



**ELECTRO METALS AND MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

INTRODUCTION

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Electro Metals and Mining Inc. (the "Company" or "Electro"), constitutes management's review of the factors that affected the Company's financial and operating performance for the period ended December 31, 2024 and 2023. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the unaudited financial statements of the Company for the period ended December 31, 2024 and 2023, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as of November 21, 2025, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Electro's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic deposits of precious and base metals.	Financing will be available for future exploration and evaluation of the Company's properties; the actual results of the Company's exploration and evaluation activities will be favourable; operating, exploration and evaluation costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties.	The greatest risk to the Company is the capacity to raise funding. The Canadian capital markets are in a state of disarray as a result of the disappearance of the critical small cap resource investing ecosystem that has occurred since 2011. Added to this systemic challenge, Metal price volatility; uncertainties in interpreting geological data, ability to add to the resource base; the possibility that future exploration results will not be consistent with the Company's expectations; ability to negotiate acceptable mineral processing terms, increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; and maintaining title to acquired properties, interest rate and exchange rate fluctuations; changes in economic and political conditions;
While the Company has no source of revenue, it believes it will be able to meet its administrative overhead and maintain its mineral investments for twelve months starting from December 31, 2024, depending on future events. The Company expects to incur further losses in the development of its business	The operating and exploration activities of the Company for the next year and beyond, starting from December 31, 2024, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; changes in the operations currently planned for the next twelve months; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
Management's outlook regarding future trends, including the future price of precious and base metals and availability of future financing.	Financing will be available for the Company's exploration and operating activities; the price of precious and base metals will be favourable to the Company.	Precious and base metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; availability of financing.
The Company's ability to carry out anticipated exploration on its property interests.	The exploration activities of the Company for the next twelve months ending December 31, 2025, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; changes in the operations currently planned for the next twelve months; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions;

Electro Metals and Mining Inc.

Management's Discussion and Analysis

For the Period Ended December 31, 2024 and 2023

Dated – November 21, 2025

Forward-looking statements	Assumptions	Risk factors
Plans, costs, timing and capital for future exploration and evaluation of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations.	Financing will be available for the Company's exploration and evaluation activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of gold and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits; market competition.
The Company will continue to focus its exploration efforts on expanding economic resources at Fabie – Magusi project near Rouyn – Noranda.	The Company is able to demonstrate potential for economic development of Fabie – Magusi project by adding to the resource base, confirming potentially mineable copper mineralization at depth, and develop drill targets at the other targets on the property.	Management may change its plans based on future exploration results.
Sensitivity analysis of financial instruments.	Based on management's knowledge and experience of the financial markets, the Company believes that there would be no material changes to its results for the year ended December 31, 2024 as a result of a change in the foreign currency exchange rates or interest rates.	Changes in debt and equity markets; interest rate and exchange rate fluctuations.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

DESCRIPTION OF BUSINESS

The Company is engaged in the business of mineral exploration and development, with an objective to acquire mineral properties with known resources and a high potential of becoming economical and delivering positive cash flow. The target metals are terminal market critical metals copper, nickel, zinc, lead, cobalt and the related precious metals gold, silver, platinum, palladium. These terminal market metals are all traded on the London Metal Exchange

The Company is currently focused in the Duparquet-Rouyn-Noranda mining district in the Province of Québec, where it has an option to earn 100% interest in an advanced copper – zinc – silver – gold project, known as Fabie - Magusi. The immediate objective is to expand the mineral resource at Fabie Magusi to the point of being economic for development into a mining operation, while continuing to explore the property for new economic mineral discoveries. It is well known in the industry that the best place to look for new mineral deposits is near known deposits. Several areas near the known deposits are priority for resource expansion. Exploration includes following up on targets along the favourable horizon and testing geophysical and historic prospecting targets. Electro expects this will take approximately three years to fully explore the mineral potential, including some favourable early stage targets on the property. However, if the exploration is unsuccessful, then Electro will terminate its option agreement with Globex Mining., having not met the exploration and development expectations of Electro's management team and Board of Directors.

Electro is private. Its shares are not listed on any stock exchange and there is currently no market for the shares. In December, 2024 the Company finalized negotiations with BWR Exploration Inc. and signed a binding Letter of Intent to enter into a business combination by means of a reverse takeover ("RTO") transaction. If successful, the shares of Electro will be listed on the TSXV upon completion of the transaction, which is described in more detail below. The majority of the Company's directors and all of its management team have many decades of experience in the capital markets and resource sector and in providing strategic advice to Boards of Directors, and corporate and financial administrative services to public companies. The Company currently holds rights to explore the Fabie – Magusi property and the lands are considered advanced exploration in that the property has seen past production from the Fabie deposit, hosts known mineral resources, and has three phase power to the site. The property also hosts un tested or undertested exploration targets identified by past geophysics, limited drilling, or trenching which Electro expects to continue to explore

The Fabie – Magusi property is under option from Globex Mining Enterprises Ltd. In addition, Electro has staked additional claims adjacent to the optioned property. The optioned property consists of 142 mineral claims covering and one patented mineral claim (5,800 hectares) located in Duparquet, Rouyn – Noranda mining district, Province of Quebec.

The Company has no revenues, so its ability to ensure continuing operations is dependent on its completing the acquisition of its mineral property interests, the discovery of economically recoverable resources, confirmation of its interest in the underlying mineral claims, and its ability to obtain necessary permits and financing to complete the exploration activities, development and future potentially profitable production. The Board of Directors and management of Electro will continue to monitor the financial and commodity markets and their effect on Electro's business.

GOAL

Electro's three year goal is to advance the Company from being an explorer relying on investors to fund its activities in perpetuity, to a company that has economic mineral deposits to develop towards positive cash flow, that can self fund its exploration and/or create positive returns for its investors. This can be achieved by focusing on the exploration and evaluation of its Fabie Magusi polymetallic project under option from Globex, or acquiring other advanced projects that are advanced enough to attract investment. The Company believes the existing resources at Fabie Magusi have significant potential to be expanded and commercially developed and the exploration targets on the property can potentially make a positive contribution to the economics and life expectancy of any future commercial operations. In addition to the Fabie Magusi property, the Company initiated plans to focus on its strategy of pursuing, acquiring, and exploring other advanced projects to increase shareholder value. To move the Company forward and to finance its efforts, the Company intends to become a publicly listed and trading entity to allow increased liquidity for its investors. The Company has signed a binding Letter of Intent with TSXV – listed BWR Exploration ("BWR") in December of 2024. The plan is to complete a business combination and financing and

Electro Metals and Mining Inc.

Management's Discussion and Analysis

For the Period Ended December 31, 2024 and 2023

Dated – November 21, 2025

to develop a pipeline of base metals and gold exploration projects to provide future operational and financial optionality.

