



**QUANTUM**  
BATTERY METALS CORP

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE MONTHS ENDED APRIL 30, 2024**

# **QUANTUM BATTERY METALS CORP.**

## **Management Discussion and Analysis**

**For the three months ended April 30, 2024**

The Management Discussion and Analysis (“MD&A”), prepared June 24, 2024 should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended April 30, 2024 and the notes thereto of Quantum Battery Metals Corp. (“Quantum” or the “Company”) which were prepared in accordance with International Financial Reporting Standards (“IFRS”). Unless otherwise noted, all currency amounts are in Canadian dollars.

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events and include without limitation, statements regarding discussions of the Company’s business strategy, future plans, projections, objectives, estimates and forecasts and statements as to management’s expectations with respect to, among other things, the development of the Company’s project. These forward-looking statements involve numerous risks and uncertainties and actual results may vary. Important factors that may cause actual results to vary include without limitation, certain transactions, certain approvals, changes in commodity prices, risks inherent in exploration results, timing and success, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and mineral resources), delays in the receipt of government approvals, and changes in general economic conditions or conditions in the financial markets. In making the forward-looking statements in this MD&A, the Company has applied several material assumptions, including without limitation, the assumption that any additional financing needed will be available on reasonable terms.

Additional factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other factors: (1) the state of the global economy and economic and political events, including the deterioration of the global capital markets, affecting supply and demand and economic and political events affecting supply and demand; and (2) securing and the nature of regulatory permits and approvals and the costs of complying with environmental, health and safety laws and regulations.

The Company cannot assure you that any of these assumptions will prove to be correct.

The words “expect,” “anticipate,” “estimate,” “may,” “will,” “should,” “intend,” “believe,” “target,” “budget,” “plan,” “projection” and similar expressions are intended to identify forward-looking statements. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present during operations or if and when an undeveloped project is actually developed.

These factors should be considered carefully, and readers should not place undue reliance on the Company’s forward-looking statements. The Company believes that the expectations reflected in the forward-looking statements, including future-oriented financial information, contained in this MD&A and any documents incorporated by reference are reasonable, but no assurance can be given that these expectations will prove to be correct. In addition, although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, including future-oriented financial information, there may be other factors that cause actions, events, or results not to be as anticipated, estimated, or intended. The Company undertakes no obligation to disclose publicly any future revisions to forward-looking statements, including future-oriented financial information, to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events, except as expressly required by law.

Additionally, the forward-looking statements, including future-oriented financial information, contained herein are presented solely for the purpose of conveying our reasonable belief of the direction of the Company and may not be appropriate for other purposes.

The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

## DESCRIPTION OF BUSINESS

The Company was incorporated on August 6, 2010 under the British Columbia Business Corporations Act. On November 7, 2017, the Company changed its name to Quantum Cobalt Corp. from Bravura Ventures Corp. to better reflect its direction and cobalt resource properties and begun trading under the stock symbol “QBOT”. On March 23, 2021, the Company changed its name to Quantum Battery Metals Corp. to better reflect its direction and its cobalt and lithium resource properties and begun trading under the stock symbol “QBAT”. The Company is domiciled in Canada and is a reporting issuer with its common shares publicly traded on the Canadian Securities Exchange (“CSE”). The Company is currently in the process of identifying new business projects to pursue and develop further. The address of its head office is 400-837 West Hastings Street, Vancouver, British Columbia, Canada, V6C 3N6.

On April 23, 2021, the Company completed the acquisition of 1296991 B.C. Ltd. (“1296991”). 1296991 holds an option over the surface access rights, mineral rights, mineral exploration data and permits to 32 mining claims comprising the Rose West lithium project.

On October 7, 2022, the Company completed the acquisition of 1371817 B.C. Ltd. comprising the Lac Mistumis lithium project.

On May 2, 2023, the Company completed the acquisition of its first copper project, Hook's Harbour Copper Property through the acquisition of 1000333018 Ontario Corp. which has a 100% interest in and to 26 mineral claims, together with the surface rights, mineral rights, personal property and permits comprising the Hook's Harbour Property.

On April 12, 2024, the Company closed a share exchange agreement acquiring the Copper Coffer Property. The share exchange agreement detailed the acquisition of the property through acquiring 1470191 B.C. Ltd. (“1470191”), which has a 100% option interest in and to 24 mineral claims, together with the surface rights, mineral rights, personal property, and permits associated there with located on the Copper Coffer Property.

