

**Electric Metals (USA) Limited**  
**Management's Discussion and Analysis**  
*Nine Months Ended September 30, 2025*

# Electric Metals (USA) Limited

## Management's Discussion and Analysis

Nine Months Ended September 30, 2025

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**Dated: November 27, 2025**

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 November 27, 2025, and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and notes thereto for the three and nine months ended September 30, 2025 (the "Financial Statements"). The Financial Statements include the financial information of EML and its wholly-owned and controlled subsidiaries, Electric Metals (USA) Pty Ltd, North Star Manganese Inc ("NSM"), North American Silver Corp. ("NAS"), and Centennial Mining ("CM"). Additional information relating to the Company is available on the Company's website at [electricmetals.com](http://electricmetals.com) and SEDAR+ at [www.sedarplus.ca](http://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, social 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.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business and operating strategies and the environment in which the Company will operate in the future.

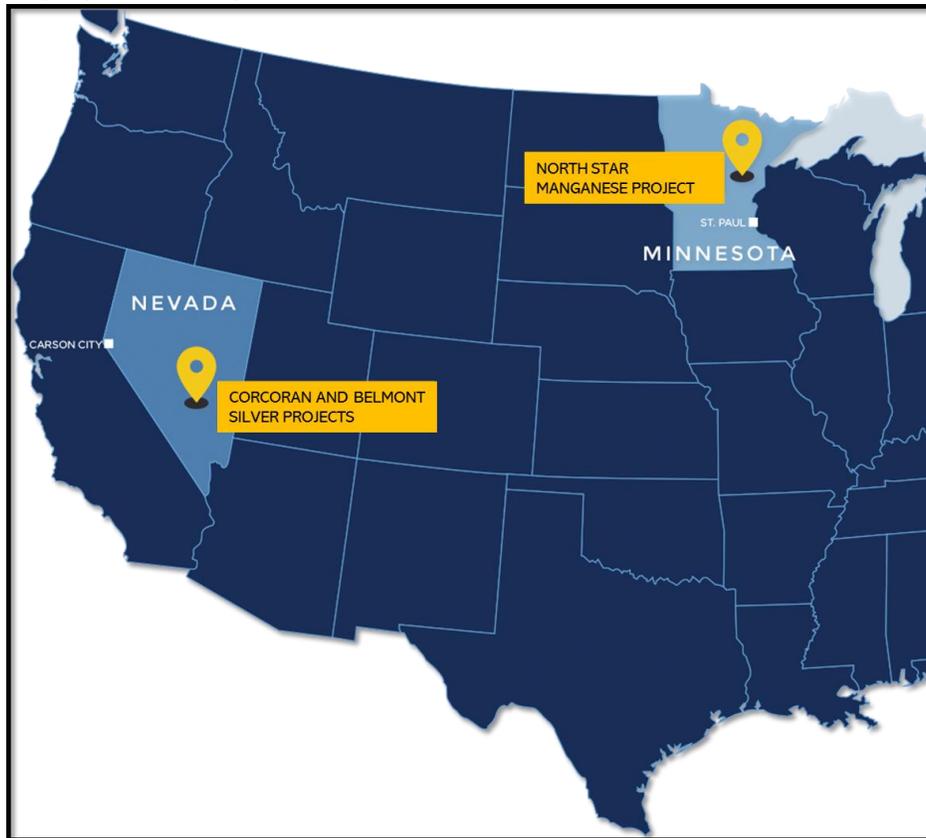
### Description of Business

Electric Metals (USA) Limited was incorporated under the Canada Business Corporations Act on March 1, 2018. On October 2, 2025, the Company completed its continuation into British Columbia. The Company's head office and registered offices are located at 2600 - 1066 West Hastings Street, Vancouver, BC V6E 3X1. The Company's common shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol "EML" and the OTCQB under the ticker symbol "EMUSF".

## Exploration Projects

Figure 1 shows the location of the North Star Manganese Project previously referred to as the Emily Manganese Project, the Corcoran Canyon Silver Project and the Belmont Silver Project, all of which are located in the USA. The Company's principal focus is on the exploration and development of the North Star Manganese Project, a 100% domestic U.S. project, comprising a manganese mine in Emily, Minnesota, and a high-purity manganese sulfate monohydrate (HPMSM) chemical plant in the U.S.

