
ELECTRIC METALS (USA) LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Unaudited – Expressed in US 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 US Dollars)

As at	Note	June 30, 2026 \$	December 31, 2025 \$
ASSETS			
Current assets			
Cash		1,333,184	2,442,551
Receivables		48,891	141,088
Prepaid expenses		275,840	580,214
Assets held for sale	3	3,267,557	3,262,372
		4,925,472	6,426,225
Equipment		52	381
Exploration and evaluation assets	3	8,102,598	7,877,218
Total assets		13,028,122	14,303,824
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	674,492	953,677
Deferred proceeds from sale	3	341,000	-
		1,015,492	953,677
SHAREHOLDERS' EQUITY			
Share capital	4	27,635,989	27,470,338
Share-based payments reserve	4	1,745,767	1,489,730
Warrants reserve	4	695,207	695,207
Foreign currency translation reserve		(256,096)	(192,903)
Deficit		(17,808,237)	(16,112,225)
		12,012,630	13,350,147
Total liabilities and shareholders' equity		13,028,122	14,303,824

Nature of operations and going concern (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on August 13, 2026

“Brian Savage” Director

“Sylvia Chen” Director

ELECTRIC METALS (USA) LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the Three and Six Months Ended June 30, 2026 and 2025
(Unaudited – Expressed in US Dollars)

		For the three months ended June 30,		For the six months ended June 30,	
	Note	2026	2025	2026	2025
		\$	\$	\$	\$
EXPENSES					
Consulting fees	5	466,867	186,751	942,705	276,751
Depreciation		163	200	325	459
Directors fees	5	81,250	284,240	162,500	284,240
Exploration and evaluation costs		-	2,452	-	16,640
Filing fees		9,379	6,249	22,960	10,302
Interest and bank charges		2,463	3,560	5,021	8,433
Marketing		126,159	103,844	172,631	240,294
Office expenses		51,290	41,680	107,389	69,126
Professional fees	5	132,826	60,144	206,170	97,527
Rent		-	460	-	1,072
Share-based compensation	4, 5	9,172	22,470	12,287	57,055
Travel		40,688	883	48,226	883
LOSS BEFORE OTHER ITEMS		(920,257)	(712,933)	(1,680,214)	(1,062,782)
OTHER ITEMS					
Foreign exchange (loss) gain		(14,780)	13,198	(15,952)	12,367
Gain on debt settlement	5	-	9,524	-	9,524
Interest income		154	-	154	153
NET LOSS FOR THE PERIOD		(934,883)	(690,211)	(1,696,012)	(1,040,738)
OTHER COMPREHENSIVE LOSS ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO LOSS:					
Exchange difference on translation of foreign operations		(20,742)	(3,381)	(63,193)	(3,644)
COMPREHENSIVE LOSS FOR THE PERIOD		(955,625)	(693,592)	(1,759,205)	(1,044,382)
NET LOSS PER SHARE – BASIC AND DILUTED		(0.00)	(0.00)	(0.01)	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
		201,883,424	172,057,604	200,944,279	154,127,783

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

		Number of Shares #	Share Capital \$	Share-based Payments Reserve \$	Warrants Reserve \$	Foreign Currency Translation Reserve \$	Deficit \$	Total \$
	Note							
Balance, December 31, 2024		150,549,683	21,095,316	1,160,111	880,938	(224,517)	(16,765,197)	6,146,651
Units issued pursuant to private placements	4	34,100,330	2,950,201	-	-	-	-	2,950,201
Share issuance costs	4	-	(83,276)	-	30,723	-	-	(52,553)
Share-based compensation	4	-	-	57,055	-	-	-	57,055
Net and comprehensive loss for the period		-	-	-	-	(3,644)	(1,040,738)	(1,044,382)
Balance, June 30, 2025		184,650,013	23,962,241	1,217,166	911,661	(228,161)	(17,805,935)	8,056,972
Units issued pursuant to private placements	4	13,330,000	2,806,015	-	47,560	-	-	2,853,575
Share issuance costs	4	-	(16,765)	-	-	-	-	(16,765)
Exercise of warrants	4	1,146,153	300,204	-	(264,014)	-	-	36,190
Exercise of stock options	4	1,632,258	418,643	(127,945)	-	-	-	290,698
Share-based compensation	4	-	-	400,509	-	-	-	400,509
Net and comprehensive income for the period		-	-	-	-	35,258	1,693,710	1,728,968
Balance, December 31, 2025		200,758,424	27,470,338	1,489,730	695,207	(192,903)	(16,112,225)	13,350,147
Exercise of warrants	4	1,125,000	165,651	-	-	-	-	165,651
Share-based compensation	4	-	-	256,037	-	-	-	256,037
Net and comprehensive loss for the period		-	-	-	-	(63,193)	(1,696,012)	(1,759,205)
Balance, June 30, 2026		201,883,424	27,635,989	1,745,767	695,207	(256,096)	(17,808,237)	12,012,630