## MINERAL PROPERTIES

	Rabbit Cobalt Property	Kahuna Cobalt Property	Nipissing Lorain Property	Albanel Lithium Property	Kelso Lithium Property	Lac Mistumis Lithium Property	Hook's Harbour Copper Property	Copper Coffer Property	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, January 31, 2023	90,960	102,713	66,621	479,867	398,298	1,834,855	-	-	2,973,314
Property acquisition	-	-	-	8,840	3,230	-	4,497,567	-	4,509,637
Exploration expenditures	667	667	667	667	666	666	21,104	-	25,104
Advance royalty	-	25,000	-	-	-	-	-	-	25,000
Balance, January 31, 2024	91,627	128,380	67,288	489,374	402,194	1,835,521	4,518,671	-	7,533,055
Property acquisition	8,000	-	-	-	-	-	500	1,750,000	1,758,500
Exploration expenditures	-	-	-	-	-	-	940	-	940
Balance, April 30, 2024	99,627	128,380	67,288	489,374	402,194	1,835,521	4,520,111	1,750,000	9,292,495

### **Albanel Lithium Property, Quebec**

On October 3, 2019, the Company entered into a binding acquisition agreement with 1225768 B.C. Ltd. to acquire 100% interest in, and to, certain mineral properties, together with surface right, mineral rights, personal property and permits associated therewith, located in the Albanel property. The Albanel property is a lithium prospect with an approximate area of 2,751 hectares in a mining-friendly jurisdiction of Quebec. Pursuant to the acquisition agreement, the Company issued a total of 1,000,000 common shares in the capital of the Company with a fair value of \$350,000.

During the year ended January 31, 2022, the Company began the exploration work program for its lithium properties. The Company incurred \$75,639 of exploration expenditures during the year ended January 31, 2022, \$53,250 during the year ended January 31, 2023 and \$667 during the year ended January 31, 2024. Also, the Company renewed claims for \$8,840 only in year ended January 31, 2024. During the three months ended April 30, 2024, the Company incurred \$Nil of exploration expenditures.

### **Kelso Lithium Property, Quebec**

On October 3, 2019, the Company entered into a binding acquisition agreement with 1225768 B.C. Ltd. to acquire 100% interest in, and to, certain mineral properties, together with surface right, mineral rights, personal property and permits associated there with, located in the Kelso property. The Kelso property is a lithium prospect with an approximate area of 1,005 hectares in a mining-friendly jurisdiction of Quebec. Pursuant to the acquisition agreement, the Company issued a total of 1,000,000 common shares in the capital of the Company with a fair value of \$350,000.

During the year ended January 31, 2022, the Company began the exploration work program for its lithium properties. The Company incurred \$27,638 of exploration expenditures during the year ended January 31, 2022, \$20,303 during the year ended January 31, 2023 and \$666 during the year ended January 31, 2024. Also, the Company renewed claims for \$3,230 only in year ended January 31, 2024. During the three months ended April 30, 2024, the Company incurred \$Nil of exploration expenditures.

### **Lac Mistumis Lithium Property, Quebec**

On October 7, 2022, the Company closed the share exchange agreement with 1371817 B.C. Ltd. ("1371817") and the shareholders of 1371817. Through the acquisition of 1371817, the company would acquire 100% of the approximately 2,750-hectare Lac Mistumis Lithium Property, located in the territory of Eeyou Istchee, James Bay, Northern Quebec, Canada.

Pursuant to the share exchange agreement, the Company issued 4,444,444 common shares to the vendors in exchange for 100% of the outstanding shares of 1371817. The property is subject to a 3% net smelter returns royalty to the original vendor.

The Company has accounted for the purchase of 1371817 as an asset acquisition as it did not meet the definition of a business under IFRS 3, "Business Combination". The following table summarizes the total consideration, the fair value of the identifiable assets acquired and liabilities assumed as of the date of the acquisition:

Fair value of common shares issued (4,444,444 at \$0.41)	\$	1,822,222
Total consideration	\$	1,822,222
Assets acquired:		
Exploration and evaluation asset	\$	1,822,222

The Company incurred \$12,633 of exploration expenditures during the year ended January 31, 2023, \$666 during the year ended January 31, 2024 and \$Nil during the three months ended April 30, 2024.

## *Exploration Work Program for Lithium Properties*

On May 7, 2021, the Company planned a summer work program targeting the Kelso and Albanel lithium properties, located in James Bay, Quebec, Canada, known for high-quality, low-impurity spodumene. The Company organized and undergone a preliminary satellite survey and is currently awaiting final results of the survey.

On May 26, 2021, the Company completed a satellite survey over its Alba and Kelso lithium properties. The satellite survey has identified several anomalous areas which will be further investigated over the course of subsequent fieldwork.

On June 11, 2021, the Company began to mobilize a ground crew for its lithium projects – Rose West, Albanel and Kelso properties, as a priority for the 2021 mining program. The work being done will include rock sampling and the Company intends to use the survey results as a deciding factor on which parts of the three properties to start with. However, all three properties are located within Quebec, in which, cost and time for travel will be reduced due to the close proximity to each other. The proposed program budget will be adjusted as new results come in from initial geological work.

