCI and the remaining amount of changes in fair value presented in profit or loss. Transaction costs on financial liabilities at FVTPL are expensed as incurred. The Company does not have any liabilities measured at FVTPL.

Other Financial Liabilities

The Company does not hold or have any exposure to derivative instruments, financial liabilities that arise when a transfer of financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market rate or contingent consideration recognized by an acquirer in a business combination.

3.16 De-recognition of financial assets and liabilities

Financial assets are derecognized when the contractual rights to receive cash flows from the assets expire or, the financial assets are transferred, and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received, including any new asset obtained less any new liability assumed, is recognized in profit or loss. Where a transfer does not result in a derecognition due to continuing involvement, the Company shall continue to recognize the transferred asset and recognize a financial liability of the consideration received.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(Expressed in Canadian dollars)

4. CASH AND CASH EQUIVALENTS

As at September 30, 2022, a total amount of $34,500 (March 31, 2022 - $11,605) is held as collateral for the Company's corporate cards and invested in a Guaranteed Investment Certificate ("GIC"). The GIC earns interest at prime rate minus 2.65% (Note 5).

5. AMOUNTS RECEIVABLE

The Company's amounts receivable arises from Goods and Services Tax ("GST") and Quebec Sales Tax ("QST") due from the government taxation authorities and accrued interest calculated on the GIC (Note 4).

	September 30, 2022	March 31, 2022
GST receivable[1]	**$ 1,093,701**	$ 223,880
QST receivable	**362,102**	254,632
Interest receivable	**177**	37
Total	**$ 1,455,980**	$ 478,549

[1] GST refund of $437,291 for the period April 1 – June 30, 2022 was received subsequently on October 17, 2022 and GST refund of $653,086 for the period July 1 – September 30, 2022 was received subsequently on November 10, 2022.

6. PREPAID EXPENSES

The Company's prepaid expenses are broken down as follows:

	September 30, 2022	March 31, 2022
Prepaid business development fees	**$ 22,438**	$ -
Prepaid consulting fees	**10,000**	-
Prepaid management fees	**31,500**	16,500
Prepaid rent	**-**	2,480
Prepaid insurance	**36,138**	4,050
Others	**-**	9,271
Total	**$ 100,076**	$ 32,301

Prepaid management fees for the month of October 2022 consist of $25,000 paid to the President and CEO and $6,500 paid to a company controlled by the CFO of the Company (2022 – $16,500) (Note 12).

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION PROPERTIES

The Company's exploration and evaluation properties expenditures for the six months ended September 30, 2022 are as follows:

	Corvette Property *Quebec, Canada*	**Freeman Creek Property** *Idaho, USA*	**Pontois Property** *Quebec, Canada*	**Hidden Lake Property** *NW Territories, Canada*	**Pontax Property** *Quebec, Canada*	**Lac Du Beryl Property** *Quebec, Canada*	**Eastmain Property** Quebec, Canada	**Total**
ACQUISITION COSTS								
Balance March 31,2022	$ 5,742,908	$ 879,991	$ -	$ 177,223	$ 423,012	$ 15,000	$ 15,000	$ 7,253,134
Additions	**3,200**	**-**	**1,554,200**	**-**	**-**	**-**	**-**	**1,557,400**
Balance, September 30, 2022	**$ 5,746,108**	**$ 879,991**	**$ 1,554,200**	**$ 177,223**	**$ 423,012**	**$ 15,000**	**$ 15,000**	**$ 8,810,534**
EXPLORATION AND EVALUATION COSTS								
Balance March 31,2022	$ 5,524,836	$ 844,894	$ -	$ 551,474	$ 209,637	$ 21,074	$ 6,923	$ 7,158,838
Additions								
Consulting	**-**	**10,048**	**-**	**-**	**-**	**-**	**-**	**10,048**
Assays and Testing	**202,362**	**-**	**-**	**-**	**-**	**-**	**-**	**202,362**
Reports and admin	**563,355**	**24,642**	**-**	**-**	**5,280**	**569**	**569**	**594,415**
Geology salary and expenditures	**6,034,095**	**-**	**-**	**-**	**16,785**	**249**	**231**	**6,051,360**
Travel	**1,439,324**	**-**	**-**	**-**	**2,433**	**78**	**78**	**1,441,913**
Transportation cost	**3,584,910**	**-**	**-**	**-**	**-**	**-**	**-**	**3,584,910**
Balance, September 30, 2022	**$ 17,348,882**	**$ 879,584**	**$ -**	**$ 551,474**	**$ 234,135**	**$ 21,970**	**$ 7,801**	**$ 19,043,846**
Total, September 30, 2022	**$ 23,094,990**	**$ 1,759,575**	**$ 1,554,200**	**$ 728,697**	**$ 657,147**	**$ 36,970**	**$ 22,801**	**$ 27,854,380**