ELECTRIC METALS (USA) LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Six Months Ended June 30, 2026 and 2025

(Unaudited – Expressed in US Dollars)

		For the six months ended June 30,	
	Note	2026	2025
		\$	\$
Operating activities:			
Net loss for the period		(1,696,012)	(1,040,738)
Items not affecting cash:			
Depreciation		325	459
Gain on debt settlement		-	9,524
Share-based compensation	4	256,037	57,055
Changes in non-cash working capital related to operations:			
Receivables		92,197	(51,350)
Prepaid expenses		304,374	(139,866)
Accounts payable and accrued liabilities		(195,694)	(11,845)
Net cash used in operating activities		(1,238,773)	(1,176,761)
Investing activities:			
Exploration and evaluation assets acquisition and exploration costs		(318,421)	(562,387)
Redemption of short-term investments		-	98,122
Proceeds from sale of NAS and CM, net of finders fees	3	341,000	-
Net cash provided by (used in) investing activities		22,579	(464,265)
Financing activities:			
Units issued for cash, net of issue costs	4	-	2,897,648
Loan received from related party	5	-	50,000
Loan repayment to related party	5	-	(50,000)
Warrant exercise proceeds	3	165,651	-
Net cash provided by financing activities		165,651	2,897,648
Foreign exchange effect on cash		(58,824)	(36,024)
Increase (decrease) in cash during the period		(1,109,367)	1,220,598
Cash – beginning of the period		2,442,551	53,461
Cash – end of the period		1,333,184	1,274,059
Income taxes paid		-	-
Interest received		-	631
Interest paid		-	3,548

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

For the Three and Six Months Ended June 30, 2026 and 2025

(Unaudited – Expressed in US Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Electric Metals (USA) Limited (“EML” or the “Company”) was incorporated under the Canada Business Corporations Act on March 1, 2018. On October 2, 2025, the Company completed its continuation into British Columbia. On December 30, 2025, the Company completed its continuance to the State of Delaware, USA. The Company’s registered office is located at 109 West 13th Street, Wilmington, DE, USA 19801. 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 “EMUS”.

Going concern

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 June 30, 2026, the Company had working capital of \$3,909,980 and had accumulated losses of \$17,808,237 since its inception and expects to incur further losses in the development of its business. During the six months ended June 30, 2026, the Company incurred a net loss of \$1,696,012. The Company has not generated revenue from operations to date, and the continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration and corporate overhead. These conditions indicate a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern and that the Company may be unable to realize our assets and discharge our liabilities in the normal course of business.

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. Such adjustments could be material.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. They do not include all the information required for complete annual financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and therefore should be read together with the audited financial statements for the year ended December 31, 2025, which have been prepared in accordance with IFRS.

The accounting policies applied in these condensed interim consolidated financial statements are consistent with those applied in the preparation of the Company’s annual consolidated financial statements for the year ended December 31, 2025.

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

For the Three and Six Months Ended June 30, 2026 and 2025

(Unaudited – Expressed in US Dollars)

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

	Incorporated in	Percentage owned	
		June 30, 2026	December 31, 2025
Electric Metals (USA) Pty Limited	Australia	100%	100%
North Star Manganese Inc (“NSM”)	USA	100%	100%
North American Silver Corp. (“NAS”)	USA	100%	100%
Centennial Mining (“CM”)	USA	100%	100%

3. EXPLORATION AND EVALUATION ASSETS

North Star Manganese Project

The Company’s principal focus is on the exploration and development of the North Star Manganese Project. The North Star Manganese Project is a 100% domestic US project, comprising a manganese mine in Emily, Minnesota, and a high-purity manganese sulfate monohydrate (HPMSM) chemical plant in the USA. NSM has a 100% ownership and management interest in the Emily Manganese Deposit 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.

