ELECTRIC METALS (USA) LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Unaudited – Expressed in US Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

ELECTRIC METALS (USA) LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in US Dollars)

As at	Note	March 31, 2024 $	December 31, 2023 $
ASSETS			
Current assets			
Cash		862,992	1,758,464
Short-term investments	**4**	101,292	101,627
Receivables		73,870	69,449
Prepaid expenses		86,228	53,911
		1,124,382	1,983,451
Equipment		2,650	3,207
Reclamation bonds	**5**	96,343	96,343
Exploration and evaluation assets	**5**	11,925,497	11,698,835
Total assets		13,148,872	13,781,836
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**8**	1,008,390	1,225,711
Loans from related parties	**6**	-	83,774
		1,008,390	1,309,485
SHAREHOLDERS' EQUITY			
Share capital	**7**	20,688,915	20,688,915
Share-based payments reserve	**7**	972,323	968,315
Warrants reserve	**7**	880,938	880,938
Foreign currency translation reserve		(237,346)	(212,947)
Deficit		(10,164,348)	(9,852,870)
		12,140,482	12,472,351
Total liabilities and shareholders’ equity		13,148,872	13,781,836

Nature of operations and going concern (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on May 28, 2024

“Brian Savage” Director　　　　“John Kutkevicius” Director

ELECTRIC METALS (USA) LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the Three Months Ended March 31, 2024 and 2023
(Unaudited – Expressed in US Dollars)

	Note	For the three months ended March 31, 2024 $	2023 $
EXPENSES			
Consulting fees	**8**	87,272	57,169
Depreciation		483	738
Directors fees	**8**	-	26,620
Filing fees		4,557	22,742
Interest and bank charges		1,608	4,375
Marketing		44,016	48,908
Office expenses		40,580	23,890
Professional fees	**8**	145,803	81,092
Rent		-	6,873
Share-based compensation	**7, 8**	4,008	319,230
Travel		2,997	32,106
LOSS BEFORE OTHER INCOME (EXPENSE)		(331,324)	(623,743)
OTHER INCOME (EXPENSE)			
Foreign exchange gain (loss)		18,941	233
Interest income	**4**	905	-
NET LOSS FOR THE PERIOD		(311,478)	(623,510)
OTHER COMPREHENSIVE INCOME ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO LOSS:			
Exchange difference on translation of foreign operations		(24,399)	811
COMPREHENSIVE LOSS FOR THE PERIOD		(335,877)	(622,699)
NET LOSS ATTRIBUTABLE TO:			
Shareholders of the Company		(311,478)	(614,966)
Non-controlling interest		-	(8,544)
		(311,478)	(623,510)
COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
Shareholders of the Company		(335,877)	(614,155)
Non-controlling interest		-	(8,544)
		(335,877)	(622,699)
NET LOSS PER SHARE – BASIC AND DILUTED		(0.00)	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		144,712,683	74,980,748

ELECTRIC METALS (USA) LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited – Expressed in US dollars, except for share figures)

