
ELECTRIC METALS (USA) LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Unaudited – Expressed in Canadian 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 Canadian Dollars)

	Note	March 31, 2021 \$	December 31, 2020 \$
ASSETS			
Current assets			
Cash		5,588	9,134
Receivables		24,675	15,009
Prepaid expenses		24,035	23,181
Deferred financing costs	11	97,968	-
		152,266	47,324
Exploration and evaluation assets	6	4,034,991	4,042,426
Total assets		4,187,257	4,089,750
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	1,393,770	937,071
Loans from related parties	7	527,333	486,290
Loan payable	11	25,000	-
		1,946,103	1,423,361
SHAREHOLDERS' EQUITY			
Share capital	8	4,064,317	4,064,317
Foreign currency translation reserve		(50,413)	(70,295)
Deficit		(1,772,750)	(1,327,633)
		2,241,154	2,666,389
Total liabilities and shareholders' equity		4,187,257	4,089,750

Nature of operations and going concern (Note 1)

Approved and authorized on behalf of the Board of Directors on May 31, 2021

_____"Gary Lewis"_____
Director

_____"John Kutkevicius"_____
Director

ELECTRIC METALS (USA) LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the three months ended March 31, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)

	Note	2021 \$	2020 \$
EXPENSES			
Consulting fees		-	3,386
Directors fees	9	44,019	112,583
Exploration and evaluation costs	6	1,208	200,996
Filing fees		8,900	71
Foreign exchange loss		8,146	17,307
Interest and bank charges	7	5,867	-
Marketing		2,898	2,857
Office expenses		6,630	6,157
Rent		10,878	336
Professional fees	9	354,121	11,996
Travel		2,450	-
LOSS BEFORE OTHER INCOME		(445,117)	(355,689)
OTHER INCOME			
Recovery of expenses		-	94,204
NET LOSS FOR THE PERIOD		(445,117)	(261,485)
OTHER COMPREHENSIVE INCOME ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO LOSS:			
Exchange difference on translation of foreign operations		19,882	21,468
COMPREHENSIVE LOSS FOR THE PERIOD		(425,235)	(240,017)
NET LOSS PER SHARE – BASIC AND DILUTED		(0.01)	(0.03)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		43,820,020	10,000,000

ELECTRIC METALS (USA) LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – Expressed in Canadian dollars, except for share figures)

	Number of Shares #	Share Capital \$	Foreign Currency Translation Reserve \$	Deficit \$	Total \$
Balance, December 31, 2019	10,000,000	1	(4,560)	(399,359)	(403,918)
Net and comprehensive loss for the period	-	-	21,468	(261,485)	(240,017)
Balance, March 31, 2020	10,000,000	1	16,908	(660,844)	(643,935)
Shares issued for cash	6,796,840	978,035	-	-	978,035
Share issue costs	503,500	(33,020)	-	-	(33,020)
Shares issued to settle debt	100,000	19,280	-	-	19,280
Shares issued for services	925,000	193,273	-	-	193,273
Shares issued for acquisition of exploration and evaluation assets (Notes 4 and 5)	19,934,744	1,745,037	-	-	1,745,037
Shares issued for exploration and evaluation assets (Note 6)	5,130,511	1,071,986	-	-	1,071,986
Share-based compensation	429,425	89,725	-	-	89,725
Net and comprehensive loss for the period	-	-	(87,203)	(666,789)	(753,992)
Balance, December 31, 2020	43,820,020	4,064,317	(70,295)	(1,327,633)	2,666,389
Net and comprehensive loss for the period	-	-	19,882	(445,117)	(425,235)
Balance, March 31, 2021	43,820,020	4,064,317	(50,413)	(1,772,750)	2,241,154

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, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)

	Note	2021 \$	2020 \$
Operating activities:			
Net loss for the period		(445,117)	(261,485)
Items not affecting cash:			
Accrued interest expense	7	5,632	-
Changes in non-cash working capital related to operations:			
Receivables		(9,666)	(1,366)
Prepaid expenses		(854)	(10,305)
Accounts payable and accrued liabilities		489,037	13,404
Net cash used in operating activities		39,032	(259,752)
Investing activity:			
Exploration and evaluation assets acquisition and exploration costs		(17,157)	-
Net cash used in investing activity		(17,157)	-
Financing activities:			
Subscriptions received in advance		-	197,040
Deferred financing costs	11	(97,968)	-
Loan proceeds		25,000	-
Loan proceeds from related parties	7	47,547	68,148
Net cash (used in) provided by financing activities		(25,421)	265,188
(Decrease) increase in cash during the period		(3,546)	5,436
Foreign exchange		-	21,470
Cash – beginning of the period		9,134	2,645
Cash – end of the period		5,588	29,551
Income taxes paid		-	-
Interest paid		-	-

