



ELECTRO METALS AND MINING INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

ELECTRO METALS AND MINING INC.

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Independent Auditor's Report

To the Shareholders of Electro Metals and Mining Inc.

Opinion

We have audited the consolidated financial statements of Electro Metals and Mining Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2024 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
November 21, 2025

ELECTRO METALS AND MINING INC.**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(In Canadian dollars)

As at	December 31, 2024	December 31, 2023
ASSETS		
Current		
Cash	\$ 1,830	\$ 1,698
Total current assets	1,830	1,698
Total assets	\$ 1,830	\$ 1,698
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 255,714	\$ 116,765
Total liabilities	255,714	116,765
SHAREHOLDERS' (DEFICIT)		
Capital stock (Note 7)	2,086,274	2,086,274
Contributed surplus	669,875	669,875
Deficit	(3,010,033)	(2,871,216)
Total shareholders' (deficit)	(253,884)	(115,067)
Total liabilities and shareholders' (deficit)	\$ 1,830	\$ 1,698

Going concern (Note 2)

Commitments and contingencies (Note 5 and 8)

Subsequent Events (Note 13)

Approved on Behalf of the Board*signed* _____ Director*signed* _____ Director

The accompanying notes are an integral part of these consolidated financial statements.

ELECTRO METALS AND MINING INC.**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(In Canadian dollars)

Years ended December 31,	2024	2023
Expenses		
Exploration and evaluation expenditures	\$ 99,770	\$ 12,717
Share based compensation	-	218,000
Professional fees	13,696	35,767
Office, general and administrative	20,532	29,246
Travel	4,819	13,801
Net (loss) and comprehensive loss for the year	(138,817)	(309,531)
Net (loss) per share		
Basic and diluted	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding	33,146,565	33,146,565
- basic and diluted		

The accompanying notes are an integral part of these consolidated financial statements.

ELECTRO METALS AND MINING INC.**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS'
DEFICIENCY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

(In Canadian dollars)

	Capital Stock		Share based payment reserve	Warrant reserve	Deficit	Total
	Number of shares	Amount				
Balance, December 31, 2022	33,146,565	\$ 2,086,274	\$ -	\$ 451,875	\$ (2,561,685)	\$ (23,536)
Share based compensation	-	-	218,000	-	-	218,000
Loss for the year	-	-	-	-	(309,531)	(309,531)
Balance, December 31, 2023	33,146,565	\$ 2,086,274	\$ 218,000	\$ 451,875	\$ (2,871,216)	\$ (115,067)
Loss for the year	-	-	-	-	(138,817)	(138,817)
Balance, December 31, 2024	33,146,565	\$ 2,086,274	\$ 218,000	\$ 451,875	\$ (3,010,033)	\$ (253,884)

The accompanying notes are an integral part of these consolidated financial statements.

ELECTRO METALS AND MINING INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023
(In Canadian dollars)

	2024	2023
Cash flows used in operating activities		
Net income (loss) for the year:	\$ (138,817)	\$ (309,531)
Share based compensation	-	218,000
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	138,949	44,291
Cash flows used in operating activities	132	(47,140)
Change in cash for the year	132	(47,140)
Cash, beginning of the year	1,698	48,838
Cash, end of the year	\$ 1,830	\$ 1,698

The accompanying notes are an integral part of these consolidated financial statements.

ELECTRO METALS AND MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(In Canadian dollars)

1. GENERAL INFORMATION

Electro Metals and Mining Inc. ("Electro" or the "Company") was incorporated under the laws of Canada in 2014 and is engaged in the business of exploring and developing base and precious metal mineral properties, primarily copper and gold. Substantially all of the efforts of the Company are devoted to these business activities and to date the Company has not earned revenues. The principal registered business address of the Company is 2 Queen St. East, Suite 1500, Toronto, ON, M5C 3G5.

The consolidated financial statements of the Company for the years ended December 31, 2024 and 2023 were authorized for issue in accordance with a resolution of the Board of Directors on November 21, 2025.

2. GOING CONCERN

The Company's ability to realize the costs it has incurred to date on its properties is dependent upon it being able to identify economically recoverable reserves; to finance their exploration and evaluation costs; to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the reserves; and to attain profitable operations.

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the expenditures incurred on the exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, Aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, and political uncertainty.

The Company has cumulative operating losses and a significant working capital deficiency at December 31, 2024. The Company expects to incur further losses in the exploration and development of its properties. The Company has a need for equity financing for working capital and exploration and development of its properties.