	Note	Number of Shares #	Share Capital $	Share-based Payments Reserve $	Warrants Reserve $	Foreign Currency Translation Reserve $	Deficit $	Non-controlling Interest $	Total $
Balance, December 31, 2022		72,781,943	10,296,217	539,839	-	(231,684)	(6,542,985)	759,687	4,821,074
Shares and warrants issued pursuant to private placement	7	21,212,000	2,345,768	-	234,577	-	-	-	2,580,345
Share and warrants issuance costs	7	-	(443,408)	116,105	(44,341)	-	-	-	(371,644)
Share-based compensation	7	-	-	319,230	-	-	-	-	319,230
Net and comprehensive loss for the period		-	-	-	-	811	(614,966)	(8,544)	(622,699)
Balance, March 31, 2023		93,993,943	12,198,577	975,174	190,236	(230,873)	(7,157,951)	751,143	6,726,306
Shares and warrants issued pursuant to private placements	7	26,702,127	4,391,241	-	280,999	-	-	-	4,672,240
Share and warrants issuance costs	7	-	(395,635)	(116,105)	104,826	-	-	-	(406,914)
Exercise of warrants	7	17,552,500	3,453,086	-	(195,458)	-	-	-	3,257,628
Share-based compensation	7	-	-	109,246	-	-	-	-	109,246
Units issued for purchase of non-controlling interest	7	6,464,113	1,041,646	-	500,335	-	(790,838)	(751,143)	-
Net and comprehensive loss for the period		-	-	-	-	17,926	(1,904,081)	-	(1,886,155)
Balance, December 31, 2023		144,712,683	20,688,915	968,315	880,938	(212,947)	(9,852,870)	-	12,472,351
Share-based compensation	7	-	-	4,008	-	-	-	-	4,008
Net and comprehensive loss for the period		-	-	-	-	(24,399)	(311,478)	-	(335,877)
Balance, March 31, 2024		**144,712,683**	**20,688,915**	**972,323**	**880,938**	**(237,346)**	**(10,164,348)**	**-**	**12,140,482**

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

ELECTRIC METALS (USA) LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2024 and 2023
(Unaudited – Expressed in US Dollars)

	Note	For the three months ended March 31, 2024 $	2023 $
Operating activities:			
Net loss for the period		(335,877)	(623,510)
Items not affecting cash:			
Depreciation		483	738
Accrued interest income	**4**	(905)	-
Share-based compensation	**7**	4,008	319,230
Changes in non-cash working capital related to operations:			
Receivables		(4,421)	(9,655)
Prepaid expenses		(32,317)	(130,578)
Accounts payable and accrued liabilities		(91,756)	(305,231)
Net cash used in operating activities		(460,785)	(749,006)
Investing activities:			
Exploration and evaluation assets acquisition and exploration costs		(357,999)	(1,182,818)
Equipment		-	(2,011)
Net cash used in investing activities		(357,999)	(1,184,829)
Financing activities:			
Shares and warrants issued for cash, net of issue costs	**7**	-	2,208,701
Loan repayments to related parties	**6**	(80,928)	(8,202)
Net cash (used in) provided by financing activities		(80,928)	2,200,499
Foreign exchange effect on cash		4,240	1,414
Increase in cash during the period		(895,472)	268,078
Cash – beginning of the period		1,758,464	125,597
Cash – end of the period		862,992	393,675
Income taxes paid		-	-
Interest paid		191	2,947

Non-cash transactions (Note 9)

1. NATURE OF OPERATIONS AND GOING CONCERN

Electric Metals (USA) Limited ("EML" or the "Company") was incorporated under the Canada Business Corporations Act on March 1, 2018. The Company's head office and registered offices are located at Suite 800, Wildeboer Dellelce Place, 365 Bay Street, Toronto, ON M5V 2H1. 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 trades 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.

These condensed interim consolidated 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 March 31, 2024, the Company had accumulated losses of $10,164,348 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. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future. 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. These condensed interim 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.

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's audited financial statements for the year ended December 31, 2023. They do not include all the information required for complete annual financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and therefore should be read together with the audited financial statements for the year ended December 31, 2023.

(Unaudited – Expressed in US Dollars)

b) Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these condensed interim consolidated financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

c) Consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and the following subsidiaries subject to control by the Company:

		Percentage owned	
	Incorporated in	**March 31, 2024**	**December 31, 2023**
Electric Metals (USA) Pty Limited	Australia	100%	100%
Electric Metals (USA) Inc.	USA	100%	100%
North American Silver Corp. (“NAS”)	USA	100%	100%
Centennial Mining Inc.	USA	100%	100%
North Star Manganese Inc (“NSM”)	USA	100%	100%

Control over an entity is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

d) Foreign currencies

The functional currency of the Company is the Canadian Dollar and the presentation currency of the Company is the US Dollar. The functional currency of EML is the Australia dollar (“AUD”), while the functional currency of Electric Metals (USA) Inc., NAS, Centennial Mining Inc. and NSM is the US dollar. Those functional currencies are the currencies of the primary economic environments in which each of the companies operate.