ELECTRIC METALS (USA) LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021 and 2020

(Unaudited – Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Electric Metals (USA) Limited (“EML” or “the Company”) was incorporated in New South Wales, Australia on July 24, 2019. The Company is engaged in the exploration and development of mineral properties in the USA. The Company’s head office is located at Level 36, 1 Farrer Place, Sydney, New South Wales, Australia. The Company has elected to have December 31 as its year end.

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, 2021, the Company had accumulated losses of \$1,772,750 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. In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and the Company’s ability to raise new capital. These events and 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. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim financial statements have been prepared in conformity 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, 2020. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and therefore should be read together with the audited financial statements for the year ended December 31, 2020.

These condensed interim consolidated financial statements were approved by the board of directors for issue on May 31, 2021.

ELECTRIC METALS (USA) LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021 and 2020

(Unaudited – Expressed in Canadian 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 its wholly-owned and controlled subsidiaries, Electric Metals (USA) Inc., incorporated in Wyoming, USA, North American Silver Corp. (“NAS”) and Centennial Mining Inc., incorporated in Nevada, USA, from date of acquisition (see Note 4), and North Star Manganese Inc. (“NSM”), incorporated in Minnesota, USA, from date of acquisition (see Note 5).

Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. 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 presentation currency of the Company is the Canadian dollar. The functional currency is the currency of the primary economic environment in which each entity operates. The functional currency of the Company is the Australia dollar (“AUD”), while the functional currency of Electric Metals (USA) Inc., NAS, Centennial Mining Inc. and NSM is the US dollar (“USD”). 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 are translated into Canadian 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) as exchange difference on translation of foreign operations.

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.

ELECTRIC METALS (USA) LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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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 other comprehensive loss 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 other comprehensive loss 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; 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 consolidated financial statements within the next financial year are discussed below:

Going concern assumption

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to fund future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments may be necessary to the carrying value of assets and liabilities, the reported revenue and expenses and the consolidated statement of financial position classifications used.

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.

ELECTRIC METALS (USA) LIMITED
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Issuances of shares for goods and services

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

Asset acquisitions

The assessment of whether an acquisition meets the definition of a business or an asset is an area of key judgment. In the acquisitions of NAS, Centennial Mining Inc. and NSM, judgment was required to determine if the acquisitions represented business combinations or asset acquisitions. More specifically, management concluded that NAS, Centennial Mining Inc. and NSM did not represent businesses as the assets acquired were not an integrated set of activities with inputs, processes and outputs. Since it was concluded that the transactions (Notes 4 and 5) represented the acquisitions of assets, there was no goodwill recognized and the transactions costs were capitalized to the assets purchased rather than expensed.

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 transactions 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.

ELECTRIC METALS (USA) LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(Unaudited – Expressed in Canadian Dollars)

4. ACQUISITION OF NORTH AMERICAN SILVER CORP. AND CENTENNIAL MINING INC.

On April 1, 2020, the Company closed the acquisition and acquired all of the issued and outstanding common shares of NAS and Centennial Mining Inc. pursuant to the terms of a share exchange agreement (the “NAS Agreement”). EML subsequently issued 5,159,744 common shares of the Company to the shareholders of NAS on May 8, 2020.

The transaction did not meet the definition of a business combination and therefore, was accounted for as an asset purchase of mineral property interests. The fair value of the consideration paid for the acquisition of NAS and Centennial Mining Inc. has been allocated to the assets acquired and liabilities assumed, based on management’s best estimate and taking into account all available information at the time of acquisition.

The following table summarizes the fair value of the total consideration paid and the aggregate fair value of the identified assets acquired and liabilities assumed:

Purchase price	\$
5,159,744 common shares of the Company at \$0.2089 (USD\$0.15) per share	1,078,094
Fair value of consideration	1,078,094
Net assets acquired	\$
Cash	2
Accounts payable and accrued liabilities	(148,968)
Exploration and evaluation assets	1,227,060
	1,078,094

5. ACQUISITION OF NORTH STAR MANGANESE INC.

On April 20, 2020, the Company acquired 77.5% of North Star Manganese Inc. (“NSM”) by issuing 9,900,000 common shares of the Company. The Company also committed to issuing 2,000,000 common shares as a finder’s fee as a result of the transaction. On June 2, 2020, the Company acquired the remaining 22.5% of NSM by issuing 2,875,000 common shares pursuant to the terms of a share exchange agreement (the “NSM Agreement”).