NSM also has lease and purchase option agreements with two private landowners in Emily, Minnesota on two adjacent blocks of land covering approximately 77 acres of surface and mineral rights. Pursuant to the lease and purchase option agreements, NSM will pay each of the private landowners an annual fee of \$6,000 due on closing and on each anniversary date of the agreement. NSM can purchase each of the optioned properties at any time for a mutually agreed market price or a professional appraisal price plus 15%. Each property is subject to a 2.5% net smelter return (“NSR”) that can be repurchased for \$500,000 for each 1.25%, at any time.

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

For the Three and Six Months Ended June 30, 2026 and 2025

(Unaudited – Expressed in US Dollars)

Corcoran Canyon Silver Project (“Corcoran”)

Corcoran is a silver-gold project located northeast of Tonopah, in central Nevada, USA. EML owns 100% of NAS, which owns 100% of CM, resulting in EML’s 100% indirect ownership of Corcoran. Corcoran comprises 27 core and 166 adjacent unpatented mineral claims, which are currently subject to an NSR royalty ranging from 0.4% to 3%. CM has staked new and restaked certain historical claims in potential exploration ground and intends to maintain these claims in good standing through payment of the required annual holding fees.

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 bonds will be refunded, or until satisfactory replacement bond coverage is furnished.

Belmont Silver Project (“Belmont”)

Belmont is a silver-gold project located northeast of Tonopah, in central Nevada, USA. EML owns 100% of NAS, which owns 100% of CM, resulting in EML’s 100% indirect ownership of Belmont. 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 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, as a result of limited exploration activity undertaken on these projects.

On January 30, 2026 and amended on May 7, 2026, the Company entered into a definitive purchase and sale agreement with Ameerex Corporation (“Ameerex”), pursuant to which the Company has agreed to sell its wholly-owned subsidiaries, NAS and CM together with their respective assets in Nevada which include the Corcoran and Belmont Project. Under the terms of the agreement, Ameerex has agreed to acquire 100% of the issued and outstanding shares of NAS and CM for total consideration of \$3,500,000, payable in staged cash payments as follows:

- \$300,000 upon execution of the Agreement (received);
- \$1,100,000 payable on or before May 29, 2026; and
- \$2,100,000 payable on or before June 29, 2026.

Ameerex also paid the Company a modification fee of \$50,000 (received) for the amendment.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Six Months Ended June 30, 2026 and 2025

(Unaudited – Expressed in US Dollars)

The Company will retain a 2.5% NSR on production from each of the Corcoran and Belmont properties, subject to a 3.0% total royalty cap inclusive of existing third-party royalties. The agreement also provides Ameerex with certain options to repurchase all or a portion of the retained NSR royalties on defined terms. As at December 31, 2025, NAS and CM met the criteria to be classified as held for sale. All assets and liabilities for NAS and CM have been classified as current assets and liabilities held for sale at December 31, 2025.

Immediately prior to its reclassification as held for sale, the Company assessed the Corcoran and Belmont projects for impairment or impairment reversal. On December 31, 2025, the recoverable amount of the Corcoran and Belmont projects exceeded its carrying value and the Company recognized a partial impairment reversal of \$2,465,071 and \$557,047, respectively. The recoverable amount was based on consideration as established by the agreement with Ameerex, less costs to sell and discounted using a 10% discount rate.

Assets Held for Sale	\$
Reclamation bonds	96,343
Exploration and evaluation assets	3,171,214
Balance, June 30, 2026	3,267,557

Summary of Expenditures

Below is a summary of the changes in the exploration and evaluation assets during the six months ended June 30, 2026 and the year ended December 31, 2025.

	North Star Manganese Project \$	Corcoran Canyon Silver Project \$	Belmont Silver Project \$	Total \$
Balance, December 31, 2024	7,240,510	-	-	7,240,510
Land fees and staking	14,495	94,460	47,398	156,353
Consulting – Geological	316,558	127	127	316,812
Consulting – Environmental	9,593	-	-	9,593
Consulting - Other	24,244	-	-	24,244
Drilling	73,110	-	-	73,110
Permitting, sampling, assays and surveys	29,175	1,800	-	30,975
Field supplies	169,533	-	-	169,533
Impairment reversal	-	2,465,071	557,047	3,022,118
Balance, December 31, 2025	7,877,218	2,561,458	604,572	11,043,248
Land fees and staking	15,009	1,692	1,692	18,393
Consulting – Geological	105,416	-	-	105,416
Permitting, sampling, assays and surveys	-	900	900	1,800
Field supplies	104,955	-	-	104,955
Balance, June 30, 2026	8,102,598	2,564,050	607,164	11,273,812

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Six Months Ended June 30, 2026 and 2025
(Unaudited – Expressed in US Dollars)

4. SHARE CAPITAL

a) Authorized – Unlimited common shares without par value.

b) Share Issuances

During the six months ended June 30, 2026, 1,125,000 warrants were exercised for gross proceeds of \$165,651 (CAD\$225,000). The weighted average share price on the date of exercise was CAD\$0.44 per share.

