

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Electric Metals (USA) Limited (the 'Company')  
365 Bay St., Suite 800,  
Toronto, Ontario,  
M5H 2V1, Canada

**Item 2 Date of Material Change**

December 13, 2024

**Item 3 News Release**

A press release describing the material change was disseminated by the Company through Accesswire on December 13, 2024, and subsequently filed on SEDAR+.

**Item 4 Summary of Material Change**

The Company has closed the first tranche of its non-brokered private placement (the "Offering"), issuing an aggregate of 5,837,000 common shares ("the "Shares") at \$0.10 per share for gross proceeds of C\$583,700. The Company also announced that it has obtained a 30-day extension from the TSX Venture Exchange to close a second tranche of the Offering.

**Item 5 Full Description of Material Change**

See Schedule A

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable

**Item 7 Omitted Information**

Not applicable

**Item 8 Executive Officer**

Further information regarding the matters described in this report may be obtained from:

Brian Savage, CEO & Director  
Chief Executive Officer  
[bcsavage@electricmetals.com](mailto:bcsavage@electricmetals.com)

**Item 9 Date of Report**

December 17, 2024

## Schedule A



### **ELECTRIC METALS ANNOUNCES FIRST TRANCHE CLOSING AND EXTENSION OF PRIVATE PLACEMENT**

*Not for distribution to U.S. news wire services or dissemination in the United States.*

**Toronto, Ontario, December 13, 2024:** Electric Metals (USA) Limited ("EML" or the "Company") (TSXV: EML) (OTCQB: EMUSF) announces that, further to its [news release dated October 31, 2024](#), it has closed the first tranche of the Company's non brokered private placement (the "Offering") issuing an aggregate of 5,837,000 common shares ("the "Shares") at \$0.10 per share for gross proceeds of C\$583,700.

The Company also announces that it has obtained an additional 30-day extension from the TSX Venture the "TSXV") Exchange to close a second tranche of the Offering. The final closing and filing acceptance of all documentation required by the TSXV in respect of the Offering has been extended from December 13, 2024, to January 13, 2025. The Shares issued under the Offering will be subject to a statutory hold period expiring four months and one day from the date of issuance of such securities for Canadian subscribers and six months from the date of issuance for U.S. subscribers.

Under the Offering, directors of the Corporation have subscribed for a total of 3,737,000 Shares for a total consideration of C\$373,700, which constitutes a "related party transaction" within the meaning of Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions ("Regulation 61-101") and TSXV Policy 5.9 – Protection of Minority Security Holders in Special Transactions. However, the directors of the Corporation who voted in favor of the Offering have determined that the exemptions from formal valuation and minority approval requirements provided for respectively under subsections 5.5(a) and 5.7(1)(a) of Regulation 61-101 can be relied on as neither the fair market value of the Shares issued to this insider, nor the fair market value of the consideration paid exceeded 25% of the Corporation's market capitalization. None of the Corporation's directors have expressed any contrary views or disagreements with respect to the foregoing. A material change report in respect of this related party transaction will be filed by the Corporation but could not be filed earlier than 21 days prior to the closing of the Offering, due to the fact that the terms of the participation of each of the non-related parties and the related parties of the Offering were not confirmed.

The securities of the Company have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws and may not be offered or

sold in the United States absent registration or an available exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities referenced in this press release, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

### **About Electric Metals (USA) Limited**

Electric Metals (USA) Limited (TSXV: EML) (OTCQB: EMUSF) is a US-based mineral development company with manganese and silver projects geared to supporting the transition to clean energy. The Company's principal asset is the Emily Manganese Project in Minnesota, the highest-grade manganese deposit in North America, which has been the subject of considerable technical studies, including National Instrument 43-101 Technical Reports – Resource Estimates. The Company's mission in Minnesota is to become a domestic US producer of high-value, high-purity manganese metal and chemical products to supply the North American electric vehicle battery, technology and industrial markets. With manganese playing a critical and prominent role in lithium-ion battery formulations, and with no current domestic supply or active mines for manganese in North America, the development of the Emily Manganese Project represents a significant opportunity for America, the State of Minnesota and for the Company's shareholders.

#### **For further information, please contact:**

Electric Metals (USA) Limited  
Brian Savage  
CEO & Director  
(303) 656-9197

or

Valerie Kimball  
Director Investor Relations  
720-933-1150  
info@electricmetals.com

### **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 use of the words "believes," "may," "plans," "will," "anticipates," "intends," "could", "estimates", "expects", "forecasts", "projects" and similar expressions, and the negative of such expressions.

Such statements in this news release include, without limitation: the ability of the Company to complete the Offering; the size, terms and timing of the Offering; participation in the Offering by insiders of the Company; the timing and receipt of TSXV and other approvals required in connection with the Offering; the intended use of proceeds of the Offering; the Company's mission to become a domestic US producer of high-value, high-purity manganese metal and chemical products to supply the North American electric

vehicle battery, technology and industrial markets; that manganese will continue to play a critical and prominent role in lithium-ion battery formulations; that with no current domestic supply or active mines for manganese in North America, the development of the Emily Manganese Project represents a significant opportunity for America, Minnesota and for the Company's shareholders; and planned or potential developments in ongoing work by Electric Metals.

These statements address future events and conditions and so involve inherent risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such risks include, but are not limited to, the failure to obtain all necessary stock exchange and regulatory approvals; investor interest in participating in the Offering; and risks related to the exploration and other plans of the Company. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, updated conditions and expected developments, and other factors that management believes are relevant and reasonable in the circumstances at the date such statements are made. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events, or developments, except as required by law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.