The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and make arrangements to repay or renegotiate past due accounts payable and accrued liabilities. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. These matters represent material uncertainties which cast significant doubt upon the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profitable levels of operations.

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3. BASIS OF PREPARATION

These consolidated financial statements are presented in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). IFRS represents standards and interpretations approved by the IASB, and are comprised of IFRSs, International Accounting Standards (“IASs”), and interpretations issued by the IFRS Interpretations Committee (“IFRICs”) and the former Standing Interpretations Committee (“SICs”).

4. MATERIAL ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its controlled subsidiaries. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

These consolidated financial statements include the accounts of the Company; and its wholly-owned subsidiary Ancient Strains International Limited, a federally incorporated company. The financial statements of the subsidiaries are consolidated from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated.

Basis of measurement

These consolidated financial statements have been prepared on a going concern basis, under the historical cost basis, except for those financial instruments recorded at Fair Value through Profit and Loss and have been prepared using the accrual basis of accounting except for cash flow information.

Exploration and evaluation assets – acquisition costs and exploration expenditures All acquisition costs and exploration expenditures relating to properties are expensed as incurred.

Provisions and decommissioning liabilities

Provisions, which include decommissioning liabilities, are liabilities that are uncertain in timing or amount. The Company records a provision when:

- (i) the Company has a present obligation, legal or constructive, as a result of a past event;
- (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation.

Constructive obligations are obligations that derive from the Company’s actions where:

- (i) by an established pattern of past practice, published policies or a sufficiently specific current statement, the Company has indicated to other parties that it will accept certain responsibilities; and
- (ii) as a result, the Company has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Provisions are reviewed at the end of each reporting year and adjusted to reflect management’s current best estimate of the expenditure required to settle the present obligation at the end of the reporting year. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Provisions are reduced by actual expenditures for which the provision was originally recognized. Where

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discounting has been used, the carrying amount of a provision increases in each year to reflect the passage of time. This increase (accretion expense) is included in finance costs in the consolidated statement of operations.

The Company did not have any material reclamation provisions or decommissioning liabilities as at December 31, 2024 and 2023.

Loss per share

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share is calculated by assuming that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the year, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share. During the years ended December 31, 2024 and 2023, all outstanding options, warrants, restricted share units and deferred share units were considered anti-dilutive and were therefore excluded from the diluted loss per share calculation.

Income taxes

Income tax expense comprises current and deferred income tax. Income tax is recognized in the consolidated statement of operations except to the extent it relates to items recognized in other comprehensive loss or directly in equity.

Current income tax

Current income tax expense is based on the results for the year as adjusted for items that are not taxable and not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting year. Management at the end of each reporting year evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the financial statements and their corresponding tax bases used in the computation of taxable profit and are accounted for using the asset and liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Foreign currency translation

The Canadian dollar is the functional and reporting currency of the Company's operations. Monetary assets and liabilities are translated into Canadian dollars at exchange rates in effect at the consolidated statement of financial position date. Non-monetary assets and liabilities are translated at historical exchange rates. Revenues and expenses are translated at the rate at the time of the transaction. Any resulting gain or loss is recorded in the consolidated statement of operations.

Warrants

All warrants issued are valued on the date of grant using the Black-Scholes option pricing model, net of related issue costs and are recorded in contributed surplus. The value of warrants that expire is credited directly to deficit.

Share Based Payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received

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or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The fair value of share-based payments is determined using the Black-Scholes option pricing model.

The compensation expense is recognized over the period during which the options vest based on the estimate of equity instruments expected to vest. Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in contributed surplus is recorded as an increase to share capital. Unexercised expired stock options are transferred to deficit.

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either Fair Value through Profit or Loss (“FVPL”) or Fair Value through Other Comprehensive Income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of earnings (loss) when the right to receive payments is established.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of earnings (loss).

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

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Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of operations.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of operations.

Recent and future pronouncements

During the year ended December 31, 2024, the Company adopted a number of amendments and improvements of existing standards. These included IFRS 17 and IAS 1. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning on or after January 1, 2025 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded below.

The following have not yet been adopted and are being evaluated to determine their impact on the Company:

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. The new standards replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments – Disclosures*. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

The Company expects to adopt these amendments as of their effective dates and is currently assessing their impact on adoption.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Income taxes and recoverability of potential deferred tax assets

The Company is subject to income, value added, withholding and other taxes in various jurisdictions. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting year.

