Electric Metals (USA) Limited

Management's Discussion and Analysis

Three Months Ended March 31, 2024

Dated: May 29, 2024

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Electric Metals (USA) Limited ("EML" or the "Company") was prepared by management of the Company as at May 29, 2024, and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and notes thereto for the three months ended March 31, 2024 (the "Financial Statements"). The 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in US 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.

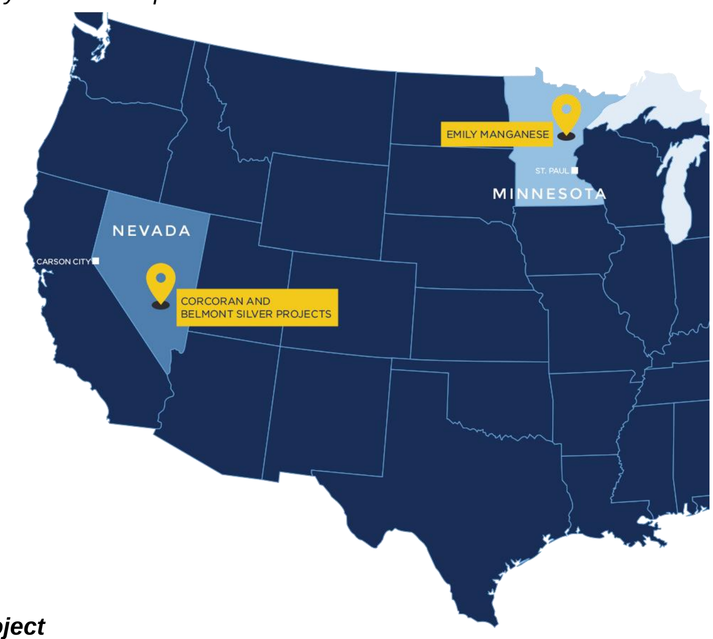
Description of Business

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 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, 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"), 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% NSR that can be repurchased for $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, 2023 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 Estimate update, and advancing the metallurgical test work which commenced in September 2023.

In April 2024, the Company announced receipt of the expanded mineral Resource Estimate for Emily. There was a 20.9% increase in total Indicated Resources to 6.2 million tonnes with an average manganese grade of 19.27% and a 596.5% increase in Inferred Resources to 4.9 million tonnes with an average manganese grade of 17.50%, using a 10% cutoff grade. There was a 64.2% increase in total Indicated Resources to 14.5 million tonnes with an average manganese grade of 12.06% and a 800.1% increase in Inferred Resources to 9.6 million tonnes with an average manganese grade of 12.11%, using a 5% cutoff grade. Details on the Resource Estimate will be posted under the Company's profile at www.sedarplus.ca in May 2024.

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. Eight 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.

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 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 Tonopah 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 believed 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 $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'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.

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**

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 March 31, 2024	As at December 31, 2023	As at December 31, 2022
Working capital (deficiency)	115,992	673,966	(2,079,142)
Total current assets	1,124,382	1,983,451	224,167
Total current liabilities	1,008,390	1,309,485	2,303,309
Total shareholders' equity	12,140,482	12,472,351	4,821,074

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			
	March 31, 2024 $	December 31, 2023 $	September 30, 2023 $	June 30, 2023 $
Revenues	Nil	Nil	Nil	Nil
Working capital (deficiency)	115,992	673,966	(1,090,162)	(2,801,287)
Total assets	13,148,872	13,781,836	12,683,248	11,131,614
Net loss for the period	(311,478)	(483,697)	(741,642)	(678,742)
Net loss per share	(0.00)	(0.00)	(0.01)	(0.01)

	Three months ended			
	March 31, 2023 $	December 31, 2022 $	September 30, 2022 $	June 30, 2022 $
Revenues	Nil	Nil	Nil	Nil
Working capital (deficiency)	(1,512,650)	(2,079,142)	(740,216)	(478,214)
Total assets	8,871,434	7,124,383	6,444,526	6,167,618
Net loss for the period	(623,510)	(590,428)	(405,044)	(432,267)
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 quarters ended June 30, 2023 and September 30, 2023 are higher than the previous quarters primarily due to legal fees associated with consultation regarding preliminary project development and state leasing matters for Emily.