On June 24, 2021, the Company received positive results from its satellite survey which identified two outcropping pegmatites. These areas will be the main focus of the Company's Phase I exploration program on the Kelso and Albanel properties located in Quebec. The Kelso property consists of 19 contiguous claims totalling roughly 1,005.38 hectares and the Albanel property consists of 52 contiguous claims totalling approximately 2,751.15 hectares. The entire lithium property covers an area of approximately 3,756.53 hectares.

### Highlights:

- Regional infrastructure supporting low-cost exploration;
- Easy access to power lines that cut through the property;
- Quad access from nearby network of well-maintained "heavy haul" roads;
- Highly active area of exploration with major contractors and suppliers nearby lowering exploration cost.

On July 2, 2021, the Company received positive results and looks to expand land package near Rose West James Bay area. Currently, the Company has three projects within the James Bay area.

On July 27, 2021, the Company completed the first phase of its sampling program at the Albanel project. The grab samples indicate that the property has preliminarily visual anomalies which may extend its mineralization zone. The grab samples are currently in the process of being submitted for assay.

Based on the location of some of these anomalies, the Company has been recently active in the area with an on-site crew looking to strategically expand the footprint of the land package. The area in which the grab samples were taken have shown to have good access to the camp, supplies, and roads and infrastructure. The Company is exploring the idea of expansion near the project and exploring the idea of adding zones to make them contiguous tenements.

On August 16, 2021, the Company completed its sampling program of the Albanel, Kelso and Rose West lithium projects. In the second and final phase of the prospecting sampling program, the team, deployed in Quebec with assistance from a helicopter crew, was able to obtain 96 grab samples throughout the three lithium projects. The helicopter program lasted over several days and navigated to areas throughout the property. The additional grab samples by eyesight showed several anomalies, which were submitted to a laboratory for assay. The results for the previous samples taken from Albanel property in the first phase of the prospecting program are expected soon. The Company is excited to see the potential of its properties through the samples and intends to use the samples to plan its next exploration program.

On January 21, 2022, the Company started the preliminary review on a lithium project acquisition near the James Bay area. The claims neighbour properties with several new lithium discoveries and existing outcrops indicating continuous lithium-bearing pegmatites during their drill programs for lithium. The property is located near existing infrastructure and is easily accessible by road.

### **Rabbit Cobalt Property, Ontario**

On August 16, 2017, the Company closed its acquisition of 10336602 Canada Inc. (“10336602”) pursuant to a share exchange agreement, dated July 28, 2017, among the Company, 10336602 and the shareholders of the target. 10336602 holds the Rabbit Cobalt Property, comprising of approximately 1,000-hectares located 14 kilometers southeast of Temagami and 55 kilometers south of Cobalt, near the eastern border of Ontario. The property comprises of 66 claim units.

Pursuant to the share exchange agreement, the Company made a cash payment of \$350,000 and issued a total of 400,000 common shares in the capital of the Company, to the shareholders of 10336602 in exchange for 100,000 Class A common shares in the capital of 10336602. A finder’s fee in the amount of \$35,000 was paid in connection with the acquisition.

During the year ended January 31, 2020, substantive expenditure on further exploration for and evaluation of the Rabbit Cobalt Property was not being planned. As a result, a write-off of \$2,436,067 was recorded to the consolidated statement of loss and comprehensive loss during the year ended January 31, 2020.

During the year ended January 31, 2022, the Company began the comprehensive work program for its cobalt properties. The Company incurred \$40,584 of exploration expenditures during the year ended January 31, 2022, \$50,376 during the year ended January 31, 2023, \$667 during the year ended January 31, 2024 and \$Nil during the three months ended April 30, 2024. Also, the Company renewed claims for \$8,000 during the three months ended April 30, 2024.

### **Kahuna Cobalt Property, Ontario**

On October 5, 2017, the Company closed and signed the definitive agreement with Caprock Ventures Corp. dated August 10, 2017 to acquire 100% of the approximately 1,200-hectare Kahuna cobalt-silver property, located 37 kilometers south of Cobalt, Ontario. Pursuant to the share exchange agreement, the Company paid a cash payment of \$300,000 and issued a total of 1,000,000 common shares in the capital of the Company. A finder's fee in the amount of \$31,500 was paid in connection with the acquisition. The properties are subject to a 0.5% net smelter return royalty on cobalt-gold production, which includes advance royalty payments of \$25,000 annually on December 31, beginning in 2020. The Company has the option at any time to purchase 0.5% of the royalty on payment of \$500,000. The original vendors of the property will retain a 1% NSR on the properties. The Company will have the right to purchase the 1% for \$1,000,000.

During the year ended January 31, 2020, substantive expenditure on further exploration for and evaluation of the Kahuna Cobalt Property has not yet been planned, and will be evaluated pending the Company obtaining further funding. As a result, a write-off of \$1,022,567 was recorded to the consolidated statement of loss and comprehensive loss during the year ended January 31, 2020.

