Electric Metals (USA) Limited
(formerly Nevada Silver Corporation)
Management’s Discussion and Analysis
Nine Months Ended September 30, 2023

Dated: November 28, 2023

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Electric Metals (USA) Limited (formerly Nevada Silver Corporation) ("EML" or the "Company") was prepared by management of the Company as at November 28, 2023, and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and notes thereto for the three and nine months ended September 30, 2023 (the "Financial Statements"). These condensed interim consolidated financial statements include the financial information of EML and its wholly-owned and controlled subsidiaries, Electric Metals (USA) Pty Limited, Electric Metals (USA) Inc., North American Silver Corp. ("NAS"), Centennial Mining Inc. and North Star Manganese Inc ("NSM") (together the "Company"). Additional information relating to the Company is available on SEDAR+ at **www.sedarplus.ca**.

The Financial Statements have been prepared by management and have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, limited operating history; no history of earnings or payment of any dividends; unlikely to generate earnings or pay dividends in the immediate or foreseeable future; possible variations in mineral resources; labour disputes; operating or capital costs; availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms; failure of equipment or processes to operate as anticipated; political, regulatory, environmental and other risks of the mining industry; reliance on management team; conflicts of interest among certain directors and officers of the Company; lack of liquidity for shareholders of the Company; and market risk.

Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies.

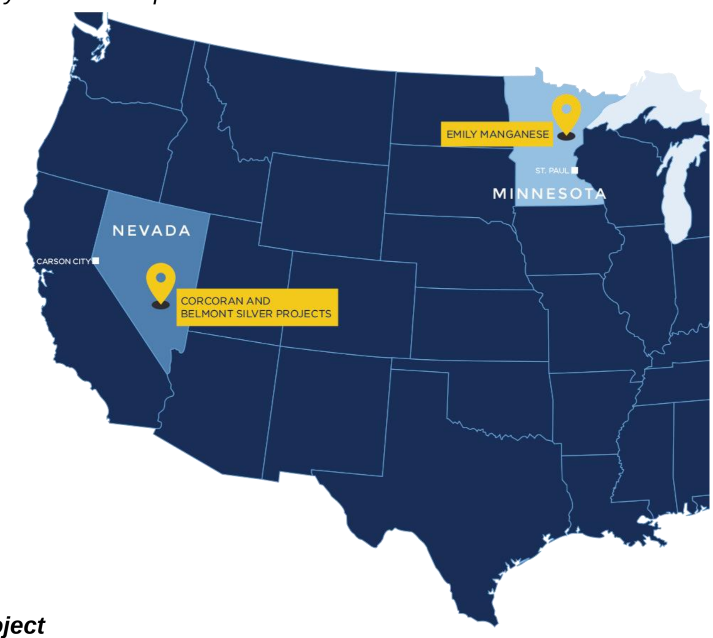
Description of Business

The Company was incorporated under the *Canada Business Corporations Act* on March 1, 2018. The head and registered offices of the Company are located at Suite 800, 365 Bay Street, Toronto ON M5H 2V1. The Company is engaged in the exploration and development of mineral properties in the USA. The Company's common shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol "EML". Effective January 2022, the Company obtained approval for trading on the OTCQB and commenced trading on the OTCQB under the ticker symbol "EMUSF". On May 16, 2023, the Company changed its name from Nevada Silver Corporation to Electric Metals (USA) Limited, and shifted focus to the Emily Manganese Project in Minnesota.

Exploration Projects

Figure 1 shows the location of the Emily Manganese Project and the Corcoran and Belmont Silver Projects, all of which are located in the USA.

Figure 1 – EML Property Location Map



Emily Manganese Project

EML's subsidiary, NSM, has a 100% interest in the Emily Manganese Project ("Emily") established through a series of agreements with Cooperative Mineral Resources, LLC ("CMR") and People's Security Company, Inc. ("PSC"). These agreements establish two general arrangements related to the use of lands owned by CMR and PSC:

1. a contract mining and sales arrangement between NSM and CMR for the extraction of manganese ores from the property whereby NSM has the exclusive right to mine and purchase the manganese ore; and
2. separate property leases and a manganese processing agreement between NSM, CMR and PSC, where CMR and PSC, will receive as rent for their properties a portion of NSM's net distributed profits from downstream sale of processed advanced materials from any ores mined by NSM from the Area of Interest (AOI).