Figure 1 – EML Property Location Map



### **North Star Manganese Project**

EML's subsidiary, NSM, has a 100% interest in the North Star 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.

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, prior to the initiation of commercial operations, 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

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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.

In April 2024, the Company announced receipt of the expanded mineral resource estimate for the Emily Manganese Project. 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%, in each case 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 an 800.1% increase in inferred resources to 9.6 million tonnes with an average manganese grade of 12.11%, in each case using a 5% cutoff grade. Additional details in respect of the Emily Manganese Project can be found in the technical report entitled "Electric Metals (USA) Limited Emily Manganese Project - NI 43-101 Technical Report - Project No. 219001" prepared by Forte Dynamics, Inc. of Fort Collins, CO which is on the Company's website at [electricmetals.com](http://electricmetals.com) and filed under the Company's profile on [www.sedarplus.ca](http://www.sedarplus.ca) in May 2024.

On September 24, 2024, the Company announced the successful results of metallurgical testing at the Emily Manganese Project. Kemetco Research Inc. ("Kemetco") conducted the testing program, successfully demonstrating the capability of producing high-purity manganese sulfate monohydrate (HPMSM) from manganese samples recovered from the 2023 drill program at the Emily manganese deposit. The current metallurgical test program confirmed the potential for producing a full suite of manganese products, including HPMSM, Electrolytic Manganese Metal (EMM), Electrolytic Manganese Dioxide (EMD / MnO<sub>2</sub>), and other high-purity manganese chemicals from Emily feedstocks. The results provide a strong foundation for the future development of a full-scale processing plant. The next phase will focus on flowsheet development and further process optimization to advance towards a Scoping Study / Preliminary Economic Assessment and Pre-Feasibility Study. Additional details can be found in the September 24, 2024 news release on the Company's website at [electricmetals.com](http://electricmetals.com) and under the Company's profile on [www.sedarplus.ca](http://www.sedarplus.ca).

On January 28, 2025, the Company announced the launch of its Preliminary Economic Assessment ("PEA") for the North Star Manganese Project, a 100% domestic U.S. project, comprising a manganese mine in Emily, Minnesota, and a high-purity manganese sulfate monohydrate (HPMSM) chemical plant in the U.S., which is being conducted by Forte Dynamics, Inc. The PEA will evaluate the technical and environmental viability of the North Star Manganese Project. Additional details can be found in the January 28, 2025 news release on the Company's website at [electricmetals.com](http://electricmetals.com) and under the Company's profile on [www.sedarplus.ca](http://www.sedarplus.ca).

On February 27, 2025, the Company announced positive interim results in its PEA for the North Star Manganese Project. The Company announced the ability to extract approximately 88% of the estimated resources and about 89% of the contained manganese using the overhand cut-and-fill mining method. Following completion of the PEA, the Company will proceed to a Pre-Feasibility Study and a Feasibility Study, further refining economic projections and optimizing mine development strategies. Additional metallurgical testing and engineering evaluations will lay the groundwork for a processing facility designed to produce battery-grade high-purity manganese sulfate monohydrate (HPMSM) and other premium manganese products, enhancing domestic supply chain security for the EV battery sector. Additional details can be found in the February 27, 2025 news release on the Company's website at [electricmetals.com](http://electricmetals.com) and under the Company's profile on [www.sedarplus.ca](http://www.sedarplus.ca).

On August 26, 2025, the Company announced the results of its PEA for the North Star Manganese Project. On October 6, 2025, the PEA was filed on SEDAR+. The PEA demonstrates robust economics, confirming EML's potential to become the first fully U.S. domestic producer of high-purity manganese sulphate monohydrate ("HPMSM"), a critical material for lithium-ion batteries. As the U.S. remains 100% import-reliant on manganese, the Project also supports the Presidential Executive Orders on Critical Minerals, reinforcing the strategic importance of the North Star Manganese Project and its flagship Emily Manganese Deposit in Minnesota — the highest-grade manganese deposit in North America and a vital potential domestic source for EV batteries, energy storage, steelmaking, and defense.

The PEA highlights 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.

### PEA Highlights – Base Case

- Base Case Economics: After-tax NPV10% of US\$1.390 billion, after-tax IRR of 43.5%, and average annual after-tax cash flow of US\$249.6 million.

