Electric Metals (USA) Limited

Management's Discussion and Analysis

Six Months Ended June 30, 2026

Dated: August 13, 2026

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 August 13, 2026, and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and notes thereto for the three and six months ended June 30, 2026 (the "Financial Statements"). The Financial Statements include the financial information of EML and its wholly-owned and controlled subsidiaries, Electric Metals (USA) Pty Limited, 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 and SEDAR+ at **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 ("IFRS Accounting Standards"). 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.

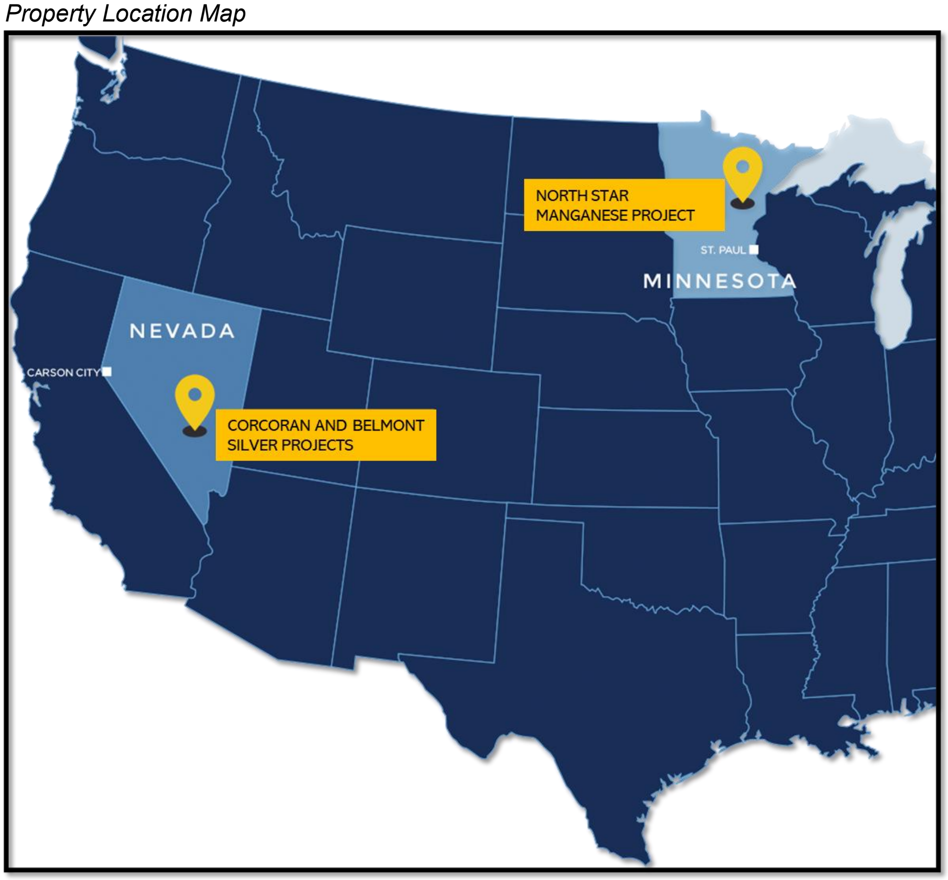
Description of Business

Electric Metals (USA) Limited ("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".

Exploration Projects

Figure 1 shows the location of the North Star 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



On January 30, 2026, the Company entered into a definitive purchase and sale agreement with Ameerex Corporation, 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.

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.

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.

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 and filed under the Company's profile on 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 / MnO2), 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 and under the Company's profile on 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 and under the Company's profile on 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 and under the Company's profile on 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 sulfate 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.
- 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.