NSM also has an option to purchase all of CMR's and PSC's mineral and surface assets, including all rights and obligations, for USD$30,250,000, less any net distributable profits paid by NSM.

In February 2023, NSM signed lease and purchase option agreements with two private landowners in Emily, Minnesota on two adjacent blocks of land covering approximately 77 acres of surface and mineral rights. Pursuant to the lease and purchase option agreements, NSM will pay the private landowners an annual fee of USD$6,000 due on closing and on each anniversary date of the agreement. The annual fee will increase by 3% each anniversary date. NSM can purchase the optioned property by paying USD$10 (paid) at closing for the option to purchase the land at any time for a mutually agreed market price or a professional appraisal price plus 15%. The land is subject to a 2.5% NSR that can be bought for USD$500,000 for each 1.25%, at any time.

In February 2023, NSM announced the commencement of drilling at the Emily Manganese Project, with all necessary permits and approvals having been received. A total of twenty-nine diamond core verification drill holes were completed, with the program designed to confirm Mn-Fe mineralized drilling intersections reported by other companies within the Emily Project area, and to extend the area of known mineralization. Final drill results were subsequently announced on October 31 which confirmed that the high-grade manganese mineralization extends for at least 1,100 metres and has not been closed at depth or along trend. With all assays from the drill program now received, attention has turned to the NI43-101 resource update, and advancing the metallurgical test work which commenced in September 2023.

Corcoran Canyon Silver Project

Corcoran is a silver-gold project located northeast of Tonopah, in central Nevada, USA. It comprises 328 contiguous, unpatented mineral claims with an area of approximately 2,674 hectares (ha) (6,626 acres). All claims are owned 100% by EML through its wholly owned subsidiary NAS and are in good standing until August 31, 2024.

Corcoran has been explored since 1970. To the end of 2011, 123 drillholes with an aggregate length of 17,895 meters (m) had been drilled by various operators. The bulk of the drilling, approximately 80 of the 123 holes, has been on the Silver Reef Zone, the most significant of the known mineral occurrences on the Property. The Company completed a 3,040-meter (m) drill program comprising 17 diamond core drill holes on December 15, 2021, with final analytical results announced in January 2022.

Silver Reef is a northeast-trending mineralized zone 300 m wide and one km long on Silver Reef Hill in the centre of the Property. 8 of the claims are currently subject to a 2% net smelter return ("NSR") royalty. Any surrounding claims acquired or staked by the Company would also become subject to the 2% NSR royalty, unless those claims are subject to an NSR royalty owed to a third party. For further information, please see the technical report entitled "Corcoran Canyon Silver-Gold Property" prepared by G. Mosher, P.Geo, M.Sc and D. Smith, P. Geo., M.S. dated effective October 12, 2020 which can be found under the Company's profile on www.sedarplus.ca.

Belmont Silver Project

In September 2021, the Company, through its subsidiary Centennial Mining Inc, filed 124 unpatented mineral claims with an area of approximately 1,034 hectares. These staked mineral claims cover two areas of extensive historic silver mines 15 kilometers southwest of the Corcoran Silver-Gold Project and 80 kilometers north-east of Tonopah in Nye County, Nevada. Between February and May 2022, the Company reached agreement to acquire a number of patented claims covering approximately 246 hectares. The patented and unpatented claim areas surround or cover the majority of old silver workings of the Belmont silver mining camp near the historic Belmont town.

Belmont was among the earliest and richest silver mining camps in the Tonapah district with an estimated ore head-grade averaging 25 ounces per ton of silver. Historical accounts describe numerous prospect pits and mine openings of shallow underground workings with richest ore above the water table where silver occurred mostly as silver chloride (cerargyrite). Silver-bearing sulfides together with copper, molybdenum, lead, zinc and antimony minerals were reported at depth.

During the camp's silver mining heyday between 1865 and 1889 Belmont's population was about 10,000 and the town was the seat of Nye County Government. 1887 silver production from the district was estimated as $3,793,103 (1887 value) from 58,906 tons, more than $110,000,000 in today's dollars. Most mining activities are thought to have been suspended when mine dewatering reduced the Belmont township water supply.