OUTLOOK AND OVERALL PERFORMANCE

To meet its cash flow goals, the Company's focus has been on the acquisition of the advanced Fabie Magusi copper – zinc – silver – gold property located just 55 km by paved and gravel road from downtown Rouyn Noranda in Quebec. The focus on a polymetallic combination of the critical metals, commonly referred to as base metals, copper and zinc which are traded on the LME, and precious metals silver and gold is seen by the Company's management as an excellent way to mitigate commodity risk, and increase the chances of economic success by having a suite of metals to develop. These particular types of polymetallic deposits are commonly known as VMS deposits. The metal markets for copper and zinc are well known to be cyclical, silver is an industrial precious metal whose price is loosely tied to gold. Gold is often viewed as a relatively illiquid hedge to the US dollar. Gold reacts positively as a long term counter to risks to the US dollar and long term views of inflation. Management of Electro Metals firmly believes that the best cash flowing mining projects during periods of strong commodity prices are the polymetallic deposits. The combination of the Company with BWR provides a stable of copper, nickel and zinc assets and also a high grade gold asset which provides a good currency and financing hedge for the Company.

Management is of the view that the long term floor price for copper must be above USD\$4.00 per pound and zinc must be above \$1.15 per pound nickel must be above USD\$9.00 per pound, and gold long term must be \$2,500 per ounce or more and silver must trade in the range of USD\$25 per ounce for new projects to provide economic returns for investors. A long held rule of thumb is a 60:1 ratio of the gold and silver prices, although that has not held sway for a number of years, it is a general guidance ratio for the pricing, mitigated by the industrial application and therefore elastic demand pricing of silver.

At the time of writing, the current metals market is robust, with prices for copper well above \$4.00, zinc above \$1.25, Silver close to \$30 and gold well in excess of \$3,000. Investor sentiment generally follows the gold price, and historically a strong gold price attracts more investors to the junior exploration sector. In the current market and for the foreseeable future, the metal prices are expected to remain strong.

CORPORATE HISTORY

2024

With weak markets for copper, nickel, and gold projects in early 2024, particularly nickel that stayed near USD\$7.00 per pound from Q2 2023 through Q1 2024, the last of the two confidential bidding processes Electro was involved in from 2023, was terminated when the Company's backing investor was forced to deal with financing challenges related to other obligations and could no longer support the Electro bid. The assets were sold to a competing third party. Subsequently, the Company continued to review other private financing opportunities and in May the Company entered into confidential negotiations to bring in project financing through a Preferred Share structure. After several months of due diligence and negotiation, the transaction was cancelled when the Company completed due diligence on the ultimate source of the funding and could not achieve sufficient confidence for co-investors. In September the Company resumed discussions with several junior explorers with advanced copper – gold projects, as the underlying metal prices were rising and investor interest returned to the underlying copper and gold. The Company began detailed discussions with BWR in November. A condition precedent was to finalize a renewed Option Agreement with Globex Mining Enterprises on the Fabie Magusi project. This was completed December 18, 2024 and the Company signed a binding Letter of Intent with BWR to complete a business combination and related financings. A press release was issued December 27 and the shares in BWR were halted pending completion of a Definitive Agreement and bridge financing. Work on the Fabie Magusi project was limited due to the low level of funds in the Company. Assessment work was required to maintain a block of claims, and Electro reached an agreement with Globex in which Globex would contract and fund an airborne survey and invoice Electro to recover the funds at a future date. The survey was flown in May of 2024, covering 561 line kilometres over the eastern portion of the property. In December of 2024 certain of the Moose Lake area claims were allowed to lapse re-acquired by Globex under the recently revised Regulations of the Quebec Ministry of Natural Resources. Electro filed cash payments to retain two of the core claims.

Electro Metals and Mining Inc.

Management's Discussion and Analysis

For the Period Ended December 31, 2024 and 2023

Dated – November 21, 2025

2023

The Company signed a Letter of Intent on February 22 to complete an RTO with TSXV – listed CPC Shine Box Capital. With the target company unable to raise the agreed sufficient hard dollar funds and under further eroding market conditions for copper and gold, the transaction was abandoned. Meanwhile the Company had targeted three potential acquisitions and all three became available in 2023. Believing the acquisition of more advanced copper assets would make financing more attainable, the Company entered into two bidding processes, under confidentiality agreements, to acquire near term or immediate production from polymetallic copper assets with substantial exploration and development upside. The plan was to roll up one or two additional mining assets to create a critical mass of cash flow potential with minimal capex requirement, and integrate these with the Fabie Magusi asset. The Company submitted bids and proposals, completed extensive due diligence in Q3 including site visits and underground tours, and progressed through each process, while discussing the opportunity with private investors and Canadian investment banks. The first opportunity was lost in the final round to a very aggressive bidder backed with Australian funding. The second bidding process continued into 2024, and Electro became the final bidder

2022

With the negotiating of the Fabie Magusi Option Agreement concluded in Q4 of 2021, discussions with mining consultants were commenced in January with the intent of guiding the planned drilling and expected future potential underground mining at Magusi. The first Option payment, of CAD\$250,000, was made on the 2021 Option Agreement with Globex Mining Enterprises ("Globex"), and the Company commenced preparation of the 43-101 report in preparation for going public and started reaching out to investors. The CEO, VP Exploration, and Consulting Geologist visited the offices of Globex Mining in January for an in depth desk top study of historical work on the property in preparation for the planned 43-101 report. The company completed the 43-101 report in April 2022, filed it on SEDAR, and continued marketing activities while engaging auditors to complete an audit of the Company, satisfactory for the planned IPO. During the period of the preparation off the 43-101 report, audit preparation, and marketing, the copper price retreated from its high water mark achieved in December 2021 of USD\$4.46 per pound toward a bottom of USD\$3.23 per pound on July 11, 2022. A difficult decision was made to discontinue the audit work, while the Company explored other financing avenues. The public capital markets for junior exploration companies involved in base metals and precious metals were difficult and Electro was unable to attract the investments required. The Company made a second payment to Globex of \$50,000 in June 2022. This was less than the originally agreed amount but was accepted to by Globex. In summer 2022, the CEO and VP Exploration of Electro returned to the Fabie Magusi property to relog select drill holes and continue to evaluate the potential development plans which were continued as internal scoping studies beyond the work invested in the 43-101 report. Continued economic modelling of the project after the site visit, resulted in a shift of thinking from pursuit of an underground project to a concept of open pit mining followed by ramp development of underground. The shift was based on a desire to maximize the life of the deposit, and maximize the early free cash flow.

The Company was shifting its philosophy and commenced the pursuit of other advanced base metals projects, with plans to create a portfolio of projects that would be attractive to private investors. Confidentiality Agreements were signed and proposals were made. In addition private offshore money was pursued.

