

# Electric Metals (USA) Limited ("EML") Provides Update on Non-Brokered Financing

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- EML previously issued 5,319,149 Units to Quail Bend for gross proceeds of \$1,250,000.
- EML has entered into subscription agreements for the purchase and sale of an additional 15,957,447 units for additional proceeds of \$3,750,000, subject to, among other things, shareholder and TSX Venture Exchange approval.

Toronto, August 22, 2023 - [Electric Metals \(USA\) Ltd.](#) (TSXV: EML) ("EML" or the "Company"), further to its press releases of May 16, 2023 and June 19, 2023, is pleased to announce it has received subscription agreements (the "Agreements") from Quail Bend LLC ("Quail Bend") for the purchase and sale of a further 15,957,447 units (the "Units"), to be completed in two tranches: the first is expected to be for 1,702,128 Units for proceeds of \$400,000.08 (the "First Tranche") and the second is expected to be for a further 14,255,319 Units for proceeds of \$3,349,999.97, for aggregate proceeds of the two tranches of \$3,750,000.05 (the "Second Tranche"). The Agreements will be fully executed on closing. The First Tranche is expected to be completed on or about August 25, 2023, subject to receipt of TSX Venture Exchange ("TSXV") approval. The Second Tranche is expected to be completed as described below.

The Company has previously closed a first closing of this financing of a maximum of 21,276,596 Units (the "Offering") on June 16, 2023. Please see the Company's press release dated June 19, 2023. Pursuant to such first closing, the Company issued a total of 5,319,149 Units for gross proceeds of \$1,250,000.02. Each Unit in the Offering is priced at \$0.235 per unit and consists of one common share in the capital of the Company (each, a "Common Share") and one common share purchase warrant (each, a "Warrant") with each Warrant exercisable to acquire one additional Common Share at an exercise price of \$0.35 for a period of 24 months from the date of issuance of the Warrant, which may be cashlessly exercised subject to certain conditions.

The Offering is being conducted in connection with a binding letter of intent between the Company and Quail Bend dated May 12, 2023 (the "LOI"), as amended effective August 21, 2023, pursuant to which Quail Bend, or a special purposes vehicle (the "SPV") created by Quail Bend, agreed to acquire up to 21,276,596 Units (or up to an approximate 16.7% ownership interest as at May 12, 2023 in the Company (on a non-diluted basis)). Please see the press release of the Company dated May 16, 2023 for more information, as well as the full text of the LOI and amending agreement filed under the Company's profile on SEDAR+.

The Second Tranche closing is expected to cause Quail Bend (and/or its SPV) to become a "Control Person" under applicable TSXV policies. The Company has determined to hold a special shareholder meeting on or about October 5, 2023 at which it will seek the approval of shareholders for the creation of Quail Bend and/or the SPV as a new "Control Person" of the Company. An information circular containing information with respect to the Meeting and further details regarding the Offering, the Units and related matters will be mailed to all shareholders in due course and available for review on [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca). There can be no assurances that a Second Tranche closing will occur, either on the terms outlined above, or at all. In addition to shareholder approval, closing of any tranches of the Offering is subject to the receipt of all required regulatory approvals including the TSXV. Subject to the receipt of such approvals and the satisfaction of certain other conditions, closing of the Second Tranche is expected to occur within five (5) business days of the receipt of shareholder approval in respect of the creation of Quail Bend and/or the SPV as a new "Control Person" of the Company. The Company and Quail Bend have entered into an amending agreement extending the outside date of the LOI to the earlier of (i) five (5) Business Days after receipt of shareholder and TSXV approvals permitting Quail Bend to become a "Control Person" and (ii) October 31, 2023.

A minimum of 80.0% of any funds raised from proceeds of the Offering from Quail Bend will be used on further exploration and development of the Company's Emily Manganese Project in Minnesota, USA including continued drilling, battery test work and process design and preliminary mine studies.

The summary of the LOI in this press release is qualified in its entirety by the full text of the LOI and the

amendment thereto which can be accessed on [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) under the Company's profile. Please refer to the LOI and the amendment for more information in respect of the Offering.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

#### About Electric Metals (USA) Limited

[Electric Metals \(USA\) Ltd.](#) (TSXV: EML) (OTCQB: EMUSF) is a U.S.-based mineral development company with manganese and silver projects geared to supporting the transition to clean energy. The Company's principal asset is the Emily Manganese Project in Minnesota, which has been the subject of considerable technical studies, including a National Instrument 43-101 Technical Report - Resource Estimate, with over US\$26 million invested to date. The Company's mission in Minnesota is to become a domestic U.S. producer of high-purity, high-value manganese metal and chemical products for supply to U.S. energy, technology and industrial markets. With manganese playing a critical and prominent role in lithium-ion battery formulations, and with no current domestic supply or active mines for manganese in North America, the development of the Emily Manganese Project represents a significant opportunity for America, the State of Minnesota and for the Company's shareholders. In addition, the Company owns and operates the Corcoran Silver-Gold Project and the Belmont Silver Project in Nevada, with the former also having been the subject of a National Instrument 43-101 Technical Report - Resource Estimate.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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#### Caution Regarding Forward-Looking Information

Certain statements contained in this news release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on EML's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this news release contains forward-looking information relating to, among other things, the completion of the First Tranche closing, the completion of the Second Tranche closing, the completion of the Offering, the use of proceeds of the Offering, the operations of the Company, approval by the TSXV and any other regulatory bodies and shareholder approval. Those assumptions and factors are based on information currently available to EML. Although such statements are based on reasonable assumptions of EML's management, there can be no assurance that any conclusions or forecasts will prove to be accurate.

While EML considers these statements to be reasonable based on information currently available, they may prove to be incorrect. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include market risks and the demand for securities of the Company, risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined, risks relating to variations in grade or recovery rates, risks relating to changes in mineral prices and the worldwide demand for and supply of minerals, risks related to increased competition and current global financial conditions, access and supply risks, reliance on key personnel, operational risks, and regulatory risks, including risks relating to the acquisition of the necessary licenses and permits, financing, capitalization and liquidity risks.

The forward-looking information contained in this news release is made as of the date hereof, and EML is not obligated, and does not undertake, to update or revise any forward-looking information, whether as a result

of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

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