PATRIOT BATTERY METALS INC.
Consolidated Financial Statements
As at and for the years ended March 31, 2024 and 2023
(Expressed in Canadian dollars)

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Patriot Battery Metals Inc. (the "Company" or "Patriot") were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"). Management is responsible for ensuring that these consolidated financial statements, which include amounts based upon estimates and judgments, are consistent with other information and operating data contained in the annual financial review and reflect the Company's business transactions and financial position.

Management is also responsible for the information disclosed in the Company's management's discussion and analysis including responsibility for the existence of appropriate information systems, procedures, and controls to ensure that the information used internally by management and disclosed externally is complete and reliable in all material respects. In addition, management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. The internal control system includes a code of conduct and ethics, which is communicated to all levels in the organization and requires all employees to maintain high standards in their conduct of the Company's affairs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfills its financial reporting responsibilities. The Board of Directors meets with management as well as with the independent auditors to discuss the internal controls over the financial reporting process, the consolidated financial statements and the auditor's report. An Audit and Risks Committee of the Board of Directors (the "Audit Committee") assists the Board of Directors in fulfilling this responsibility. The Audit Committee, composed of Directors who are neither management nor employees of the Company, meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditor's report. The Audit Committee also reviews the Company's management's discussion and analysis to ensure that the financial information reported therein is consistent with the information presented in the consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

The consolidated financial statements have been audited.

"Ken Brinsden"	**"Natacha Garoute"**
President, Chief Executive Officer and Managing Director	Chief Financial Officer

Independent auditor's report

To the Shareholders of Patriot Battery Metals Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Patriot Battery Metals Inc. and its subsidiaries (together, the Company) as at March 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statement of financial position as at March 31, 2024;
- the consolidated statement of income (loss) and comprehensive income (loss) for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of exploration and evaluation assets and property and equipment *Refer to note 3 – Material accounting policies, note 5 – Critical accounting judgments, estimates and assumptions, note 7 – Exploration and evaluation assets and note 8 – Property and equipment to the consolidated financial statements.* The net book value of exploration and evaluation assets and property and equipment amounted to $164,254,000 as at March 31, 2024. Non-financial assets are reviewed for an indication of impairment at each consolidated statement of financial position date or when a triggering event is identified. Assessment of impairment of non-financial assets requires the use of management judgments when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test. Indicators which could trigger an impairment review include, but are not limited to, an expiry of the right to explore in the specific area during the period or will expire in the near future, and is not expected to be renewed; substantive exploration and evaluation expenditures in a specific area is neither budgeted nor planned and exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and management has decided to discontinue such activities in the specific area.	Our approach to addressing the matter included the following procedures, among others: • Evaluated the reasonableness of management's assessment of impairment indicators related to exploration and evaluation assets and property and equipment, which included the following: o Obtained for all claims, by reference to government registries, evidence to support (i) the right to explore the area and (ii) the claims' expiration dates. o Read Board minutes and obtained the approved budget to (i) evidence continued and planned substantive exploration and evaluation expenditures, (ii) consider which claims are not expected to be renewed and (iii) assess whether exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and whether management has decided to discontinue such activities in the specific area.

Key audit matter	How our audit addressed the key audit matter
No indicators were identified for the year ended March 31, 2024. We considered this a key audit matter due to (i) the significance of the exploration and evaluation assets and property and equipment and (ii) the judgment made by management in assessing whether any impairment indicators exist, which resulted in a high degree of auditor subjectivity in performing procedures to evaluate management's assessment.	

Comparative information

The consolidated financial statements of the Company for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on June 29, 2023.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Maxime Guilbault.

/s/PricewaterhouseCoopers LLP[1]

Montréal, Quebec
June 21, 2024

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[1] CPA auditor, public accountancy permit No. A128042

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

	Notes	March 31, 2024	March 31, 2023
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**73,004,000**	56,724,000
Receivables	6	**9,959,000**	3,891,000
Prepaid expenses		**699,000**	249,000
		83,662,000	60,864,000
Non-current assets			
Exploration and evaluation assets	7	**111,927,000**	46,268,000
Property and equipment	8	**52,327,000**	588,000
Total assets		**247,916,000**	107,720,000
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**30,408,000**	5,507,000
Current portion of lease liabilities		**151,000**	-
Flow-through premium liability	9	**-**	29,506,000
		30,559,000	35,013,000
Non-current liabilities			
Asset retirement obligation	10	**2,218,000**	-
Lease liabilities		**214,000**	-
Deferred income taxes	17	**11,710,000**	2,704,000
Total liabilities		**44,701,000**	37,717,000
EQUITY			
Share capital	11	**207,770,000**	77,966,000
Reserves	11	**15,723,000**	14,922,000
Accumulated other comprehensive income		**1,000**	-
Deficit		**(20,279,000)**	(22,885,000)
Total equity		**203,215,000**	70,003,000
Total liabilities and equity		**247,916,000**	107,720,000

Commitments (Note 16) and Events After the Reporting Period (Note 19)

APPROVED ON BEHALF OF THE BOARD on June 21, 2024:

"Ken Brinsden"
Director

"Brian Jennings"
Director

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

(Expressed in Canadian dollars)

	Notes	Year Ended March 31, 2024	Year Ended March 31, 2023
		$	$
General and Administrative Expenses			
Salaries, benefits and management fees	14	**7,286,000**	1,835,000
Share-based compensation	11, 14	**4,234,000**	12,368,000
Professional fees		**3,584,000**	1,026,000
Consulting fees		**1,998,000**	276,000
Office and miscellaneous		**1,662,000**	289,000
Investor relations and business development		**1,153,000**	654,000
Travel		**1,020,000**	379,000
Transfer agent and filing fees		**661,000**	368,000
Total general and administrative expenses		**(21,598,000)**	(17,195,000)
Other Income (Loss)			
Flow-through premium income	9	**29,506,000**	10,298,000
Interest income		**4,731,000**	22,000
Flow-through interest		**(25,000)**	(89,000)
Income (Loss) before income taxes		**12,614,000**	(6,964,000)
Income taxes			
Deferred income tax expense	17	**(10,008,000)**	(3,151,000)
Net Income (Loss) for the period		**2,606,000**	(10,115,000)
Other comprehensive income			
Foreign currency translation adjustment		**1,000**	-
Comprehensive Income (Loss) for the period		**2,607,000**	(10,115,000)
Earnings (Loss) per share			
Basic	12	**0.02**	(0.11)
Diluted	12	**0.02**	(0.11)