During the year ended January 31, 2023, the Company incurred \$2,713 of exploration expenditures and accounted \$100,000 as royalty due. During the year ended January 31, 2024, the Company incurred \$667 of exploration expenditures and accounted \$25,000 as royalty due. During the three months ended April 30, 2024, the Company incurred \$Nil of exploration expenditures and accounted \$Nil as royalty due.

## **Nipissing Lorain Property, Ontario**

On November 29, 2017, the Company closed the acquisition of 1142674 B.C. Ltd. ("1142674") pursuant to a share exchange agreement, among the Company, 1142674 and the shareholders of 1142674. 1142674 holds the Nipissing Lorrain cobalt project which is located 26 kilometers southeast of Cobalt, Ontario. The property consists of 38 claim units for approximately 464 hectares.

Pursuant to the share exchange agreement, the Company was required to pay an aggregate amount of \$1,000,000 over a six-month period from date of close of the share exchange agreement, with an initial cash payment of \$500,000 (paid on closing) and \$250,000 subsequently every three months.

During the year ended January 31, 2022, the subsequent payments amounting to \$500,000 were recorded as liability on the condensed consolidated interim statement of financial position. As at January 31, 2023, the Company has paid off this debt. A total of 500,000 common shares in the capital of the Company were also issued on closing to the shareholders of 1142674 in exchange for one Class A common share in the capital of 1142674.

During the year ended January 31, 2020, substantive expenditure on further exploration for and evaluation of the Nipissing Lorain Property was not being planned. In addition, the Company had not made all of the required payments under its November 29, 2017 share exchange agreement. As a result, a write-off of \$9,700,000 was recorded to the consolidated statement of loss and comprehensive loss during the year ended January 31, 2020.

During the year ended January 31, 2022, the Company began the comprehensive work program for its cobalt properties. The Company incurred \$19,901 of exploration expenditures during the year ended January 31, 2022, \$46,720 during the year ended January 31, 2023, \$667 during the year ended January 31, 2024 and \$Nil during the three months ended April 30, 2024.

### *Exploration Work Program for Cobalt Properties*

On July 15, 2021, the Company began planning comprehensive work program for cobalt properties. The Company will be progressing its exploration program with the inclusion of the Company's Nipissing cobalt property and Rabbit Lake cobalt property this year. The properties are located near the prolific district of Cobalt, Ontario, known for its high grades, ethical supply and historic mining.

This year, the Company contract further exploration work which will be a follow-up on the previous work results. The Company is also considering to commence a drilling program on targeting preidentified historical targets that were high grade and historically mined.

On September 30, 2021, the Company deployed its ground team to the Nipissing and Rabbit Lake properties in Ontario and completed the first phase of its in-depth cobalt exploration program. The first phase of the program consisted of mineral/rock prospecting and sampling for both properties. The samples were prioritized, as the Company expects to use these results to plan a drilling operation within the upcoming year. The first phase also continued mapping out additional anomalies further to the already existing locations from the Company's exploration program in 2017. Previously in 2017, the Company initiated an exploration program in which samples were collected, submitted and analyzed, in which the average grade of the samples taken from the pile was over 2.33 per cent cobalt (Co), with a peak value of 8.33 per cent Co. The Company is now looking into the properties more as they are encouraged to continue from the 2017 program results. Following the 2021 exploration phase, the results have been immediately sent to assay for processing and are pending at this moment.

On January 25, 2022, the Company contracted a geological expert to analyze and help develop a thorough exploration program with various options for resource development. The geologist will work with the Company and its team to review and advise for the 2022 cobalt program by using historical and previous

exploration programs of the Company.

On March 17, 2022, the Company finalized its 2022 cobalt exploration program and will deploy ground crew in upcoming weeks. The Company has had historical success in proving high-grade cobalt in the areas and has decided to increase its expenditures in the area.

### **Hook's Harbour Copper Property, Newfoundland and Labrador**

On May 2, 2023, the Company closed the acquisition of 1000333018 Ontario Corp. ("1000333018") pursuant to a share exchange agreement, among the Company, 1000333018 and the shareholders of 1000333018. 1000333018 has a 100% interest in and to 26 mineral claims, together with the surface rights, mineral rights, personal property and permits associated with the Hook's Harbour Copper Property. The property has an approximate area of 650 hectares in jurisdiction of Newfoundland, Canada.

Pursuant to the share exchange agreement, the Company issued 5,882,352 common shares and warrants to the shareholders of 1000333018 in exchange for 100% of the outstanding shares in 1000333018. The property is subject to a 3% net smelter returns royalty to the original vendor.