In February 2022, the Company entered into an option agreement with Summa LLC (the "Original Option Agreement"), pursuant to which the Company has the right to acquire a 100% interest in five patented lode mining claims in Nevada covering approximately 69.88 acres. Under the Original Option Agreement (later amended – see below), the Company has the right to purchase the optioned property for USD$10,000 per acre, or a total of USD$700,000. The Company had the option to defer payment for up to five years by paying cash or (at the option of Summa LLC) issuing common shares of the Company on the anniversary dates of the option agreement, or until February 11, 2027 in the following amounts:

- USD$30,000 in common shares of the Company at a fair value of $0.32 per share on the effective date (issued 118,750 common shares valued at $38,000);

- USD$35,000 in cash or common shares of the Company at a price per share equal to the 10 day VWAP on the first anniversary date (paid cash of USD$35,000);
- USD$40,000 in cash or common shares of the Company at a price per share equal to the 10 day VWAP on the second anniversary date;
- USD$45,000 in cash or common shares of the Company at a price per share equal to the 10 day VWAP on the third anniversary date;
- USD$50,000 in cash or common shares of the Company at a price per share equal to the 10 day VWAP on the fourth anniversary date;
- USD$700,000 in cash on the fifth anniversary date.

The Company may exercise the option to purchase the optioned property by paying USD$700,000 at any time.

In April 2022, the Company entered into a Deed of Variation with Summa LLC whereby it was agreed that all option payments, except the option payments which have already been made, must be in the form of cash and deleted Summa's option to accept deferral payments in the form of common shares of the Company.

In May 2022, the Company entered into an option agreement with Bottom Family Trust and Kristina Lynn Boscovich Limon whereby the Company has the right to acquire a 100% interest in one patented lode mining claim in Nevada covering approximately 2.41 acres. Pursuant to the option agreement, the Company can purchase the optioned property for USD$25,000. The Company has the option to defer payment for up to five years by paying USD$1,500 cash on the anniversary dates of the option agreement (paid for 2023), or until May 10, 2027, when a USD$25,000 cash payment is to be made.

In May 2022, the Company entered into an option agreement with HRH Nevada Resources, Ltd. and Trish Rippie Realty, Inc., whereby the Company has the right to acquire a 100% interest in eight patented lode mining claims in Nevada covering approximately 174.04 acres. Pursuant to the option agreement, the Company can purchase the optioned property for USD$10,000 per acre, or a total of USD$1,740,400. The Company has the option to defer payment by paying an annual rental fee of USD$300 per acre. Both the option purchase price and the annual rental fee are each adjusted annually by way of a Silver Price Adjustment as represented by the annual percent (%) increase in the daily price of silver per troy ounce, published by the London Bullion Market Association, with the February 2022 average price being the Beginning Index Price. The annual rental fee shall not be reduced below USD$300 per acre and the option purchase price shall not be reduced below USD$10,000 per acre. The Company has paid the annual rental fee for 2022 and 2023.

In the event the Company purchases the optioned property outright, the transfer will be subject to HRH Nevada Resources, Ltd. and Trish Rippie Realty, Inc., each retaining a 1.5% NSR.

All of the properties acquired under the agreements with Summa LLC, Bottom Family Trust and Kristina Lynn Boscovich Limon, and HRH Nevada Resources, Ltd. and Trish Rippie Realty, Inc., are collectively referred to as the "Belmont Silver Project".

USD$13,683 of reclamation bonds have been paid towards the Belmont Silver Project.

Summary of Expenditures

Below is a summary of the changes in the exploration and evaluation assets during the nine months ended September 30, 2023 and year ended December 31, 2022.

	Corcoran Canyon Silver Project $	Belmont Silver Project $	Emily Manganese Project $	Total $
Balance, December 31, 2021	**4,724,659**	**53,286**	**1,650,346**	**6,428,291**
Acquisition costs	-	117,449	24,719	142,168
Consulting – Geological	169,477	121,115	264,273	554,865
Consulting – Environmental	250,375	1,719	134,042	386,136
Consulting – Drilling	-	86,865	103,830	190,695
Consulting - Other	99,095	44,296	201,199	344,590
Permitting, sampling, assays and surveys	53,037	113,779	54,782	221,598
Drilling	4,372	507,735	-	512,107
Site visits	49,150	44,357	-	93,507
Staking	-	5,204	-	5,204
Foreign exchange	202,333	42,707	92,173	337,213
Balance, December 31, 2022	**5,552,498**	**1,138,512**	**2,525,364**	**9,216,374**
Acquisition costs	78,605	148,524	59,065	286,194
Consulting – Geological	716	(6,210)	1,245,817	1,240,323
Consulting – Environmental	134,223	-	229,157	363,380
Consulting – Drilling	-	-	27,615	27,615
Consulting - Other	5,739	6,462	157,108	169,309
Permitting, sampling, assays and surveys	1,274	-	336,232	337,506
Drilling	(754)	5,156	3,758,573	3,762,975
Field supplies	-	-	206,621	206,621
Site visits	-	-	153,767	153,767
Foreign exchange	(5,024)	(1,202)	25,794	19,568
Balance, September 30, 2023	**5,767,277**	**1,291,242**	**8,725,113**	**15,783,632**