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION PROPERTIES (continued)

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

	Corvette Property *Quebec, Canada*	Freeman Creek Property *Idaho, USA*	Hidden Lake Property *NW Territories, Canada*	Pontax Property *Quebec, Canada*	Lac Du Beryl Property *Quebec, Canada*	Eastmain Property *Quebec, Canada*	Golden Silica Property *BC, Canada*	Silver Sands *BC, Canada*	Total
ACQUISITION COSTS									
Balance March 31, 2021	$ 251,580	$ 869,409	$ 177,223	$ 417,500	$ 15,000	$ 15,000	$ 150,000	$ 12,643	$ 1,908,355
Additions	5,491,328	10,582	-	5,512	-	-	-	-	5,507,422
Impairment	-	-	-	-	-	-	(150,000)	(12,643)	(162,643)
Balance, March 31, 2022	**$ 5,742,908**	**$ 879,991**	**$ 177,223**	**$ 423,012**	**$ 15,000**	**$ 15,000**	**$ -**	**$ -**	**$ 7,253,134**
EXPLORATION AND EVALUATION COSTS									
Balance March 31, 2021	$ 691,967	$ 670,420	$ 551,474	$ 188,365	$ 21,074	$ 6,923	$ 165,364	$ 2,133	$ 2,297,720
Additions									
Consulting	**467,510**	**103,062**	**-**	**5,542**	**-**	**-**	**-**	**-**	**576,114**
Assays and Testing	**252,876**	**30,201**	**-**	**-**	**-**	**-**	**-**	**-**	**283,077**
Reports and admin	**184,232**	**8,260**	**-**	**9,730**	**-**	**-**	**-**	**-**	**202,222**
Geology salary and expenditures	**2,722,705**	**14,356**	**-**	**-**	**-**	**-**	**-**	**-**	**2,737,061**
Travel	**50,741**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**50,741**
Transportation cost	**54,380**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**54,380**
Advances	**1,100,425**	**18,595**	**-**	**6,000**	**-**	**-**	**-**	**-**	**1,125,020**
Impairment	**-**	**-**	**-**	**-**	**-**	**-**	**(165,364)**	**(2,133)**	**(167,497)**
Balance, March 31, 2022	**$ 5,524,836**	**$ 844,894**	**$ 551,474**	**$ 209,637**	**$ 21,074**	**$ 6,923**	**$ -**	**$ -**	**$ 7,158,838**
Total, March 31, 2022	**$ 11,267,744**	**$ 1,724,885**	**$ 728,697**	**$ 632,649**	**$ 36,074**	**$ 21,923**	**$ -**	**$ -**	**$ 14,411,972**

The technical information in this disclosure has been reviewed by Darren L. Smith, M.Sc., P.Geo., Vice President of Exploration for the Company, a Permit holder with the Ordre des Géologues du Québec and Qualified Person as defined by National Instrument 43-101.

7.1 Corvette Property – Lithium – James Bay Region, Quebec, Canada

The Corvette Property is currently comprised of 417 CDC mineral claims that cover an area of approximately 21,357 hectares. The Property is further divided into claim blocks, which reflect the various claim acquisitions by the Company – Corvette Main (172 claims), Corvette East (83 claims), FCI East (28 claims), FCI West (83 claims), Deca-Goose (31 claims), and Felix (20 claims) – and collectively form one contiguous land package, apart from four (4) claims of the Felix block located approximately one (1) km west of the main land package. Patriot Battery Metals Inc. is recorded as the registered title holder for all 417 claims and holds 100% interest in each.

In addition to the property acquisition, the Company has also staked a further 83 claims totaling 4,248 hectares, contiguous to the eastern Corvette claim block.