The acquisition did not meet the definition of a business combination and therefore, has been accounted for as an asset purchase of mineral property interests. The fair value of the consideration paid for the acquisition of NSM has been allocated to the assets acquired and liabilities assumed, based on management’s best estimate and taking into account all available information at the time of acquisition.

The following table summarizes the fair value of the total consideration paid and the aggregate fair value of the identified assets acquired and liabilities assumed:

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(Unaudited – Expressed in Canadian Dollars)

Purchase price	\$
9,900,000 common shares of the Company at \$0.0069 per share	68,180
2,000,000 common shares of the Company issued as a finder's fee at \$0.0069 per share	13,773
2,875,000 common shares of the Company at \$0.2035 per share	584,990
Fair value of consideration	666,943
Net assets acquired	\$
Cash	41,379
Accounts payable and accrued liabilities	(144,878)
Exploration and evaluation assets	770,442
	666,943

6. EXPLORATION AND EVALUATION ASSETS

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 2,681.5 hectares. 8 of the claims are currently subject to a 2% net smelter return ("NSR") royalty. Any surrounding claims acquired or staked by the Company would also become subject to the 2% NSR royalty, unless those claims are subject to an NSR royalty owed to a third party.

Emily Manganese Project

Under the Option Agreement, dated April 22, 2020, with Cooperative Mineral Resources, LLC ("CMR") and People's Security Company, Inc. ("PSC"), the Company's subsidiary, NSM, has the option to purchase a 100% interest in the Emily Manganese Project in Minnesota, USA, for USD\$30,250,000.

Under the Development and Sales Agreement, dated April 22, 2020, with CMR, NSM has been engaged by CMR to evaluate and potentially develop a mine at the Emily Manganese Project on behalf of CMR, and NSM will be reimbursed for the exploration and development expenditures incurred plus an annual profit equal to 15% of the expenditures. Upon commercial production, the Company is required to pay an annual base rent equal to 2.5% of the net profit from production. The Company is also required to pay additional access payments in the aggregate amount of USD\$16,500,000 if certain conditions are satisfied.

Summary of Expenditures

Below is a summary of the changes in the exploration and evaluation assets during the year ended December 31, 2020 and three months ended March 31, 2021:

ELECTRIC METALS (USA) LIMITED
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For the three months ended March 31, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)

	Corcoran Canyon Silver Project \$	Emily Manganese Project \$	Total \$
Balance, December 31, 2019			-
Asset acquisitions (Notes 4 and 5)	1,227,060	770,442 ⁽¹⁾	1,997,502
Acquisition costs incurred in cash	204,828	588,262	793,090
Consulting (Note 8)	1,082,825	12,273	1,095,098
Permitting, sampling, assays and surveys	6,661	-	6,661
Site visits	18,576	20,130	38,706
Staking	159,033	-	159,033
Foreign exchange	(16,714)	(30,950)	(47,664)
Balance, December 31, 2020	2,682,269	1,360,157	4,042,426
Acquisition costs incurred in cash	-	8,401	8,401
Consulting (Note 8)	-	5,795	5,795
Permitting, sampling, assays and surveys	2,961	-	2,961
Foreign exchange	(17,225)	(7,367)	(24,592)
Balance, March 31, 2021	2,668,005	1,366,986	4,034,991

(1) NSM incurred total costs of USD\$28,799 related to a 43-101 technical report prior to the Company's acquisition of NSM.

In accordance with the Company's policy, exploration and evaluation expenditures incurred prior to the date of acquisition of a project have been expensed during the three months ended March 31, 2021 and 2020 as follows:

	2021 \$	2020 \$
Acquisition costs incurred in cash	-	17,862
Consulting	1,208	-
Site visits	-	183,134
	1,208	200,996

7. LOANS FROM RELATED PARTIES

During the period from inception on July 24, 2019 to December 31, 2019, the Company incurred unpaid director fees of \$85,291 and made payments of \$58,404, resulting in net balance owing of \$26,887 to the CEO of the Company. During the three months ended March 31, 2021 and the year ended December 31, 2020, the Company received additional advances totaling \$18,201 and \$18,577 respectively from the CEO. The loan is non-interest bearing, due on demand, unsecured and has no maturity date. The balance of the loan payable is \$65,253 as at March 31, 2021 (December 31, 2020 – \$48,746).