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

(Expressed in Canadian dollars, except for number of shares)

	Number of shares	Share capital	Subscriptions received	Reserves	AOCI	Deficit	Total
		$	$	$	$	$	$
Balances, March 31, 2022	78,548,991	32,922,000	252,000	3,460,000	-	(12,770,000)	23,864,000
Shares issued for:							
Cash	4,422,304	35,880,000	-	-	-	-	35,880,000
Mineral properties	220,000	1,454,000	-	-	-	-	1,454,000
Warrants exercised	13,258,283	5,771,000	(213,000)	(192,000)	-	-	5,366,000
Options exercised	2,907,629	4,149,000	(39,000)	(1,715,000)	-	-	2,395,000
Share issuance costs - warrants	-	(1,001,000)	-	1,001,000	-	-	-
Share issuance costs - cash	-	(1,209,000)	-	-	-	-	(1,209,000)
Share-based compensation	-	-	-	12,368,000	-	-	12,368,000
Net loss and comprehensive loss	-	-	-	-	-	(10,115,000)	(10,115,000)
Balances, March 31, 2023	**99,357,207**	**77,966,000**	**-**	**14,922,000**	**-**	**(22,885,000)**	**70,003,000**
Shares issued for:							
Cash	7,128,341	108,992,000	-	-	-	-	108,992,000
Mineral properties	120,000	1,244,000	-	-	-	-	1,244,000
Warrants exercised	25,601,605	17,929,000	-	(1,288,000)	-	-	16,641,000
Options exercised	3,439,474	4,415,000	-	(2,145,000)	-	-	2,270,000
Share issuance costs - cash[1]	-	(2,776,000)	-	-	-	-	(2,776,000)
Share-based compensation	-	-	-	4,234,000	-	-	4,234,000
Comprehensive income for the period	-	-	-		1,000	2,606,000	2,607,000
Balances, March 31, 2024	**135,646,627**	**207,770,000**	**-**	**15,723,000**	**1,000**	**(20,279,000)**	**203,215,000**

[1] Share issuance costs-cash are presented net of a deferred tax recovery in the amount of $1,002,000 (March 31, 2023 - $447,000), which relates to deductible temporary differences in relation to share issuance costs (Note 17).

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

(Expressed in Canadian dollars)

		Year Ended	
	Notes	**March 31, 2024**	March 31, 2023
		$	$
OPERATING ACTIVITIES			
Net income (loss) for the year		**2,606,000**	(10,115,000)
Adjustments for non-cash items:			
Accrued interest income		**-**	-
Flow-through premium income	9	**(29,506,000)**	(10,298,000)
Share-based compensation	11, 14	**4,234,000**	12,368,000
Deferred income tax expense	17	**10,008,000**	3,151,000
Other		**44,000**	1,000
Changes in non-cash working capital items			
Increase in receivables		**(6,068,000)**	(3,392,000)
Increase in prepaid expenses		**(450,000)**	(217,000)
Increase in accounts payable and accrued liabilities		**2,968,000**	1,295,000
Cash used in operating activities		**(16,164,000)**	(7,207,000)
INVESTING ACTIVITIES			
Exploration and evaluation expenditures	7	**(53,291,000)**	(27,084,000)
Acquisition of property and equipment	8	**(38,384,000)**	(609,000)
Cash used in investing activities		**(91,675,000)**	(27,693,000)
FINANCING ACTIVITIES			
Proceeds from issuance of common shares	11	**108,992,000**	73,821,000
Proceeds from exercise of options	11	**2,270,000**	2,395,000
Proceeds from exercise of warrants	11	**16,641,000**	5,366,000
Principal payment of lease liabilities		**(7,000)**	-
Share issuance costs-cash	11	**(3,778,000)**	(1,656,000)
Cash provided by financing activities		**124,118,000**	79,926,000
Increase in cash and cash equivalents		**16,279,000**	45,026,000
Effect of exchange rate on cash		**1,000**	-
Cash and cash equivalents, beginning of period		**56,724,000**	11,698,000
Cash and cash equivalents, end of period		**73,004,000**	56,724,000
Interest received		**4,731,000**	2,000

Supplemental cash flow information (Note 15)

The accompanying notes are an integral part of these 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 assets, as well as exploration of those properties once acquired. The Company is domiciled in Canada and is a reporting issuer in British Columbia, Alberta and Ontario.

The address of its head office is Suite 700-838 W Hastings Street, Vancouver, British Columbia, V6C 0A6 and the address of its registered and records office is Suite 1800, 510 West Georgia Street, Vancouver, British Columbia, V6B 0M3. The Company operates from its Montreal office located at 1801, McGill College, Suite 900, H3A 1Z4. The Company's mineral properties are located in the provinces of Quebec, British Columbia, the Northwest Territories and in the State of Idaho (USA).

On July 14, 2022, the shares of the Company commenced trading on the TSXV under the current stock symbol "PMET". On December 7, 2022, the shares of the Company commenced trading on the Australian Securities Exchange ("ASX") under the stock symbol "PMT". Each share settles in the form of CHESS Depositary Interests ("CDIs") at a ratio of 10 CDIs to 1 common share. On December 8, 2022, the shares of the Company commenced trading on the OTC Market in the United States under the symbol "PMETF". On January 31, 2024, the Company received final approval from the Toronto Stock Exchange (TSX) to list its common shares effective upon market open on February 1, 2024. The common shares continue to trade under its current symbol "PMET".

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements (the "Financial Statements") of the Company have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards"). These Financial Statements were approved and authorized for issue in accordance with a resolution from the Board of Directors on June 21, 2024.

2.2 Basis of presentation

Basis of Presentation

These Financial Statements include the accounts of the Company, Metals Nevada Corp. ("Metals Nevada"), a wholly owned US subsidiary of the Company incorporated on March 2, 2021, Innova Lithium Inc. and 14352891 Canada Inc., two wholly owned subsidiaries of the Company both incorporated on October 5, 2023. All material inter-company balances and transactions have been eliminated upon consolidation.

