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# **ELECTRIC METALS (USA) LIMITED**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023  
(Unaudited – Expressed in US Dollars)

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## **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.

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

As at	Note	September 30, 2024 \$	December 31, 2023 \$
<b>ASSETS</b>			
Current assets			
Cash		51,809	1,758,464
Short-term investments	3	103,491	101,627
Receivables		33,848	69,449
Prepaid expenses		74,501	53,911
		263,649	1,983,451
Equipment		1,691	3,207
Reclamation bonds	4	96,343	96,343
Exploration and evaluation assets	4	12,251,725	11,698,835
Total assets		12,613,408	13,781,836
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	7	1,354,453	1,225,711
Loans from related parties	5	-	83,774
		1,354,453	1,309,485
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	6	20,688,915	20,688,915
Share-based payments reserve	6	1,101,303	968,315
Warrants reserve	6	880,938	880,938
Foreign currency translation reserve		(249,605)	(212,947)
Deficit		(11,162,596)	(9,852,870)
		11,258,955	12,472,351
Total liabilities and shareholders' equity		12,613,408	13,781,836

Nature of operations and going concern (Note 1)  
Subsequent events (Notes 3, 7 and 9)

**Approved and authorized on behalf of the Board of Directors on November 27, 2024**

\_\_\_\_\_  
“Brian Savage” Director

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“Sylvia Chen” Director

**ELECTRIC METALS (USA) LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
For the Three and Nine Months Ended September 30, 2024 and 2023  
(Unaudited – Expressed in US Dollars)

	Note	For the three months ended		For the nine months ended	
		2024	2023	2024	2023
		\$	\$	\$	\$
<b>EXPENSES</b>					
Consulting fees	7	60,189	231,911	249,641	344,090
Directors fees	7	-	(8,994)	55,204	26,627
Filing fees		5,940	13,183	27,046	56,153
Interest and bank charges		1,805	6,558	5,130	13,815
Depreciation		482	399	1,440	1,539
Marketing		134,323	79,092	287,308	221,486
Office expenses		24,269	40,415	97,865	94,943
Rent		522	5,041	1,344	22,068
Professional fees	7	118,400	354,654	453,447	839,500
Share-based compensation	6, 7	4,053	-	132,988	319,230
Travel		13,590	21,115	27,744	104,791
<b>LOSS BEFORE OTHER INCOME (EXPENSE)</b>		<b>(363,573)</b>	<b>(743,374)</b>	<b>(1,339,157)</b>	<b>(2,044,242)</b>
<b>OTHER INCOME (EXPENSE)</b>					
Foreign exchange gain		1,945	1,451	25,627	3,913
Interest income		1,999	281	3,804	281
Loss on disposal of equipment		-	-	-	(3,846)
<b>NET LOSS FOR THE PERIOD</b>		<b>(359,629)</b>	<b>(741,642)</b>	<b>(1,309,726)</b>	<b>(2,043,894)</b>
<b>OTHER COMPREHENSIVE INCOME ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO LOSS:</b>					
Exchange difference on translation of foreign operations		(4,653)	11,986	(36,658)	(24,550)
<b>COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(364,282)</b>	<b>(729,656)</b>	<b>(1,346,384)</b>	<b>(2,068,444)</b>
<b>NET LOSS ATTRIBUTABLE TO:</b>					
Shareholders of the Company		(359,629)	(741,642)	(1,309,726)	(2,035,350)
Non-controlling interest		-	-	-	(8,544)
		<b>(359,629)</b>	<b>(741,642)</b>	<b>(1,309,726)</b>	<b>(2,043,894)</b>
<b>COMPREHENSIVE LOSS ATTRIBUTABLE TO:</b>					
Shareholders of the Company		(364,282)	(729,656)	(1,346,384)	(2,059,900)
Non-controlling interest		-	-	-	(8,544)
		<b>(364,282)</b>	<b>(729,656)</b>	<b>(1,346,384)</b>	<b>(2,068,444)</b>
<b>NET LOSS PER SHARE – BASIC AND DILUTED</b>		<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.02)</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>					
		144,712,683	120,926,264	144,712,683	105,237,502

