Electric Metals Launches Preliminary Economic Assessment for North Star Manganese Project Downstream HPMSM and EMM Processing Facilities

Wilmington, Delaware, May 12, 2026 – **Electric Metals (USA) Limited** (TSXV: **EML**| OTCQB: **EMUS**) ("**Electric Metals**" or the "**Company**") is pleased to announce the formal kickoff of the Preliminary Economic Assessment engineering study ("PEA") for the planned HPMSM and EMM processing facilities (the "Processing Plant PEA") that form the downstream processing platform of the Company's North Star Manganese Project, a strategy focused on establishing a fully domestic U.S. manganese supply chain and building foundational industrial infrastructure for America's critical minerals and advanced manufacturing sectors.

The Processing Plant PEA is being led by Hargrove Engineers & Constructors, a leading U.S. Engineering and EPC firm ranked the #1 firm in the Chemicals sector by Engineering News-Record (ENR) in 2025 and among the leading firms in industrial process engineering.

High-Purity Manganese Sulfate Monohydrate ("HPMSM") is a critical raw material used in lithium-ion battery cathodes for electric vehicles, energy storage systems, and other advanced battery applications, while Electrolytic Manganese Metal ("EMM") is used in specialty steel, aluminum alloys, defense systems, and advanced technologies. Manganese is increasingly important in next-generation battery chemistries due to its ability to improve performance, safety, and cost competitiveness.

The United States currently has no domestic production of manganese ore, HPMSM, or EMM and remains heavily dependent on foreign-controlled supply chains, particularly China, which controls approximately 96% of global HPMSM production and 98% of global EMM production. As a result, establishing a domestic manganese supply chain is increasingly viewed as a strategic national priority critical to defense readiness, industrial resiliency, advanced manufacturing, and the electrification of everything.

The North Star Manganese Project is designed to reduce U.S. dependence on foreign entities of concern for manganese refining and chemical processing while supporting the reshoring of critical mineral processing capacity to the United States.

Electric Metals believes the North Star Manganese Project represents more than a mining project – it is strategic industrial infrastructure designed to support long-term U.S. critical mineral independence through an integrated domestic mine-to-processing platform.

The Processing Plant PEA will evaluate a processing flowsheet developed by Kemetco Research Inc. that includes manganese ore concentration at the Company's Emily Manganese Deposit in Minnesota, transportation logistics, and downstream refining into battery-grade HPMSM and EMM at a proposed U.S. Gulf Coast processing facility. The Gulf Coast location was intentionally selected because it represents the longest potential transportation route from the Emily deposit, providing a conservative assessment of logistics and transportation economics for the project, an assumption used in the North Star Manganese Project.

The Processing Plant PEA leverages off the North Star Manganese Project PEA, filed on SEDAR+ on October 6, 2026, highlighting a post-tax NPV10% of US$1.390 billion, an after-tax IRR of 43.5%, and a rapid payback of only 23 months from the start of production operations. The Processing Plant PEA is a more detailed engineering analysis of the HPMSM processing plant and adds an EMM processing facility to the North Star Manganese Project.

The Processing Plant initial design basis contemplates a production capacity of:

- 100,000 tonnes per year of HPMSM
- 10,000 tonnes per year of EMM

The study will also evaluate infrastructure and design considerations to support a future expansion to 200,000 tonnes per year of HPMSM production capacity.

The PEA scope includes:

- Preliminary basis of design
- Heat and material balances
- Process flow diagrams
- Utilities and process equipment summaries
- Preliminary site layouts
- Capital cost estimating
- A ±50% Total Installed Cost ("TIC") estimate for the processing facilities

Brian Savage, Chief Executive Officer of Electric Metals, commented: "The kickoff of the PEA represents another major milestone in advancing the North Star Manganese Project and our strategy to establish a fully domestic U.S. supply chain for high-purity manganese chemical and metal products. We are extremely pleased to be working with Hargrove, one of the leading chemical and process engineering firms in the United States, on this important study. The United States currently has no domestic production of HPMSM or EMM, while China controls approximately 96% of global HPMSM production and 98% of global EMM production. We believe the North Star Manganese Project has the potential to become foundational U.S. industrial infrastructure supporting the electrification of everything, national security, and advanced manufacturing, while helping reduce America's dependence on foreign-controlled critical mineral supply chains."

