EUROPEAN ELECTRIC METALS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)
(Unaudited)

FOR THE THREE- AND NINE-MONTH PERIOD ENDED JANUARY 31, 2023

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established

EUROPEAN ELECTRIC METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)
AS AT

	January 31, 2023	April 30, 2022
ASSETS		
Current		
Cash	$ 1,076,005	$ 28,475
Goods and service tax ("GST") receivable	3,762	1,101
Marketable Securities (Note 3)	11,334	12,667
	$ 1,091,101	$ 42,243
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 410,107	$ 1,559,794
Shareholders' deficiency		
Share capital (Note 5)	48,831,031	46,600,039
Reserves (Note 5)	5,995,385	5,995,385
Deficit	(54,145,422)	(54,112,975)
	680,994	(1,517,551)
	$ 1,091,101	$ 42,243

Nature and continuance of operations (Note 1)
Subsequent event (Note 11)

Approved and authorized by the Board on March 31, 2023:

"John Booth" Director *"Fred Tejada"* Director

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

EUROPEAN ELECTRIC METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)

	For the three months Ended January 31, 2023	For the three months Ended January 31, 2022	For the nine months Ended January 31, 2023	For the nine months Ended January 31, 2022
GENERAL AND ADMINISTRATIVE EXPENSES				
Consulting fees	$ 22,000	$ -	$ 22,000	$ -
Office and miscellaneous	23,509	582	23,923	991
Project investigation	31,012	-	31,012	-
Professional fees (Note 7)	14,960	-	19,439	-
Transfer agent and filing fees (Note 7)	8,481	960	17,390	4,612
Travel	-	-	2,475	-
Loss from operations	(99,962)	(1,542)	(116,239)	(5,603)
Foreign exchange gain	-	-	1,011	1,126
Recovery of Mineral Properties	-	40,000	-	40,000
Gain on settlement of accounts payable	84,114	-	84,114	-
Unrealized gain/(loss) on marketable securities (Note 3)	8,667	(1,333)	(1,333)	(1,333)
	92,781	38,667	83,792	39,793
Income (loss) and comprehensive income (loss) for the period	$ (7,181)	$ 37,125	$ (32,447)	$ 34,190
Basic and diluted gain (loss) per share	$ (0.00)	$ 0.01	$ (0.00)	$ 0.01
Basic and diluted weighted average number of common shares outstanding	20,302,763	5,302,763	20,302,763	5,302,763

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

EUROPEAN ELECTRIC METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)
FOR THE NINE-MONTH PERIOD ENDEND JANUARY 31,

	2023	2022
CASH FROM OPERATING ACTIVITIES		
Income (loss) for the period	$ (32,447)	$ 34,190
Items not affecting cash:		
Recovery of mineral properties	-	(20,000)
Loss on settlement of accounts payable	(84,114)	-
Unrealized gain on marketable securities	1,333	1,333
Changes in non-cash working capital items:		
Receivables and prepayments	(2,661)	4,263
Accounts payable and accrued liabilities	(1,065,573)	1,584
Net cash (used in) provided by operating activities	(1,183,462)	21,370
CASH FROM FINANCING ACTIVITIES		
Common shares issued	2,250,000	-
Share issuance cost	(19,008)	-
Net cash provided by financing activities	2,230,992	21,370
Change in cash during the period	1,047,530	21,370
Cash, beginning of period	28,475	9,249
Cash, end of period	$ 1,076,005	$ 30,619

Supplemental disclosure with respect to cash flows (Note 6)

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

EUROPEAN ELECTRIC METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited)
(Expressed in Canadian Dollars)

	Share capital				
	Number	**Amount**	**Reserves**	**Deficit**	**Total**
Balance at April 30, 2021	5,302,763	$ 46,600,039	$ 5,995,385	$ (54,111,446)	$ (1,516,022)
Loss for the period	-	-	-	34,190	34,190
Balance at January 31, 2022	5,302,763	46,600,039	5,995,385	(54,077,256)	(1,481,832)
Loss for the period	-	-	-	(35,719)	(35,719)
Balance at April 30, 2022	5,302,763	46,600,039	5,995,385	(54,112,975)	(1,517,551)
Issuance of Shares	45,000,000	2,250,000	-	-	2,250,000
Share Issuance cost	-	(19,008)	-	-	(19,008)
Loss for the period	-	-	-	(32,447)	(32,447)
Balance at January 31, 2023	50,302,763	$ 48,831,031	$ 5,995,385	$ (54,145,422)	$ 680,994

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

1. NATURE AND CONTINUANCE OF OPERATIONS

European Electric Metals Inc. (the "Company") is an exploration stage company incorporated under the laws of the Province of British Columbia and commenced operations on November 1, 2006. The Company currently trades under the symbol "EVX" on the TSX Venture Exchange.