**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 \$	Warrant 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 placements	6 33,658,808	4,534,362	-	253,356	-	-	-	4,787,718
Share and warrants issuance costs	6 -	(626,565)	116,105	(44,341)	-	-	-	(554,801)
Exercise of warrants	6 17,552,500	3,453,086	-	(195,458)	-	-	-	3,257,628
Share-based compensation	6 -	-	319,230	-	-	-	-	319,230
Units issued for purchase of non-controlling interest	6 6,464,113	1,041,646	(790,838)	500,335	-	-	(751,143)	-
Net and comprehensive loss for the period	-	-	-	-	(24,550)	(2,035,350)	(8,544)	(2,068,444)
Balance, September 30, 2023	130,457,364	18,698,746	184,336	513,892	(256,234)	(8,578,335)	-	10,562,405
Shares and warrants issued pursuant to private placements	6 14,255,319	2,202,647	-	262,220	-	-	-	2,464,867
Share and warrants issuance costs	6 -	(212,478)	(116,105)	104,826	-	-	-	(223,757)
Share-based compensation	6 -	-	109,246	-	-	-	-	109,246
Units issued for purchase of non-controlling interest	6 -	-	790,838	-	-	(790,838)	-	-
Net and comprehensive loss for the period	-	-	-	-	43,287	(483,697)	-	(440,410)
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	6 -	-	132,988	-	-	-	-	132,988
Net and comprehensive loss for the period	-	-	-	-	(36,658)	(1,309,726)	-	(1,346,384)
<b>Balance, September 30, 2024</b>	<b>144,712,683</b>	<b>20,688,915</b>	<b>1,101,303</b>	<b>880,938</b>	<b>(249,605)</b>	<b>(11,162,596)</b>	<b>-</b>	<b>11,258,955</b>

**ELECTRIC METALS (USA) LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the Nine Months Ended September 30, 2024 and 2023  
(Unaudited – Expressed in US Dollars)

	Note	2024 \$	2023 \$
<b>Operating activities:</b>			
Net loss for the period		(1,309,726)	(2,043,894)
Items not affecting cash:			
Depreciation		1,440	1,539
Loss on disposal of equipment		-	3,846
Accrued interest income	<b>3</b>	(2,715)	-
Share-based compensation	<b>6</b>	132,988	319,230
Changes in non-cash working capital related to operations:			
Receivables		35,601	(12,236)
Prepaid expenses		(20,590)	(1,442)
Accounts payable and accrued liabilities		148,167	229,850
<b>Net cash used in operating activities</b>		<b>(1,014,835)</b>	<b>(1,503,107)</b>
<b>Investing activities:</b>			
Exploration and evaluation assets acquisition and exploration costs		(552,890)	(5,110,064)
Equipment		-	(2,117)
<b>Net cash used in investing activities</b>		<b>(552,890)</b>	<b>(5,112,181)</b>
<b>Financing activities:</b>			
Shares and warrants issued for cash, net of issue costs	<b>6</b>	-	7,490,545
Loan repayments to related parties	<b>5</b>	(80,928)	(56,107)
<b>Net cash (used in) provided by financing activities</b>		<b>(80,928)</b>	<b>7,434,438</b>
Foreign exchange effect on cash		(58,002)	(26,314)
(Decrease) increase in cash during the period		(1,706,655)	792,836
Cash – beginning of the period		1,758,464	125,597
Cash – end of the period		51,809	918,433
Income taxes paid		-	-
Interest paid		191	16,323

**ELECTRIC METALS (USA) LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the Three and Nine Months Ended September 30, 2024 and 2023  
(Unaudited – Expressed in US Dollars)

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**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 under the ticker symbol “EMUSF”.

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

	Incorporated in	Percentage owned	
		September 30, 2024	December 31, 2023
Electric Metals (USA) Pty Limited	Australia	100%	100%
North Star Manganese Inc (“NSM”)	USA	100%	100%
North American Silver Corp. (“NAS”)	USA	100%	100%
Centennial Mining Inc.	USA	100%	100%

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 September 30, 2024, the Company had accumulated losses of \$11,162,596 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. BASIS OF PRESENTATION**

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. They do not include all the information required for complete annual financial statements in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and therefore should be read

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together with the audited financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS.

The accounting policies applied in these condensed interim consolidated financial statements are consistent with those applied in the preparation of the Company’s annual consolidated financial statements for the year ended December 31, 2023.