The Company has accounted for the purchase of 1000333018 as an asset acquisition as it did not meet the definition of a business under IFRS 3, "Business Combination". The following table summarizes the total consideration, the fair value of the identifiable assets acquired and liabilities assumed as of the date of the acquisition:

Fair value of common shares issued	\$	2,470,587
Fair value of warrants issued		2,270,560
<b>Total consideration</b>	<b>\$</b>	<b>4,741,147</b>
Allocated as follows:		
Cash	\$	250,000
Exploration and evaluation asset		4,491,147
<b>Net assets acquired</b>	<b>\$</b>	<b>4,741,147</b>

The Company incurred an additional \$6,420 of fees related to the transaction, which was capitalized as acquisition costs during the year ended January 31, 2024. The Company incurred \$21,104 of exploration expenditures during the year ended January 31, 2024 and \$940 during the three months ended April 30, 2024. Also, the Company renewed claims for \$500 during the three months ended April 30, 2024.

### *Exploration Work Program for Copper Property*

On August 29, 2023, the Company finalized its exploration program for the Hook's Harbour property, a highly prospective copper property located in Newfoundland, Canada. The Company indicated that the exploration program is set to be completed mid-September of 2023, and will consist of remote sensing leveraging cutting-edge remote sensing satellite technology to unearth significant mineral potential at the site and to identify future targets and anomalies on the property.

### **Copper Coffer Property, Newfoundland and Labrador**

On April 12, 2024, pursuant to the LOI signed on March 21, 2024, the Company closed a share exchange agreement acquiring the Copper Coffer Property. The share exchange agreement detailed the acquisition of the property through acquiring 1470191 B.C. Ltd ("1470191"), which has a 100% option interest in and to 24 mineral claims, together with the surface rights, mineral rights, personal property, and permits associated there with located on the Copper Coffer Property.



Pursuant to the agreement, on April 12, 2024, the Company issued 10,000,000 common shares to the shareholders of 1470191 in exchange for 100% of the outstanding shares in 1470191.

The Company has accounted for the purchase of 1470191 as an asset acquisition as it did not meet the definition of a business under IFRS 3, “Business Combination”. The following table summarizes the total consideration, the fair value of the identifiable assets acquired and liabilities assumed as of the date of the acquisition:

Fair value of common shares issued (10,000,000 shares at \$0.175)	\$	1,750,000
Total consideration	\$	1,750,000
Assets acquired:		
Exploration and evaluation asset	\$	1,750,000

## SELECTED ANNUAL FINANCIAL RESULTS

The following selected financial data with respect to the Company’s financial condition and results of operations have been derived from the audited consolidated financial statements of the Company for the years ended January 31, 2024, 2023, and 2022. The selected financial data should be read in conjunction with those consolidated financial statements and the notes thereto. In \$000’s except per share amounts:

	2024	2023	2022
	\$	\$	\$
Total revenue	Nil	Nil	Nil
Net loss	(1,050)	(509)	(8,417)
Basic and diluted loss per share	(0.03)	(0.02)	(0.53)
Total assets	7,732	3,044	865
Accounts Payable and accrued liabilities	1,091	1,140	1,036
Loans Payable	695	440	577
Cash dividends declared per share for each class of share	Nil	Nil	Nil

## OPERATIONS

### Three months ended January 31, 2024 compared with the three months ended January 31, 2023

During the three months ended January 31, 2024, the Company reported a net loss and comprehensive loss of \$164,583 compared to a net income of \$109,338 during the three months ended January 31, 2023, representing an increase in net loss of \$273,921.

The increase in net loss was mainly attributable to the increase in consulting fees to \$103,152 from \$35,000 during the same period in the previous year due to higher fees incurred or charged by consultants during the current period. Flow-through shares penalties decreased to \$Nil from \$3,000 during the same period of the previous year due to incurring qualified expenditures during the current period. Interest on loans payable increased to \$11,234 from \$4,875 during the same period of the previous year mainly due to the increase or new interest-bearing loans received resulting for higher accruals of interest on loans during the current period. Investor relations decreased to \$Nil from \$4,877 during the same period of the previous year due to no investor communications incurred during the current period. Management fees decreased to \$10,500 from \$27,000 during the same period of the previous year due to lower fees incurred during the current period. Office and miscellaneous expenses increased to \$9,312 from \$640 during the same period of the previous year due to the increase of business activities during the current period. Professional fees increased to \$33,000 from \$9,000 during the same period of the previous year due to higher professional fees incurred during the current period. Transfer agent and filing fees increased to \$8,185

from \$5,421 during the same period of the previous year due to increased activity and regulatory periodic filing fees incurred during the current period. Foreign exchange gain increased to \$800 during the current period from \$3,790 loss during the same period of the previous year. Write-off of accounts payable decreased to \$10,000 during the current period from \$27,961 during the same period of the previous year.

The Company's deferred income tax recovery decreased to \$Nil during the current period from \$44,215 during the same period of the previous year. Indemnity accrued of flow-through shares decreased of \$Nil during the current period from \$130,765 during the same period of the previous year.

### **Year ended January 31, 2024 compared with the year ended January 31, 2023**

During the year ended January 31, 2024, the Company reported a net loss and comprehensive loss of \$1,026,758 compared to a net loss of \$508,563 during the year ended January 31, 2023, representing an increase in net loss of \$518,195.