TRENDS AND ECONOMIC CONDITIONS

Electro is a Canadian base and precious metal exploration company, focused on exploring and advancing projects toward economic development and cash flow. It has an option to earn 100% interest in the Fabie Magusi project from Globex Mining Enterprises Inc. and has acquired adjacent properties to expand the landholdings. In addition to the Fabie Magusi project, in December 2024 Electro signed a Letter of Intent with BWR, to enter into a business combination by way of a reverse takeover. BWR's assets include a high grade gold deposit in a remote area of northeast Manitoba, a copper – nickel deposit near Val d'Or Quebec, and a copper – zinc deposit near the village of Sultan, due west of Gogama Ontario. This combination of base metals projects adds to the polymetallic pipeline of Electro and the gold provides future optionality for Electro in its financing plans. The Company's financial success will be dependent upon the extent to which it can expand its portfolio of mineral resources, make new discoveries, and on the economic viability of any such discoveries. The development of such assets may take years to complete and the resulting income, if any, is difficult to determine with any certainty. To date, the Company has not produced any revenues. The sales value of any minerals discovered by the Company is largely dependent upon factors

Electro Metals and Mining Inc.

Management's Discussion and Analysis

For the Period Ended December 31, 2024 and 2023

Dated – November 21, 2025

beyond its control, such as the market value of the commodities produced.

There are significant uncertainties regarding the prices of base and precious metal and the availability of equity financing for the purposes of exploration and evaluation. The future performance of the Company is largely tied to the successful exploration, discovery and eventual development of its property interests, if they are proven successful, and other prospective business opportunities and the overall financial markets. Financial markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy. However, recently, equity markets in Canada have showed signs of improvement as the gold price has been rising and making headlines, with some equities increasing significantly in value during this period. Strong TSXV equity markets are favourable conditions for completing a financing, public merger or acquisition transaction. These risks and the related assumptions are summarized in the above Table.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. In this way, Electro shifted from

Due to the worldwide uncertainty, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact of the global wars:

- Ability to obtain funding,
- Global metal prices;
- Demand and future price outlook for precious or base metals, and
- The various regulatory regimes the Company is governed by, and their impact on ability to explore for precious or base metal;

There can be no assurance that additional funding will be available to the Company, which could adversely impact the Company's ability to execute its business plan.

Emerging external political risks including trade disputes with the United States, China and other parties yet to be determined could represent a material threat to Canada's economy. Retaliatory trade restrictions and/or import tariffs have historically resulted in adverse inflationary environments and are expected to do so again. Management, in conjunction with the Board of Directors, will continue to monitor these developments and their effect on the Company's business.

Inflation serves to increase operational and compliance costs. While the Company works to counteract rising costs wherever possible, there is no certainty it will be successful in doing so. Despite its best efforts, inflationary pressure is expected to introduce an additional financial burden upon the Company.

It is not possible to reliably estimate the length and severity of these conflicts and the impact on the financial results and condition of the Company in future periods.

MINERAL EXPLORATION PROPERTIES

Fabie Magusi Option, Project Description

On December 12, 2021, the Company entered into an Option Agreement with Globex Mining Enterprises. The project is at an early stage of development in that National Instrument 43-101 compliant resource estimate has been identified but there is no assurance the project will be an economic success and substantially more exploration drilling and resource testing is required. On December 18, 2024 the Company entered into a renewed Option Agreement with Globex Mining Enterprises, replacing the previous agreement. All of the material information provided in the following description is taken from the 43-101 report completed in 2022. There has been no material exploration on the project property since the completion of the 43-101 report, some cosmetic changes are made below to provide better document flow.

Location: The Magusi Project property is located in the northwestern part of the Province of Québec, Canada. The property straddles four townships in Quebec, Duparquet, Hebecourt, Duprat, and Montbray. The eastern and western limits of the Property are 20.7 and 3.8 kilometres respectively from the Province of Ontario border¹. The

¹ The Electro Metals Property extends for a maximum length of 16.9 kilometres in an east to west direction and maximum 7.1 kilometres in a north to south direction.

Electro Metals and Mining Inc.

Management's Discussion and Analysis

For the Period Ended December 31, 2024 and 2023

Dated – November 21, 2025

Magusi deposit is centrally located within the Property, approximately 34 kilometres in a direct line northwest of the city of Rouyn-Noranda, and immediately west of the westernmost extent of Lac Duparquet. The Fabie Bay deposit is located 1,200 metres east of the Magusi deposit. These mineral claims and lease encompass the Magusi and Fabie Bay deposits and mineral occurrences along an 11-kilometres "favourable horizon" and all of the known nearby brownfield and greenfield potential.

Geologic location is within the well-known metallogenic Blake River mega caldera complex geological feature which is host to the world class Noranda Mining Camp. The Property is located within the northern extension of the geologically defined Noranda Complex which is host to the prolific Noranda Mining Camp of polymetallic VMS deposits including the world class Horne Mine. The Property is host to two VMS deposits situated along a favourable horizon transecting the project area for 11 kilometres. [The independent consultant that prepared the 43-101 report for the Company] examined the available information from the property and concluded that the geological environment of the project area provides a significant untested potential for the discovery of additional VMS style deposits and for the expansion of the current deposits.

Two polymetallic massive sulphide deposits, the Magusi and Fabie Bay, form the principal targets within the project area and have similar characteristic as to the polymetallic deposits of the Noranda Mining Camp. The Magusi deposit is the strategic focus of Electro Metals, however Electro Metals plans greenfield exploration across the property to search for additional hidden economic deposits, and will explore the Fabie deposit area to increase the resource base, as required.

The Property including the Moose Lake claims and the Fabie Magusi Option property is comprised of 162 mineral claims and one mining lease in a single contiguous block totaling 6,586 hectares in area (the Property), situated 34 kilometres in a direct line northwest of the city of Rouyn-Noranda in the western part of the Province of Quebec, Canada. It lies in the area surrounding the prolific Noranda Mining Camp which is host to the world class Horne Mine and saw production from at least 212 individual operations since discovery in 1922. Electro management, in conjunction with Globex may, from time to time, add to or reduce the number of claims making up the property.

The Magusi Project area, the Property, encompasses a contiguous 6,586 hectares including 5,547 optioned, 1,027 staked and 11.46 leased, comprised of 162 claims and one lease. The area straddles the junction of four townships in the northwestern part of the Province of Quebec. It is host to the Magusi and Fabie Bay polymetallic massive sulphide deposits. The Fabie Bay deposit has been partially mined from surface and underground in the past by prior owners. The Magusi deposit remains undeveloped and is an ongoing exploration target.