Share-based payment transactions and warrants

The Company records share-based compensation at fair value over the vesting period. The Company also issues warrants. The fair value of the options and warrants is determined using the Black-Scholes options pricing model and management assumptions including the expected dividend yield, expected volatility, forfeiture rate, risk free rate and expected life. Should the underlying assumptions change, it will impact the fair value. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

5. MINING OPTION AGREEMENT

On December 18, 2024 (the "Effective Date"), Electro entered into a Mining Option Agreement with Globex Mining Enterprises Inc. (the "Optionor"). Under the terms of the agreement, the Company has been granted the exclusive option to acquire up to 100% ownership interest in the Optionor's mining claims and leases (the "New Property"), subject to specific financial and operational commitments (the "New Option Agreement").

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To exercise the option, the Company is required to:

1. **Cash Payments** – Make aggregate cash payments totaling \$3,500,000 over a four-year period, with scheduled payments as follows:
 - \$100,000 by January 31, 2025 (paid subsequent to year-end)
 - \$150,000 within one year of the Effective Date
 - \$250,000 within two years of the Effective Date
 - \$750,000 within three years of the Effective Date
 - \$2,250,000 within four years of the Effective Date
2. **Equity Issuance** – Issue an aggregate of 6,000,000 common shares to the Optionor, allocated as follows:
 - 4,000,000 shares by January 31, 2025 (issued Subsequent to year-end)
 - 2,000,000 shares by the fourth anniversary of the Effective Date
3. **Exploration Expenditures** – Incur a total of \$8,350,000 in expenditures on the Property, in accordance with the following schedule:
 - Minimum \$650,000 within one year of the Effective Date
 - Additional \$3,500,000 within two years of the Effective Date
 - Additional \$4,200,000 within four years of the Effective Date

Upon successful completion of all financial and operational obligations, the Company will earn an undivided 100% ownership interest in the Property, subject to any permitted encumbrances and the payment of a Gross Metal Royalty. Upon the Board of Directors of Electro Metals making a positive Commercial Production decision, the Optionee shall make an additional payment of \$1,000,000 and issue 1,000,000 Common Shares to the Optionor.

Management is actively assessing financing strategies to meet the Company's commitments under this agreement while considering the potential impact on future operational and financial performance. This New Option Agreement and Old Option Agreement relate the same property being the primary business was held throughout the 24 month period up-to December 31, 2024. See Note 8 for Commitments and Contingencies and Note 13 for Subsequent Events.

6. ACQUISITION

On December 24, 2024, the Company entered into a Binding Letter of Intent ("LOI") with BWR Exploration Inc. ("BWR") to pursue a strategic acquisition, resulting in Electro becoming a wholly owned subsidiary of BWR. The transaction is structured as a reverse takeover ("RTO") and is contingent upon Electro completing required private placements and satisfying other conditions precedent as well as obtaining shareholder approval. There is no assurance that this transaction will be completed as described, or at all. See Note 13 for Subsequent Events.

7. SHARE CAPITAL

(a) Common shares Authorized

The authorized capital stock of the Company consists of an unlimited number of common shares. During the year ended December 31, 2024 and 2023, the Company did not issue any common shares, where it had 33,146,565 common shares outstanding, see Note 13 for Subsequent Events.

(b) Stock option plan and stock-based compensation

The Company has a stock option plan to provide employees, directors, officers, and consultants with options to purchase common shares of the Company (the "Plan"). Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is five years. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares.

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The following summarizes the employees, directors, officers, and consultants' stock options that have been granted, exercised, expired, vested, or cancelled during the years ended December 31, 2024 and 2023:

	Number of options	Weighted average exercise price
Balance, December 31, 2022	-	-
Options granted	2,500,000	\$ 0.15
Balance, December 31, 2023 and 2024	2,500,000	\$ 0.15

On January 31, 2023, the Board of Directors approved a comprehensive Management and Board Incentive Plan and reduced the number of Options to be issued to 2,500,000. The options expire five years from the date of listing the shares of the Company on a public stock exchange, and have been valued at \$218,000 using the Black-Scholes option pricing model based on the following weighted average assumptions:

Expected dividend yield	0%
Expected annual volatility	100%
Risk-free interest rate	3.04%
Expected average life	5 years
Share price	\$0.1198

The following table summarizes information about stock options outstanding and exercisable at December 31, 2024:

Expiry date	Number of options	Exercisable	Exercise price
Five years from a liquidity event ⁽¹⁾	2,500,000	2,500,000	\$ 0.15
	2,500,000	2,500,000	