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

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

FCI East and FCI West claim blocks ("FCI Claims") – all 111 claims are subject to a 1.5% to 3.5% sliding scale NSR royalty (held by Osisko Gold Royalties Ltd.) which is dependent on commodity type and level of production. The royalty is primarily based on amount of production with 1.5% on the first 1M oz, 2.5% on the next 1M oz and 3.0% on the next 1M oz of and above. The remaining 0.5% royalty is based on the spot gold price starting at US$1,000 / oz and reaches the maximum at $2,000 / oz.

A 2.0% NSR royalty (held by Osisko Gold Royalties Ltd.) is present on all other products; provided however that if there is an existing royalty applicable on any portion of the property, then the percentages noted above (i.e., the sliding scale NSR) shall, as applicable, be adjusted so that the aggregate maximum royalty percentage on such portion shall not exceed and be capped to 3.5% at any time. There is no buy-back provision for the NSR royalty on the FCI East and FCI West claim blocks.

On February 15, 2022, the Company consolidated its land position at Corvette Property through multiple acquisitions as well as direct staking. Specifically, the Company signed a Purchase Agreement with O3 Mining Inc. to achieve 100% ownership of the FCI Claims in consideration of an additional cash payment of $3,000,000 and issuance of a total of 1,800,000 common shares (issued at $0.64 per share) of the Company to O3 Mining. The existing Net Smelter Royalty, as outlined above remained unchanged.

Deca-Goose and Felix claim blocks – On February 17, 2022 the Company also purchased a 100% interest in the Deca-Goose and Felix claim blocks for a $150,000 cash payment and issuance of a total of 1,800,000 common shares (issued $0.64 per share) to Canadian Mining House ("CMH"), a private Quebec based company. 50 of 51 claims are subject to a 2% NSR royalty held by CMH, of which the Company retains the option of buying back one-half (50%) of the NSR royalty for $2,000,000.

7.2 Freeman Creek Property – Gold – Idaho, USA

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

In the event that a gold equivalent resource of more than 1 million ounces is outlined within a NI 43-101 Resource Estimate on the Property, the Company shall pay $1,000,000, payable in shares or cash or a combination of both, at the Company's discretion. In the case of a share issuance, the shares shall be issued at a price using the average market price of the previous 30 trading days preceding the share issuance.

The vendors shall retain a 2.5% Net Smelter Return royalty on the Property, of which Metals Nevada shall have the right at any time to purchase half (1.25%) for $1,500,000.

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

7.3 Pontois Property – Lithium and Gold - James Bay Region, Quebec, Canada

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

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

7.4 Hidden Lake Property – Lithium – Northwest Territories, Canada

The Hidden Lake Property is located 45 km east of Yellowknife, in the Northwest Territories, proximal to Highway 4, and consists of 5 contiguous claims totaling 1,660 hectares. In March 2018, the Property was optioned to Far Resources Ltd. ("Far"), which subsequently restructured as Foremost Lithium Resources & Technology Ltd. The Company currently maintains a 40% interest in the Property as Far earned 60%. To establish a formal 60/40 Joint Venture Agreement ("JV"), Far is responsible for financing the JV's initial $1M expenditures.

The Hidden Lake Property is subject to 2% Net Smelter Royalty with respect to the production of all material from the property with no buyback provision.

7.5 Pontax Property - Lithium and Gold – James Bay Region, Quebec, Canada

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

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

7.6 Lac du Beryl Property – Lithium and Gold – James Bay Region, Quebec, Canada

The Lac du Beryl Property is comprised of the original 18 claim blocks totalling 952.9 hectares.

Pursuant to the Property Purchase Agreement dated September 18, 2017, the Company acquired from third-party Vendors 100% interest in the Minerals Claims which included mineral claims on the Eastmain Property, the Lac Du Beryl Property, and the original Corvette claim block (76 claims).

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

7.7 Eastmain Property – Lithium – James Bay Region, Quebec, Canada

The Eastmain Property consists of two claims blocks, totaling 13 claims and 686.5 hectares.

Pursuant to the Property Purchase Agreement dated September 18, 2017, the Company acquired from third-party Vendors 100% interest in the Minerals Claims which included mineral claims on the Eastmain Property, the Lac Du Beryl Property and the original Corvette claim block (76 claims).

The Eastmain Property is subject to a 2% Net Smelter Return with respect to the production of all materials from the property.