The Property reaches onto the southwestern part of Lac Duparquet, the largest lake intersecting the Property. A number of smaller lakes are hosted within the Property which is also transected by the Magusi and Kanasuta rivers. The Property is accessible in all seasons. An abundance of services for the mining industry is available from nearby cities and town whose entire history has been rooted in the mining industry.

Currently, forestry and mineral development are the mainstay of the local economy. Cottage and summer home development within and in proximity to the Property is very limited. The entire property has been logged multiple times and is on third and fourth generation forest. The Lac Duparquet Teaching and Research Forest (Forêt d'Enseignement et de Recherche du Lac Duparquet, FERLD), mining restriction number 19340, occupies a large part of the western portion of the Property. It was created by the Quebec government in 1995 and occupies an area of 8,045 hectares. The Teaching and Research Forest at Lac Duparquet is managed by Université du Québec en Abitibi-Témiscamingue and Université du Québec à Montréal. Details of the FERLD can be accessed from their web site.

Exploration within the FERLD is permitted under certain conditions. Planned work to be carried out within this area requires prior authorization from the Minister and compliance with the conditions set forth.

Access: The Magusi and Fabie Bay deposits area is accessible in all seasons, most readily from the south off Highway 101 onto the paved Chemine Jason and connecting to the all-season gravel roads Chemine des Mines and onto Chemine de la Faune. Chemine de la Faune enters the Property at its southern margin and transects it connecting with Chemine de la Mine which exits the Property at its northwestern margin. Access to the Fabie Bay

² Aldermac, Amulet, Amulet F, Ansel, Bouchard-Hebert, Corbet, Delbridge, D'Eldona, Don Rouyn, East Waite, Vauze, Horne, Joliet, Millenbach, Mobrun, Newbec, Norbec, Old Waite, Quémont, Robb-Montbray, West MacDonald.

Electro Metals and Mining Inc.

Management's Discussion and Analysis

For the Period Ended December 31, 2024 and 2023

Dated – November 21, 2025

and Magusi deposits' access roads is obtained off of Chemine de la Faune. This south accessed route contains two single lane bridges in good repair at the Smokey and Kanasuta rivers. There is active sand and gravel hauling along this route, which heads southeast off the property, along with the three phase power line and connects to highway 101 leading directly to Rouyn – Noranda. Road access may also be obtained from the north off of highway 388 west of the village of Duparquet onto Chemine de la Mine. This route requires traversing bridges in poor repair. Boat and snowmobile access is obtained on Lac Duparquet accessed from the town of Duparquet on its north shore. Tertiary seasonal forestry roads and trails give access to the more remote parts of the Property. These are accessed off the gravel roads and may be best utilized via ATV, snowmobile or on foot.

The climate of the project area is described as modified continental with cold dry winters and warm summers. Climate data for the project area was obtained from Remigny weather station for the period 1971 to 2000 showing the maximum and minimum monthly norms for temperature and precipitation. Winter temperature extremes can reach lows to -52°C while summer temperature can reach highs to 37°C. Annual precipitation is 918.4 mm, 670mm rain and 248.4mm snowfall.

Operations at the project area can take place year-round with the exception of surface mapping and sampling which requires the absence of snow cover. The property lies in an area of very low relief. The numerous lakes in the area are shallow, only a few meters deep. Bedrock is obscured by a thin veneer (~2 m) of till such that drainage and topography reflect underlying bedrock structure.

Ecozone information characterizes the project as mixed boreal forest affected by extensive logging with third to fourth order tree growth over a large part of the area. The immediate areas of the Magusi and Fabie Bay deposit sites are largely barren of mature vegetation due to recent forest development activities.

The topography of the project area is described as gently rolling reflecting the underlying bedrock changes in elevation with swamps in low lying poorly drained areas. The Property borders onto the southern shore of Lac Duparquet. The Magusi and Kanasuta Rivers transect the Property. Small lakes, creeks, swamps, and beaver dams populate the Property, typical for this region of the Province of Quebec.

The mean elevation is approximately 280 metres above sea level with local topographic relief under 20 metres, however, the greater part of the project area is essentially flat. The low-level topography is conducive to annual flooding. Seasonal small changes in the water level may significantly affect the navigability of the rivers and creeks and the extent of the swamps.

The physiography of the property is dominated by Pleistocene glacial and glaciolacustrine sediments (sand, gravel and clay combinations) cover the project area with local protruding bedrock outcroppings indicative of the underlying undulating bedrock topography. Overburden thickness information as obtained from available drill hole logs varies considerable over the Property, averaging approximately ten metres where the Magusi deposit subcrops. Outcrop is variable, commonly 3% in the central and southern portion of the property increasing in the north and along the shore of Lac Duparquet. Overburden is predominantly clay overlying lesser glacial boulders, gravels and sands deposited on the bedrock. The overburden tends to be waterlogged.

Leaching of the upper part of the massive sulphide deposits is evident from the historic drilling and ascribed largely due to the loss of carbonate gangue. Historic core loss in this zone may be reached in excess of 50% in rare instances.

Deposit Descriptions:

The Magusi and Fabie deposits are VMS deposits. This type of deposit is associated with ancient volcanism and the development of mineralized bodies through hydrothermal mechanisms at or near the sea floor. VMS deposits continue to be highly attractive targets for exploration using lithogeochemistry and geophysical methods. They typically occur as polymetallic massive sulphide lenses formed at or near the ancient sea floor in deep submarine environments, classified according to their base metal content, gold content, and host rock lithology.

The Magusi deposit is characterized by two distinct ore types: copper-rich and zinc-rich. It differs from the adjacent Fabie Bay deposit by its pyrite-rich and auriferous nature. The first mention of a detailed resource estimate is made by Iso Mines in 1972. The most recent compliant resource estimation was completed in 2012 by RPA for Mag Copper and supersedes all previous estimations. The 2012 resource estimation completed by RPA for Mag Copper

Electro Metals and Mining Inc.

Management's Discussion and Analysis

For the Period Ended December 31, 2024 and 2023

Dated – November 21, 2025

is the most recent NI 43-101 compliant estimation for the Magusi deposit. It is restated along with other NSR cut off options in the Mag Copper 2014 preliminary economic assessment report. Completed by creating a 3D block model using the ID2 method, based on 258 drill holes totalling 56,200 metres and including 119 holes totalling 28,170 metres from 2007 and 2008. Uses US\$ 3.50/lb Cu, US\$ 0.95/lb Zn, US\$ 1,300/oz Au, US\$ 21/oz Ag, 1:1 US\$/C\$, and \$110NSR/tonne cut off. Minimum underground mining width of 2 metres.