The Company's head office and principal address is 488 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7. The registered and records office is 2900-595 Burrard Street Vancouver, British Columbia, Canada, V7X 1J5.

The Company is in the process of investigating potential mineral property acquisitions (Note 4).

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at January 31, 2023, the Company had working capital of $680,994 (April 30, 2022 – deficiency of $1,517,551). The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements are compliant with IAS 34 and do not include all the information required for full annual financial statements.

Basis of Presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PREPARATION (cont'd…)

Basis of Presentation (cont'd…)

The condensed consolidated interim financial statements of the Company are presented in Canadian dollars, which is the functional currency of the parent company and its subsidiaries. The Company's equity investment, EVX Portugal, has a functional currency of Canadian dollars.

Significant Accounting Policies

The accounting policies applied in preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended April 30, 2022. These condensed consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements for year ended April 30, 2022.

Significant accounting judgements, estimates and assumptions

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgement uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgements and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

Share-based payments and compensation are subject to estimation of the value of shares and options issued for con-cash consideration. Shares are valued at the fair value of the equity instruments granted at the date the Company receives the goods or services. Stock options are valued on at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

3. MARKETABLE SECURITIES

During the year ended April 30, 2022, the Company received marketable securities of Goldplay Mining Inc. ("Goldplay") with a fair value of $20,000 pursuant to the disposal of EVX Portugal (Note 4). Marketable securities are measured at fair value by reference to quoted stock prices on established exchanges. As at April 30, 2022, the marketable securities had a fair value of $12,667 and accordingly the Company recognized an unrealized loss of $7,333 during the year ended April 30, 2022. As at January 31, 2023, the marketable securities had a fair value of $11,334 and accordingly, the Company recognized an unrealized gain of $1,333 (2022 - $1,333) during the nine month period ended January 31, 2023.

4. EXPLORATION AND EVALUATION ASSETS

Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain mineral titles as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties.

Borba 2

During the year ended April 30, 2019, the Company entered into an agreement to acquire 100% of the Borba 2 license, in Portugal. Under the terms of the agreement, the Company will pay Prime Mining Corp. ("Prime"), US$20,000 on approval of the license. The license is subject to a 1% net smelter royalty ("NSR"), which the Company can purchase at any time for US$1,000,000.

During the year ended April 30, 2021, the Company entered into an agreement to sell 70% of the shares of EVX Portugal, which held the Borba 2 project to Goldplay. Under the terms of the Agreement Goldplay acquired a 70% interest in the shares of EVX Portugal by:

a) Reimbursing and paying outstanding invoices totalling $17,202 related to professional fees incurred on EVX Portugal (reimbursed in fiscal 2021).
b) Paying US$20,000 to Prime as stipulated in the agreement between Prime and the Company.
c) Paying $20,000 to the Company and issuing 133,334 Goldplay common shares (Note 4) to the Company with a fair value at the time of issuance of $20,000 (cash and shares received in fiscal 2022).

The Company's remaining 30% interest in EVX Portugal will be free carried by Goldplay until Goldplay or any of its subsidiaries have completed at least $600,000 in expenditures attributed to Borba 2. If the Company does not contribute and dilutes below 10%, the interest will convert to a 1% NSR that can be bought back by Goldplay at anytime for $1,000,000.

The Company's investment in EVX Portugal, which it holds a 30% interest, has been accounted for using the equity method. EVX Portugal had no activity or transactions during the year ended April 30, 2021. Upon deconsolidation of EVX Portugal, the Company estimated a fair value of $nil attributable to the equity investment as it had no assets or liabilities. Further, due to uncertainty of receipt of the Borba 2 license, and ultimate collectability of the consideration for the disposal, the Company charged $40,000 in consideration recoverable against the gain in deconsolidation of $40,000 for a net impact of $nil in the Consolidated Statement of Operation and Comprehensive Loss during the year ended April 30, 2021.

5. SHARE CAPITAL AND RESERVES

Authorized share capital

As at January 31, 2023, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES (cont'd…)

Share issuances

During the period ended January 31, 2023 the Company completed a non-brokered private placement and issued 45,000,000 shares at a price of $0.05 per share for total gross proceeds of $2,250,000. The company paid share issuance costs of $19,008.