On June 30, 2026, the Company announced positive results from an ore sorting assessment completed by Rados International Technologies on drill core from the Emily Manganese Deposit, part of the North Star Manganese Project. The results show that particle-scale ore sorting upgraded a drill core dataset, averaging approximately 8.2% Mn to approximately 17.5% Mn while recovering 92% of the contained manganese. This means 57% of the material could potentially be rejected prior to downstream processing while retaining 92% of the contained manganese. The work supports Electric Metals' strategy of evaluating advanced sensor-based pre-concentration technologies capable of upgrading ore feed grade, reducing downstream processing costs, improving project economics and enhancing the utilization of mineralized material within the deposit. The Company intends to incorporate the results into ongoing engineering studies evaluating the optimal development pathway for the Emily Manganese Deposit and the broader North Star Manganese Project, which aims to establish a fully domestic U.S. supply chain for high-purity manganese products used in electric vehicle batteries, energy storage systems, defense applications, technology applications and industrial markets. Additional details can be found in the June 30, 2026 news release on the Company's website at electricmetals.com and under the Company's profile on www.sedarplus.ca.

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 and under the Company's profile on 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 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. 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 has staked new and restaked 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, as a result of limited exploration activity undertaken on these projects. During the year ended December 31, 2025, the Company restaked claims for the Corcoran and Belmont 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.

The Company will retain a 2.5% net smelter return ("NSR") royalty 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.

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**

Selected Financial Information

The following selected financial data is derived from the consolidated financial statements of the Company.

Selected Statement of Financial Position Data

	As at June 30, 2026 $	As at December 31, 2025 $
Working capital[1]	3,909,980	5,472,548
Total current assets	4,925,472	6,426,225
Total current liabilities	1,015,492	953,677
Total shareholders' equity	12,012,630	13,350,147

[1]Working capital is defined as current assets less current liabilities.

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			
	June 30, 2026 $	March 31, 2026 $	December 31, 2025 $	September 30, 2025 $
Revenues	Nil	Nil	Nil	Nil
Working capital (deficiency)[1]	3,909,980	4,908,488	5,472,548	192,376
Total assets	13,028,122	13,921,787	14,303,824	9,425,772
Net (loss) income for the period	(934,883)	(761,129)	2,249,242	(555,532)
Net (loss) income per share	(0.00)	(0.00)	0.01	(0.00)

	Three months ended			
	June 30, 2025 $	March 31, 2025 $	December 31, 2024 $	September 30, 2024 $
Revenues	Nil	Nil	Nil	Nil
Working capital (deficiency)[1]	310,540	(1,713,354)	(1,191,331)	(1,090,804)
Total assets	9,458,316	7,742,257	7,735,979	12,613,408
Net loss for the period	(690,211)	(350,527)	(5,602,601)	(359,629)
Net loss per share	(0.00)	(0.00)	(0.04)	(0.00)

[1]Working capital (deficiency) is defined as current assets less current liabilities.

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.

The net income for the quarter ended December 31, 2025 is primarily due to the impairment reversal that was recognized for the Corcoran and Belmont projects.

The net loss for the quarter ended March 31, 2026 is higher than the previous quarters due to an increase in consulting fees recognized during the quarter.

The net loss for the quarter ended June 30, 2026 is higher than the previous quarter due to an increase in marketing fees and professional fees recognized during the quarter.

Results of Operations

Six months ended June 30, 2026
The Company recorded a net loss of $1,696,012 ($0.01 per share) for the six months ended June 30, 2026 (2025 - $1,040,738 and $0.01 per share). Variances of note in the operational expenses are:

Consulting fees of $942,705 (2025 - $276,751) were higher during the six months ended June 30, 2026 primarily due to consulting services incurred to support the Company's strategy and development.

Professional fees of $206,170 (2025 - $97,527) were higher during the six months ended June 30, 2026 primarily due to an increase in accounting, tax and legal fees associated with the Company's continuance to the State of Delaware, USA.

Partially offset by:

Marketing fees of $172,631 (2025 – $240,294) was lower during the six months ended June 30, 2026 due to a decrease in investor relations activity.

Three months ended June 30, 2026
The Company recorded a net loss of $934,883 ($0.00 per share) for the three months ended June 30, 2026 (2025 - $690,211 and $0.00 per share). Variances of note in the operational expenses are:

Consulting fees of $466,867 (2025 - $186,751) were higher during the three months ended June 30, 2026 primarily due to consulting services incurred to support the Company's strategy and development.

Professional fees of $132,826 (2025 - $60,144) were higher during the three months ended June 30, 2026 primarily due to an increase in accounting, tax and legal fees associated with the Company's continuance to the State of Delaware, USA.