The Fabie Bay deposit is characterized as a copper- and pyrrhotite-rich massive sulphide deposit. It differs from the Magusi deposit in the absence of zinc, less gold and silver, pyrrhotite-rich nature, and smaller size. The Fabie Bay deposit is located 1,200 metres east of the Magusi deposit along the same interpreted stratigraphic horizon. The two deposits have been interpreted to represent structurally separated portions of the same original body. The first mention of a detailed resource estimate is made by Iso Mines in 1973. The most recent compliant resource estimation was completed in 2008 by RPA for First Metals and supersedes all previous estimations. The Fabie Bay deposit was subsequently partially mined by First Metals which extracted 494,000 tonnes with average grade of 2.51% Cu leaving 107,000 tonnes remaining from the prior proven and probable resource estimate. Electro Metals believes there is more within the prior resource envelope and plans to upgrade the resource as part of economic assessment of the project.

Project History and Infrastructure:

The Magusi deposit was the first to be discovered in the project area following the 1972 drill testing of a discrete INPUT MK V airborne electromagnetic survey conductive response. Two discovery drill holes (hole numbers unknown) intersected a combined 7 feet of massive sulphide grading 6.76% Zn, 0.28% Cu and 0.96opt Ag, sub cropping immediately below the overburden. The Magusi deposit resource remains undeveloped. In the immediate vicinity of the Magusi deposit available infrastructure includes a ground well, a security gate to control access, and a 38 km, 25kV three phase power line to the gate house, all located at the Fabie Bay deposit site, 1,200 metres to the east of the Magusi Deposit. An observation tower and building are located at the mouth of the Kanasuta River to Lac Duparquet. Other small structures that have been identified from satellite imagery are interpreted to represent possible hunting camps or remnant infrastructure from logging operations.

The Fabie Bay deposit was discovered in 1973 following drill testing of a discrete DIGHEM airborne electromagnetic survey conductive response. Discovery hole HE-73-01 intersected 61.9 feet grading 2.96% Cu including 2.7 feet grading 9.87% Cu. The deposit was in production between 1976-77 as a small open pit by Noranda and subsequently as an open pit and underground mining campaign carried out by First Metals Inc. (First Metals) from Q4 2007 to Q1 2009. The Fabie Bay deposit is the site of historic mining activity on the Property. The remnants of the previous operations can be easily identified on the project site, mainly concrete slabs and remains of a drained settling pond, core racks and roadways. The core racks have been vandalized, other drill core is cross-stacked in undisturbed (but weathered) plies overgrown with bush vegetation.

The project regional mining history extends from early 1900s to the present. Past producing and currently producing mines within a 40-kilometre radius of the Magusi and Fabie Bay deposits include dozens of sites and a smelter operation. The project area is favourably located in close proximity to urban centers and transportation corridors that provide resources and infrastructure support for its continued development.

Nearby industrial centres include La Sarre, Val d'Or, and Rouyn-Noranda in the Province of Quebec and Kirkland Lake, Timmins, and Sudbury in the Province of Ontario. Highway 101 traverses in a north to south corridor east of the Property connecting to the City of Rouyn-Noranda and the Noranda Mining Camp. The nearest community is the village of Duparquet located 12 kilometres north of the Property across Lac Duparquet. The closest commercial airports are located at Rouyn-Noranda, La Sarre, and Kirkland Lake. The populations of Duparquet and Rouyn-Noranda are 711 and 43,182 respectively (2020 StatsCan Census). The nearest railway corridor is accessed from Rouyn-Noranda. Potential sources of water include Lac Duparquet, the Magusi River, ground wells or artificially created catchment basins.

History of Exploration for gold deposits in the vicinity of the project area precedes the discovery of the base metal deposits. The gold initiative led to the early development of the nearby Beattie gold mine which operated from 1933 to 1956. It is located across Lac Duparquet, 13 kilometres northeast of the Property and is the reason for the village of Duparquet.³ The later discovery of base metals deposits in the project region is attributed to Government support

³ Clifton Resources 2014 resource estimation for the Beattie Gold deposit outlines 3,113,171oz Au at an average grade of 1.59gpt in the Measured and Indicated category and 1,442,689oz Au

Electro Metals and Mining Inc.

Management's Discussion and Analysis

For the Period Ended December 31, 2024 and 2023

Dated – November 21, 2025

for regional exploration and the application of new airborne magnetic and electromagnetic surveys.

The emphasis towards the exploration of base metals deposits was elevated by the discovery of the Horne VMS deposit in 1923. It is located 34 kilometres southeast of the Property, led the settlement of northwestern Quebec, and is the reason for the city of Rouyn-Noranda. The Horne deposit would eventually produce 60.26 million tons at an average grade of 2.2% Cu, 0.40 opt Ag, and 0.17opt Au between 1927 and 1976 as the anchor in the prolific Noranda Mining Camp. The Noranda Mining Camp is host to in excess of 21 VMS deposits with a combined estimated historic production in excess of 133 million tons. Falco Resources is the current owner of the Horne deposit and reports in excess of 80 million tonnes in the reserve category and in excess of 110 million tonnes in the resources category.

The Company uses the Noranda Mining Camp as an analogy to highlight the significant discovery potential of the Electro Metals project area.

Mining and Development Activities at Site: Both deposits progressed to an advanced exploration stage independently. The Fabie Bay deposit was mined in two very short periods; in 1977 and 2008. The Fabie Bay deposit underwent mining activities in two brief periods. Both mining activities were interrupted by economic pressures resulting in a partial extraction of the Fabie Bay deposit ores.

Between 1976 and 1977 Noranda extracted 93,200 tonnes of ore with an average grade 2.78% Cu from the Fabie Bay deposit open pit. Noranda closed the mine in 1977 due to depressed copper prices.⁴ First Metals optioned the property from Globex with a focus towards re-initiating mining activities of the Fabie Bay deposit and using the excess cash from the Fabie Bay operation to transition into the development of the Magusi deposit.

Between 2007-2008 the company completed (i) 445 diamond drill holes totalling 34,167 metres, (ii) dewatered the existing mine workings, (iii) extracted a 50,000-tonne bulk sample, (iv) carried out bench scale metallurgical testing, and (vii) completed resource estimations and prefeasibility studies.

Between 2007 and 2009 First Metals commercial production extracted 494,000 tonnes ore at an average grade of 2.51% Cu from open pit and underground. The material was processed by Xstrata at the Horne metallurgical site using a conventional crushing circuit, a three-phase grinding circuit, a conventional mechanical cells flotation. Milling was terminated in 2009 after production was suspended late 2008.

The Magusi Deposit remains undeveloped. The most recent attempts to develop the Magusi deposit in 2008 and in 2012 failed due to depressed metal prices and lack of financing. Both deposits and the surrounding areas received substantial exploration activity intermittently since discovery to the present by a variety of interested parties. Both deposits have current NI 43-101 compliant resource estimates, although the Fabie Bay deposit had 494,000 tonnes mined during 2008.