Basis of Measurement

The Company's Financial Statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as detailed in Note 13 and are presented in Canadian dollars except where otherwise indicated. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and Presentation Currency

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. The functional currency of the Company and the two Canadian subsidiaries is the Canadian dollar.

3. MATERIAL ACCOUNTING POLICIES

3.1 Exploration and evaluation assets

Exploration and evaluation ("E&E") assets for each separate area of interest are capitalized and include costs to acquire the mineral property and costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore like topographical, geological, geochemical and geophysical studies.

They also reflect costs related to establishing the technical and commercial viability of extracting a mineral resource identified through exploration or acquired through a business combination or asset acquisition.

E&E assets also include the cost of:

- determining the optimal methods of extraction and metallurgical and treatment processes;
- studies related to surveying, transportation and infrastructure requirements;
- permitting activities; and
- early economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping studies. E&E assets include overhead expenses directly attributable to the related activities.

E&E assets are capitalized until technical feasibility and commercial viability has been reached. When a mineral property moves into the development stage, the E&E costs are tested for impairment prior to the reclassification to mineral properties under development.

The recoverability of E&E assets 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 E&E assets contain economically recoverable reserves. Amounts capitalized to E&E assets as exploration and development costs do not necessarily reflect present or future values.

3.2 Refundable tax credits for mining exploration and evaluation assets

The Company is entitled to a refundable tax credit on qualified exploration expenditures incurred and refundable credit on duties for losses under the *Mining Tax Act* (Québec). These credits are recognized as a reduction of E&E assets incurred based on estimates made by management. The Company records these credits when there is reasonable assurance with regards to collections and assessments and that the Company will comply with the conditions associated with them.

3.3 Property and equipment

Property and equipment is carried at cost less accumulated depreciation. The cost of an item of equipment consists of the purchase price, the finance expense attributable to the acquisition of the asset, and all other costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Where parts of an item of equipment have a different useful life, they are accounted for as separate items of equipment. Depreciation is recognized on a straight-line basis using the cost of an item of equipment, less its estimated residual value, over its estimated useful life.

The Exploration camp is depreciated over 6 years while Machinery and Equipment is depreciated over 5-20 years.

Each asset's residual value, useful life and depreciation method are reassessed, and adjusted if appropriate, at the reporting date.

The carrying amount of an item of Machinery and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition is included in profit or loss when the item is derecognized.

3.3 Property and equipment (continued)

Assets under construction in progress are carried at cost and are not subject to depreciation. The cost consists of their purchase price and any costs directly attributable to bringing them into working condition for their intended use. Assets under construction in progress are classified to the appropriate category of property, plant and equipment and the depreciation of these assets commences when the assets are ready for their intended use.

3.4 Asset retirement obligation

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, evaluation, development, or ongoing production at an exploration and evaluation asset. Such costs arising from the decommissioning of a 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, as soon as the obligation to incur such costs arises. The discount rate used is based on a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, excluding the risks for which future cash flow estimates have already been adjusted. The related liability is adjusted each period for the unwinding of the discount rate, and if required, for changes to the current market-based discount rate, amount and timing of the underlying cash flows needed to settle the obligation. The Company also records a corresponding asset amount which is amortized over the remaining service life of the asset.

3.5 Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred taxes. Income tax is recognized in the Consolidated Statement of Income (Loss) and Comprehensive Income (Loss) except to the extent that it relates to items recognized directly in equity, in which case it is recognized in the Consolidated Statement of Changes 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 regard to previous years.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.6 Share-based payments

The Company offers a stock option plan for eligible directors and employees. The fair value of stock options for each vesting period is determined using the Black-Scholes option pricing model and is recorded over the vesting period as an increase to stock-based payments and contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. Stock options 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.

3.6 Share-based payments (continued)

For both employees and non-employees, the fair value of stock options payments is recognized as an expense with a corresponding increase in share-based payments reserve. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in share capital and the related share-based payment in share-based payments reserve is transferred to share capital. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

As part of the remuneration plan, the Company also offers performance share unit ("PSU") awards, restricted share unit ("RSU") awards and deferred share unit ("DSU") awards. PSUs, RSUs and DSUs are measured at fair value. The expense for PSUs, DSUs, and RSUs, to be redeemed in shares, is recognized over the vesting period, or using management's best estimate when contractual provisions restrict vesting until completion of certain performance conditions, with a corresponding charge as an expense.

3.7 Share issuance costs

Professional, consulting, regulatory fees and other costs that are directly attributable to the issuance of shares are charged to share capital when the related shares are issued, net of any tax effects.

3.8 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.

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.

3.9 Flow-through shares

The Company finances some exploration and evaluation expenses through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation.

The difference ("premium") between the amounts recognized in common shares and the amount the investors pay for the shares is recognized as a flow-through premium liability which is reversed into the Consolidated Statement of Income (Loss) and Comprehensive Income (Loss) as other income when the eligible expenditures are incurred. The amount recognized as a flow-through share liability represents the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares, net of allocated issue costs.

3.10 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.

3.10 Financial assets (continued)

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. Cash and cash equivalents and certain assets within Receivables are included in this category of financial assets.

The Company does not have any assets measured at FVTOCI nor FVTPL.

3.11 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 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. Accounts payables are included in this category of financial liabilities.

The Company does not have any liabilities measured at FVTPL.

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.

4. NEW ACCOUNTING STANDARDS AND AMENDMENTS

4.1 Material accounting standards and amendments

Amendments – IAS 1 Presentation of Financial Statements and *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.*

On January 1, 2023, the Company adopted narrow-scope amendments to IFRS Accounting Standards, including to IAS 1 and IAS 8.

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The amendments to IAS 8 clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Although the IAS 1 amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the Financial Statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 3, in certain instances, in line with the amendments.

4.2 Accounting standards issued but not yet effective

At the date of authorization of the Financial Statements, several new, but not yet effective accounting standards and amendments to exiting standards, and interpretations have been published by the IASB. None of these standards of amendments to existing standards have been early adopted by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current period have not been disclosed as they are not expected to have a material impact on the Company's Financial Statements

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these Financial Statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year if the revision affects both current and future year.