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. In connection with the non-brokered private placement, the Company paid cash transaction costs of \$3,882, paid finders fees of \$26,879 and issued 310,169 finders warrants. Each finders warrant entitles the holder to acquire one common share of the Company at a price of CAD\$0.20 per share for a period of 18 months. The fair value of the finders warrants has been estimated to be \$28,844 using the Black-Scholes option pricing model using the following assumptions: share price at the time of issuance of CAD\$0.20; risk-free interest rate of 2.54%; expected life of 1.5 years; dividend yield of 0% and annualized volatility of 149%. Using the residual method, proceeds of \$2,166,563 were attributed to common shares with \$nil attributed to warrants. A related party of the Company purchased 333,333 units.

On May 20, 2025, the Company closed a non-brokered private placement, issuing 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. In connection with the non-brokered private placement, the Company paid cash transaction costs of \$19,424, paid finders fees of \$2,368 and issued 27,500 finders warrants. Each finders warrant entitles the holder to acquire one common share of the Company at a price of CAD\$0.20 per share for a period of 18 months. The fair value of the finders warrants has been estimated to be \$1,879 using the Black-Scholes option pricing model using the following assumptions: share price at the time of issuance of CAD\$0.16; risk-free interest rate of 2.63%; expected life of 1.5 years; dividend yield of 0% and annualized volatility of 146 %. Using the residual method, proceeds of \$783,638 were attributed to common shares with \$nil attributed to warrants.

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 \$2,853,575 (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. In connection with the non-brokered private placement, the Company paid cash transaction costs of \$16,765. Using the residual method, proceeds of \$2,806,015 were attributed to common shares with \$47,560 attributed to warrants.

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

For the Three and Six Months Ended June 30, 2026 and 2025

(Unaudited – Expressed in US Dollars)

During the year ended December 31, 2025, 249,999 warrants were exercised for gross proceeds of \$36,190 (CAD\$50,000). 14,225,319 warrants were exercised cashlessly for the issuance of 896,154 common shares. The Company transferred \$264,014 from warrants reserve to share capital. The weighted average share price on the date of exercise was CAD\$0.35 per share.

During the year ended December 31, 2025, 1,600,000 stock options were exercised for gross proceeds of \$290,698 (CAD\$400,000) and 32,258 stock options were exercised cashlessly upon the surrender of 67,742 stock options. The Company transferred \$127,945 from share-based payments reserve to share capital. The weighted average share price on the date of exercise was CAD\$0.40 per share.

c) Stock Options

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

The Company’s policy is to not have an exercise price of each option granted under the Omnibus Equity Incentive Plan less than the market price of a common share on the date of the grant. The vesting terms of the stock options are at the sole discretion of the Board of Directors. Options may be granted for a maximum term of ten years from the date of the grant.

On April 11, 2025, the Company granted 250,000 stock options to a former consultant of the Company. Each stock option entitled the holder to purchase one common share of the Company at an exercise price of CAD\$0.20 per share for an 18-month period. On May 27, 2025, these options were forfeited as a result of the termination of the consulting agreement with the consultant.

Share-based compensation expense related to stock options of \$9,172 and \$12,287 was recorded during the three and six months ended June 30, 2026 (2025 - \$11,094 and \$34,428).

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For the Three and Six Months Ended June 30, 2026 and 2025
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The fair value of the options granted was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

	2025
Stock price (CAD\$)	\$0.10
Exercise price (CAD\$)	\$0.20
Risk-free interest rate	2.68%
Expected life	1.50 years
Expected volatility	146%
Expected dividend yield	Nil
Expected forfeiture rate	Nil
Fair value	\$0.04

A summary of stock option activity is as follows:

	Options #	Weighted average exercise price CAD\$
Balance outstanding, December 31, 2024	11,800,000	0.26
Granted	250,000	0.20
Exercised	(1,632,258)	0.25
Surrendered	(67,742)	0.25
Forfeited	(350,000)	0.21
Balance outstanding, June 30, 2026 and December 31, 2025	10,000,000	0.26