Selected Financial Information

The following selected financial data is derived from the consolidated financial statements of the Company.

Selected Statement of Financial Position Data

	As at September 30, 2023	As at December 31, 2022	As at December 31, 2021
Working capital (deficiency)	(1,473,897)	(2,815,992)	(640,953)
Total current assets	1,393,483	303,610	404,012
Total current liabilities	2,867,380	3,119,602	1,044,965
Total shareholders' equity	14,444,775	6,689,099	5,789,186

Quarterly Information

The following selected financial data is derived from the Company's unaudited quarterly financial statements for the last eight quarters.

	Three months ended			
	September 30, 2023 $	June 30, 2023 $	March 31, 2023 $	December 31, 2022 $
Revenues	Nil	Nil	Nil	Nil
Working capital (deficiency)	(1,473,897)	(3,708,908)	(2,047,070)	(2,815,992)
Total assets	17,312,155	14,960,582	12,167,821	9,808,701
Net loss for the period	(1,003,594)	(913,185)	(842,297)	(791,738)
Net loss per share	(0.01)	(0.01)	(0.01)	(0.01)

	Three months ended			
	September 30, 2022 $	June 30, 2022 $	March 31, 2022 $	December 31, 2021 $
Revenues	Nil	Nil	Nil	Nil
Working capital (deficiency)	(1,014,617)	(605,430)	467,746	(640,953)
Total assets	8,959,226	8,270,682	8,155,976	6,834,151
Net loss for the period	(507,903)	(574,022)	(633,453)	(581,940)
Net loss per share	(0.01)	(0.01)	(0.01)	(0.01)

The net loss for the quarter ended March 31, 2023 is higher than the previous quarters due to share-based compensation recognized during the quarter.

The net loss for the quarter ended June 30, 2023 is higher than the previous quarters due to increased business activities.

The working capital deficiency decreased during the quarter ended September 30, 2023, as a result of the increased cash balance and decreased accounts payable and accrued liabilities.

Results of Operations

Nine months ended September 30, 2023
The Company recorded a net loss of $2,759,076 ($0.03 per share) for the nine months ended September 30, 2023 (2022 - $1,715,378 and $0.03 per share). The Company had no revenue, paid no dividends and had no long-term liabilities during the nine months ended September 30, 2023. Variances of note in the operational expenses are:

Consulting fees of $465,202 (2022 - $214,672) were higher during the nine months ended September 30, 2023 primarily due to consulting fees recognized for Henry Sandri's fees.

Professional fees of $1,133,026 (2022 - $493,738) were higher during the nine months ended September 30, 2023 primarily due to legal fees associated with consultation regarding the drafting of agreements, permitting, state lease negotiation, and project development matters.

Share based compensation of $430,784 (2022 - $78,460) was higher during the nine months ended September 30, 2023 due to the immediate vesting of the options granted on January 13, 2023.

Three months ended September 30, 2023
The Company recorded a net loss of $1,003,594 ($0.01 per share) for the three months ended September 30, 2023 (2022 - $507,903 and $0.01 per share). The Company had no revenue, paid no dividends and had no long-term liabilities during the three months ended September 30, 2023. Variances of note in the operational expenses are:

Consulting fees of $314,038 (2022 - $77,004) were higher during the three months ended September 30, 2023 primarily due to consulting fees recognized for Henry Sandri's fees.

Professional fees of $479,660 (2022 - $121,638) were higher during the three months ended September 30, 2023 primarily due to legal fees associated with consultation regarding the drafting of agreements, permitting, state lease negotiation, and project development matters.

Financing Activities

On February 11, 2022, the Company issued 118,750 common shares at a fair value of $38,000 to Summa LLC pursuant to an option payment for the Belmont Silver Project.