The areas that require management to make critical judgments in applying the Company's accounting policies in determining carrying values include:

5.1 Impairment of non-financial assets

Non-financial assets are reviewed for an indication of impairment at each consolidated statement of financial position date or when a triggering event is identified. Indicators which could trigger an impairment review include, but are not limited to, an expiry of the right to explore in the specific area during the period or will expire in the near future, and is not expected to be renewed; substantive exploration and evaluation expenditures in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and management has decided to discontinue such activities in the specific area; sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the assets is unlikely to be recovered in full from successful development or by sale; significant negative industry or economic trends; interruptions in exploration and evaluation activities; and a significant drop in current or forecast commodity prices.

Assessment of impairment of non-financial assets requires the use of judgments when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Company's non-financial assets and in determining the recoverable amounts of certain properties for which management identified indicators of impairment.

No indicators were identified for the years ended March 31, 2024 and March 31, 2023.

5.2 Income taxes and refundable tax credits

The Company is subject to income and mining taxes. Significant judgment is required in determining the total provision for income taxes. Refundable tax credits for mining exploration expenses for the current and prior periods are measured at the amount expected to be recovered, based on management's best estimate and judgment, from the tax authorities as at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including credit on mining duties refundable for losses and refundable tax credits for eligible exploration expenses, and the amount and timing of collection. The determination of whether expenditures qualify for exploration tax credits requires significant judgment involving complex technical matters which makes the ultimate tax collection uncertain. As a result, there can be a material difference between the actual tax credits received following final resolution of these uncertain interpretation matters with the relevant tax authority and the recorded amount of tax credits. This difference would necessitate an adjustment to tax credits for mining exploration expenses in future periods. The resolution of issues with the relevant tax authority can be lengthy. As a result, there can be a significant delay in collecting tax credits for mining exploration expenses. Tax credits for mining exploration expenses that are expected to be recovered beyond one year are classified as non-current assets. The amounts recognized in the Financial Statements are derived from management's best estimation and judgment as described above. However, the inherent uncertainty regarding the ultimate approval by the relevant tax authority means that the ultimate amount collected in tax credits and timing thereof could differ materially from the accounting estimates and therefore impact the Company's Consolidated Statements of Financial Position and Cash Flows.

5.3 Asset retirement obligation

The asset retirement obligation is based on management's best estimate of the expenditures required to settle the present obligation at the end of the reporting period, including but not limited to dismantling and removing infrastructure and operating facilities. The estimate of the expenditure required to settle the present obligation is the amount that the Company would rationally pay to settle the obligation at the end of the reporting period or to transfer it to a third party. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed at each reporting period to take into account any material changes to the assumptions, including regulatory changes and cost increases.

(Expressed in Canadian dollars)

6. RECEIVABLES

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

	March 31, 2024	March 31, 2023
	$	$
GST receivable	**3,027,000**	1,491,000
QST receivable	**5,112,000**	771,000
Quebec tax credit receivable	**1,820,000**	1,258,000
Interest and other receivable	**-**	371,000
Total	**9,959,000**	3,891,000

7. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets expenditures for the year ended March 31, 2024 are as follows:

	Corvette Property *Quebec, Canada*	**US Property** *Idaho, USA*	**Northwest Territories Property** *NW Territories, Canada*	**Other Quebec Properties** *Quebec, Canada*	**Total**
	$	$	$	$	$
Acquisition Costs					
Balance, March 31, 2023	5,746,000	880,000	177,000	2,008,000	8,811,000
Additions	125,000	-	-	1,760,000	1,885,000
Exploration and Evaluation Costs	**5,871,000**	**880,000**	**177,000**	**3,768,000**	**10,696,000**
Exploration and Evaluation Costs					
Balance, March 31, 2023	35,600,000	890,000	503,000	464,000	37,457,000
Additions					
Drilling expenditures	26,761,000	-	-	-	26,761,000
Transportation & accommodation	20,388,000	-	-	-	20,388,000
Geology salaries and expenditures	9,587,000	82,000	-	7,000	9,676,000
Assays, testing and studies	7,135,000	-	-	4,000	7,139,000
Reports, administrative and other	1,474,000	26,000	-	-	1,500,000
Exploration tax credit	(1,690,000)	-	-	-	(1,690,000)
Balance, March 31, 2024	**99,255,000**	**998,000**	**503,000**	**475,000**	**101,231,000**
Total, March 31, 2024	**105,126,000**	**1,878,000**	**680,000**	**4,243,000**	**111,927,000**

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

The Company's exploration and evaluation assets expenditures for the year ended March 31, 2023 are as follows:

	Corvette Property *Quebec, Canada*	**US Property** *Idaho, USA*	**Northwest Territories Property** *NW Territories, Canada*	**Other Quebec Properties** *Quebec, Canada*	**Total**
	$	$	$	$	$
Acquisition Costs					
Balance, March 31, 2022	5,743,000	880,000	177,000	454,000	7,254,000
Additions	3,000	-	-	1,554,000	1,557,000
Balance, March 31, 2023	**5,746,000**	**880,000**	**177,000**	**2,008,000**	**8,811,000**
Exploration and Evaluation Costs					
Balance, March 31, 2022	5,525,000	844,000	551,000	238,000	7,158,000
Additions					
Drilling expenditures	14,270,000	-	-	-	14,270,000
Transportation & accommodation	9,516,000	-	-	65,000	9,581,000
Geology salaries and expenditures	4,056,000	-	-	115,000	4,171,000
Assays, testing and studies	1,436,000	13,000	-	13,000	1,462,000
Reports, administrative and other	2,888,000	33,000	(48,000)	33,000	2,906,000
Exploration tax credit	(2,091,000)	-	-	-	(2,091,000)
Balance, March 31, 2023	**35,600,000**	**890,000**	**503,000**	**464,000**	**37,457,000**
Total, March 31, 2023	**41,346,000**	**1,770,000**	**680,000**	**2,472,000**	**46,268,000**

7.1 Corvette Property - Quebec, Canada - Lithium

The Corvette Property is comprised of 424 map designated mineral claims ("CDC") that cover an area of approximately 21,357 hectares. The Company holds 100% interest in the Corvette Property. Innova Lithium Inc., a wholly owned subsidiary of the Company, is the recorded registered title holder of the 424 claims.