7.8 Golden Silica Property – Silica – British Columbia, Canada (formerly referred to as "ZimFrac" or "Golden Frac Sand")

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

7.9 Silver Sands Vanadium Property – British Columbia, Canada

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

(Expressed in Canadian dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are principally comprised of amounts outstanding for trade purchases relating to administrative activities as well as expenditures relating to exploration and evaluation activities. The usual credit period taken for trade purchases is between 30 to 90 days. As at September 30, 2022, the Company had $2,783,308 (March 31, 2022 – $862,200) in accounts payable and $58,900 (March 31, 2022 – $32,250) in accrued liabilities relating to the following:

	September 30, 2022	March 31, 2022
Business development	**$ -**	$ 5,250
Consulting fees	**4,500**	-
Investor communications	**8,333**	8,873
Management fees	**37,900**	
Mineral exploration	**1,926,395**	831,809
Professional fees	**122,323**	37,375
Office expenses	**55,954**	-
Others	**686,803**	11,143
Total	**$ 2,842,208**	$ 894,450

As at September 30, 2022, the Company has $46,115 (March 31, 2022 – $3,253) due to related parties reported as part of accounts payable and accrued liabilities (Note 12).

9. SHARE CAPITAL

As at September 30, 2022, there were 89,730,547 issued and fully paid common shares (March 31, 2022 – 78,548,991) outstanding.

	Number of shares[1]	**Share capital**
Balance, March 31, 2021	10,897,605	$ 11,491,737
Shares issued for:		
Cash	47,155,856	15,831,147
Mineral Properties	3,600,000	2,304,000
Warrants exercised	15,177,919	4,037,600
Options exercised	499,833	185,955
Cash Finders' fees	-	(75,412)
Finders' shares	1,217,778	(584,445)
Finders' warrants	-	(550,553)
Fair value of options exercised	-	184,291
Fair value of warrants exercised	-	97,996
Balance, March 31, 2022	78,548,991	$ 32,922,316
Shares issued for:		
Mineral Properties	**220,000**	**1,454,200**
Warrants exercised	**9,023,926**	**3,084,650**
Options exercised	**1,937,630**	**884,579**
Share issuance costs – cash	**-**	**(11,924)**
Share issuance costs – warrants	**-**	**(685,133)**
Fair value of options exercised	**-**	**684,368**
Fair value of warrant exercised	**-**	**29,674**
Balance, September 30, 2022	**89,730,547**	**$ 38,362,730**

[1]Number of shares are adjusted for the share consolidation of one post-consolidated share for every three pre-consolidated share on June 7, 2021.

9.1 Authorized share capital

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

As at September 30, 2022, the Company had 89,730,547 common shares outstanding (March 31, 2022 – 78,548,991).

9.2 Share issuances

During the six month period ended September 30, 2022, the Company issued common shares as follows:

During the six month period ended September 30, 2022, the Company issued a total of 9,023,926 shares for warrants exercised: 1,181,763 exercised at $0.36 per share, 237,000 exercised at $0.30 per share, 6,028,500 exercised at $0.25 per share, 1,000,000 exercised at $0.54 per share, 526,665 exercised at $0.60 per share and 49,998 exercised at $4.50 per share. Fair value of warrants exercised amounted to $29,674.

During the six month period ended September 30, 2022, the Company issued a total of 1,937,630 shares for options exercised: 840,000 at $0.39 per share, 66,666 exercised at $0.30 per share, 180,799 exercised at $0.42 per share, 116,832 exercised at $0.27 per share, 700,000 exercised at $0.53 per share, 25,000 exercised at $1.74 per share and 8,333 exercised at $1.80 per share. Fair value of options exercised amounted to $684,368.

On September 7, 2022, the Company issued 220,000 common shares at a deemed price of $6.61 per share for the acquisition of Pontois Property (Note 7.3).

During the year ended March 31, 2022, the Company issued common shares as follows:

During the year ended March 31, 2022, the Company issued 344,998 shares for warrants exercised at $0.45 per share, 1,584,493 shares for warrants exercised at $0.36 per share and 13,248,428 shares for warrants exercised at $0.25 per share. Fair value of warrants exercised amounted to $97,996.

During the year ended March 31, 2022, 49,833 shares were issued for options exercised at $0.27 per share, 50,000 shares were issued for options exercised at $0.30 per share, 350,000 shares were issued for options exercised at $0.39 per share and 50,000 shares were issued for options exercised at $0.42 per share. Fair value of options exercised amounted to $184,291.

During the year ended March 31, 2022, the Company issued 3,600,000 at $0.64 per share for acquisition of Corvette-FCI Property (Note 7.1).