**3. SHORT-TERM INVESTMENTS**

	\$
Balance, December 31, 2022	-
Additions	102,962
Interest	557
Foreign exchange	(1,892)
Balance, December 31, 2023	101,627
Interest	2,715
Foreign exchange	(851)
<b>Balance, September 30, 2024</b>	<b>103,491</b>

During the year ended December 31, 2023, the Company invested CAD\$57,500 and \$57,500 in two guaranteed investment certificates (“GICs”) as security for corporate credit cards. The GICs had a maturity date of November 4, 2024, and bore interest at prime-2.7% and 3%, respectively. Subsequent to September 30, 2024, the GICs were renewed with maturity dates of November 3, 2025 and November 13, 2025, and bear interest at prime-2.95% and 4.1% per annum, respectively.

**4. EXPLORATION AND EVALUATION ASSETS**

**Emily Manganese Project**

The Company’s principal focus is on the exploration and development of the Emily Manganese Project. NSM has a 100% ownership and management interest in the Emily Manganese Project established through a series of agreements with Cooperative Mineral Resources, LLC (“CMR”), 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.



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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 January and 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. NSM can purchase each of the optioned properties at any time for a mutually agreed market price or a professional appraisal price plus 15%. Each property 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 ("Corcoran")**

Corcoran is a silver-gold project located northeast of Tonopah, in central Nevada, USA. EML has a 100% ownership interest in Corcoran through its wholly owned subsidiary, Centennial Mining Inc. Corcoran comprises 27 core unpatented mineral claims, which are currently subject to an NSR royalty ranging from 0.4% to 3%. Corcoran also contains 301 adjacent unpatented mineral claims.

Reclamation bonds of \$82,660, associated with Centennial Mining Inc.'s exploration, have been paid towards Corcoran. The termination of liability under the bonds will be permitted only after it is determined there is no outstanding reclamation liability at which time the bonds will be refunded, or until satisfactory replacement bond coverage is furnished.

**Belmont Silver Project ("Belmont")**

Belmont is a silver-gold project located northeast of Tonopah, in central Nevada, USA. EML has a 100% ownership interest in Belmont through its wholly owned subsidiary, Centennial Mining Inc. Belmont is a historic silver mining district (late-1800s), and the project consists of multiple leases of patented mining claims (246 hectares) and 124 unpatented mineral claims that surround or cover the majority of old silver workings of the Belmont silver mining camp.

A reclamation bond of \$13,683, associated with Centennial Mining Inc.'s exploration, has been paid towards Belmont. The termination of liability under the bond will be permitted only after it is determined there is no outstanding reclamation liability at which time the bond will be refunded, or until satisfactory replacement bond coverage is furnished.

**Altair Option Agreement**

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 up to a 100% interest in Corcoran and Belmont (collectively, the "Projects") by paying cash, issuing shares and incurring exploration expenditures as specified in the Option Agreement.

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For the Three and Nine Months Ended September 30, 2024 and 2023  
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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.

Discussions between the companies are ongoing.

**Summary of Expenditures**

Below is a summary of the changes in the exploration and evaluation assets during the nine months ended September 30, 2024 and year ended December 31, 2023.

	<b>Emily Manganese Project \$</b>	<b>Corcoran Canyon Silver Project \$</b>	<b>Belmont Silver Project \$</b>	<b>Total \$</b>
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	4,139	3,803	20,998
Consulting – Geological	163,950	-	-	163,950
Consulting – Environmental	96,280	983	-	97,263
Consulting - Other	179,576	-	-	179,576
Permitting, sampling, assays and surveys	90,727	188	188	91,103
<b>Balance, September 30, 2024</b>	<b>7,109,292</b>	<b>4,199,240</b>	<b>943,193</b>	<b>12,251,725</b>

**5. LOANS FROM RELATED PARTIES**

As at December 31, 2023, the Company had an outstanding loan of \$83,774 under a loan agreement with a company owned by the former CEO of the Company. The loan was non-interest bearing and due on demand. The loan was fully repaid as of September 30, 2024.

**ELECTRIC METALS (USA) LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the Three and Nine Months Ended September 30, 2024 and 2023  
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	\$
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)
<b>Balance, September 30, 2024</b>	<b>-</b>

**6. SHARE CAPITAL**

a) **Authorized** – Unlimited common shares without par value.

b) **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.

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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 exchanged 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

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For the Three and Nine Months Ended September 30, 2024 and 2023  
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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.