Of the 424 claims that comprise the Corvette Property, 237 are subject to various Net Smelter Return ("NSR") royalties, which vary from 0.5% to 3.5%.

7.2 US Property - Idaho, USA - Gold

The Company's US subsidiary, Metals Nevada, holds title to the property consisting of 106 claims.

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, 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% NSR royalty on the property, of which Metals Nevada shall have the right at any time to purchase half (1.25%) for $1,500,000.

7.3 Northwest Territories Property - Northwest Territories, Canada - Lithium

The Northwest Territories Property, referred to as Hidden Lake property, is located 45 km east of Yellowknife, in the Northwest Territories, Canada and consists of 5 contiguous claims. The property is optioned to Foremost Lithium Resources & Technology Ltd. The Company currently maintains a 40% interest in the property.

The property is subject to 2% NSR royalty with respect to the production of all material from the property with no buyback provision.

7.4 Other Quebec Properties - Quebec, Canada

Other Quebec Properties consist of the following properties: Pontois, Pontax, Lac Du Beryl, and Eastmain, which are all located in the James Bay Region, Quebec, Canada. 14352891 Canada inc., a wholly owned subsidiary of the Company, is the recorded registered title holder of all claims that comprise these properties.

7.4.1 Pontois Property - Lithium and Gold

On September 7, 2022, the Company entered into an acquisition agreement to acquire a 100% interest in the Pontois property, a block of 31 contiguous claims located on the west of the Corvette property in the James Bay Region, Quebec, Canada. The Company paid $100,000 in cash and issued 220,000 common shares of the Company at a price of $6.61 per common share for a total consideration of $1,554,000.

The Pontois property is subject to a 2% NSR royalty which has a 50% buyback option by the Company for $1,000,000.

7.4.2 Pontax Property - Lithium and Gold

The Company owns 100% interest in the Pontax lithium-gold property, which is located near Eastmain (Cree Nation), Quebec. The property consists of 80 claims and is subject to a 3% NSR.

7.4.3 Lac du Beryl Property - Lithium and Gold

The Company owns a 100% interest in the Lac du Beryl property, which is comprised of 18 claims and is subject to a 2% NSR.

7.4.4 Eastmain Property - Lithium

The Eastmain property consists of 86 claims. On October 31, 2023, the Company increased its land position at Eastmain through the acquisition of a 100% interest in 73 claims. 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.

(Expressed in Canadian dollars)

8. PROPERTY AND EQUIPMENT

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

	Construction in progress	Camp[1]	Machinery and Equipment	Other	Total
Cost	$	$	$	$	$
Balance, March 31, 2023	-	-	609,000	-	609,000
Additions	50,415,000	-	1,830,000	370,000	52,615,000
Transfers	(18,216,000)	18,216,000	-	-	-
Balance, March 31, 2024	32,199,000	18,216,000	2,439,000	370,000	53,224,000
Accumulated Depreciation					
Balance, March 31, 2023	-	-	21,000	-	21,000
Depreciation	-	667,000	192,000	17,000	876,000
Balance, March 31, 2024	-	667,000	213,000	17,000	897,000
Net book value					
At March 31, 2023	-	-	588,000	-	588,000
At March 31, 2024	**32,199,000**	**17,549,000**	**2,226,000**	**353,000**	**52,327,000**

[1] As at March 31, 2024, Camp includes an amount of $2,200,000 of asset retirement obligation (Note 10).

9. FLOW-THROUGH PREMIUM LIABILITY

On October 6, 2022, the Company closed a private placement for 1,507,170 flow-through common shares at $13.27 per common share for aggregate gross proceeds of $20,000,000 ("FT#22 Offering"). The fair value of the common shares was $6.50 per common share, resulting in the recognition of a flow-through premium liability of $6.77 per common share for a total of $10,203,000. As at March 31, 2024, the Company incurred all of the $20,000,000 required flow-through expenditures (March 31, 2023 - $16,812,000) in flow-through eligible expenditures, extinguishing the flow-through premium liability (March 31, 2023 - $1,627,000).

On March 20, 2023, the Company closed a private placement for 2,215,134 flow-through common shares at $22.57 per common share for aggregate gross proceeds of $50,000,000 ("FT#23 Offering"). The fair value of the common shares was $10.05 per common share, resulting in the recognition of a flow-through premium liability of $12.52 per common share for a total of $27,738,000.

As at March 31, 2024, the Company incurred all of the $50,000,000 required flow-through expenditures (March 31, 2023 - $nil) in flow-through eligible expenditures, extinguishing the flow-through premium liability (March 31, 2023- $27,738,000).

(Expressed in Canadian dollars)

9. FLOW-THROUGH PREMIUM LIABILITY (CONTINUED)

The flow-through premium liability from the FT#22 and FT#23 offerings is amortized over the periods in which the funds are spent on qualifying expenditures.

	March 31, 2024	March 31, 2023
	$	$
Opening Balance	**29,506,000**	1,863,000
Flow-through share premium issuance:		
FT#22 Offering	**-**	10,203,000
FT#23 Offering	**-**	27,738,000
Flow-through premium income	**(29,506,000)**	(10,298,000)
Ending Balance	**-**	29,506,000

10. ASSET RETIREMENT OBLIGATION

The asset retirement obligations arise from the Company's obligation to undertake camp reclamation and remediation in connection with its property and equipment. The obligation is estimated based on the Company's restoration plan and the estimated timing of the reclamation. The following table summarizes the Company's asset retirement obligation:

	March 31, 2024	March 31, 2023
	$	$
Opening Balance	**-**	-
Addition	**2,200,000**	-
Accretion	**18,000**	-
Change in estimate	**-**	-
Ending Balance	**2,218,000**	-

The assumptions used for the calculation were:

	March 31, 2024
Total undiscounted value of payments ($)	2,268,000
Discount rate (%)	3.22%
Expected timing of disbursements (years)	6
Inflation rate (%)	2.71%

11. SHARE CAPITAL

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

11.1 Common Shares

During the year ended March 31, 2024:

On August 3, 2023, the Company completed a private placement with Albemarle Inc. of 7,128,341 common shares at a price of $15.29 per common share for aggregate gross proceeds of $108,992,000. In connection with this private placement, the Company incurred $3,778,000 in share issuance costs in cash.