Entities whose functional currencies differ from the presentation currency of the Company are translated into US dollars as follows: assets and liabilities – at the closing rate as at the reporting date, and income and expenses – at the average rate of the period. All resulting changes are recognized in other comprehensive income (loss) and accumulated in foreign currency translation reserve.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

When the Company disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in foreign currency translation reserve related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in foreign currency translation reserve related to the subsidiary are reallocated between controlling and non-controlling interests.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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; or in the period of the change and future periods, if the change affects both.

a) 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 condensed interim 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.

Classification of warrants that may be cashlessly exercised
The classification of the warrants with a cashless exercise feature requires management judgment as to whether the warrants should be classified as equity or as a liability. The cashless exercise feature of the warrants is subject to specific conditions (Note 7). Management considered the probability of occurrence of the contingent events and concluded that the feature is not genuine as the events are extremely rare, highly abnormal, and very unlikely to occur. The warrants have been classified as equity.

(Unaudited – Expressed in US Dollars)

b) 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.

4. SHORT-TERM INVESTMENTS

	$
Balance, December 31, 2022	-
Additions	102,962
Interest	557
Foreign exchange	(1,892)
Balance, December 31, 2023	101,627
Interest	905
Foreign exchange	(1,240)
Balance, March 31, 2024	**101,292**

During the year ended December 31, 2023, the Company invested CAD$57,500 and $57,500 in guaranteed investment certificates as security for corporate credit cards. The guaranteed investment certificates have a maturity date of November 4, 2024, and bear interest at prime-2.7% and 3%, respectively. During the three months ended March 31, 2024, the Company earned $905 (2023 - $nil) in interest income related to the guaranteed investment certificates.

5. EXPLORATION AND EVALUATION ASSETS

Emily Manganese Project
NSM has a 100% ownership and management 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"), and two private landowners. The CMR and PSC 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 $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 each of the private landowners an annual fee of $6,000 due on closing and on each anniversary date of the agreement (paid for 2023 and 2024). The annual fee will increase by 3% each anniversary date. NSM can purchase the optioned property by paying $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% net smelter return ("NSR") that can be repurchased for $500,000 for each 1.25%, at any time.

Corcoran Canyon Silver Project

The Company, through its subsidiaries, NAS and Centennial Mining Inc., has a 100% ownership interest in the Corcoran Canyon Silver Project in Nye County, Nevada. The Corcoran Canyon Silver Project comprises 328 contiguous, unpatented mineral claims with an area of approximately 2,674 hectares. Eight of the claims are currently subject to a 2% 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. All claims are in good standing until August 31, 2024.

Reclamation bonds of $82,660 have been paid towards the Corcoran Canyon Silver Project. The termination of liability under the bonds will be permitted only after it is determined there is no outstanding reclamation liability or until satisfactory replacement bond coverage is furnished. When the deposit is no longer needed to secure the bond, the cash deposit will be refunded.

In November 2023, the Company entered into an option and acquisition agreement (the "Option Agreement") with Altair Resources Inc. ("Altair") pursuant to which Altair may earn a 100% interest in the Corcoran Canyon Silver Project and Belmont Silver Project (collectively, the "Projects") by paying cash, issuing shares and incurring exploration expenditures in the following amounts:

- CAD$440,428 in cash within thirty days of announcing the Option Agreement (unpaid as at March 31, 2024);

- CAD$472,500 in cash, CAD$500,000 in common shares of Altair and CAD$617,072 in project expenditures on or before the first anniversary date;
- $96,343 in cash, CAD$1,500,000 in common shares of Altair and CAD$2,400,000 in project expenditures on or before the second anniversary date;
- CAD$2,000,000 in common shares of Altair and CAD$2,750,000 in project expenditures on or before the third anniversary date; and
- CAD$2,500,000 in common shares of Altair and CAD$3,000,000 in project expenditures on or before the fourth anniversary date.