**c) Stock Options**

In June 2024, at the Annual and Special Meeting of Shareholders, a new Omnibus Equity Incentive Plan (“the “Omnibus Equity Incentive Plan”) was approved. The following awards may be granted pursuant to the Omnibus Equity Incentive Plan: (i) Options; (ii) restricted share units (“RSUs”); (iii) deferred share units (“DSUs”); (iv) performance share units (“PSUs”); and (v) other share-based awards (the “Other Share-Based Awards”, and together with the Options, RSUs, DSUs and PSUs, the “Awards”), rolling up to 10% and fixed up to 10% of the Company’s then outstanding common shares. In addition, the total number of common shares that may be reserved and available for grant and issuance pursuant to the DSUs, RSUs, PSUs and Other Share-Based Compensation Awards shall not exceed 10,000,000 common shares. The Board of Directors of the Company administers the Omnibus Equity Incentive Plan.

The Company’s policy is to not have an exercise price of each option granted under the Omnibus Equity Incentive 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.

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 and \$nil was recorded during the three and nine months ended September 30, 2024 (2023 - \$nil and \$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 former director of the Company. Each stock option entitled 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 \$4,053 and \$12,070 was recorded during the three and nine months ended September 30, 2024 (2023 - \$nil and \$nil). These options have expired unexercised during the nine months ended September 30, 2024.

**ELECTRIC METALS (USA) LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the Three and Nine Months Ended September 30, 2024 and 2023  
(Unaudited – Expressed in US Dollars)

On June 26, 2024, the Company granted an aggregate of 1,600,000 stock options with a fair value of \$120,918 to certain former 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 10-year period. The stock options vested immediately. Share-based compensation expense related to these stock options of \$nil and \$120,918 was recorded during the three and nine months ended September 30, 2024 (2023 - \$nil and \$nil). As a result of the resignations of these former directors from the board of the Company, the expiry date of these stock options has been accelerated to September 20, 2025.

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:

	<b>Nine months ended September 30, 2024</b>	Year ended December 31, 2023
Stock price (CAD\$)	\$0.12	\$0.19
Exercise price (CAD\$)	\$0.25	\$0.25
Risk-free interest rate	3.47%	3.40%
Expected life	10 years	5 years
Expected volatility	100%	100%
Expected dividend yield	Nil	Nil
Weighted average fair value	\$0.08	\$0.10

A summary of stock option activity is as follows:

	<b>Options #</b>	<b>Weighted average exercise price CAD\$</b>
Balance outstanding, December 31, 2022	1,100,000	0.33
Granted	4,650,000	0.25
Balance outstanding, December 31, 2023	5,750,000	0.27
Granted	1,600,000	0.25
Expired	(1,650,000)	0.26
<b>Balance outstanding, September 30, 2024</b>	<b>5,700,000</b>	<b>0.26</b>
<b>Unvested</b>	<b>(500,000)</b>	<b>0.25</b>
<b>Balance exercisable, September 30, 2024</b>	<b>5,200,000</b>	<b>0.26</b>

As at September 30, 2024, the Company had the following options outstanding:

**ELECTRIC METALS (USA) LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the Three and Nine Months Ended September 30, 2024 and 2023  
(Unaudited – Expressed in US Dollars)

Expiry Date	Exercise Price CAD\$	Remaining Life (Years)	Options Outstanding #	Options Exercisable #
September 20, 2025	0.25	0.97	1,600,000	1,600,000
January 13, 2028	0.25	3.29	1,650,000	1,650,000
October 12, 2028	0.25	4.04	1,500,000	1,000,000
May 6, 2031	0.33	6.60	950,000	950,000
			5,700,000	5,200,000

**d) 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
<b>Balance outstanding, September 30, 2024</b>	<b>33,166,240</b>	<b>0.33</b>

As at September 30, 2024, the Company had the following warrants outstanding:

Expiry Date	Exercise Price CAD\$	Remaining Life (Years)	Warrants Outstanding #
April 4, 2025	0.25	0.51	6,464,113
June 19, 2025	0.35	0.72	10,744,680
August 28, 2025	0.35	0.91	1,702,128
October 10, 2025	0.35	1.03	14,255,319
			33,166,240

**e) Finders Warrants**

A summary of finders warrants activity is as follows:

**ELECTRIC METALS (USA) LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the Three and Nine Months Ended September 30, 2024 and 2023  
(Unaudited – Expressed in US Dollars)