The increase in net loss was mainly attributable to the increase in consulting fees to \$389,332 from \$85,000 during the previous year due to higher fees incurred or charged by consultants during the current year. Advertising and promotion increased to \$397,655 from \$347,025 during the previous year due to higher advertising and promotion fees incurred during the current year. Flow-through shares penalties decreased to \$Nil from \$3,000 during the previous year due to incurring qualified expenditures during the current year. Interest on loans payable increased to \$33,675 from \$22,615 during the previous year mainly due to the increase or new interest-bearing loans received resulting for higher accruals of interest on loans during the current year. Investor relations decreased to \$5,575 from \$8,582 during the previous year due to lower investor communications incurred during the current year. Management fees decreased to \$93,905 from \$127,950 during the previous year due to the changes in the management resulting for lower fees incurred during the current year. Office and miscellaneous expenses increased to \$28,286 from \$24,377 during the previous year due to increased business activities during the current year. Professional fees decreased to \$63,165 from \$66,000 during the previous year due to lower professional fees incurred during the current year. Transfer agent and filing fees decreased to \$20,099 from \$26,620 during the previous year due to decreased activity and regulatory periodic filing fees incurred during the current year. Foreign exchange loss increased to \$6,042 during the current year from \$335 during the previous year. Write-off of accounts payable decreased to \$10,000 during the current year from \$27,961 during the previous year. Interest income increased to \$976 during the current year from \$Nil during the previous year.

The Company's deferred income tax recovery decreased to \$Nil during the current year from \$44,215 during the previous year. Indemnity accrued of flow-through shares decreased to \$Nil during the current year from \$130,765 during the previous year.

### **Three months ended April 30, 2024 compared with the three months ended April 30, 2023**

During the three months ended April 30, 2024, the Company reported a net loss and comprehensive loss of \$74,778 compared to a net loss of \$55,460 during the three months ended April 30, 2023, representing an increase in net loss of \$19,318.

The increase in net loss was mainly attributable to the increase in interest on loans payable to \$11,304 from \$5,790 during the same period of the previous year mainly due to the higher accruals of interest on loans during the current period. Investor relations increased to \$6,180 from \$1,840 during the same period of the previous year due to higher investor communications incurred during the current period. Office and miscellaneous expenses increased to \$14,078 from \$4,649 during the same period of the previous year due to increased business activities during the current period. Professional fees increased to \$15,057 from \$9,000 during the same period of the previous year due to higher professional fees incurred during the current period. Transfer agent and filing fees increased to \$4,779 from \$3,185 during the same period of the previous year due to decreased activity and regulatory periodic filing fees incurred during the current period. Management fees decreased to \$22,500 from \$27,500 during the same period of the previous year.

due to the lower fees incurred during the current period. Foreign exchange loss decreased to \$880 during the current period from \$3,496 during the same period of the previous year.

## **SUMMARY OF QUARTERLY RESULTS**

**(\$000's except earnings per share)**

	<b>April 30, 2024</b>	<b>January 31, 2024</b>	<b>October 31, 2023</b>	<b>July 31, 2023</b>
	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil
Net Loss	(75)	(187)	(252)	(555)
Basic and Diluted Loss per share	(0.00)	(0.00)	(0.01)	(0.02)

  

	<b>April 30, 2023</b>	<b>January 31, 2023</b>	<b>October 31, 2022</b>	<b>July 31, 2022</b>
	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil
Net Income (Loss)	(55)	109	(56)	(92)
Basic and Diluted Income (Loss) per share	(0.00)	0.00	(0.00)	(0.00)

During the first quarter of 2025, the Company had a net loss and comprehensive loss of \$74,778 compared to a net loss of \$55,460 in the first quarter of 2024. The significant change is due to \$11,304 from \$5,790 interest expense, \$14,078 from \$4,649 office and miscellaneous and \$15,057 from \$9,000 professional fees during the current period.

During the fourth quarter of 2024, the Company had a net loss of \$164,583 compared to a net comprehensive income of \$109,338 in the fourth quarter of 2023. The significant change is due to \$103,152 from \$35,000 consulting fees and due to \$Nil from \$130,765 indemnity accrued of flow-through shares incurred during the current period.

During the third quarter of 2024, the Company had a net loss of \$252,186 compared to a net loss of \$55,732 in the third quarter of 2023. The significant change is due to \$136,032 from \$Nil advertising and promotion fees and \$47,619 from \$Nil consulting fees incurred during the current period.

During the second quarter of 2024, the Company had a net loss of \$554,529 compared to a net loss of \$91,933 in the second quarter of 2023. The significant change is due to \$261,623 from \$Nil advertising and promotion fees and \$238,561 from \$Nil consulting fees incurred during the current period.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at April 30, 2024, the Company had a cash balance of \$100,745 and working capital deficiency of \$1,674,651 compared to \$165,073 and \$1,590,433, respectively, as at January 31, 2024.