At the Magusi deposit, First Metals started a decline in 2008 to access the Main Zone of the deposit in order to obtain a 50,000-tonne bulk sample for metallurgical testing.⁵ The ramp was completed to 62 metres before the work was suspended. In anticipation of commencing mining activities at Magusi, in the same year Envireo Conseil Inc. completed a restoration plan for the Magusi deposit.

As part of the regional exploration program, in 2007 First Metals retained Aeroquest to complete a Helicopter-borne geophysical survey over the property (magnetic, electromagnetic, and radiometric).

First Metals filed for bankruptcy and insolvency in 2009, as the repercussions of the Financial Crisis in 2008 saw metal prices plummet, First Metals was in default of many covenants of its debt financing, and could not bridge the operating losses given the extreme financial uncertainty at the time.

Metallurgical studies for the Magusi deposit ores comprised composite samples obtained from drill core rejects tested by Noranda Mines and Lakefield Research. The Magusi deposit ore was divided in categories based on the Cu and Zn contents. The following comments are provided from a brief review of metallurgical test work reports

at an average grade of 1.51gpt in the Inferred category; all inclusive of tailings, open pit, and UG.

4 In 1977 the average copper price was US\$0.60/lb with a low of US\$ 0.52/lb. The current equivalent value of the US\$0.52 is estimated to be US\$2.39.

5 2008 an authorization for the extraction of a 50,000-tonne bulk sample at Magusi was under certificate #7610-08-01-70175-20 (200197952); prepared by Stavibel Engineering Services, Rouyn-Noranda, QC.

Electro Metals and Mining Inc.

Management's Discussion and Analysis

For the Period Ended December 31, 2024 and 2023

Dated – November 21, 2025

from 1973, 1976 and 2007. The 2007 test completed at Horne concentrator with minimal equipment additions. Lakefield Research analysis of expected mill recoveries used the Kidd Creek zinc concentrator flow sheet.

- Sample ores provided displayed low head grades, were pyrite dominant with specific gravities of 4.1 g/cm³.
- The ores were fine-grained requiring fine primary grinding and regrinding facilities.
- Talcose and graphite components are absent, clean ore.
- Oxidation was not a problem
- The tests returned recoveries up to 90% Cu, 79% Zn, 57% Au and 43% Ag.
- Concentrate returned up to 23% Cu and 60% Zn
- Lime flotation preferred over soda and Cu flotation preceded Zn flotation in all ore types
- Au and Ag contents of the Cu concentrate are significant
- Additional testing is required and recommended for continued investigation of these deposits.

Moose Lake Claims

In December 2021, after concluding the initial Fabie Magusi option agreement with Globex Mining Enterprises, Electro staked 12 additional claims adjacent to the northwest corner of the Fabie Magusi claim block, in an area it refers to as Moose Lake.

2022

During 2022, the Company completed a compilation of the historic work completed in the Moose Lake claims area and included that assessment in the 43-101 report filed on SEDAR on behalf of the Company. Subsequently, in spring of 2022, limited ground – truthing and data compilation on the Moose Lake claims was continued, with the intent of preparing a more detailed sequence and plan for the project. Lack of funding has hampered the advancement of field work at Moose lake.

2023 & 2024

Activities on the Moose Lake claims were limited, mainly comprised of planning LIDAR and preparing budgets for ground surveys.

In 2024, a portion of the Fabie Magusi block required the filing of assessment work. As there was limited ability to spread existing credits, it was decided that Globex would fly an airborne survey over the required portion of the claim block, and Electro would re-pay Globex for the work once it was financed.

An airborne survey was flown by NOVATEM in May 2024, totalling 561 km. The claims on the Moose property required filing of assessment work. On November 21, 2024 the government of Quebec came out with new regulations regarding the filing of assessment work, disallowing the settlement for cash for first time filing of assessment work of more than 10% of the amount required. Those claims that were disallowed were allowed to lapse and be re-staked.

Recommended Exploration Program at Fabie Magusi Based on 43-101 Report

Electro Metals is targeting high grade copper-zinc-silver-gold rich volcanogenic massive sulphide (VMS) deposits. World-wide, VMS deposits are a significant source of base and precious metals. In the project region these deposits occur within the Noranda Complex, which is host to the Noranda Mining Camp, a prolific world class VMS belt with in excess of 21 deposits discovered to date. The Electro Metals property covers 11 kilometres of interpreted ancient sea floor which is host to the Magusi and Fabie Bay VMS deposits.

The recommended exploration is described in three priorities:

First priority exploration: Drilling near the existing deposits to expand the known mineral resources.

The Magusi deposit was identified by airborne electromagnetic surveys in 1971 with the discovery drillhole completed in 1972. Resource estimations were calculated in 1972 through to 2012. Thus far the deposit has not been mined.

The Fabie Bay deposit was identified by airborne electromagnetic surveys in 1972 with the discovery drillhole completed in 1973. Open pit mining of the deposits in 1976-77 produced 93,200 tonnes grading 2.78% Cu.

Electro Metals and Mining Inc.

Management's Discussion and Analysis

For the Period Ended December 31, 2024 and 2023

Dated – November 21, 2025

Underground and open pit mining in 2008 produced 494,000 tonnes grading 2.51% Cu.

The historic resource estimations for these deposits have excluded some nearby significant intersections. It is recommended that the first priority for Electro Metals include drilling near these intersections to determine if they represent additional tonnage for the deposits.

Second priority exploration: Test for additional massive sulphide deposits along the favourable contact defined by the Magusi and Fabie Bay deposits.

The Magusi and Fabie Bay deposits define a surface, striking east to west and dipping -50° to the south, which very likely represents the sea floor at the time of their deposition.

This ancient sea floor surface is thus highly prospective, yet its 11-kilometre extent on the property has not been investigated using modern pulse electromagnetic methods ideally suited for massive sulphide accumulation and has been only sporadically drilled. The historic drilling has identified areas of interesting alteration and low-grade mineralization possible indicative of proximal massive sulphide accumulations.

It is recommended that the second priority for Electro Metals exploration be surface pulse EM surveys, drilling and borehole electromagnetic surveys to locate additional massive sulphide along this ancient sea floor surface.

Third priority exploration: Test for stacked massive sulphide bodies and other targets.

The ongoing compilation of historic work on the property has identified several other targets warranting follow-up. These include untested in-hole and off-hole borehole electromagnetic conductors interpreted as possible massive sulphide sources, as well as alteration and/or mineralization indicative of VMS deposits.

It is recommended that the third priority for Electro Metals exploration be to follow up these targets with surface pulse electromagnetic surveys, drilling and borehole electromagnetic surveys to locate additional massive sulphide deposits.