On February 28, 2022, the Company closed a private placement of 6,670,000 units of the Company for gross proceeds of $2,001,000. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of $0.45 per share for a period of two years. The Company will be entitled to accelerate the warrant expiry date upon notice to the warrant holders should the closing price of the shares of the Company on the TSXV be equal to or greater than $0.80 for ten consecutive trading days. Total share issue costs of $12,290 were incurred in connection with the private placement. Using the residual method, proceeds of $2,001,000 were attributed to common shares and $nil was attributed to warrants.

On August 31, 2022, the Company closed a non-brokered private placement of securities of NSM to provide NSM with interim exploration financing and general working capital ("NSM financing"). NSM issued a total of 3,160,223 shares of NSM at a price of USD$0.25 per share for aggregate gross proceeds of $1,017,022 (USD$790,058). As a result of the NSM financing, the Company's ownership in NSM was reduced to 90.5%. No fees were payable on the financing.

On January 5, 2023, the Company closed a private placement of common shares and warrants of the Company for gross proceeds of $3,499,980. Pursuant to the offering, the Company issued 21,212,000 common shares at a price of $0.15 per share and 21,212,000 warrants at a price of $0.015 per warrant. Each warrant was exercisable to acquire one common share of the Company at a price of $0.25 per share for a period of 24 months from the date of issuance. In the event the volume weighted average trading price of the common shares of the Company on the TSXV was equal to or greater than $0.30 per share for a period of at least twenty consecutive trading days, the Company had the right to accelerate the expiry date of the warrants to a date that was 30 calendar days after notice is given of such Acceleration Event by ways of news release. Total cash share and warrant issue costs of $504,098 including finder's fees were incurred in connection with the private placement. As of December 31, 2022, $148,893 of the share and warrant issue costs were recorded as deferred share issuance costs on the consolidated statement of financial position. On July 24, 2023, the Company accelerated the expiry date of the warrants to August 24, 2023. As a result, 17,552,500 warrants were exercised for gross proceeds of $4,388,125. The Company also transferred $263,288 from warrants reserve to share capital. The weighted average share price on the date of exercise was $0.27 per share.

The Company also issued an aggregate of 1,394,750 finders warrants (the "Finders Warrants") as part of the January 5, 2023 financing. Each Finders Warrant entitles the holder to acquire one common share of the Company at a price of $0.165 per share for a period of 2 years. The fair value of the Finders Warrants has been estimated to be $157,485 using the Black-Scholes option pricing model using the following assumptions: share price at the time of issuance $0.195; risk-free interest rate of 4.03%; expected life of 2 years; dividend yield of 0%; forfeiture rate of 0% and annualized volatility of 100%.

The total share and warrant issue costs were $661,583. Based on a proportional allocation of the share and warrant proceeds, $601,439 of the costs were allocated to the common shares and $60,144 of the costs were allocated to the warrants.

On April 4, 2023, the Company completed the acquisition of all of the outstanding securities of NSM (the "NSM Shares") that it did not already hold (the "NSM Share Acquisition"). The NSM Share Acquisition was accomplished pursuant to exchange agreements whereby each holder of NSM Shares agreed to exchange their NSM Shares for units of EML (the "Units") on the basis of 2.04545 Units per NSM Share, with each Unit comprised of one common share and one common share purchase warrant. In aggregate the Company issued 6,464,113 Units to the (former) NSM Shareholders. Each warrant is exercisable to acquire one common share of the Company at a price of $0.25 per share for a period of 24 months following issuance thereof. The expiry date of the warrants will accelerate in the event the volume weighted average trading price of the shares on the TSXV is equal to or exceeds $0.30 per share for a period of 20 consecutive trading days (an "Acceleration Event"). If an Acceleration Event occurs, the warrants will expire 30 days after notice of such Acceleration Event. Following the NSM Share Acquisition, the Company indirectly holds 100% of the outstanding NSM Shares. The fair value of the warrants has been estimated to be $672,800 using the Black-Scholes option pricing model using the following assumptions: share price at the time of issuance $0.21; risk-free interest rate of 3.55%; expected life of 2 years; dividend yield of 0%; forfeiture rate of 0% and annualized volatility of 100%.