During the three months ended April 30, 2024, net cash used in operating activities was \$54,888 (2023 - \$26,300) comprising a loss of \$74,778 (2023 - \$55,460), accrued interest on loans payable of \$11,304 (2023 - \$5,790), an increase in tax recoverable and other receivable of \$1,445 (2023 - \$1,725), an increase in prepaid expenses of \$1,039 (2023 - decrease of \$513) and an increase in accounts payable and accrued liabilities of \$11,070 (2023 - \$24,582).

Cash used in investing activities for the three months ended April 30, 2024 was \$9,440 (2023 - \$4,000), which was related to the mineral property exploration acquisition and mineral property exploration expenditures.

There were no financing activities for the three months ended April 30, 2024 and 2023.

## OFF-BALANCE SHEET ARRANGEMENTS

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

## TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties have occurred in the normal course of operations. Key management is comprised of directors and executive officers. The following compensation was paid to key management or companies controlled by key management during the three months ended April 30, 2024 and 2023:

		2024		2023
Management fees	\$	22,500	\$	27,500

As at April 30, 2024, the Company has included in accounts payable and accrued liabilities a total of \$549,963 (January 31, 2024 - \$540,513), which are payable to former directors, former officers, and companies controlled by a former officer.

As at April 30, 2024, the Company has included in accounts payable and accrued liabilities a total of \$93,765 (January 31, 2024 - \$83,585), which are payable to directors, officers, and companies controlled by directors.

As at April 30, 2024, the Company has included in loans payable an amount of \$20,000 (January 31, 2024 - \$20,000) and accrued interest of \$2,347 (January 31, 2024 - \$2,199) due to a director of the Company.

During the year ended January 31, 2023, the Company write-off an account payable to a former officer for a total of \$25,200.

## CRITICAL ACCOUNTING POLICIES

### Financial Instruments

#### Fair Values

The Company's financial instruments consist of cash, other receivable, accounts payable and loans payable. The following table summarizes the carrying values of the Company's financial instruments as at April 30, 2024 and January 31, 2024:

		April 30, 2024		January 31, 2024
Cash and other receivable (i)	\$	100,745	\$	165,073
Accounts payable and loans payable (i)	\$	1,808,146	\$	1,785,772

(i) Amortized cost

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs that are not based on observable market data.

The fair values of cash, other receivable, accounts payable and loans payable approximate their carrying values because of their current nature.

#### 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. The Company believes it has no significant credit risk.

#### 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. The Company's accounts payable and loans payable have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits. The Company is exposed to liquidity risk.

#### Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not have significant foreign exchange risk as majority of its transactions are in Canadian dollars.

#### Interest Rate Risk

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

### **SHARE CAPITAL**

#### Issued

The Company has 52,228,443 issued and outstanding as at April 30, 2024 and as at June 24, 2024.

#### Share Purchase Options

The Company has no stock options outstanding as at April 30, 2024 and as at June 24, 2024.

#### Warrants

The Company has 1,470,588 share purchase warrants outstanding as at April 30, 2024 and as at June 24, 2024.

#### Escrow Shares

The Company has no shares held in escrow as at April 30, 2024 and as at June 24, 2024.

## **Listing on Canadian Stock Exchange**

The Company began trading on the CSE on November 7, 2017 under the symbol “QBOT”. Effective February 10, 2015, the common shares of the Company were delisted from the TSX Venture Exchange (“TSXV”). On March 23, 2021, the Company changed its name to Quantum Battery Metals Corp. and began trading under the symbol of “QBAT”.

## **Private placements**

On March 11, 2022, the Company issued 4,166,666 common shares for gross proceeds of \$1,291,667 on the exercise of share purchase warrants at \$0.31 per share. The fair value of \$449,998 allocated to these warrants has been added to the share capital, totaling \$1,741,665.

On March 24, 2022, the Company closed and oversubscribed its non-brokered private placement, comprising 2,280,000 units at a price of \$0.50 per unit for gross proceeds of \$1,140,000. Each unit comprises of one common share of the Company and one common share purchase warrant of the Company. Each warrant is exercisable into a common share of the Company for a period of 12 months at an exercise price of \$0.75 during the 12 months. The fair value of the warrants at the date of grant was estimated using the Black-Scholes Option Pricing at \$368,830 and recorded in reserves in equity, resulting a \$771,170 in share capital.

On June 9, 2023, the Company closed its previously announced non-brokered private placement comprising 1,470,588 units at a price of \$0.34 per unit for gross proceeds of \$500,000 with a 50% over-allotment option. Each unit will comprise one common share and one common share purchase warrant of the Company. Each warrant will be exercisable into a common share of the Company for a period of 24 months at an exercise price of \$0.42 for 24 months from issuance. The fair value of the warrants at the date of grant was estimated using the Black-Scholes Option Pricing at \$212,995 and recorded in reserves in equity, resulting a \$287,005 in share capital.