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- Updated Resource Estimate: Based on a 10% manganese cut-off, the Project reports 7.6 million tonnes of Inferred Resources at 19.1% Mn and 3.7 million tonnes of Indicated Resources at 17.0% Mn.
- Ore Grades: Average manganese grade of 18.9% during the first 5 years of production, with a Life-of-Project average grade of 17.4% (10% cut-off).
- Project Life: 25-year Base Case, producing 4.3 million tonnes of battery-grade HPMSM. The Project may be extended through additional drilling of known mineralized zones that were originally drilled in the 1940s and 1950s and/or by utilizing lower-grade material.
- Capital Expenditures: US\$474.8 million initial capital for mine and processing facilities, US\$150.0 million for a processing plant expansion, and US\$276.0 million for sustaining and closure costs.
- Ore Production: Average annual mined ore of 368 thousand tonnes, with a nominal mining capacity of 400 thousand tonnes per year.
- HPMSM Production: Average annual production after expansion of 180,331 tonnes of HPMSM, with a nominal after expansion plant capacity of 200 thousand tonnes per year, based on a overall recovery of manganese to product of 90%.
- Pricing Assumption: Base Case assumes US\$2,500 per tonne of HPMSM held constant for LOP.
- Project Timeline: Total project life of 25 years from the start of capital spending, including a 2-year construction period. Mine and processing operations extend 23 years, incorporating a 3-year ramp-up to full production for both mine and the processing plant expansion.
- Optimization Opportunities: Potential upside exists in geology and exploration, mining, concentration, transport, and processing.

With robust economics, the North Star Manganese Project represents a strategically significant opportunity not only for our shareholders, but also for the U.S. as it seeks secure, low-carbon supplies of critical battery materials. The next steps are to: proceed to Pre-Feasibility and Feasibility Study activities in 2026, collaborate with local communities, native tribes, and regional businesses on Project issues, advance permitting with the State of Minnesota regulators and U.S. federal agencies, engage with Tier-1 EV and battery manufacturers for offtake agreements, and to optimize extraction and processing systems, and evaluate expansion opportunities. Additional details can be found in the August 26, 2025 and October 6, 2025 news releases on the Company's website at [electricmetals.com](https://electricmetals.com) and under the Company's profile on [www.sedarplus.ca](https://www.sedarplus.ca).

### **Corcoran Canyon Silver Project ("Corcoran")**

Corcoran is a silver-gold project located northeast of Tonopah, in central Nevada, USA. The Corcoran Project is owned 100% by EML through its wholly owned subsidiary, CM. Corcoran comprises 27 core unpatented mineral claims, with an NI 43-101 Resource Estimate (2020), and are currently subject to an NSR royalty ranging from 0.4% to 3%. Corcoran also contains 166 adjacent unpatented mineral claims. CM is staking new and restaking certain historical claims in potential exploration ground and intends to maintain these claims in good standing through payment of the required annual holding fees. Any surrounding claims within a 2-mile radius buffer acquired or staked by the Company would also become subject to a 1.7% NSR royalty, unless those claims are subject to an NSR royalty owed to a third party. Reclamation bonds of \$82,660, associated with CM'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 bond will be refunded, or until a satisfactory replacement bond is furnished.

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

Belmont is a silver-gold project located northeast of Tonopah, in central Nevada, USA. The Belmont Project is owned 100% by EML through its wholly owned subsidiary CM. Belmont is a historic silver mining district (late-1800s), and the Project consists of multiple leases of patented mining claims (246 hectares) and 88 unpatented mineral claims that surround or cover the majority of old silver workings of the Belmont silver mining camp. CM is staking new and restaking certain historical claims and new leases in potential exploration ground, and intends to maintain these claims and leases in good standing through payment of the required annual holding fees. A reclamation bond of \$13,683, associated with CM'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.

During the year ended December 31, 2024, the Company recorded an impairment of \$5,157,255 due to a write-down of the carrying value of the Corcoran and Belmont projects, which are considered non-core assets. Limited exploration activity was undertaken on these projects during the year ended December 31, 2024. During the nine months ended September 30, 2025, the Company restaked claims for the Corcoran and Belmont projects.