	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
<b>Balance outstanding, September 30, 2024 and December 31, 2023</b>	<b>1,394,750</b>	<b>0.165</b>

As at September 30, 2024, the Company had the following finders warrants outstanding:

Expiry Date	Exercise Price CAD\$	Remaining Life (Years)	Warrants Outstanding #
January 5, 2025	0.165	0.27	1,394,750

## 7. 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 and nine months ended September 30, 2024 and 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Directors fees	-	(8,994)	55,204	26,627
Consulting fees	60,000	231,893	243,849	330,326
Capitalized exploration and evaluation asset expenditures	-	21,591	6,615	53,281
Professional fees	23,629	84,586	146,737	206,181
Share issue costs	-	58,362	-	95,268
Share-based compensation	4,053	-	132,988	319,230
	87,682	387,438	585,393	1,030,913



**ELECTRIC METALS (USA) LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the Three and Nine Months Ended September 30, 2024 and 2023  
(Unaudited – Expressed in US Dollars)

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The amounts due to related parties at September 30, 2024 are \$254,030 (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 and nine months ended September 30, 2024, the Company was charged \$7,130 and \$75,781 (2023 - \$64,841 and \$141,965) by a legal partnership of which one of its partners is a former 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 nine months ended September 30, 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. During the nine months ended September 30, 2024, the Company terminated the consulting agreement without cause for a lump sum payment of CAD\$37,500 paid in cash.

On February 1, 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, 7,000,000 share options which vest in accordance with certain vesting criteria. The 7,000,000 stock options have been granted subsequent to September 30, 2024.

On June 24, 2024, the Company entered into agreements with two former directors of the Company whereby the Company agreed to pay CAD\$37,500 representing the stipend owed as a director of the Company upon the earlier of (i) the completion of a financing of the Company for aggregate gross proceeds of a minimum of \$1,500,000 and (ii) December 31, 2024.

Other related party transactions are disclosed in Note 5 and Note 6.

## **8. SEGMENT INFORMATION**

During the nine months ended September 30, 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:

**ELECTRIC METALS (USA) LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the Three and Nine Months Ended September 30, 2024 and 2023  
(Unaudited – Expressed in US Dollars)

	Total non-current assets as at September 30, 2024 \$	Total non-current assets as at December 31, 2023 \$
USA	12,349,759	11,798,385
<b>Total non-current assets</b>	<b>12,349,759</b>	<b>11,798,385</b>

	Three months ended September 30,		Nine months ended September 30,	
	2024 \$	2023 \$	2024 \$	2023 \$
Canada	(322,782)	(488,343)	(1,162,926)	(1,493,173)
USA	(35,064)	(243,324)	(143,692)	(512,014)
Australia	(1,783)	(9,975)	(3,108)	(38,707)
<b>Total net loss</b>	<b>(359,629)</b>	<b>(741,642)</b>	<b>(1,309,726)</b>	<b>(2,043,894)</b>

**9. SUBSEQUENT EVENTS**

- a) In October 2024, the Company granted 7,500,000 stock options to directors and officers of the Company. 1,000,000 options vest on February 1, 2025 and have an exercise price of CAD\$0.25 per share for 5 years. 6,000,000 options vest based on key performance metrics and have an exercise price of \$0.25 for 5 years. The remaining 500,000 options vested immediately at an exercise price of CAD\$0.35 per share for 5 years. 7,000,000 of these stock options were pursuant to the consulting agreement dated February 1, 2024 with a director and CEO of the Company (refer to Note 7).
- b) In October 2024, the Company granted 793,376 DSUs to its non-management directors for consideration for services rendered, and 200,000 incentive stock options to an officer of the Company. The DSUs were granted at an average grant price of CAD\$0.11 per unit. The stock options have an exercise price of CAD\$0.25. 100,000 options vest on June 19, 2025, while 100,000 stock options vest based on key performance metrics.
- c) In October 2024, the Company announced its intention to complete a non-brokered private placement of up to a maximum of 10,000,000 common shares of the Company at a price of CAD\$0.10 per share for maximum gross proceeds of CAD\$1,000,000 (the "Offering"). The closing of the Offering is subject to certain conditions, including, but not limited to, the receipt of all necessary approvals, including the approval of the TSXV. The Company may engage one or more agents or finders in connection with the Offering and may pay finders fees.