Altair will have the right to earn a 70% interest in the Projects until the end of the third anniversary of signing the Option Agreement, and a 100% interest in the Projects until the end of the fourth anniversary of signing of the Option Agreement. Furthermore, following the completion of the first anniversary payments, Altair has the option to accelerate the acquisition of the 100% interest in the Projects by forgoing the other required payments and making a onetime payment of CAD$6,000,000 and the required $96,343 payment.

Belmont Silver Project
In September 2021, the Company, through its subsidiary Centennial Mining Inc, filed 124 unpatented mineral claims with an area of approximately 1,034.6 hectares. These staked mineral claims cover two areas of 15 kilometers southwest of the Corcoran Silver-Gold Project and 80 kilometers north-east of Tonopah in Nye County, Nevada.

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 $10,000 per acre, or a total of $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:

- $30,000 in common shares of the Company at a fair value of $0.25 per share on the effective date (issued 118,750 common shares at a fair value of $30,000);
- $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 $35,000);
- $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 (Altair paid cash of $10,000 for a 60 day extension);
- $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;
- $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;
- $700,000 in cash on the fifth anniversary date.

The Company may exercise the option to purchase the optioned property by paying $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 future option payments must be in the form of cash and deleted Summa LLC'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 $25,000. The Company has the option to defer payment for up to five years by paying $1,500 cash on the anniversary dates of the option agreement (paid for 2023), or until May 10, 2027, when a $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 $10,000 per acre, or a total of $1,740,400. The Company has the option to defer payment by paying an annual rental fee of $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 $300 per acre and the option purchase price shall not be reduced below $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".

A reclamation bond of $13,683 has been paid towards the Belmont Silver Project. The termination of liability under the bond will be permitted only after it is determined there is no outstanding reclamation liability or until satisfactory replacement bond coverage is furnished. When the deposit is no longer needed to secure the bond, the cash deposit will be refunded.

(Unaudited – Expressed in US Dollars)

Summary of Expenditures

Below is a summary of the changes in the exploration and evaluation assets during the three months ended March 31, 2024 and year ended December 31, 2023.

	Emily Manganese Project $	Corcoran Canyon Silver Project $	Belmont Silver Project $	Total $
Balance, December 31, 2022	1,832,308	4,028,679	826,060	6,687,047
Acquisition costs	67,891	58,412	110,369	236,672
Consulting – Geological	1,012,924	(713)	(5,860)	1,006,351
Consulting – Environmental	274,593	102,901	-	377,494
Consulting – Drilling	20,521	-	-	20,521
Consulting - Other	163,410	4,265	4,802	172,477
Permitting, sampling, assays and surveys	267,873	947	(19)	268,801
Drilling	2,657,966	(561)	3,850	2,661,255
Field supplies	153,952	-	-	153,952
Site visits	114,265	-	-	114,265
Balance, December 31, 2023	6,565,703	4,193,930	939,202	11,698,835
Acquisition costs	13,056	-	-	13,056
Consulting – Geological	109,230	-	-	109,230
Consulting – Environmental	16,080	-	-	16,080
Consulting - Other	84,094	-	-	84,094
Permitting, sampling, assays and surveys	4,202	-	-	4,202
Balance, March 31, 2024	**6,792,365**	**4,193,930**	**939,202**	**11,925,497**

6. LOANS FROM RELATED PARTIES

During the period from inception on July 24, 2019 to December 31, 2019, the Company incurred director fees of $58,194 and made payments of $39,849, resulting in net balance owing of $18,345 to the former CEO of the Company. The indebtedness 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 $13,861 from the former CEO. During the year ended December 31, 2021, the Company made repayments of $28,136. During the year ended December 31, 2023, the Company made repayments of $7,974. The balance of the indebtedness was $nil as of March 31, 2024 (December 31, 2023 – $nil).