On March 21, 2022, the Company completed a private placement of 6,000,000 units at a price of $0.50 per unit for aggregate gross proceeds of $3,000,000 (the "Offering"). Each unit is comprised of one common share and one transferable common share purchase warrant exercisable for three years at a price of $0.75 (collectively, the "Units"). In addition to statutory four-month resale restrictions, the Units are subject to a contractual restriction on resale expiring 12 months from the completion of the Offering.

(Expressed in Canadian dollars)

9.2 Share issuances (continued)

On December 21, 2021, the Company closed private placement through the issuance of 17,973,856 units at a price of $0.612 per unit for aggregate gross proceeds of $11,000,000. Part of the proceeds were recognized as Flow-through ("FT") premium liability amounting to $2,462,418 (Note 15) and shall be recognized as income over a period of 12 months from closing date. Each unit consists of one flow-through common share and one non-flow through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $0.75 per share for two years. Finder's fees of 977,778 compensation shares were paid.

On June 30, 2021, the Company completed a private placement for gross proceeds of $3,709,120. The Company issued 23,182,000 units (post share-consolidation) at a price of $0.16 per unit. Each unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.25 for a period of 24 months from the closing date. The Company paid $75,412 in cash finders' fees and issued 471,328 warrants valued at $111,611.

On June 7, 2021, the Company completed a share consolidation on one (1) post-consolidated share for every three (3) pre-consolidated shares. At June 7, 2021, the Company had 10,897,605 common shares issued and outstanding post consolidation. The number of shares, warrants and stock options shown in these consolidated financial statements are on a post-consolidation basis.

9.3 Share purchase warrants

A summary of changes in the Company's share purchase warrants outstanding as at September 30, 2022 and March 31, 2022 is as follows:

	September 30, 2022		March 31, 2022	
	Number of warrants[1]	**Weighted average exercise price**	Number of warrants[1]	Weighted average exercise price
Outstanding, beginning of period	**38,907,055**	**$ 0.59**	5,972,484	$ 0.54
Granted	**2,156,863**	**0.75**	48,347,184	0.28
Exercised	**(9,023,926)**	**0.65**	(15,177,919)	0.27
Expired	**-**	**-**	(234,694)	1.00
Outstanding, end of period	**32,039,992**	**$ 0.67**	38,907,055	$ 0.59

[1] Warrants were adjusted to reflect the share consolidation on June 7, 2021.

During the six months ended September 30, 2022:

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

A total of 9,023,926 warrants were exercised for total proceeds of $3,084,650.

(Expressed in Canadian dollars)

9.3 Share purchase warrants (continued)

During the year ended March 31, 2022:

On March 21, 2022, the Company issued 6,720,000 warrants in connection with a private placement.

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

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

During the year ended March 31, 2022, a total of 15,177,926 warrants were exercised and 234,693 warrants expired unexercised.

The following table summarizes information regarding share purchase warrants outstanding as at September 30, 2022:

Date issued	Number of warrants*	Exercise price ($)	Expiry date	Weighted average remaining life
December 2, 2019**	399,527	0.60	December 2, 2022	0.00
August 12, 2020	166,667	0.30	August 12, 2023	0.00
August 26, 2020	80,000	0.54	August 26, 2023	0.00
March 23, 2021	166,667	0.30	March 3, 2024	0.01
June 30, 2021	4,376,412	0.25	June 30, 2023	0.10
December 21, 2021	20,130,719	0.75	December 21, 2023	0.77
March 21, 2022	6,000,000	0.75	March 21, 2025	0.46
March 21, 2022	720,000	0.75	March 21, 2024	0.03
	32,039,992	**$ 0.67**		**1.37**

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

**Exercise price for this issuance is $0.27 in Year 1, $0.45 in Year 2 and $0.60 in Year 3.

The weighted average grant date fair value of the warrants granted during the six months ended September 30, 2022, was $0.32 (March 31, 2022 – $0.24) per warrant using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

	September 30, 2022	March 31, 2021
Share price at grant date ($)	**$0.48**	$0.31
Risk free interest rate (%)	**1.05%**	0.45%
Expected life (years)	**2.00**	2.00
Expected volatility (%)	**156%**	158%
Expected dividend per share	**-**	-
Fair market value of the warrant on grant date ($)	**$0.32**	$0.24