Electro Metals intends to apply integrated exploration approaches to discover new VMS deposits associated with the existing Magusi and Fabie Bay deposits within the property, stacked and along the interpreted favourable horizon hosting these deposits. It is recommended that pulse electromagnetic surveys be the primary tool, but physical volcanology and chemo-stratigraphy will also be required to identify the sea floor, favourable horizon, hosting the Magusi and Fabie Bay deposits and other similar favourable horizons which might host vent centres associated with massive sulphide bodies. Geological observations, pulse electromagnetic methods, assay and geochemical indices can then be used to identify the most prospective target locations along those horizons. This strategic approach is based on the well-developed VMS model for the Noranda Complex of locating possible volcanic vents or volcanic centres based on facies mapping using drill core logs and surface mapping information.

Summary of recommended work and estimated \$ 2.24 million to 3.6 million budget. (43-101 Report SEDAR)

Item	Estimated \$
Compilation of surface mapping, diamond drilling, and geophysical surveys followed by field validation of the data. Plans include examination and sampling of archived drill core.	140,000
High resolution low altitude LIDAR survey.	40,000
Surface DeepEM and / or IP surveys over target areas.	150,000
Diamond drilling of the Magusi deposit to investigate its lateral and depth extent. Phase I 2,985 metres in 10 holes Phase II 3,391 metres in 5 holes	600,000 703,000
Diamond drilling of the Fabie Bay deposit to investigate its lateral and depth extent. Phase I 853 metres in 5 holes Phase II 629 metres in 2 holes	171,000 126,000
Diamond drilling at the EAST, WEST, Moose Lake, and conductors A and B targets. Phase I 3,000 metres Phase II 2,800 metres	600,000 560,000
BHEM of select diamond drill holes.	80,000
Revised Magusi deposit revised resource estimate and NI 43-101 Report.	60,000
Preliminary Economic Study for the Magusi deposit including mining and engineering study.	220,000
Re-evaluation of available mining technologies, costs, and mining recovery analyses.	80,000
Prepare LOI's for custom feed offtake agreements.	30,000
Social, community, First Nation, stakeholders engagement	40,000

Terms of the Fabie Magusi Option Agreement

The Optionee may exercise the Option by complying with each of paragraphs (a), (b), and (c) below, as follows:

By making cash payments to the Optionor in an aggregate amount of \$6,400,000 (each, a "Cash Payment"), each of which, once paid, shall be non-refundable, as follows:

\$100,000 on or about January 15, 2025 but in any event no later than January 31, 2025, and

\$150,000 no later than one (1) year after the Effective Date, and

\$250,000 no later than two (2) years after the Effective Date, and

\$750,000 no later than three (3) years after the Effective Date, and

\$2,250,000 no later than four (4) years after the Effective Date;

By issuing to the Optionor an aggregate of 4,000,000 Common Shares no later than January 31st, 2025 and an additional 2,000,000 shares on or before the date that is four (4) years after the Effective Date (the "Consideration Shares").

By making an aggregate total of \$8,350,000 of Expenditures on the Property as follows:

Minimum \$650,000 no later than one (1) year after the Effective Date;

An additional \$3,500,000 no later than two (2) years after the Effective Date;

An additional \$4,200,000 no later than four (4) years after the Effective Date

Electro Metals and Mining Inc.

Management's Discussion and Analysis

For the Period Ended December 31, 2024 and 2023

Dated – November 21, 2025

In the event that the Optionor wishes to sell some or all of the Consideration Shares, it shall use its best efforts to advise the Optionee prior to any such sale so that the Optionee can identify potential purchasers for the Consideration Shares, subject to the condition that nothing shall limit the right of the Optionor to sell Consideration Shares at such time, to such purchaser or purchasers and on such terms and conditions as it may determine in its sole discretion.

Option Exercise

Upon the Optionee duly exercising the Option in accordance of this Agreement, the Optionee shall earn an undivided one hundred percent (100%) legal and beneficial interest in and all right and title to the Property, free and clear of any and all Encumbrances except for Permitted Encumbrances and the obligation to pay the Gross Metal Royalty in accordance with the Royalty Agreement.

Payment Upon Positive Production Decision

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.

Royalty Agreement; Advance Royalty

Upon the exercise of the Option by the Optionee, the Royalty Agreement shall become effective.

The Optionee shall pay to the Optionor \$200,000 as an advance royalty (the “**Advance Royalty**”), payable as 50% cash and 50% shares on or before each anniversary of the Effective Date commencing with the date which is six (6) years after the Effective Date, and continuing until the date of Commercial Production. All payments of the Royalty under the Royalty Agreement shall be made net of cash Advance Royalty payments (without duplication).

Proposed Business Combination With BWR Exploration Inc.

On December 27, 2024, after concluding the revised 2024 Option Agreement with Globex Mining Enterprises Inc., Electro signed a Letter of Intent to combine, by way of a reverse takeover transaction, with BWR.

The essential commitments of the Letter of Intent are as follows:

BWR will, after adjustments for working capital, consolidate its shares at a ratio of one for nine and a half (9.5) pre-consolidation shares,

Electro, with assistance from BWR, will complete a Concurrent Financing to raise up to \$1,000,000 in a planned hard dollar unit financing at \$0.20 per unit (described more fully below) and up to \$2,250,000 in flow through common share units to be priced in the context of the market, described more fully below,

Electro will issue to BWR shareholders one Electro share for each post - consolidation BWR share, subject to final adjustment, implying a share price of \$0.021 for each pre-consolidation BWR share, reflecting a significant premium to the December 27 price of \$0.01,

Upon completion of the amalgamation, and adjusting for settlement of both company's accounts payable, BWR shareholders will own approximately 28% and Electro Metals Shareholders will own approximately 72% of the new company, which will be named Electro Metals and Mining Inc.,

The new company Board of Directors will include four Electro nominees and three BWR nominees,

The CEO and VP Exploration from Electro will retain their roles in the new company and the CEO, CFO, and Corporate Secretary of BWR will become President, CFO and Corporate Secretary, respectively, of the new company.

The completion of the transaction will be conditional upon successful completion of the Concurrent Financing, Shareholder approval, and regulatory approval.

TECHNICAL INFORMATION

Mr. Paul Nagerl, P. Geo., is the qualified person as defined under the National Instrument 43-101 for all technical information in this MD&A. Mr. Nagerl is the Vice President, Exploration.

ENVIRONMENTAL CONTINGENCY

The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of December 31, 2024, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future. However, environmental planning will form an important part of the activities of the company as it advances the project as will interactions and communications with local stakeholders. A forest research station is situated on the claim block and the area covers the portion of the claim block that includes the heavily drilled Magusi deposit where additional drill campaigns are planned. Communication with the Forest Reserve management team will become a regular part of the active programs of Electro. Historically, Lac Duparquet which forms a northern boundary to a portion of the claims on the property has had mining waste deposited near its northern shores from old gold mining activity, well away from the Electro lands. With this history in mind, Electro will be in communication with local communities further removed from its operations to ensure informed stakeholders.