ELECTRIC METALS (USA) LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021 and 2020

(Unaudited – Expressed in Canadian Dollars)

On May 25, 2020, the Company entered into a loan agreement with a company owned by the CEO of the Company. A maximum principal amount of AUD\$100,000 is secured by the Corcoran Canyon Claims owned by the Company in Nevada, USA. Any balance owing greater than AUD\$100,000 is unsecured. The balance of the loan payable is \$224,409 as at March 31, 2021 (December 31, 2020 - \$201,070).

On June 11, 2020, the Company entered into a loan agreement with a shareholder and Director of the Company for maximum proceeds of USD\$100,000. The loan is secured by the Corcoran Canyon Claims owned by the Company in Nevada, USA, bears interest at 12% per annum payable monthly in arrears, and is due on June 30, 2021. The balance of the loan payable is \$137,696 as at March 31, 2021 (December 31, 2020 - \$135,596).

On August 20, 2020, the Company entered into a loan agreement with a Director of the Company for maximum proceeds of AUD\$100,000. The loan is secured by the Corcoran Canyon Claims owned by the Company in Nevada, USA, bears interest at 7.5% per annum payable monthly in arrears, and is due on June 30, 2021. The Company incurred borrowing costs of \$19,280 with respect to the loan. The balance of the loan payable is \$99,975 as at March 31, 2021 (December 31, 2020 - \$100,878).

	\$
Balance, December 31, 2019	26,887
Loan proceeds	424,338
Interest expense	18,767
Foreign exchange	16,298
Balance, December 31, 2020	486,290
Loan proceeds	47,547
Interest expense	5,632
Foreign exchange	(12,136)
Balance, March 31, 2021	527,333

8. SHARE CAPITAL

- a) **Authorized** – Unlimited common shares without par value.
- b) **Issued and outstanding** – 43,820,020 common shares (December 31, 2020 – 43,820,020 common shares)
- c) **Financings**

On April 20, 2020, the Company issued 9,900,000 common shares for 77.5% of NSM. The fair value of these shares was \$68,180. The Company also issued 2,000,000 common shares as finder's fees valued at \$13,773, which were issued to a shareholder and Director of the Company. Refer to Note 5.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021 and 2020

(Unaudited – Expressed in Canadian Dollars)

On April 30, 2020, the Company issued 3,000,000 common shares at a price of USD\$0.05 per share for total cash proceeds of \$208,353 (USD\$150,000), of which \$156,752 was received during the period ended December 31, 2019.

On May 8, 2020, the Company issued 5,159,744 common shares for all of the issued and outstanding securities of NAS. The fair value of these shares was \$1,078,094. The Company also issued 429,425 common shares as retention payments to officers, directors and consultants of Centennial Mining Inc. and 5,130,511 common shares for consulting services relating to the exploration and evaluation assets. The fair value of 429,425 common shares was \$89,725 and has been recorded as share-based compensation. The fair value of 5,130,511 common shares was \$1,071,986 and has been recorded as expenditures on exploration and evaluation assets. Refer to Notes 4 and 6.

On May 8, 2020, the Company issued 1,000,000 common shares at a price of USD\$0.15 per share for total cash proceeds of \$211,246 (USD\$150,000).

On May 8, 2020, the Company issued 925,000 common shares for services received. The fair value of these shares was \$193,273 and was recognized in profit or loss during the year.

On June 2, 2020, the Company acquired the remaining 22.5% of NSM by issuing 2,875,000 common shares. The fair value of these shares was \$584,990. Refer to Note 5.

On August 5, 2020, the Company issued 166,000 common shares at a price of USD\$0.15 per share for total cash proceeds of \$33,167 (USD\$24,900).

On August 13, 2020, the Company issued 95,920 common shares at a price of USD\$0.15 per share for total cash proceeds of \$18,984 (USD\$14,388).

On September 11, 2020, the Company issued 2,534,920 common shares at a price of USD\$0.15 per share for total cash proceeds of \$506,285 (USD\$380,238). The Company incurred cash share issue costs of \$33,020 and issued 503,500 common shares in connection with these shares issued with a fair value of \$100,025.