(Expressed in Canadian dollars)

9.4 Stock options

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

A summary of changes in the Company's stock options outstanding as at September 30, 2022 and March 31, 2022 is as follows:

	September 30, 2022		March 31, 2022	
	Number of options*	**Weighted average exercise price**	Number of options*	Weighted average exercise price
Outstanding, beginning of period	**5,069,300**	**$ 0.45**	890,800	$ 0.37
Granted	**5,275,000**	**4.54**	4,700,000	0.46
Exercised	**(1,937,630)**	**0.45**	(499,833)	0.27
Expired/Cancelled	**(45,000)**	**0.36**	(21,667)	0.15
Forfeited	**-**	**-**	-	-
Outstanding, end of period	**8,361,670**	**$ 3.05**	5,069,300	$ 0.45

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

During the six month period ended September 30, 2022:

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

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

A total of 1,937,630 stock options were exercised for total proceeds of $884,579.

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

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

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

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

(Expressed in Canadian dollars)

9.4 Stock options (continued)

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

	April Options	**July Options**	**August Options**	**August Options**	**September Options**
Grant Date Expiry Date Contractual Life Vesting	2022-04-05 2025-04-05 3 years Immediately and Graded	2022-07-18 2025-07-18 3 years Immediately	2022-08-22 2026-08-22 4 years Immediately	2022-08-22 2026-08-22 4 years Immediately	2022-09-12 2026-09-22 4 years Immediately
Input Variables:					
Number of options	2,525,000	500,000	1,000,000	1,000,000	250,000
Stock price at valuation date	$1.75	$2.58	$4.35	$4.35	$6.80
Exercise price	$1.74	$2.58	$7.00	$9.20	$9.00
'Expected' life of options	2 years	2 years	2 years	2 years	2 years
Expected volatility	129.57%	138.34%	135.50%	133.50%	136.25%
Annual Rate quarterly dividends	0%	0%	0%	0%	0%
Risk-free rate	2.40%	3.18%	3.29%	3.29%	3.43%
Fair value per option	$1.14	$1.76	$2.57	$2.35	$4.27
Total SBC	$2,872,152(1)	$880,158	$2,565,800	$2,436,485	$1,068,054

(1) $2,771,123 was expensed over 6 months ending September 30, 2022 per vesting schedule.

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

During the year ended March 31, 2022:

A total of 499,833 options were exercised. 21,667 options expired unexercised.

On December 23, 2021, the Company granted 2,200,000 incentive stock options to officers, directors and consultants of the Company. The options are exercisable at $0.53 per share for a period of three years from the date of grant. The options were granted under and are governed by the terms of the Company's incentive stock option plan.

On August 6, 2021, the Company granted 2,500,000 incentive stock options to officers, directors, and consultants of the Company. The options are exercisable at $0.39 per share for a period of three years from the date of grant. The options were granted under and are governed by the terms of the Company's incentive stock option plan.

On July 11, 2021, 16,667 stock options expired unexercised.

On May 4, 2021, a total of 5,000 stock options expired unexercised.

(Expressed in Canadian dollars)

9.4 Stock options (continued)

The weighted average grant date fair value of the options granted during the year ended March 31, 2022, was $0.34 (2021 – $0.08) per option using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

	September 30, 2022	March 31, 2022
Share price at grant date ($)	**$3.97**	$0.41
Risk free interest rate (%)	**3.12%**	0.81%
Expected life (years)	**2.00**	3.00
Expected volatility (%)	**135%**	157%
Fair market value of the option on grant date ($)	**$2.42**	$0.34

The following table summarizes information regarding stock options outstanding and exercisable as at September 30, 2022:

Exercise price	**Number of options outstanding***	**Expiration date**	**Weighted-average remaining contractual life (years)**	**Weighted average exercise price $**
$0.27	58,334	January 14, 2023	0.00	0.00
$0.27	26,667	February 3, 2023	0.00	0.00
$0.30	216,669	November 19, 2023	0.03	0.01
$0.39	1,310,000	August 6, 2024	0.29	0.06
$0.53	1,500,000	December 23, 2024	0.40	0.10
$1.74	2,500,000	April 5, 2025	0.75	0.52
$2.58	500,000	July 18, 2025	0.17	0.15
$7.00	1,000,000	August 22, 2026	0.47	0.84
$9.00	250,000	September 12, 2026	0.12	0.27
$9.20	1,000,000	August 22, 2026	0.47	1.10
Total options outstanding and exercisable	**8,361,670**		**2.69**	**$ 3.05**