On October 31, 2023, the Company issued 120,000 common shares at a price of $10.37 per common share for aggregate gross proceeds of $1,244,000 as part of an acquisition of claim blocks at its Eastmain Property (Note 7.4.4).

During the year ended March 31, 2023:

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

On October 6, 2022, the Company issued 1,507,170 common shares in connection with a private placement of flow-through shares ("FT#22 Shares") at a price of $13.27 per FT#22 Share for aggregate gross proceeds of $20,000,000 (FT#22 Offering). In connection with the FT#22 Offering, the Company incurred issuance costs of $454,000 in cash and issued 71,530 broker warrants (Note 11.2)

On November 29, 2022, the Company issued 700,000 common shares in connection with the initial public offering on the Australian Securities Exchange ("ASX") of 7,000,000 CHESS Depository Interests ("CDI") at a price of AUD$0.60 per CDI for gross proceeds of AUD$4,200,000 (CAD$3,821,000). The CDIs are eligible for conversion to common shares on a 10:1 basis, resulting in an issue price per underlying common share of AUD$6.00.

On March 20, 2023, in connection with the FT#23 Offering, the Company issued 2,215,134 common shares at $22.572 per share for aggregate gross proceeds of $50,000,000. The Company incurred issuance costs of $1,228,000 in connection with this financing. The share issuance costs were offset by the recovery of $351,000 resulting from a favorable fluctuation of currency on funds held in escrow prior to the closing of the financing.

(Expressed in Canadian dollars)

11.2 Share purchase warrants

A summary of changes in the Company's share purchase warrants and broker warrants outstanding as at March 31, 2024 and 2023 is as follows:

	March 31, 2024		March 31, 2023	
	Number of warrants and broker warrants	**Weighted average exercise price ($)**	Number of warrants and broker warrants	Weighted average exercise price ($)
Outstanding, beginning of period	**27,877,148**	**0.67**	38,907,038	0.59
Granted	**-**	**-**	2,228,393	0.64
Issued	**2,876,863**	**0.75**	-	-
Exercised	**(25,601,605)**	**0.65**	(13,258,283)	0.42
Expired	**(876)**	**0.25**	-	-
Outstanding, end of period	**5,151,530**	**0.83**	27,877,148	0.67

<u>During the year ended March 31, 2024:</u>

The Company issued a total of 22,724,742 shares for warrants exercised and 2,876,863 shares for broker warrants exercised for total proceeds of $16,641,000. Provided that each broker warrant consists of one common share and one common share purchase warrant, the exercise of broker warrants also resulted in the issuance of 2,876,863 common share purchase warrants.

<u>During the year ended March 31, 2023:</u>

The Company issued a total of 13,258,283 shares for warrants exercised, for proceeds of $5,579,000.

In connection with the FT#22 Offering, the Company paid broker fees of $454,000 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#22 Offering. The fair value of warrants issued amounting to $316,000 was estimated using the Black-Scholes pricing model with a stock price of $6.50, volatility of 135.40%, risk-free rate of 3.99%, dividend yield of 0% and expected life of 2 years.

The Company also issued 2,156,863 broker warrant units in connection with the private placement that was completed on December 21, 2021. The broker's warrants entitle the holders to purchase a unit of the Company (a "Broker Unit") at a price of $0.45 until December 21, 2023. A Broker Unit consists of one common share of the Company and one common share purchase warrant, exercisable at $0.75 until December 21, 2023. The fair value of the brokers' warrants was estimated at $685,000.

The weighted average grant date fair value of the warrants granted during the year ended March 31, 2023, was $0.45 per warrant using the Black-Scholes Option Pricing Model.

(Expressed in Canadian dollars)

11.2 Share purchase warrants (continued)

The weighted average assumptions used for the calculation were:

	March 31, 2023
Share price at grant date ($)	0.67
Risk free interest rate (%)	1.14%
Expected life (years)	2.00
Expected volatility (%)	156%
Expected dividend per share	-
Fair market value of the warrant on grant date ($)	0.45

As at March 31, 2024, there are 5,151,530 share purchase warrants outstanding, with a weighted average exercise price of $0.83 and a weighted average 0.97 year to expiry, as follows:

Date issued	**Number of warrants**	**Exercise price ($)**	**Expiry date**
March 21, 2022	5,080,000	0.75	March 21, 2025
October 6, 2022	71,530	6.35	October 6, 2024
Outstanding, end of period	**5,151,530**		

11.3 Share-base payments

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

Under the Amended Omnibus Plan, the Company grants stock options, RSUs, PSUs and DSUs.

The following table summarizes the share-based compensation expense for years ended March 31, 2024 and 2023:

	March 31, 2024	March 31, 2023
	$	$
Stock options	3,763,000	12,368,000
RSUs	206,000	-
PSUs	206,000	-
DSUs	59,000	-
Total share-based compensation expense	**4,234,000**	12,368,000

(Expressed in Canadian dollars)

11.3.1 Stock Options

A summary of changes in the Company's stock options outstanding as at March 31, 2024 and 2023 is as follows:

	March 31, 2024		March 31, 2023	
	Number of options	**Weighted average exercise price ($)**	Number of options	Weighted average exercise price ($)
Outstanding, opening balance	**8,141,671**	**4.09**	5,069,300	0.45
Granted	**1,348,016**	**9.12**	6,025,000	5.56
Exercised	**(3,516,666)**	**0.85**	(2,907,629)	0.84
Expired	**(5)**	**-**	(45,000)	0.78
Outstanding, ending balance	**5,973,016**	**7.13**	8,141,671	4.09

All stock options presented above vest immediately upon grant, other than the following:

- 2,525,000 stock options granted on April 5, 2022: 2,385,000 vested upon grant, with 70,000 vesting 12 months from date of grant and the remaining 70,000 vesting 24 months from date of grant;
- 750,000 stock options granted on January 25, 2023: 250,000 vested upon grant, with 250,000 vesting 12 months from date of grant and the remaining 250,000 vesting 24 months from date of grant;
- 1,348,016 stock options granted on January 24, 2024: 449,338 vesting 12 months from date of grant, 449,338 vesting 24 months from date of grant and the remining 449,340 vesting 36 months from date of grant.