On May 25, 2020, the Company entered into a loan agreement with a company owned by the former CEO of the Company. A maximum principal amount of AUD$100,000 was secured by the Corcoran Canyon Silver Project owned by the Company in Nevada, USA. During the year ended December 31, 2022, the Company made repayments of $37,536. During the year ended December 31, 2023, the Company made repayments of $47,769. During the three months ended March 31, 2024, the Company made repayments of $80,928. The loan was non-interest bearing and due on demand. The balance of the loan payable was $nil as of March 31, 2024 (December 31, 2023 - $83,774).

(Unaudited – Expressed in US Dollars)

	$
Balance, December 31, 2022	140,535
Loan repayments	(55,743)
Foreign exchange	(1,018)
Balance, December 31, 2023	83,774
Loan repayments	(80,928)
Foreign exchange	(2,846)
Balance, March 31, 2024	**-**

7. SHARE CAPITAL

a) Authorized – Unlimited common shares without par value.

b) Issued and Outstanding – 144,712,683 common shares (December 31, 2023 – 144,712,683 common shares)

c) Share Issuances

On January 5, 2023, the Company closed a private placement of common shares and warrants of the Company for gross proceeds of $2,580,345 (CAD$3,499,980). Pursuant to the offering, the Company issued 21,212,000 common shares at a price of CAD$0.15 per share and 21,212,000 warrants at a price of CAD$0.015 per warrant. Each warrant was exercisable to acquire one common share of the Company at a price of CAD$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 CAD$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 $371,644 including finder's fees were incurred in connection with the private placement. Related parties of the Company purchased 4,098,167 common shares and 4,098,167 warrants. 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 $3,257,628 (CAD$4,388,125). Related parties of the Company exercised 4,098,167 warrants. The Company also transferred $195,458 from warrants reserve to share capital. The weighted average share price on the date of exercise was CAD$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 CAD$0.165 per share for a period of 2 years. The fair value of the Finders Warrants has been estimated to be $116,105 using the Black-Scholes option pricing model using the following assumptions: share price at the time of issuance CAD$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 $487,749. Based on a proportional allocation of the share and warrant proceeds, $443,408 of the costs were allocated to the common shares and $44,341 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 CAD$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 CAD$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 holds 100% of the outstanding NSM Shares. The fair value of the common shares was determined to be $1,041,646 by reference to the quoted share price at the time of issuance of CAD$0.21. The fair value of the warrants has been estimated to be $500,335 using the Black-Scholes option pricing model using the following assumptions: share price at the time of issuance CAD$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 $1,913,169 (CAD$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 CAD$0.35 per share for a period of two years. Total share issue costs of $125,391 were incurred in connection with the private placement. Using the residual method, proceeds of $1,913,169 were attributed to common shares with $nil attributed to warrants. Related parties of the Company purchased 10,638,300 units.

On August 28, 2023, the Company closed a non-brokered private placement of 1,702,128 units of the Company for gross proceeds of $292,204 (CAD$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 CAD$0.35 per share for a period of two years and may be cashlessly exercised subject to certain conditions. Total share issue costs of $57,766 were incurred in connection with the private placement. Using the residual method, proceeds of $275,425 were attributed to common shares with $18,779 attributed to warrants. A related party of the Company purchased 1,702,128 units.