As at April 30, 2024, the Company had \$1,500 (January 31, 2024 - \$1,500) of share subscription received in advance. During the year ended January 31, 2023, to recognize shares issued without compensation from one former officer and one third party, the Company reversed \$54,300 subscription not received accounted in common shares to reserves.

## **Shares issued for 1371817 acquisition**

On October 7, 2022, the Company issued 4,444,444 common shares at \$0.41 per share for a fair value of \$1,822,222 pursuant to the acquisition of Lac Mistumish Lithium Property.

## **Shares issued for 1000333018 acquisition**

On May 2, 2023, the Company issued 5,882,352 common shares at \$0.42 per share for a fair value of \$2,470,588 and 5,882,352 warrants to the shareholders of 1000333018 pursuant to the acquisition of Hook’s Harbour Copper Property. The warrants are exercisable for 24 months at a price of \$0.05 per warrant. The fair value of the warrants at the date of grant was estimated using the Black-Scholes Option Pricing at \$1,183,177 and recorded in reserves in equity, resulting a \$1,287,411 in share capital.

## **Shares issued for 1470191 acquisition**

On April 12, 2024, the Company issued 10,000,000 common shares at \$0.175 per share for a fair value of \$1,750,000 pursuant to the acquisition of Copper Coffer Property.

## **Flow-through shares issued in fiscal 2018**

During fiscal 2018, the Company renounced \$471,500 of Canadian exploration expenditures to subscribers of the 2018 flow-through financing. As a result of the flow-through financing, the Company recognized a liability of \$51,833 relating to the premiums subscribers had paid for the flow-through feature. After incurring expenditures, the Company recognized \$44,215 deferred income tax recovery in reduction of the premium on flow-through shares. As of April 30, 2024, the remaining liability relating to the premium was \$3,434 (January 31, 2024 - \$3,434).

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds received less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent on qualifying expenditures. At April 30, 2024, the amount of flow-through proceeds remaining to be spent on qualifying expenditures was \$19,664 (January 31, 2024 - \$20,604).

As a result of not incurring the qualified expenditures and not filing the forms with Canada Revenue Agency during the year ended January 31, 2024, the Company recognized an expense of \$7,776 (2023 - \$3,000) for late filing penalties and interest. As at April 30, 2024, accounts payable and accrued liabilities include \$61,989 (January 31, 2024 - \$61,989) related to interest and penalties.

The Company agreed to indemnify the flow-through shareholders for certain costs they incurred as a result of not meeting its obligation to spend the flow-through share proceeds on qualifying Canadian exploration expenditures in compliance with the applicable tax rules and pursuant to the share subscription agreement entered into. During the year ended January 31, 2023, the Company revised estimation and decrease \$130,765 accounted in comprehensive loss statement for the accrued indemnity of flow-through shareholders. As at April 30, 2024, accounts payable and accrued liabilities include \$115,000 (January 31, 2024 - \$115,000) related to this indemnity.

## **CHANGES IN ACCOUNTING POLICIES**

See Note 2 “Summary of Material Accounting Policies” and Note 3 “Application of new and revised international financial reporting standards” of the condensed consolidated interim financial statements for the three months ended April 30, 2024.

## **CONTINGENCES**

During the year ended January 31, 2023, the Company cancelled its directors and officers insurance policy liability which allowed reducing the various risks inherent to the Company’s activities. During the year ended January 31, 2024, the Company renewed its directors and officers insurance policy liability.

The Company raise financing by flow-through placements for which the Company renounced tax deductions to the investors. The Company engage eligible exploration expenses and management is required to fulfill its commitments within the stipulated deadline. However, there is no guarantee that the funds expended by the Company will qualify as Canadian exploration expenses, even if the Company is committed to take all necessary measures to that effect.

During the year ended January 31, 2024, the Company received reassessments from the Canada Revenue Agency (the "CRA") that deny non-capital loss deductions relevant to the calculation of income taxes for the years 2017, 2018, and 2019. The reassessments seek to disallow the deduction of approximately \$6 million of these non-capital losses under the Income Tax Act (Canada) and corresponding provincial legislation for the years 2017 to 2019. The Company remains confident in the appropriateness of its tax filing position and intends to vigorously defend it. As such, the Company has not recognized any provision on the result of the reassessed taxes, penalties, and interests for \$1,683,268 as at December 1, 2023 in its

audited annual consolidated financial statements. The Company filed a notice of objection for the reassessment and currently estimates that the ultimate resolution of the matter may take up to three years. If the Company is unsuccessful on its objection and appeal process, then any taxes payable plus interest and any penalties would have to be remitted.

## **MANAGEMENT CHANGES**

On August 29, 2022, the Company appointed Marc Momeni as CEO and Director of the Company following the resignation of Andrew Sostad as CEO and Director.

The Company's board now consists of Von Torres, David Greenway, Quinn Field-Dyte, Marc Momeni, and Dave Jenkins.