During the year ended March 31, 2024:

During the period, 3,516,666 stock options were exercised for proceeds of $2,270,000. A portion of the stock options were exercised utilizing the cashless exercise process available under the Amended Omnibus Plan and the Company issued a total of 3,439,474 shares during the period. The weighted average share price at the exercise dates was $8.54.

The Company granted through different grants a total of 1,348,016 stock options to certain officers and directors of the Company.

During the year ended March 31, 2023:

The Company issued a total of 2,907,629 shares for options exercised, for proceeds of $2,434,000. The weighted average share price at the exercise dates was $6.74.

The Company granted through different grants a total of 6,025,000 stock options to officers, directors and consultants of the Company.

The weighted average grant date fair value of the options granted during the year ended March 31, 2024, was estimated at $6.19 (March 31, 2023 - $2.67) per option using the Black-Scholes Option Pricing Model. Where relevant, the expected life has been adjusted based on management's best estimate for the effects of historical forfeitures and behavioral considerations. Expected volatility is based on the historical share price volatility.

(Expressed in Canadian dollars)

11.3.1 Stock Options (continued)

The weighted average assumptions used for the calculation were:

	March 31, 2024	March 31, 2023
Share price at grant date ($)	6.86	4.24
Risk free interest rate (%)	3.55%	3.01%
Expected life (years)	5	2
Expected volatility (%)	150%	133%
Fair market value of the option on grant date ($)	6.19	2.67

The following table summarizes information regarding the Company's outstanding and exercisable stock options as at March 31, 2024:

	Options oustanding			**Options exercisable**		
Range of exercise price per share ($)	**Weighted-average remaining years of contractual life**	**Number of stocks options outstanding**	**Weighted average exercice price ($)**	**Weighted-average remaining years of contractual life**	**Number of stocks options exercisable**	**Weighted average exercice price ($)**
0.30 to 0.53	0.57	600,000	0.47	0.57	600,000	0.47
1.74 to 2.58	1.15	1,025,000	2.15	1.16	955,000	2.18
7.00 to 9.78	3.31	3,598,016	8.54	2.40	2,250,000	8.20
12.50	1.82	750,000	12.50	1.82	500,000	12.50
0.30 to 12.50	2.48	5,973,016	7.13	1.80	4,305,000	6.29

11.3.2 RSUs, PSUs and DSUs

A summary of changes in the Company's RSUs outstanding as at March 31, 2024 is as follows:

	March 31, 2024	
	Number of RSUs	**Weighted average exercise price ($)**
Outstanding, opening balance	-	-
Granted	**56,971**	**16.10**
Settled	-	-
Forfeited	**(2,330)**	-
Outstanding, ending balance	**54,641**	**16.10**

(Expressed in Canadian dollars)

11.3.2 RSUs, PSUs and DSUs (continued)

A summary of changes in the Company's PSUs outstanding as at March 31, 2024 is as follows:

	March 31, 2024	
	Number of PSUs	**Weighted average exercise price ($)**
Outstanding, opening balance	-	-
Granted	56,971	16.10
Settled	-	-
Forfeited	(2,330)	-
Outstanding, ending balance	**54,641**	**16.10**

On June 29, 2023, the Company granted an aggregate of 48,002 RSUs and PSUs to employees and consultants of the Company. On November 9, 2023, the Company granted an aggregate of 8,969 RSUs and 8,969 PSUs to employees of the Company. All RSUs and PSUs were granted in accordance with the Company's Omnibus Equity Incentive Plan.

A summary of changes in the Company's DSUs outstanding as at March 31, 2024 is as follows:

	March 31, 2024
	Number of DSUs
Outstanding, opening balance	-
Granted	20,085
Settled	-
Forfeited	-
Outstanding, ending balance	**20,085**

On January 24, 2024, the Company granted an aggregate of 20,085 deferred share units (the "DSUs") to certain directors of the Company. All DSUs were granted in accordance with the Company's Omnibus Equity Incentive Plan.

The entirety of the RSUs and PSUs will vest on June 29, 2026. Up to 81,962 common shares are issuable pursuant to the vesting of the PSUs upon the achievement of certain performance milestones by the Company. The entirety of the DSUs will vest on January 24, 2024.

(Expressed in Canadian dollars)

12. EARNINGS (LOSS) PER SHARE

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

	Year ended	
	March 31, 2024	March 31, 2023
	$	$
Net income (loss) for the period	**2,607,000**	(10,115,000)
Earnings (loss) per share		
Basic	**0.02**	(0.11)
Diluted	**0.02**	(0.11)
Weighted average number of shares		
Basic	**115,391,723**	89,729,920
Dilutive effect of share purchase warrants and stock options	**6,143,995**	-
Diluted	**121,535,718**	89,729,920

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

For the year ended March 31, 2024, 3.3 million stock options and all PSUs and RSUs outstanding were excluded from the computation of diluted earnings per share as their effect was anti-dilutive.

As a result of the net loss for the year ended March 31, 2023, all potentially dilutive common shares (Note 11) are deemed to be antidilutive and thus diluted net loss per share is equal to the basic net loss per share for this period.

(Expressed in Canadian dollars)

13. FINANCIAL INSTRUMENTS

13.1 Categories of financial instruments

	March 31, 2024 **$**	March 31, 2023 $
Financial assets		
At amortized cost		
Cash and cash equivalents	**73,004,000**	56,724,000
Contractual receivables	**-**	351,000
Total financial assets	**73,004,000**	57,075,000
Financial liabilities		
At amortized cost		
Accounts payable and accrued liabilities	**30,382,000**	5,463,000
Total financial liabilities	**30,382,000**	5,463,000

13.2 Fair value

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

13.3 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 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.

The realization of the Company's long-range strategic objectives is dependent on its ability to raise financing from shareholders or lenders. Management continues to regularly review and consider financing alternatives to fund the Company's future operations and development activities.

The Company considers the components of shareholders' equity to be its capital. The Company is not subject to any externally imposed capital requirements.