On June 16, 2023, the Company closed a non-brokered private placement of 10,744,680 units of the Company for gross proceeds of $2,525,000. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of $0.35 per share for a period of two years. Total share issue costs of $165,491 were incurred in connection with the private placement. Using the residual method, proceeds of $2,525,000 were attributed to common shares with $nil was attributed to warrants.

On August 28, 2023, the Company closed a non-brokered private placement of 1,702,128 units of the Company for gross proceeds of $400,000. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of $0.35 per share for a period of two years and may be cashlessly exercised subject to certain conditions. Total share issue costs of $78,538 were incurred in connection with the private placement. Using the residual method, proceeds of $374,468 were attributed to common shares with $25,532 attributed to warrants.

During the period from inception on July 24, 2019 to December 31, 2019, the Company incurred director fees of $85,291 and made payments of $58,404, resulting in net balance owing of $26,887 to the CEO of the Company. The loan was non-interest bearing, due on demand, unsecured and had no maturity date. During the year ended December 31, 2020, the Company received additional advances totaling $18,577 from the CEO. During the year ended December 31, 2021, the Company made repayments of $35,259. During the nine months ended September 30, 2023, the Company made repayments of $11,090. The balance of the loan payable was $nil as of September 30, 2023 (December 31, 2022 – $10,196).

On May 25, 2020, the Company entered into a loan agreement with a company owned by the CEO of the Company. A maximum principal amount of AUD$100,000 is secured by the Corcoran Canyon Silver Project owned by the Company in Nevada, USA. Any balance owing greater than AUD$100,000 is unsecured. During the year ended December 31, 2022, the Company made repayments of $48,789. During the nine months ended September 30, 2023, the Company made repayments of $64,407. The loan is non-interest bearing and due on demand. The balance of the loan payable was $107,377 as of September 30, 2023 (December 31, 2022 - $180,145).

Liquidity, Capital Resources, and Outlook

As of September 30, 2023, the Company had a working capital deficit of $1,473,897 (December 31, 2022 – $2,815,992). During the nine months ended September 30, 2023, net cash used in operating activities was $2,083,942. Net cash used in investing activities included $6,832,382 related to mineral property acquisition and exploration costs and $2,710 for equipment purchases. Net cash provided by financing activities was $5,676,853 of net proceeds received from private placements and $4,388,125 of proceeds received from warrant exercises which was offset by $75,497 in loan repayments to related parties.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure that optimizes the costs of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity. 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 its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company is a junior exploration company principally engaged in the exploration and development of the Emily Manganese project in Minnesota, USA. The Company's future performance depends on, among other things, its ability to discover and develop resources and ore reserves at commercially recoverable quantities, the prevailing market price of commodities it produces, the Company's ability to secure required financing, and in the event ore reserves are found in economically recoverable quantities, the Company's ability to secure operating and environmental permits to commence and maintain mining operations.

The Company's Financial Statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At September 30, 2023, the Company had accumulated losses of $10,887,616 since its inception and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration and corporate overhead. These conditions indicate a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. The consolidated financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

Capital Expenditures

The Company incurred $6,567,258 in exploration and evaluation expenditures and acquisition costs during the nine months ended September 30, 2023 (2022 - $2,019,613).

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as of September 30, 2023.

Transactions with Related Parties

Related party transactions are comprised of services rendered by key management personnel of the Company or by a company with a director and/or officer in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

The Company incurred charges to directors and officers, or to companies associated with these individuals, during the three and nine months ended September 30, 2023 and 2022:

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Directors fees	(12,000)	24,000	36,000	96,000
Consulting fees	343,031	94,914	518,397	287,494
Professional fees	113,584	54,910	277,458	246,735
Share issue costs	78,538	-	128,202	-
Share-based compensation	-	-	430,784	65,424
	523,153	173,824	1,390,841	695,653

The amounts due to related parties included in accounts payable and accrued liabilities at September 30, 2023 are $359,596 owing to Henry Sandri, $70,883 owing to John Kutkevicius, $37,839 owing to Ian Pringle, $36,000 owing to Megan McElwain, $100,436 owing to Wildeboer Dellelce LLP, a legal firm where John Kutkevicius is a partner, and $28,440 owing to Malaspina Consultants Inc., a company in which the CFO of the Company (Natasha Tsai) is a shareholder.