The working capital deficiency decreased during the quarters ended September 30, 2023 and December 31, 2023, as a result of the increased cash balance due to proceeds from financings and decreased accounts payable and accrued liabilities.

The net loss for the quarter ended March 31, 2024 is lower than the previous quarters due to a decrease in share-based compensation recognized during the period.

Results of Operations

Three months ended March 31, 2024
The Company recorded a net loss of $311,478 ($0.00 per share) for the three months ended March 31, 2024 (2023 - $623,510 and $0.01 per share). The Company had no revenue, paid no dividends and had no long-term liabilities during the three months ended March 31, 2024. Variances of note in the operational expenses are:

Share based compensation of $4,008 (2023 – 319,230) was lower during the three months ended March 31, 2024 as no options were granted in the current period, while the share-based compensation recorded during the three months ended March 31, 2023 was for stock options granted on January 13, 2023.

Professional fees of $145,803 (2023 – $81,092) were higher during the three months ended March 31, 2024 primarily due to an increase in legal fees incurred related to management change matters and consulting agreements.

Financing Activities

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 1,068,167 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 indirectly 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 5,319,150 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.

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.

Liquidity, Capital Resources, and Outlook

As of March 31, 2024, the Company had a working capital of $115,992 (December 31, 2023 – $673,966). During the three months ended March 31, 2024, net cash used in operating activities was $460,785. Net cash used in investing activities was $357,999 for mineral property acquisition and exploration costs. Net cash used in financing activities was $80,928 for 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 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. The unaudited 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.

Capital Expenditures

The Company incurred $226,662 in exploration and evaluation expenditures and acquisition costs during the three months ended March 31, 2024 (2023 - $1,447,400).

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as of March 31, 2024.

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.

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 included in accounts payable and accrued liabilities at March 31, 2024 are $240,000 owing to StoneBridge Analytics LLC, a consulting company in which Henry Sandri is a partner, $3,202 owing to Steve Durbin, $3,445 owing to Wildeboer Dellelce LLP, a legal firm where John Kutkevicius is a partner, and $10,289 owing to Malaspina Consultants Inc., a company in which the CFO of the Company (Natasha Tsai) is a shareholder.

During the three months ended March 31, 2024, the Company entered into the following transactions with key management personnel and/or related entities:

a) Incurred director fees of $nil (2023 - $8,874) to John Kutkevicius.
b) Incurred director fees of $nil (2022 - $8,873) to Henry Sandri.
c) Incurred director fees of $nil (2023 - $8,873) to Megan McElwain.
d) Incurred consulting fees of $40,000 (2023 - $nil) to Sage Management LLC, a company controlled by the CEO of the Company (Brian Savage).
e) Incurred consulting fees of $28,644 (2023 – $46,681) to Gary Lewis, the former CEO of the Company.
f) Incurred consulting fees of $25,153 (2023 – recovery of $7,795) to Ian Pringle, of which $6,615 (2023 – reversal of $7,795) was capitalized to exploration and evaluation assets.
g) Incurred professional fees of $23,021 (2023 – $16,153) to Malaspina Consultants Inc., a company in which the CFO of the Company (Natasha Tsai) is a shareholder.
h) Incurred professional fees of $9,116 (2023 – $34,963) to Wildeboer Dellelce LLP, a legal firm where John Kutkevicius is a partner.

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 above under the Financing Activities section.

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.

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. 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.

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, short-term investments, 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 CAD$0.27	5,750,000
Share purchase warrants with a weighted average exercise price of CAD$0.32	34,560,990
Fully Diluted	**185,023,673**

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 three months ended March 31, 2024 and this accompanying MD&A (together, the "Interim Filings").

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.