⁽¹⁾ Shares listed on a recognized stock exchange

(c) Warrants

During the year ended December 31, 2024 and 2023, the Company did not issue any warrants and no warrants were exercised. The continuity of the issuance of warrants is as follows:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2022	13,001,810	\$ 0.27
Warrants issued under a private placement	-	-
Warrants exercised	-	-
Balance, December 31, 2023 and 2024	13,001,810	\$ 0.27

At December 31, 2024, the following common share purchase warrants were outstanding:

Expiration date	Number of Warrants	Exercise price (\$)
Two years from a liquidity event ⁽¹⁾	10,574,667	0.250
Three years from a liquidity event ⁽¹⁾	2,427,143	0.350
Balance, December 31, 2024	13,001,810	

⁽¹⁾ Shares listed on a recognized stock exchange

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8. COMMITMENTS AND CONTINGENCIES

On December 13, 2021, the Company signed an option agreement to acquire certain claims located in the Noranda district of Quebec (the “Old Property”) that include the past producing Fabie- copper mine on Mining Lease BM 872 and the Magusi deposit and surrounding claim block (the “Old Option Agreement”). The terms of the Old Option Agreement included annual cash option payments and share issuances. Electro made an initial signing payment in January of 2022 of \$250,000 and a subsequent payment in June of 2022 of \$50,000. The Old Option Agreement was amended on October 4, 2022, December 31, 2022, December 31, 2023, February 28, 2024, and July 4, 2024.

In fall of 2024, Electro continued to renegotiate with the Optionee, and it was decided to replace the Old Option Agreement and Old Option Amendments, including all share issuances, with the New Option Agreement. On December 18, 2024 Electro and Globex executed a new option agreement, replacing all prior agreements (see Note 5). This New Option Agreement and Old Option Agreement relate the same property being the primary business was held throughout the 24 month period up-to December 31, 2024.

The Company has not entered into any management and consulting agreements with officers or directors where a liability for potential severance commitment that may be required accrual.

The Company’s exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations.

9. RELATED PARTY TRANSACTIONS

At December 31, 2024, amounts related to Company operating expenses initially paid by the CEO included in accounts payable and accrued liabilities was \$122,106 (2023 – \$80,944). Amounts due to related parties included in accounts payable are unsecured, non-interest bearing and due on demand.

10. INCOME TAXES

The Company has the following non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the statement of financial position, that can be carried over for the year ended December 31, 2024 and 2023:

Year ended December 31,	2024	2023
Combined Canadian statutory income tax rate	26.5%	26.5%
Loss before income taxes	\$ (138,817)	\$ (309,531)
Expected income tax recovery based on statutory rate	(37,000)	(94,000)
Share based compensation	-	58,000
Changes in deferred assets not recognized	37,000	34,000
Deferred income tax recovery	\$ -	\$ -

As at December 31, 2024 and 2023, the Company has temporary differences and used tax losses as follows:

Year ended December 31,	2024	2023
Deferred tax assets	\$	\$
Non-Capital loss carry-forwards	1,079,000	935,000
Share issuance costs	3,000	4,000
Total	1,082,000	939,000

11. FINANCIAL INSTRUMENTS

The carrying amounts for cash, accounts payable and accrued liabilities approximate their estimated fair value due to the short-term nature of these financial instruments.

Cash is recorded at amortized cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

Accounts payable and accrued liabilities, lease obligations and term loan payable are initially measured at their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

The Company's risk exposures and the impact on its financial investments, as summarized below, have not changed significantly for the years ended December 31, 2024 and 2023.

Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to the financial instruments included in accounts receivable is remote.

Liquidity Risk

The Company's main source of liquidity is derived from its common stock issuances. As at December 31, 2024, the Company had current assets of \$1,830 (2023 - \$1,698) to settle current liabilities of \$255,714 (2023 - \$116,765). All of the Company's financial liabilities have contractual maturities that are subject to normal trade terms.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company monitors its cash balances and is satisfied with the creditworthiness of its banks. As a result, the Company's exposure to interest rate risk is minimal.

Market Risk

Foreign Currency Risk

The Company's functional and reporting currency is the Canadian dollar, and all expenditures are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. As the Company's properties are in the exploration and evaluation stage and to date do not contain any identified mineral resources or reserves, the Company does not hedge against commodity price risk.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period:

- (i) The Company receives low interest rates on its cash balances and, as such, the Company does not have significant interest rate risk.
- (ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

12. CAPITAL MANAGEMENT

Capital management is reflected by the manner in which the Company manages its capital stock. The Company's objectives when managing capital are:

- a) To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;
- b) To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk; and
- c) To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

There were no significant changes in the Company's approach to capital management during the years ended December 31, 2024 and 2023.