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 CAD$0.235 per unit for gross proceeds of $2,464,866 (CAD$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 CAD$0.35 per share for a period of two years. The share purchase warrant may be cashlessly exercised subject to certain conditions. Total share issue costs of $71,659 were incurred in connection with the private placement. Using the residual method, proceeds of $2,202,647 and pro-rata portion of $64,036 of transaction costs were attributed to common shares with proceeds of $262,220 and pro-rata portion of $7,623 of transaction costs attributed to warrants. A related party of the Company purchased 14,255,319 units.

d) Stock Options

The Company has established a stock option plan available for directors, officers, employees and consultants, and has authorized a stock option pool equal to 10% of the then outstanding common shares. The Company's practice is to not have an exercise price of each option granted under the plan less than the market price of a common share on the date of the option grant. The vesting terms of the stock options are in the sole discretion of the Board of Directors. Options may be granted for a maximum term of ten years from the date of the grant. After termination of employment, unvested options are forfeited immediately, and vested options expire 90 days subsequent to termination. The Board of Directors administers the stock option plan.

On January 13, 2023, the Company granted an aggregate of 3,150,000 stock options with a fair value of $319,230 to certain directors of the Company. Each stock option entitles the holder to purchase one common share of the Company at an exercise price of CAD$0.25 per share for a 5-year period. The stock options vested immediately. Share-based compensation expense related to these stock options of $nil was recorded during the three months ended March 31, 2024 (2023 - $319,230).

On October 12, 2023, the Company granted an aggregate of 1,500,000 stock options with a fair value of $158,584 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 CAD$0.25 per share for a 5-year period. 1,000,000 of the stock options vested immediately, and 500,000 of the stock options vest in the event that the volume weighted average price of the Company's common shares exceeds CAD$0.50 for any 20 consecutive trading days on the TSXV. Share-based compensation expense related to these stock options of $4,008 was recorded during the three months ended March 31, 2024 (2023 - $nil).

The fair value of the options granted was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

(Unaudited – Expressed in US Dollars)

	Three months ended March 31, 2024	Year ended December 31, 2023
Stock price (CAD$)	-	$0.19
Exercise price (CAD$)	-	$0.25
Risk-free interest rate	-	3.40%
Expected life	-	5 years
Expected volatility	-	100%
Expected dividend yield	-	Nil
Weighted average fair value	-	$0.10

A summary of stock option activity is as follows:

	Options #	**Weighted average exercise price CAD$**
Balance outstanding, December 31, 2022	1,100,000	0.33
Granted	4,650,000	0.25
Balance outstanding and exercisable, March 31, 2024 and December 31, 2023	**5,750,000**	**0.27**

As at March 31, 2024, the Company had the following options outstanding:

Expiry Date	Exercise Price CAD$	Remaining Life (Years)	Options Outstanding #
January 13, 2028	0.25	3.79	3,150,000
October 12, 2028	0.25	4.54	1,500,000
May 6, 2031	0.33	7.10	1,100,000
			5,750,000

(Unaudited – Expressed in US Dollars)

e) Warrants

A summary of warrant activity is as follows:

	Warrants #	Weighted average exercise price CAD$
Balance outstanding, December 31, 2022	10,985,962	0.55
Expired	(11,310,462)	0.49
Exercised	(17,552,500)	0.25
Issued	54,378,240	0.30
Balance outstanding, December 31, 2023	36,501,240	0.34
Expired	(3,335,000)	0.45
Balance outstanding, March 31, 2024	**33,166,240**	**0.33**

As at March 31, 2024, the Company had the following warrants outstanding:

Expiry Date	Exercise Price CAD$	Remaining Life (Years)	Warrants Outstanding #
April 4, 2025	0.25	1.01	6,464,113
June 19, 2025	0.35	1.22	10,744,680
August 28, 2025	0.35	1.41	1,702,128
October 10, 2025	0.35	1.53	14,255,319
			33,166,240

f) Finders Warrants

A summary of finders warrants activity is as follows:

	Finders warrants #	Weighted average exercise price CAD$
Balance outstanding, December 31, 2022	256,501	0.60
Expired	(256,501)	0.60
Granted	1,394,750	0.165
Balance outstanding, March 31, 2024 and December 31, 2023	**1,394,750**	**0.165**

(Unaudited – Expressed in US Dollars)

As at March 31, 2024, the Company had the following finders warrants outstanding:

Expiry Date	Exercise Price $	Remaining Life (Years)	Warrants Outstanding #
January 5, 2025	0.165	0.77	1,394,750
			1,394,750

8. RELATED PARTY TRANSACTIONS

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.