On September 11, 2020, the Company issued 100,000 common shares with a fair value of \$19,280 to a Director as settlement for loan borrowing costs, pursuant to a loan agreement entered into on August 20, 2020 with a Director of the Company. Refer to Note 7.

9. RELATED PARTY TRANSACTIONS

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.

ELECTRIC METALS (USA) LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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The Company incurred charges to Directors and Officers, or to companies associated with these individuals, during the three months ended March 31, 2021 and 2020:

	2021	2020
	\$	\$
Directors fees	44,019	112,583
Professional fees	3,885	-
	47,904	112,583

The amounts due to related parties included in accounts payable and accrued liabilities at March 31, 2021 are \$74,365 (December 31, 2020 – \$90,328) owing to a Director 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, 2021 and 2020, compensation paid to key management personnel consisted of director fees of \$44,019 (2020 – \$112,583) and professional fees of \$3,885 (2020 – \$nil) paid to a company in which the CFO of the Company is a shareholder.

On June 2, 2020, the Company acquired 100% of NSM by pursuant to the terms of a share exchange agreement (the “NSM Agreement”). Prior to the acquisition, a shareholder and Director of the Company owned 5,750,000 NSM shares, representing approximately 45.01% of the total outstanding NSM shares and received an equivalent number of the Company Shares on completion of the NSM acquisition. In addition, the Company issued 2,000,000 common shares to the Director as finder’s fees for identifying the opportunity for the Company to acquire the Emily Project.

Other related party transactions are disclosed in Note 7.

ELECTRIC METALS (USA) LIMITED
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(Unaudited – Expressed in Canadian Dollars)

10. SEGMENT INFORMATION

During the three months ended March 31, 2021, the Company had one reportable operating segment, being the acquisition and exploration of interests in mineral properties. The Company has operations located in two geographical segments, USA and Australia. Geographic information is as follows:

	Total non-current assets as at March 31, 2021	Total non-current assets as at December 31, 2020
	\$	\$
USA	4,034,991	4,042,426
Australia	-	-
Total non-current assets	4,034,991	4,042,426

	Three months ended March 31, 2021	Three months ended March 31, 2020
	\$	\$
USA	43,376	-
Australia	401,741	399,359
Total net loss	445,117	261,485

11. QUALIFYING TRANSACTION

On April 30, 2021, the Company completed its arm’s length qualifying transaction (the “Qualifying Transaction”) with NBS Capital Inc. (“NBS”), by way of Court-approved scheme of arrangement (the “Arrangement”) under the laws of Australia, resulting in a reverse takeover of NBS by the Company. Immediately prior to completing the Qualifying Transaction and in accordance with the terms thereof, NBS changed its name to Nevada Silver Corporation (“NSC”) and consolidated its shares by a factor of 0.73271 to arrive at 6,171,250 shares on closing.

Pursuant to the terms of the Arrangement, all outstanding ordinary shares of EML were exchanged for post-consolidated shares of NBS on a one-for-one basis. In the aggregate, NBS issued a total of 59,771,943 shares, which included 43,820,020 shares issued to shareholders of EML, 15,301,923 shares issued to investors in the non-brokered concurrent financing conducted by NBS and EML to raise aggregate gross proceeds of \$5,049,635.13 (the “Concurrent Financing”) and 650,000 shares issued to Mr. Sheldon Inwentash, the incoming Chairman of NSC. A total of 7,650,962 warrants of NBS and EML were also issued in connection with the Qualifying Transaction to subscribers in the Concurrent Financing, in addition to 256,501 finders warrants. Proceeds from the Concurrent Financing were subsequently released from escrow to NSC.

ELECTRIC METALS (USA) LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)

On May 5, 2021, the TSX Venture TSXV Exchange (“TSXV”) issued a Final Exchange Bulletin accepting the Qualifying Transaction, and approving NSC shares to begin trading on the TSXV on May 7, 2021.

Loan

During the three months ended March 31, 2021, NBS advanced an unsecured loan of \$25,000 to the Company in order for the Company to satisfy property payments and other obligations during the process of completing the Qualifying Transaction. The loan is evidenced by a promissory note, which contained customary events of default, including the termination of the Arrangement Agreement. the Company is entitled to prepay all or any part of the principal amount outstanding at will without notice, bonus or penalty, and NBS may call the amount outstanding thereunder on written notice of an event of default to the Company.