As at June 30, 2026, the Company had the following options outstanding:

Expiry Date	Exercise Price CAD\$	Remaining Life (Years)	Options Outstanding #	Options Exercisable #
January 13, 2028	0.25	1.54	150,000	150,000
October 12, 2028	0.25	2.29	1,500,000	1,000,000
October 23, 2029	0.25	3.32	7,000,000	1,000,000
October 23, 2029	0.35	3.32	500,000	500,000
May 6, 2031	0.33	4.85	850,000	850,000
			10,000,000	3,500,000

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Six Months Ended June 30, 2026 and 2025
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d) DSUs

The Omnibus Equity Incentive Plan allows for the granting of DSUs to non-employee directors. The Board of Directors have the authority to determine the vesting terms of the DSUs, except that, at all times when the Company is listed on the TSXV, no DSU granted may vest before the date that is one year following the grant date. A DSU shall be settled upon the departure of the non-employee director.

On July 24, 2025, the Company granted an aggregate of 3,939,740 DSUs with a fair value of \$284,240 to certain directors of the Company. The DSUs were granted in lieu of cash directors fees incurred during the year ended December 31, 2025. The fair value was measured by the closing share price of CAD\$0.11 on the grant date. The DSUs vest on July 24, 2026.

On September 30, 2025, the Company granted an aggregate of 310,849 DSUs with a fair value of \$81,250 to certain directors of the Company. The DSUs were granted in lieu of cash directors fees incurred during the quarter ended September 30, 2025. The fair value was measured by the closing share price of CAD\$0.36 on the grant date. The DSUs vest on September 30, 2026.

On January 19, 2026, the Company granted an aggregate of 269,808 DSUs with a fair value of \$81,250 to certain directors of the Company. The DSUs were granted in lieu of cash directors fees incurred during the quarter ended December 31, 2025. The fair value was measured by the closing share price of CAD\$0.42 on the grant date. The DSUs vest on January 19, 2027.

On March 31, 2026, the Company granted an aggregate of 318,429 DSUs with a fair value of \$81,250 to certain directors of the Company. The DSUs were granted in lieu of cash directors fees incurred during quarter ended March 31, 2026. The fair value was measured by the closing share price of CAD\$0.35 on the grant date. The DSUs vest on March 31, 2027.

On June 30, 2026, the Company granted an aggregate of 468,643 DSUs with a fair value of \$81,250 to certain directors of the Company. The DSUs were granted in lieu of cash directors fees incurred during quarter ended June 30, 2026. The fair value was measured by the closing share price of CAD\$0.26 on the grant date. The DSUs vest on June 30, 2027.

Share-based compensation expense related to DSUs of \$81,250 and \$243,750 was recorded during the three months and six ended June 30, 2026 (2025 - \$11,376 and \$22,627) with a corresponding increase to share-based payments reserve, \$81,250 and \$243,750 of which was classified as directors fees (2025 - \$nil and \$nil).

ELECTRIC METALS (USA) LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Six Months Ended June 30, 2026 and 2025
(Unaudited – Expressed in US Dollars)

A summary of DSU activity is as follows:

	DSUs #
Balance outstanding, December 31, 2024	793,376
Granted	4,250,589
Balance outstanding, December 31, 2025	5,043,965
Granted	1,056,880
Balance outstanding, June 30, 2026	6,100,845

As at June 30, 2026, the Company had the following DSUs outstanding:

Grant Date	DSUS Outstanding #
October 29, 2024	793,376
July 24, 2025	3,939,740
September 30, 2025	310,849
January 19, 2026	269,808
March 31, 2026	318,429
June 30, 2026	468,643
	6,100,845

e) Warrants

A summary of warrant activity is as follows:

	Warrants #	Weighted average exercise price CAD\$
Balance outstanding, December 31, 2024	33,166,240	0.33
Issued	23,715,169	0.27
Exercised	(14,255,319)	0.35
Expired	(18,910,921)	0.32
Balance outstanding, December 31, 2025	23,715,169	0.27
Exercised	(1,125,000)	0.20
Balance outstanding, June 30, 2026	22,590,169	0.27

ELECTRIC METALS (USA) LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Six Months Ended June 30, 2026 and 2025
(Unaudited – Expressed in US Dollars)

As at June 30, 2026, the Company had the following warrants outstanding:

Expiry Date	Exercise Price CAD\$	Remaining Life (Years)	Warrants Outstanding #
October 29, 2026	0.20	0.33	11,375,167
November 20, 2026	0.20	0.39	4,550,000
April 24, 2027	0.45	0.82	6,665,002
			22,590,169

f) Finders Warrants

A summary of finders warrants activity is as follows:

	Finders warrants #	Weighted average exercise price CAD\$
Balance outstanding, December 31, 2024	1,394,750	0.165
Issued	337,669	0.20
Exercised	(249,999)	0.20
Expired	(1,394,750)	0.165
Balance outstanding, June 30, 2026 and December 31, 2025	87,670	0.20

As at June 30, 2026, the Company had the following finders warrants outstanding:

Expiry Date	Exercise Price CAD\$	Remaining Life (Years)	Warrants Outstanding #
October 29, 2026	0.20	0.33	60,170
November 20, 2026	0.20	0.39	27,500
			87,670

5. RELATED PARTY TRANSACTIONS

Related party transactions are comprised of services rendered by key management personnel of the Company or by a company with a director and/or officer in common.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

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

For the Three and Six Months Ended June 30, 2026 and 2025

(Unaudited – Expressed in US Dollars)

The Company incurred charges to directors and officers, or to companies associated with these individuals, during the three and six months ended June 30, 2026 and 2025:

	Three months ended		Six months ended	
	2026	June 30, 2025	2026	June 30, 2025
	\$	\$	\$	\$
Consulting fees	120,000	90,000	240,000	180,000
Directors fees	81,250	284,240	162,500	284,240
Professional fees	31,392	22,473	57,640	36,851
Share-based compensation	9,172	21,214	12,287	54,386
	241,814	417,927	472,427	555,477

The amounts due to related parties at June 30, 2026 are \$453,103 (December 31, 2025 - \$538,523) 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.

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. In November 2025, the monthly fee was increased to \$30,000 following the October 24, 2025 non-brokered private placement. As further consideration, the Company granted to the director and CEO of the Company 7,000,000 stock options. 1,000,000 of the stock options vested on February 1, 2025, while 4,000,000 of the stock options vest based on key performance metrics, and the remaining 2,000,000 will vest based on market conditions, 1,000,000 upon the stock price reaching CAD\$7.50 and 1,000,000 upon the stock price reaching CAD\$10.00, in each case for a period of at least 10 consecutive trading days.

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 year ended December 31, 2025, the Company paid a \$40,000 stipend to each former director.

During the year ended December 31, 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 year ended December 31, 2025, the Company

ELECTRIC METALS (USA) LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Six Months Ended June 30, 2026 and 2025
(Unaudited – Expressed in US Dollars)

repaid the loan. The accrued interest on the loan was forgiven, and the Company recognized a gain on debt settlement of \$921.

Other related party transactions are disclosed in Note 4.

6. SEGMENT INFORMATION

During the six months ended June 30, 2026, the Company had one reportable operating segment, being the acquisition and exploration of interests in mineral properties. The Company has operations located in three geographical segments, Canada, USA and Australia. Geographic information is as follows:

	Total non-current assets as at June 30, 2026 \$	Total non-current assets as at December 31, 2025 \$
USA	8,102,650	7,877,599
Total non-current assets	8,102,650	7,877,599

	Three months ended June 30, 2026 \$	June 30, 2025 \$	Six months ended June 30, 2026 \$	June 30, 2025 \$
Canada	(775,662)	(578,005)	(1,316,279)	(862,829)
USA	(158,241)	(112,252)	(378,785)	(177,775)
Australia	(980)	46	(948)	(134)
Total net loss	(934,883)	(690,211)	(1,696,012)	(1,040,738)

7. CONTINGENCIES

On April 21, 2026, the Company's wholly-owned subsidiary, NSM, was named as a defendant in litigation filed in the District Court for the Ninth Judicial District, Crow Wing County, Minnesota. The plaintiff alleges claims relating to certain historical royalty and mining arrangements associated with the Emily Manganese Deposit and seeks monetary damages, declaratory relief and other remedies.

NSM believes the claims against it are without merit and intends to assert all available defenses and rights in the action. Pursuant to existing agreements governing NSM's interest in the project, CMR is required to defend, indemnify and hold NSM harmless from such claims, including related costs.

The outcome of the litigation cannot presently be determined and no provision has been recorded in these condensed interim consolidated financial statements. Should an unfavorable outcome occur, it could have a material adverse effect on the Company's interest in the North Star Manganese project and its financial position, results of operations and cash flows.