As at December 31, 2024, the Company's capital stock was \$2,086,274. The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or equity or similar instruments, reduce debt levels from, or make adjustments to, its capital expenditure program.

13. SUBSEQUENT EVENTS

On January 31, 2025, Electro issued 4,000,000 common shares to the Optionor as part of the consideration for the Option Agreement signed on December 18, 2024. The fair value of these shares was estimated to be \$364,000 based on the most recent financing completed by the Company (Note 5).

On February 28, 2025, the Company closed its issuance of 937,500 common shares at a unit price of \$0.16 per share. Each unit consists of one common share and one warrant, granting the holder the option to convert the warrant into an additional common share at an exercise price of \$0.25 per share. The warrants are exercisable for a period of two years from the date of the Company's shares getting listed on a stock exchange.

On March 31, 2025, the Company issued a total of 446,804 common shares in settlement of outstanding amounts due to related parties. The issuance was to an entity controlled by the CEO for 321,804 common shares in settlement of outstanding accounts payable of \$64,360 and the new CFO for 125,000 common shares in settlement of outstanding accounts payable of \$25,000.

On March 31, 2025, the Company issued a total of 375,000 RSU to the VP Exploration (250,000) and the former CFO (125,000). The RSUs vest over 12 months from date of listing on TSXV exchange ("Vest Date"), then have expiry of two (2) years from the Vest Date. These 375,000 RSUs are able to be converted into 375,000 common shares for no additional consideration. Under the Plan, unvested RSUs are typically forfeited upon end of employment or consultant's work term. However, the Company approved a waiver of the forfeiture provision for the former CFO, allowing the RSUs to remain outstanding and eligible to vest in accordance with their original schedule and expiry terms. The RSUs were valued at \$34,370 based on an estimated share value of \$0.091 which is based on the most recent financing completed by the Company.

On August 20, 2025, BWR announced it has entered into a definitive amalgamation agreement with Electro, replacing their prior letter of intent. The transaction involves a 9.5-for-1 share consolidation by BWR, followed by a three-cornered amalgamation under the CBCA, resulting in Electro becoming a wholly owned subsidiary of BWR. Electro shareholders will receive one post-consolidation BWR share per Electro share. The transaction is contingent

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on shareholder and regulatory approvals, as well as the completion of concurrent financings. These include up to \$1.5 million in hard dollar units at \$0.20 per unit and up to \$2.25 million in flow-through units.

On August 22, 2025, Electro engaged Investing News Network (“INN”) to provide an investor awareness and marketing campaign for a period of one year. INN will be paid up to \$65,000 for its services. INN is expected to begin services upon the successful completion of the RTO.

On November 17, 2025, the New Option Agreement (in Note 5) was amended by the Company. In order to exercise the option, Electro is required to:

Make aggregate cash payments totalling \$5,000,000 over a four-year period, with scheduled payments as follows:

- \$100,000 by January 31, 2025 (Complete)
- \$150,000 by the date of listing its shares on the TSXV or April 30, 2026 whichever is earlier
- \$250,000 by April 30, 2027 or 13 months after listing its shares on the TSXV, whichever is later
- \$1,500,000 January 15, 2028
- \$3,000,000 January 15, 2029

Issue an aggregate of 7,000,000 common shares to the Optionor, allocated as follows:

- 4,000,000 shares by January 31, 2025 (Complete)
- 1,000,000 shares by June 30, 2027 or three months after listing its shares, whichever is earlier
- 2,000,000 shares by the fourth anniversary of the effective date

Incur a total of \$13,500,000 in expenditures on the Property, in accordance with the following schedule:

- Minimum \$750,000 by June 30, 2026 or three months after listing its shares, whichever is earlier
- Additional \$3,000,000 completed by June 30, 2027
- Additional \$3,500,000 completed by June 30, 2028
- Additional \$6,250,000 completed by June 30, 2029

Upon successful completion of all financial and operational obligations, the Company will earn an undivided 100% ownership interest in the Property, subject to a Production Bonus of \$1,000,000 adjusted for inflation payable upon achieving commercial production, payment of a 3% Gross Metal Royalty as outlined in the Royalty Agreement, subject to subject to an Advance Royalty of \$250,000 per year for eight years commencing January 16, 2032 adjusted for inflation, a repurchase by Electro of 1% of the Royalty for \$2,000,000 within twelve months of the start up of commercial production and permitted encumbrances.