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

(Expressed in Canadian dollars)

10. LOSS PER SHARE

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

	Three months ended		Six months ended	
	September 30, 2022	September 30, 2021	**September 30, 2022**	September 30, 2021
Net loss for the period	**$ (5,403,668)**	$ (1,903,368)	**$ (9,267,813)**	$ (2,143,105)
Weighted average number of shares – basic and diluted[1]	**87,967,909**	11,986,666	**85,552,329**	12,041,696
Loss per share, basic and diluted	**$ (0.06)**	$ (0.16)	**$ (0.11)**	$ (0.18)

[1]Shares were adjusted to reflect the share consolidation on June 7, 2021.

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. All of the stock options and the share purchase warrants were anti-dilutive for the six months ended September 30, 2022 and 2021 as the Company incurred losses during these periods.

11. FINANCIAL INSTRUMENTS

11.1 Categories of financial instruments

As at	**September 30, 2022 $**	March 31, 2022 $
FINANCIAL ASSETS		
At FVTPL		
Cash and cash equivalents	**2,862,832**	11,697,720
Total financial assets	**2,862,832**	11,697,720
FINANCIAL LIABILITIES		
At amortized cost		
Accounts payable	**2,783,308**	863,384
Total financial liabilities	**2,783,308**	863,384

(Expressed in Canadian dollars)

11.2 Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

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

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
-
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at March 31, 2022 and 2021, the Company does not have any Level 3 financial instruments.

As at September 30, 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at fair value				
Cash and cash equivalents	**2,862,832**	**-**	**-**	**2,862,832**
Total financial assets at fair value	**2,862,832**	**-**	**-**	**2,862,832**

As at March 31, 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at fair value				
Cash and cash equivalents	11,697,720	-	-	11,697,720
Total financial assets at fair value	11,697,720	-	-	11,697,720

There were no transfers between Level 1, 2 and 3 in the six months ended September 30, 2022 and 2021.

11.3 Management of capital and financial risks

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of mineral properties. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern.

11.3 Management of capital and financial risks (continued)

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high-quality financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. As at September 30, 2022, all of the Company's accounts payable of $2,783,308 (March 31, 2022 – $863,384) have contractual maturities of 30 to 90 days are subject to normal trade terms. The Company does not have loans payables that are due on demand. The Company does not have investments in any asset backed deposits.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company has no significant exposure to foreign currency exchange risk as it has no significant transaction balances denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

(Expressed in Canadian dollars)

12. RELATED PARTY TRANSACTIONS

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

Related party transactions to key management personnel are as follows:

Six months ended	**September 30, 2022**	September 30, 2021
Management and administration fees[(1)(2)(3)]	**$ 581,656**	$ 243,183
Consulting fees[(4)]	**20,500**	40,000
Share-based payments	**7,942,291**	672,561
Total key management personnel compensation	**$ 8,544,447**	$ 955,744

(1) Included $240,000 separation settlement payment to the former CEO.
(2) Included a total of $110,000 of bonus payments paid to former CEO, CFO and President and CEO.
(3) Included $44,125 director fees payable to the independent directors.
(4) Paid to the Corporate Secretary.

As at September 30, 2022, $25,000 (March 31, 2022 - $10,000) management fees for the President and CEO and $6,500 management fees to the CFO were recorded as prepaid expenses (Note 6).

As at September 30, 2022, the Company had $46,115 (March 31, 2022 – $3,253) due to the related parties which was reported as part of accounts payable and accrued liabilities (Note 8) which are unsecured, non-interest bearing and have no specific terms for repayment.

13. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred the following non-cash investing and financing transactions during the six months ended September 30, 2022 and 2021:

Six months ended	**September 30, 2022**	September 30, 2021
Cash and cash equivalents is comprised of:		
Guaranteed Investment Certificates	**$ 34,500**	$ 11,605
Cash	**2,828,332**	1,586,455
	$ 2,862,832	$ 1,598,060
Supplemental cash flow information		
Non-cash financing activities:		
Share-based payments	**$ 9,631,620**	$ 853,503
Finders' warrants	**685,133**	111,611
Fair value of warrants exercised	**29,674**	460
Fair value of options exercised	**684,368**	-
Income taxes paid	**$ -**	$ -
Interest paid	**-**	-

(Expressed in Canadian dollars)

14. COMMITMENTS

The Company has certain commitments related to key management compensation for $47,000 per month with no specific expiry of terms (Note 12).