1. DISCUSSION OF OPERATIONS

Overview

The following table provides selected financial information that should be read in conjunction with the consolidated financial statements of the Company for the years ended December 31, 2024 and 2023.

	For the year ended December 31,	
	2024	2023
Exploration and evaluation expenses	\$ 99,770	\$ 12,717
Net income (loss)	(138,817)	(309,531)
Net loss per share	(0.00)	(0.01)
Total assets	\$ 1,830	\$ 1,698

Revenues

None of the Company's properties have advanced to the point where a production decision can be made. As a consequence, the Company has no producing properties and no sales or revenues. From time to time the Company will earn interest from funds on deposit and other income from sale of property interests.

Expenses

Reported a decrease of \$170,714 from \$309,531 in 2023 to \$138,817 in 2024. Mainly attributed to share based compensation entered in 2023 for \$218,000 due to the fair value of the 2,500,000 options granted in January 31, 2023. Off set by a higher exploration and exploration expenditures of \$87,053 from \$12,717 in 2023 to \$99,770 in 2024 due to mining costs in the current year.

The major items of expenses for the years ended December 31, 2024 and 2023 are summarized as follows:

	For the year ended December 31,	
	2024	2023
Exploration and evaluation expenditures	\$ 99,770	\$ 12,717
Share based compensation	-	218,000
Professional fees	13,696	35,767
Office, general and administrative	20,531	29,246
Travel	4,819	13,801

2. SUMMARY OF QUARTERLY RESULTS

Selected financial information for the last eight fiscal quarters:

	2024 Q4	2024 Q3	2024 Q2	2024 Q1
	\$	\$	\$	\$
Net income (loss)	(29,775)	(4,406)	(91,368)	(13,268)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	2023 Q4	2023 Q3	2023 Q2	2023 Q1
	\$	\$	\$	\$
Net income (loss)	(32,948)	(9,954)	10,196	(276,825)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.01)

Comments on annual results

2024

The Company reported a net loss of \$138,817 for the year ended December 31, 2024, compared to a net loss of \$309,531 in 2023. The decrease in net loss is primarily driven by a reduction of share based compensation expenditure in 2024 was \$nil (2023 - \$218,000) off set by a significant rise in exploration and evaluation expenditures, which grew from \$12,717 in 2023 to \$97,770 in 2024.

Professional fees and Office/general administrative expenses also declined compared to the prior year, due to cost control measures. Overall, the results indicate a strategic increase in exploration spending, while general overhead and professional costs were curtailed.

3. LIQUIDITY

The Company has no significant revenues and no expectation of significant revenues in the near term. The cash position of the Company is reduced as exploration and overhead expenses are incurred. The Company has deficit working capital at December 31, 2024 of \$253,884 (2023 – \$115,067).

4. CAPITAL RESOURCES

During the year ended December 31, 2024, there were no unusual factors that affected the Company's capital resources.

5. OFF-BALANCE SHEET ARRANGEMENTS

At December 31, 2024 and 2023, the Company did not have any off-balance sheet arrangements.

6. TRANSACTIONS BETWEEN RELATED PARTIES

At December 31, 2024, amounts related to Company overhead 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.

7. PROPOSED TRANSACTIONS

There are no proposed transactions contemplated as of the date hereof.

8. CRITICAL ACCOUNTING ESTIMATES

The preparation of 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 payments

Management determines the valuation of share-based payments and warrants using market-based valuation techniques. The fair value of the market-based and performance-based share awards and warrants are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments may include estimating the future volatility of the

stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Mineral reserve estimates

The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operation.

Commitments and contingencies

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment (refer to the Company's consolidated financial statements for the year ended December 31, 2024 and 2023). 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. FINANCIAL ASSETS, AND OTHER INSTRUMENTS

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

Electro Metals and Mining Inc.**Management's Discussion and Analysis****For the Period Ended December 31, 2024 and 2023****Dated – November 21, 2025**

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). The Company's marketable securities are classified as financial assets at FVPL.

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.

Impairment of financial assets

The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable has been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

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 and lease obligations, 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.

Credit Risk

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

Liquidity Risk

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

Interest Rate Risk

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to

Electro Metals and Mining Inc.

Management's Discussion and Analysis

For the Period Ended December 31, 2024 and 2023

Dated – November 21, 2025

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 stage and to date do not contain any identified mineral resources or reserves, the Company does not hedge against commodity price risk.

Sensitivity Analysis

Management's view with respect to interest rates and foreign exchange risks is as follows:

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

Land access and permitting

The Company is required to obtain permits to conduct exploration and evaluation activities on its properties and part of that process requires consultations with First Nations. In management's view there is uncertainty concerning the First Nation's consultation process, and there are risks of permitting delays. The impact of any delays on the Company's operations is unknown.

Operating Risk

All assets of the Company are either at the exploration or development stage. The Company faces a number of risks to the successful exploration and/or development of its properties. These include the availability of capital, technical risk, permitting risk and environmental risk. There is no certainty the Company will be able to fund or complete the required work in order to build a mine or profitably divest any of its assets.

The Company is required to engage with First Nations in order to obtain exploration permits and there is ongoing uncertainty with respect to the permitting process.

10. DISCLOSURE OF OUTSTANDING SHARE DATA*Common Shares*

As at December 31, 2024, there were 33,146,565 common shares outstanding (2023 - 33,146,565), and as the date of this MD&A, there are 38,530,869 common shares outstanding.

Warrants

At December 31, 2024, there were 13,001,810 warrants outstanding (2023 - 13,001,810) and as the date of this MD&A, 13,961,623 warrants are outstanding.

Options

At December 31, 2024, and as the date of this MD&A, there were a total of 2,500,000 stock options outstanding (2023 – 2,500,000).

RSUs

At December 31, 2024, there were a total of nil RSUs outstanding (2023 – nil) and as the date of this MD&A 375,000 RSUs.

11. SUBSEQUENT EVENTS

On January 31, 2025, Electro issued 4,000,000 common shares to the Optionor as part of the consideration for the New 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 at a price of \$0.20 per share in settlement of outstanding amounts due to related parties, totaling \$89,360.80. The issuance was to an entity controlled by the CEO for 321,804 common shares in settlement of outstanding accounts payable of \$64,360.80 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 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 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

Electro Metals and Mining Inc.

Management's Discussion and Analysis

For the Period Ended December 31, 2024 and 2023

Dated – November 21, 2025

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.

12. DIRECTORS AND OFFICERS OF THE COMPANY

Daryl Hodges
Arif Shivji
Paul Nagerl
Shameze Rampertab
Dan Weir

President, Chief Executive Officer, and Director
Chief Financial Officer
Vice President, Exploration
Director
Director