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The Company is evaluating strategic alternatives for the Corcoran and Belmont properties, including potential sale, joint venture, or continued holding depending on market conditions and strategic alignment with the Company's core focus.

**Summary of Expenditures**

Below is a summary of the changes in the exploration and evaluation assets during the nine months ended September 30, 2025 and year ended December 31, 2024.

	North Star Manganese Project \$	Corcoran Canyon Silver Project \$	Belmont Silver Project \$	Total \$
Balance, December 31, 2023	6,565,703	4,193,930	939,202	11,698,835
Acquisition costs	13,752	4,139	3,803	21,694
Consulting – Geological	217,766	7,411	7,411	232,588
Consulting – Environmental	121,042	983	-	122,025
Consulting - Other	231,347	-	-	231,347
Permitting, sampling, assays and surveys	90,727	188	188	91,103
Field supplies	173	-	-	173
Impairment	-	(4,206,651)	(950,604)	(5,157,255)
<b>Balance, December 31, 2024</b>	<b>7,240,510</b>	<b>-</b>	<b>-</b>	<b>7,240,510</b>
Acquisition costs	14,495	83,670	43,438	141,603
Consulting – Geological	267,426	42	42	267,510
Consulting – Environmental	9,593	-	-	9,593
Consulting - Other	24,244	-	-	24,244
Drilling	73,110	-	-	73,110
Permitting, sampling, assays and surveys	29,175	900	-	30,075
Field supplies	121,534	-	-	121,534
<b>Balance, September 30, 2025</b>	<b>7,780,087</b>	<b>84,612</b>	<b>43,480</b>	<b>7,908,179</b>

Selected Statement of Financial Position Data

	As at September 30, 2025 \$	As at December 31, 2024 \$
Working capital (deficiency)	192,376	(1,191,331)
Total current assets	1,420,712	397,997
Total current liabilities	1,228,336	1,589,328
Total shareholders' equity	8,197,436	6,146,651

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			
	September 30, 2025 \$	June 30, 2025 \$	March 31, 2025 \$	December 31, 2024 \$
Revenues	Nil	Nil	Nil	Nil
Working capital (deficiency)	192,376	310,540	(1,713,354)	(1,191,331)
Total assets	9,425,772	9,458,316	7,742,257	7,735,979
Net loss for the period	(555,532)	(690,211)	(350,527)	(5,602,601)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.04)

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	Three months ended			
	September 30, 2024 \$	June 30, 2024 \$	March 31, 2024 \$	December 31, 2023 \$
Revenues	Nil	Nil	Nil	Nil
Working capital (deficiency)	(1,090,804)	(553,684)	115,992	673,966
Total assets	12,613,408	12,822,757	13,148,872	13,781,836
Net loss for the period	(359,629)	(638,619)	(311,478)	(483,697)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)

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.

The net loss for the quarter ended June 30, 2024 is higher than the previous quarter due to an increase in share-based compensation recognized during the period and an increase in investor relations and marketing activities.

The net loss for the quarter ended September 30, 2024 is lower than the previous quarter due to a decrease in share-based compensation recognized during the period and a decrease in consulting fees and directors fees.

The net loss for the quarter ended December 31, 2024 is higher than the previous quarter primarily due to a write-down of the carrying value of the Corcoran and Belmont projects due to limited exploration activity on these projects during the year ended December 31, 2024.

The working capital deficiency increased during the quarter ended March 31, 2025, as a result of the low cash balance during the period.

The working capital increased during the quarter ended June 30, 2025, as a result of the two non-brokered private placements that closed during the period for gross proceeds of CAD\$4.1 million.

The net loss for the quarter ended September 30, 2025 is lower than the previous quarter due to a decrease in directors fees recognized during the quarter.

## Results of Operations

### *Nine months ended September 30, 2025*

The Company recorded a net loss of \$1,596,270 (\$0.01 per share) for the nine months ended September 30, 2025 (2024 - \$1,309,726 and \$0.01 per share). The Company had no revenue, paid no dividends and had no long-term liabilities during the nine months ended September 30, 2025. Variances of note in the operational expenses are:

Consulting fees of \$514,729 (2024 – \$249,641) were higher during the nine months ended September 30, 2025 primarily due to consulting services incurred to support the Company's strategy and development.