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 months ended March 31, 2024 and 2023:

		Three months ended March 31,
	2024	**2023**
	$	**$**
Directors fees	-	26,620
Consulting fees	87,182	46,681
Capitalized exploration and evaluation asset expenditures	6,615	(7,795)
Professional fees	32,137	51,116
Share-based compensation	4,008	319,230
	129,942	435,852

The amounts due to related parties at March 31, 2024 are $256,936 (December 31, 2023 - $353,998) owing to directors of the Company and a company in which the CFO of the Company is a shareholder. The amounts due to related parties are included in accounts payable and accrued liabilities.

During the three months ended March 31, 2024, the Company was charged $9,116 (2023 - $34,963) by a legal partnership of which one of its partners is a director of the Company.

On May 3, 2021, the Company entered into a consulting agreement with a company owned by the former CEO of the Company for annual fees of CAD$240,000. During the three months ended March 31, 2024, the consulting agreement was terminated and the Company entered into a separation agreement with the company owned by the former CEO of the Company for a lump sum payment of CAD$149,200 paid in cash.

On May 3, 2021, the Company entered into a consulting agreement with a company owned by a former officer of the Company for annual fees of CAD$150,000. Subsequent to March 31, 2024, the Company terminated the consulting agreement without cause for a lump sum payment of CAD$37,500 payable in cash.

In February 2024, the Company entered into a consulting agreement with a company owned by a director and CEO of the Company for monthly fees of $20,000 with an initial term of one year which is automatically renewable for subsequent one year terms unless terminated earlier by either party. If the Company completes one or more equity or debt financings for aggregate net proceeds of at least $5,000,000, then, commencing on the month immediately following, the monthly fee shall automatically increase to $30,000. As further consideration, the Company shall grant to the director and CEO of the Company, 5,000,000 share options which vest in accordance with certain vesting criteria. If the Company completes one or more equity or debt financings for aggregate net proceeds of at least $5,000,000, the Company shall grant to the director and CEO of the Company an additional 2,000,000 share options which vest in accordance with certain vesting criteria.

Other related party transactions are disclosed in Note 6 and Note 7.

9. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the condensed interim consolidated statements of cash flows.

During the three months ended March 31, 2024, the following transaction was excluded from the condensed interim consolidated statement of cash flows:

- capitalized exploration and evaluation costs of $345,156 included in accounts payable and accrued liabilities as at March 31, 2024.

During the three months ended March 31, 2023, the following transactions were excluded from the condensed interim consolidated statement of cash flows:

- the Company issued 1,394,750 finders warrants as finder’s fees valued at $116,105 (Note 7); and
- capitalized exploration and evaluation costs of $1,422,421 included in accounts payable and accrued liabilities as at March 31, 2023.

(Unaudited – Expressed in US Dollars)

10. SEGMENT INFORMATION

During the three months ended March 31, 2024, the Company had one reportable operating segment, being the acquisition and exploration of interests in mineral properties. The Company has operations located in three geographical segments, Canada, USA and Australia. Geographic information is as follows:

	Total non-current assets as at March 31, 2024	Total non-current assets as at December 31, 2023
	$	$
USA	12,024,490	11,798,385
Total non-current assets	**12,024,490**	**11,798,385**

		Three months ended March 31,
	2024	2023
	$	$
Canada	(257,997)	(551,803)
USA	(52,326)	(55,709)
Australia	(1,155)	(15,998)
Total net loss	**(311,478)**	**(623,510)**