Partially offset by:

Directors fees of $81,250 (2025 – $284,240) were higher during the three months ended June 30, 2025 as directors were granted DSUs for their service during the period.

Outlook

As of June 30, 2026, the Company had working capital of $3,909,980 (December 31, 2025 – $5,472,548). During the six months ended June 30, 2026, net cash used in operating activities was $1,238,773. Net cash provided by investing activities was $22,579 due to the receipt of proceeds from Ameerex, offset by mineral property acquisition and exploration costs. Net cash provided by financing activities was $165,651 due to net proceeds received from warrant exercises.

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.

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 accumulated losses of $17,808,237 since its inception and expects to incur further losses in the development of its business. As at June 30, 2026, the Company had cash of $1,333,184 and working capital of $3,909,980. During the six months ended June 30, 2026, the Company incurred a net loss of $1,696,012 and used cash in operating activities of $1,238,773. 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.

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 $230,564 in exploration and evaluation expenditures and acquisition costs during the six months ended June 30, 2026 (2025 - $408,863). For a breakdown of costs by project, refer to the Summary of Expenditures section above.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as of June 30, 2026.

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 5 to the Company's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2026.

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 six months ended June 30, 2026 and 2025:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	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.

During the three and six months ended June 30, 2026, the Company entered into the following transactions with key management personnel and/or related entities:

a) Incurred consulting fees of $90,000 and $180,000 (2025 - $60,000 and $120,000) to Sage Management LLC, a company controlled by the CEO of the Company (Brian Savage).
b) Incurred consulting fees of $30,000 and $60,000 (2025 - $30,000 and $60,000) to StoneBridge Analytics LLC, a consulting company in which Henry Sandri is a partner.
c) Incurred director fees of $12,500 and $25,000 (2025 - $37,500 and $37,500) to Steve Durbin.
d) Incurred director fees of $12,500 and $25,000 (2025 - $37,500 and $37,500) to Tyson Hall.
e) Incurred director fees of $18,750 and $37,500 (2025 - $56,250 and $56,250) to Quinton Hennigh.
f) Incurred director fees of $12,500 and $25,000 (2025 - $38,995 and $38,995) to Sylvia Chen.
g) Incurred director fees of $12,500 and $25,000 (2025 - $38,995 and $38,995) to Michelle McCarthy.
h) Incurred director fees of $12,500 and $25,000 (2025 - $75,000 and $75,000) to Henry Sandri.
i) Incurred professional fees of $31,392 and $57,640 (2025 – $22,473 and $36,851) to Malaspina Consultants Inc., a company in which the CFO of the Company (Natasha Tsai) is a shareholder.

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 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.

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.

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 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 Accounting Estimates and 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.

Exploration and evaluation asset impairment indicators
In accordance with the Company's accounting policy for exploration and evaluation assets, exploration and evaluation expenditures are capitalized. There is no certainty that the expenditures made by the Company in the exploration of its property interest will result in discoveries of commercial quantities of minerals. The Company applies judgment to determine whether indicators of impairment exist on these assets.

Management uses several criteria in making this assessment, including the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of projects are budgeted, and evaluation of the results of exploration and evaluation activities up to the reporting date.

Classification of warrants that may be cashlessly exercised
The classification of the warrants with a cashless exercise feature requires management judgment as to whether the warrants should be classified as equity or as a liability. The cashless exercise feature of the warrants is subject to specific conditions. Management considered the probability of occurrence of the contingent events and concluded that the feature is not genuine as the events are extremely rare, highly abnormal, and very unlikely to occur. The warrants have been classified as equity.

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:

Impairment and impairment reversal 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. Calculating the estimated recoverable amount requires management to make estimates and assumptions that include future production levels, reserves and resources, operating and capital costs, future metal prices and discount rates. Changes in any of these assumptions or estimates used in determining the recoverable amount could impact the analysis. Such changes could be material.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, reclamation bonds, accounts payable and accrued liabilities and deferred proceeds from sale. It is management's opinion that the Company is not exposed to significant 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	201,883,424
Deferred share units	6,100,845
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	22,677,839
Fully Diluted	**240,662,108**

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 six months ended June 30, 2026 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 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.

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.