The North Star Manganese Project is centered around the Company's Emily Manganese Deposit in Minnesota, the highest-grade manganese deposit in North America.

The Company believes the project aligns with growing U.S. government and industry initiatives to reshore critical mineral processing capacity and strengthen domestic supply chains for battery materials and advanced industrial applications.

The Company believes rebuilding domestic critical mineral supply chains requires long development timelines and that strategic materials infrastructure must be advanced before future supply disruptions occur.

About Electric Metals USA Limited

Electric Metals (USA) Limited (TSXV: EML; OTCQB: EMUS) is a U.S.-domiciled critical minerals and advanced materials company developing the North Star Manganese Project to support the electrification of everything. The Company's principal asset is the Emily manganese deposit in Minnesota, the highest-grade manganese deposit in North America. The North Star Manganese Project is a 100% U.S. domestic project, comprising a manganese mine in Emily, Minnesota, and a high-purity manganese sulfate monohydrate (HPMSM) and electrolytic manganese metal (EMM) plant in the U.S. It has been the subject of extensive technical work, including a Preliminary Economic Assessment prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects.

Electric Metals' mission is to establish a fully domestic U.S. supply of high-purity manganese chemical and metal products for the North American electric vehicle and energy storage battery, defense, technology, and industrial markets. With manganese playing an increasingly important role in lithium-ion battery formulations, and with no current domestic U.S. production of manganese ore, HPMSM, or EMM, the development of the North Star Manganese Project represents a strategic opportunity to strengthen America's critical mineral independence and domestic supply chain security.

The Company believes manganese should be viewed as a strategic industrial mineral essential to battery manufacturing, defense applications, infrastructure, specialty alloys, and advanced industrial technologies.

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Forward-Looking Information
This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") within the meaning of applicable securities laws. Forward-looking information is generally identifiable by the use of words such as "believes," "expects," "plans," "intends," "anticipates," "estimates," "projects," "may," "will," "could," "would," and similar expressions.

Forward-looking information in this news release includes, without limitation: statements regarding the planned PEA engineering study for the HPMSM and EMM processing facilities comprising the downstream processing component of the North Star Manganese Project; the anticipated scope, timing, and completion of the study; the proposed production capacities of the planned processing facilities; potential future expansion to 200,000 tonnes per year of HPMSM production capacity; the proposed development of a fully domestic U.S. manganese supply chain; the strategic importance of the North Star Manganese Project; anticipated market demand for HPMSM and EMM; the potential benefits of the project to the United States and its critical mineral supply chain; and the Company's future plans, objectives, and development strategy.

Forward-looking information is based on management's current expectations, estimates, assumptions, and beliefs as of the date of this news release. Such forward-looking information involves known and unknown risks, uncertainties, and other factors that may cause actual results, performance, or achievements to differ materially from those expressed or implied by such forward-looking information.

Such risks and uncertainties include, without limitation: risks relating to the completion of engineering and economic studies; changes in project parameters as plans continue to be refined; the results of future technical and economic studies; the ability to obtain required permits, approvals, financing, and regulatory authorizations; risks related to construction, development, transportation logistics, and operating costs; fluctuations in manganese and other commodity prices; changes in market conditions and demand for manganese products; and general economic, market, and business conditions.

Although the Company believes the assumptions and expectations reflected in the forward-looking information are reasonable, there can be no assurance that such information will prove to be accurate. Readers should not place undue reliance on forward-looking information, as actual results and future events may differ materially from those anticipated. Except as required by applicable law, the Company undertakes no obligation to update or revise any forward-looking information to reflect new events or circumstances.

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