During the three and nine months ended September 30, 2023, the Company entered into the following transactions with key management personnel and/or related entities:

a) Incurred director fees of $nil and $nil (2022 – $nil and $24,000) to Sheldon Inwentash, former director.
b) Incurred director fees of $12,000 and $36,000 (2022 - $12,000 and $36,000) to John Kutkevicius.
c) Incurred director fees of $(36,000) and $(36,000) (2022 - $12,000 and $36,000) to Henry Sandri.
d) Incurred director fees of $12,000 and $36,000 (2022 - $nil and $nil) to Megan McElwain.
e) Incurred consulting fees of $69,636 and $202,294 (2022 – $57,238 and $176,080) to Gary Lewis.
f) Incurred consulting fees of $28,993 and $71,701 (2022 - $37,676 and $114,414) to Ian Pringle.
g) Incurred consulting fees of $244,402 and $244,402 (2022 - $nil and $nil) to Henry Sandri.
h) Incurred professional fees of $26,482 and $86,416 (2022 – $19,048 and $67,704) to Malaspina Consultants Inc., a company in which the CFO of the Company (Natasha Tsai) is a shareholder

i) Incurred professional fees of $87,102 and $191,042 (2022 – $35,862 and $179,031) to Wildeboer Dellelce LLP, a legal firm where John Kutkevicius is a partner.
j) Incurred share issue costs of $78,538 and $128,202 (2022 - $nil and $nil) to Wildeboer Dellelce LLP, a legal firm where John Kutkevicius is a partner. As at September 30, 2023, the Company has recorded deferred share issuance costs of $nil (December 31, 2022 - $148,893) charged by Wildeboer Dellelce LLP.

Other related party transactions are disclosed above under the Financing Activities section.

Events Subsequent to the Company's September 30, 2023 Quarter End

a) On October 10, 2023, the Company announced that it has closed the second and final tranche of its previously announced non-brokered financing. Pursuant to the financing, the Company issued a total of 14,255,319 units at a price of $0.235 per unit for gross proceeds of $3,350,000. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of $0.35 per share for a period of two years. The share purchase warrant may be cashlessly exercised subject to certain conditions.

b) In October 2023, the Company granted 1,500,000 stock options to a director of the Company. Each stock option entitles the holder to purchase one common share of the Company at an exercise price of $0.25 per share for a 5-year period. 1,000,000 options vested immediately, while 500,000 options will vest in the event that the volume weighted average price of the EML shares exceeds $0.50 for any 20 consecutive trading days on the TSXV.

Critical Accounting Estimates and Policies

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only; in the period of the change and future periods, if the change affects both.

Critical Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Impairment of exploration and evaluation assets
The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

Issuances of shares for goods and services
Management makes judgments in determining the share price attributed to issuances of shares for goods and services. Management considers market conditions, recent or pending private placements of the Company, and or contracted terms of the issuance. Should management's judgment as to an appropriate share price be incorrect, the value attributed could be materially different.

Key Sources of Estimation Uncertainty

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

Share-based compensation
The Company measures the value of equity-settled transactions with employees, and with non-employees when the fair value of the goods or services received is not determinable, by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based compensation requires determining the most

appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, reclamation bonds, accounts payable and accrued liabilities and loans from related parties. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values.

Disclosure of Outstanding Share Data

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

Issued and outstanding common shares	144,712,683
Share options with a weighted average exercise price of $0.27	5,750,000
Share purchase warrants with a weighted average exercise price of $0.33	37,895,991
Fully Diluted	**188,358,674**

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2023 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company on SEDAR+ at www.sedarplus.ca.

Risks and Uncertainties

The Company is currently subject to financial and regulatory risks. The financial risk is derived from the uncertainty pertaining to the Company's ability to raise capital to continue operations. Regulatory risks include the possible delays in getting regulatory approval for the transactions that the Board of Directors believe to be in the best interest of the Company and include increased fees for filings and the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

There is no assurance that the exploration of the Company's properties will be successful in its quest to find a commercially viable quantity of mineral resources. The Company's exploration and development activities may be affected by changes in government, political instability and the nature of various government regulations relating to the mining industry. The Company cannot predict the government's positions on mining concessions, land tenure, environmental regulation or taxation. A change in government positions on these issues could adversely affect the Company's business and/or its holdings, assets and operations. Any changes in regulations or shifts in political conditions are beyond the control of the Company.

Other Information

Additional information about the Company is available on SEDAR+ at www.sedarplus.ca.