During the year ended April 30, 2022, the Company did not issue any shares.

Stock options

Stock option transactions are summarized as follows:

	Stock options	
	Number	Weighted Average Exercise Price
Outstanding, April 30, 2021, April 30, 2022 and January 31, 2023	145,000	$ 5.00
Number currently exercisable	145,000	$ 5.00

The following stock options were outstanding at January 31, 2023:

	Number	Exercise price	Expiry date	Remaining Life (years)
Stock options				
	145,000	$ 5.00	April 23, 2023	0.22

Share-based payments

The Company has a stock option plan and restricted-share unit ("RSU") plan under which it is authorized to grant options and RSUs to executive officers and directors, employees and consultants. During the periods ended January 31, 2023 and 2022, the Company did not grant any options or RSUs.

Stock options

The Company can grant options enabling the holders to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years with vesting determined by the board of directors.

Restricted Share Units

The Company can issue RSU's which entitle the holder to common shares of the Company upon vesting, based on vesting terms determined by the Company's Board of Directors at the time of grant. The aggregate number of shares available for issuance from treasury under the RSU Plan, shall, together with all other share compensation arrangements, including stock options, not exceed 20% of the Company's issued shares.

(Expressed in Canadian Dollars)

6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no material non-cash transactions during the periods ended January 31, 2023 and January 31, 2022.

7. RELATED PARTY TRANSACTIONS

The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries:

Company	Place of Incorporation	Effective Interest	Principal Activity
Tirex Resources Sh.p.k	Albania	100%	Inactive
Tirex Resources (BVI No.1) Ltd	British Virgin Islands	100%	Inactive
Tirex Resources (BVI No.2) Ltd	British Virgin Islands	100%	Inactive
EVX Portugal, Unipessoal, LDA	Portugal	30%	Exploration

During the period ended January 31, 2023, the Company did not pay or accrue any related party transactions.

Included in accounts payable and accrued liabilities is $223,024 (April 30, 2022 - $1,008,292) due to officers, former officers and directors of the Company.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of receivables and accounts payable and accrued liabilities approximates fair value due to the short term nature of the financial instruments. Cash and marketable securities are valued at a level 1 fair value measurement and are classified as fair value through profit or loss. Receivables are classified at amortized cost. Accounts payable and accrued liabilities are classified as amortized cost.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables and prepayments. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company does not currently maintain significant cash deposits in any subsidiaries.

Receivables mainly consists of GST receivable from the Government of Canada. The Company has not had issues with respect to collectability of these amounts and believes that the credit risk concentration with respect to receivables is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to try and have sufficient liquidity to meet liabilities when due. As at January 31, 2023, the Company had a cash balance of $1,076,005 to settle current liabilities of $410,107. All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. While the Company has been successful in obtaining its required funding in the past there is no assurance that any additional future financing will be available.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at January 31, 2023, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Foreign currency risk

The Company's foreign exchange risk arises from transactions denominated in other currencies, primarily through Albania. Through this, the Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in US Dollars, EURO and Albanian Lek.

Fluctuations in the EURO will, consequently, have an impact upon the Company's profitability and the value of the Company's liabilities. As at January 31, 2023, the impact of a 10% change in the rate of exchange on the US Dollar, EURO and Albanian Lek compared to the Canadian dollar would result in a change of approximately $3,763 on the Company's loss for the period. The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Financial risk factors

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

9. CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the acquisition exploration of its mineral property interests. Capital is comprised of the Company's shareholders' deficiency. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities.

The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

10. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition and exploration of mineral property licences.

11. SUBSEQUENT EVENT

Subsequent to January 31, 2023 the Company entered into a non-arm's length binding letter of intent ("LOI") with 1340371 B.C. Ltd. The Company has agreed to acquire all of the issued and outstanding common shares of 1340371 B.C. Ltd., which has the right, through a local company, to acquire up to five (5) exploration licenses located in Europe.

Under the terms of the LOI, the Company has agreed to negotiate and settle the terms of a definitive agreement (the "Definitive Agreement") whereby the Company will acquire all of the issued and outstanding common shares of 1340371 B.C. Ltd. In consideration, the Company has agreed to issue a total of 5,250,000 common shares (the "Consideration Shares") to the shareholders of 1340371 B.C. Ltd.

The Agreement and the transactions contemplated therein are subject to entry into the Definitive Agreement, completion of due diligence of the exploration licenses by the Company, approval of the TSX Venture Exchange and such other customary conditions set forth in the Definitive Agreement.