Director fees of \$365,490 (2024 – \$55,204) were higher during the nine months ended September 30, 2025 primarily due to the accrual of directors fees for their service during the period.

Professional fees of \$168,410 (2024 – \$453,447) were lower during the nine months ended September 30, 2025 due to a decrease in legal fees incurred for project development and leasing matters for North Star and corporate governance matters.

Share based compensation of \$78,502 (2024 – \$132,988) was lower during the nine months ended September 30, 2025 as fewer options were granted in the current period.

### *Three months ended September 30, 2025*

The Company recorded a net loss of \$555,532 (\$0.00 per share) for the three months ended September 30, 2025 (2024 - \$359,629 and \$0.00 per share). Variances of note in the operational expenses are:

Consulting fees of \$237,978 (2024 – \$60,189) were higher during the three months ended September 30, 2025 primarily due to consulting services incurred to support the Company's strategy and development.

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Director fees of \$81,250 (2024 – \$nil) were higher during the three months ended September 30, 2025 primarily due to the accrual of directors fees for their service during the period.

### Outlook

As of September 30, 2025, the Company had working capital of \$192,376 (December 31, 2024 –working capital deficit of \$1,191,331). During the nine months ended September 30, 2025, net cash used in operating activities was \$1,404,972. Net cash used in investing activities was \$727,977 due to mineral property acquisition and exploration costs of \$826,099, offset by Company's redemption of its short-term investments of \$98,122. Net cash provided by financing activities was \$3,224,536 due to the exercise of warrants and stock options and the non-brokered private placements that closed during the period.

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.

The Company is a junior exploration company principally engaged in the exploration and development of the North Star Manganese project, a 100% domestic U.S. project comprising a manganese mine in Emily, Minnesota, and a high-purity manganese sulfate monohydrate (HPMSM) chemical plant in the U.S.. 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 unaudited 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, 2025, the Company had accumulated losses of \$18,361,467 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 or at all. 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.

The Company is actively evaluating financing opportunities to fund its planned activities for the next twelve months, including potential equity financings and strategic partnerships. The Company intends to prioritize financing options that minimize shareholder dilution while supporting the advancement of the North Star Manganese Project.

The Company continues to assess a range of strategic growth opportunities, including potential acquisitions of complementary businesses or assets.

### Capital Expenditures

The Company incurred \$826,099 in exploration and evaluation expenditures and acquisition costs during the nine months ended September 30, 2024 (2024 - \$552,890). For a breakdown of costs, refer to the Summary of Expenditures section above.

### Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as of September 30, 2025.

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**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. The following related party transactions are also disclosed in Note 7 to the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2025.

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, 2025 and 2024:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Consulting fees	90,000	60,000	270,000	243,849
Capitalized exploration and evaluation asset expenditures	-	-	-	6,615
Directors fees	81,250	-	365,490	55,204
Professional fees	18,056	23,629	54,907	146,737
Share-based compensation	21,447	4,053	75,833	132,988
	210,753	87,682	766,230	585,393

The amounts due to related parties at September 30, 2025 are \$479,541 (December 31, 2024 - \$386,319) owing to directors of the Company and a company in which the CFO of the Company is a shareholder. These amounts are unsecured, non-interest bearing and due on demand. The amounts due to related parties are included in accounts payable and accrued liabilities.

During the three and nine months ended September 30, 2025, the Company entered into the following transactions with key management personnel and/or related entities:

- a) Incurred consulting fees of \$60,000 and \$180,000 (2024 - \$60,000 and \$160,000) to Sage Management LLC, a company controlled by the CEO of the Company (Brian Savage).
- b) Incurred consulting fees of \$nil and \$nil (2024 - \$nil and \$28,644) to Gary Lewis, former CEO of the Company.
- c) Incurred consulting fees of \$nil and \$nil (2024 - \$nil and \$61,820) to Ian Pringle, of which \$nil and \$nil (2024 - \$nil and \$6,615) was capitalized to exploration and evaluation assets.
- d) Incurred consulting fees of \$30,000 and \$90,000 (2024 - \$nil and \$nil) to StoneBridge Analytics LLC, a consulting company in which Henry Sandri is a partner.
- e) Incurred director fees of \$12,500 and \$50,000 (2024 - \$nil and \$nil) to Steve Durbin.
- f) Incurred director fees of \$12,500 and \$50,000 (2024 - \$nil and \$nil) to Tyson Hall.
- g) Incurred director fees of \$18,750 and \$75,000 (2024 - \$nil and \$nil) to Quinton Hennigh.
- h) Incurred director fees of \$12,500 and \$51,495 (2024 - \$nil and \$nil) to Sylvia Chen.
- i) Incurred director fees of \$12,500 and \$51,495 (2024 - \$nil and \$nil) to Michele McCarthy.
- j) Incurred director fees of \$12,500 and \$87,500 (2024 - \$nil and \$nil) to Henry Sandri.
- k) Incurred director fees of \$nil and \$nil (2024 - \$nil and \$27,602) to John Kutkevicius, former director of the Company.
- l) Incurred director fees of \$nil and \$nil (2024 - \$nil and \$27,602) to Megan McElwain, former director of the Company.
- m) Incurred professional fees of \$18,056 and \$54,907 (2024 - \$16,499 and \$70,956) to Malaspina Consultants Inc., a company in which the CFO of the Company (Natasha Tsai) is a shareholder.
- n) Incurred professional fees of \$nil and \$nil (2024 - \$7,130 and \$75,781) to Wildeboer Dellelce LLP, a legal firm where John Kutkevicius, former director of the Company, 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 year ended December 31, 2024, the consulting agreement was

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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 year ended December 31, 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 in the month immediately following, the monthly fee shall automatically increase to \$30,000. As further consideration, the Company granted to the director and CEO of the Company 7,000,000 share options which vest in accordance with certain vesting criteria.

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. During the nine months ended September 30, 2025, the Company paid a \$40,000 stipend to each former director.

On December 13, 2024, the Company closed a non-brokered private placement of 5,837,000 common shares of the Company for gross proceeds of \$410,161 (CAD\$583,700). Related parties of the Company purchased 3,737,000 common shares.

On April 29, 2025, the Company closed a non-brokered private placement of 25,000,331 units at a price of CAD\$0.12 per unit for gross proceeds of \$2,166,563 (CAD\$3,000,040). Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at an exercise price of CAD\$0.20 per share for a period of 18 months from the date of issuance. A related party of the Company purchased 333,333 units.

On May 20, 2025, the Company closed a non-brokered private placement of 9,099,999 units at a price of CAD\$0.12 per unit for gross proceeds of \$783,638 (CAD\$1,092,000). Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at an exercise price of CAD\$0.20 per share for a period of 18 months from the date of issuance.

During the nine months ended September 30, 2025, the Company received a loan of \$50,000 from a company owned by a director of the Company. The loan accrued interest at a rate of 8% per annum, and was due on the earlier of March 3, 2026, or within 10 business days of the Company receiving financing via equity, debt, or some combination thereof, in excess of \$1,000,000. During the nine months ended September 30, 2025, the Company repaid the loan. The accrued interest on the loan was forgiven, and the Company recognized a gain on debt settlement of \$921.

All related party transactions were conducted in the normal course of business and measured at the amount of consideration established and agreed to by the related parties.

### **Events Subsequent to the Company's September 30, 2025 Quarter End**

On October 24, 2025, the Company closed a non-brokered private placement, issuing 13,330,000 units at a price of CAD\$0.30 per unit for gross proceeds of CAD\$3,999,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at an exercise price of CAD\$0.45 per share for a period of 18 months from the date of issuance. Related parties of the Company purchased 426,666 units.

Subsequent to September 30, 2025, 14,225,319 warrants were cashlessly exercised. Upon exercise of the warrants, a total of 896,154 common shares were issued.

### **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

# Electric Metals (USA) Limited

## Management's Discussion and Analysis

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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.

### **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, forfeiture rate, volatility and dividend yield and making assumptions about them.

### **Financial Instruments and Other Instruments**

The Company's financial instruments consist of cash, reclamation bonds and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to material 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	200,758,424
Deferred share units	5,043,965
Share options with a weighted average exercise price of CAD\$0.26	10,000,000
Share purchase warrants with a weighted average exercise price of CAD\$0.27	23,802,836
<b>Fully Diluted</b>	<b>239,605,225</b>

### **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 and nine months ended September 30, 2025 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

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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](http://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](http://www.sedarplus.ca).