The Company is bound by management agreement with the CFO according to which, in the event of termination of the agreement, the Company will be liable for the remaining balance of fees and a lump sum equal to three times their annual standing management fees

The Company is bound by management agreement with the President and CEO according to which, in the event of termination of the agreement, the Company will be liable for the remaining balance of fees and a lump sum equal to 24 months of the standing monthly management fee expense.

The Company is bound by consulting agreement with the Vice President of Exploration according to which, in the event of termination of agreement, the Company will be liable for the remaining balance of fees and a lump sum equal to 24 months of the standing monthly management fees.

The Company has certain commitments in connection with its mineral properties (Note 7).

15. FLOW-THROUGH PREMIUM LIABILITY

On December 21, 2021, the Company closed a private placement for 17,973,856 flow-through units at $0.612 per unit for gross proceeds of $11,000,000. The fair value of the units was $0.475 per unit, resulting in the recognition of a flow-through premium liability of $0.137 per unit for a total of $2,462,418, non-cash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units. The flow-through premium liability from this financing is amortized over the periods in which the funds are spent on qualifying expenditures.

During the six months ended September 30, 2022, the Company recognized flow-through income of $1,286,387 (2021 - $Nil).

Balance, March 31, 2021	$	-
Flow-through share premium liability		2,462,418
Amortization		(599,544)
Balance, March 31, 2022		1,862,874
Amortization		(1,862,874)
Balance, September 30, 2022	**$**	**-**

At September 30, 2022, the Company had incurred all of the $11,000,000 in required flow-through eligible expenditures.

(Expressed in Canadian dollars)

16. 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 September 30, 2022						
Exploration and evaluation assets	$	26,094,806	$	1,759,574	$	27,854,380
Balance, as at March 31, 2022						
Exploration and evaluation assets	$	12,687,087	$	1,724,885	$	14,411,973

17. TAXES

Qualifying resource companies are able to raise funds using flow-through shares and pass on their Canadian exploration expenses and development expenses to investors once the funds have been spent.

Under the look-back rule for flow-through shares, expenses are renounced to investors on December 31 following the flow-through share agreement date. The company then has 12 months from December 31 to incur the eligible expenses. The benefit of the look-back rule to investors is that they receive the expense deduction in the year they make the investment, even though the company may not have spent the money.

The cost of the company of using the look-back rule is an interest charge at the end of each month during the 12-month period on any unspent funds. As well, there is a penalty equal to 10% of any unspent amount at the end of the 12 months. These monthly interest charges are payable as Part XII.6 tax. In the case of the Company, the Part XII.6 tax return and tax are due before March of 2023.

The prescribed Interest rate for the calculation of Part XII.6 tax are updated each quarter by the Canadian tax authority. For the months of December 2021 to June 2022, the prescribed interest rates have remained at 1%. For the quarter between July 1 to September 30, 2022, the rates have increased to 2%.

For the six months ended September 30, 2022, the Company recognized a Part XII.6 tax expense and a tax payable of $44,260 (2021 - $Nil).

18. EVENTS AFTER THE REPORTING PERIOD

Subsequent to September 30, 2022, the Company issued 533,524 common shares for warrants exercised and 100,000 common shares for options exercised.

On October 6, 2022, the Company completed a private placement of 1,507,170 charity flow-through common shares ("FT Shares") at a price of $13.27 per FT Share for aggregate gross proceeds of $20,000,146 "FT Offering". In connection with the FT Offering, the Company paid broker fees of $454,217 in cash and issued 71,530 broker warrants entitling the holder to obtain one common share in the Company at a price of $6.35 for a period of two years from the date of the closing of the FT Offering.

On November 9, 2022, the Company lodged a prospectus in Australia to raise AUD $4.2 million ("AUD Offering") to support an application to list on the ASX. The offering was scheduled to formally open on November 16, 2022 and is expected to close in the quarter ending December 31, 2022. The AUD Offering will comprise the issuance of 7,000,000 Australian CHESS Depository Interests ("CDI") at a price of per CDI of AUD$0.60, with each CDI eligible for conversion to common shares on a 10:1 basis, resulting in an issue price per underlying common share of AUD$6.00.