The Company's existing business involve the identification, evaluation and acquisition of exploration and evaluation assets, as well as exploration of those properties once acquired, which exposes the Company to a variety of financial instrument related risks. These risks include credit risk, liquidity risk, foreign currency risk, interest risk and other risks. The Company's board of directors provides oversight for the Company's risk management processes.

13.3 Management of capital and financial risks (continued)

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from its operations. Cash and cash equivalent consists of chequing accounts at a reputable financial institution, from which management believes the risk of loss to be remote.

Financial instruments included in receivables consist mainly of amounts due in connection with the FT#23 Offering. At March 31, 2023, management considers the Company's exposure to credit risk is minimal.

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 March 31, 2024, all of the Company's accounts payable of $25,514,00 (March 31, 2023 – $3,870,000) have contractual maturities of 30 to 90 days and are subject to normal trade terms. The Company believes it has sufficient funds to meet its obligations and existing commitments for at least the next 12 months.

Foreign currency and interest risks

The Company is exposed to currency risk due to business transactions in foreign countries. The Company mainly transacts in Canadian dollars and Australian dollars. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. As at March 31, 2024 and March 31, 2023, the Company was not exposed to significant foreign currency and interest rate risk.

14. RELATED PARTY TRANSACTIONS

The Company's related parties include its subsidiaries and key management personnel. Key management personnel are considered to be the 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 as at March 31, 2024 and 2023.

Related party transactions to key management personnel are as follows:

	March 31, 2024	March 31, 2023
	$	$
Salaries, benefits and management fees	**4,880,000**	1,124,000
Salaries, benefits, management and consulting fees included in E&E assets	**876,000**	230,000
Share-based compensation	**3,060,000**	9,868,000
Total key management compensation	**8,816,000**	11,222,000

(Expressed in Canadian dollars)

15. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred the following non-cash financing and investing transactions during the years ended March 31, 2024 and 2023.

	Year ended	
	March 31, 2024	March 31, 2023
	$	$
Non-cash investing activities:		
Shares issued for E&E assets	**1,244,000**	1,454,000
Depreciation within E&E assets	**860,000**	-
Asset retirement obligation within Property and equipment	**2,200,000**	-
Office lease within Property and equipment	**362,000**	-
Flow-through interest	**(26,000)**	(44,000)
Non-cash financing activities:		
Value of warrants exercised from reserves	**1,288,000**	192,000
Value of options exercised from reserves	**2,145,000**	1,715,000
Share issuance costs - warrants	**-**	(1,001,000)
Included in Accounts payable and accrued liabilities:		
Additions to E&E assets	**14,363,000**	4,099,000
Additions to Property and equipment	**11,669,000**	-

16. COMMITMENTS

The Company has an agreement with a vendor related to accommodation at its Corvette property. The agreement includes a $2,700,000 commitment as at March 31, 2024 (March 31, 2023 - $3,200,000) which has a maturity of less than a year.

(Expressed in Canadian dollars)

17. INCOME TAXES

17.1 Provision for income taxes

The reconciliation of the effective tax expense to the expected tax recovery using the statutory tax rate is as follows:

	Year ended	
	March 31, 2024	March 31, 2023
	$	$
Income (Loss) before tax	**12,614,000**	(6,964,000)
Statutory tax rate	**26.5%**	27%
Expected tax income (recovery)	**3,343,000**	(1,880,000)
Change in statutory, foreign tax, foreign exchange rates and other	**(50,000)**	(1,000)
Permanent differences and other	**(7,357,000)**	302,000
Impact of flow-through shares	**14,095,000**	7,434,000
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	**(24,000)**	71,000
Change in unrecognized deductible temporary differences	**1,000**	(2,775,000)
Total income tax expense	**10,008,000**	3,151,000

17.2 Deferred tax balances

The tax effects of temporary differences between amounts recorded in the Company's accounts and the corresponding amounts as computed for income tax purposes gives rise to the following deferred tax assets and liabilities:

	Year ended	
	March 31, 2024	March 31, 2023
	$	$
Deferred tax assets/(liabilities)		
Tax loss carry forwards	**10,880,000**	4,884,000
Share issue costs	**1,189,000**	470,000
Net capital loss carry-forwards	**43,000**	44,000
Asset retirement obligation	**588,000**	-
Property and equipment	**(402,000)**	6,000
Lease liabilities	**97,000**	-
Right-of-use assets	**(90,000)**	-
E&E assets	**(23,971,000)**	(8,064,000)
Deferred tax assets not recognized	**(44,000)**	(44,000)
Net deferred tax liabilities	**(11,710,000)**	(2,704,000)

(Expressed in Canadian dollars)

17.2 Deferred tax balances (continued)

The movement in temporary differences for the year ended March 31, 2024 is as follows:

	March 31, 2023	Recognized in Income Tax Expense	Recognized in Shareholders Equity	**March 31, 2024**
	$	$	$	**$**
Deferred tax assets:				
Tax loss carry forwards	4,884,000	5,995,000	-	**10,879,000**
Share issue costs	470,000	(283,000)	1,002,000	**1,189,000**
Property and equipment	6,000	(408,000)	-	**(402,000)**
Lease liabilities	-	97,000	-	**97,000**
Asset retirement obligation	-	588,000	-	**588,000**
Deferred tax liabilities:				
E&E assets	(8,064,000)	(15,907,000)	-	**(23,971,000)**
Right-of-use assets	-	(90,000)	-	**(90,000)**
	(2,704,000)	(10,008,000)	1,002,000	**(11,710,000)**

18. 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 March 31, 2024			
E&E assets	$110,049,000	$1,878,000	$111,927,000
Balance, as at March 31, 2023			
E&E assets	$44,498,000	$1,770,000	$46,268,000

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

19. EVENTS AFTER THE REPORTING PERIOD

- On May 2, 2024, the Company increased its land position at its Corvette property through the acquisition of a 100% interest in a proximal claim block, which is comprised of 39 claims. The Company paid an aggregate $500,000 in cash and issued 150,000 common shares in the capital of the Company. The claim block is subject to a 2% NSR.
- On May 30, 2024, the Company closed a private placement for 5,159,959 flow-through common shares at C$14.54 per common share for aggregate gross proceeds of approximately $75,000,000.