



EUROPEAN ELECTRIC METALS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT

**(Expressed in Canadian Dollars)
(Unaudited)**

FOR THE THREE-MONTH PERIOD ENDED JULY 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

	July 31, 2023	April 30, 2023
ASSETS		
Current		
Cash	\$ 664,086	\$ 760,705
Advances (Note 7)	21,231	10,000
Receivables	-	8,932
Marketable securities (Note 3)	<u>20,833</u>	<u>4,667</u>
	<u>\$ 706,150</u>	<u>\$ 784,304</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities (Note 7)	<u>\$ 336,616</u>	<u>\$ 304,672</u>
Shareholders' equity (deficiency)		
Share capital (Note 5)	48,837,281	48,837,281
Reserves (Note 5)	5,995,385	5,995,385
Deficit	<u>(54,463,132)</u>	<u>(54,353,034)</u>
	<u>369,534</u>	<u>479,632</u>
	<u>\$ 706,150</u>	<u>\$ 784,304</u>

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

Approved and authorized by the Board on September 28, 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 July 31,	2023	2022
GENERAL AND ADMINISTRATIVE EXPENSES		
Consulting fees	\$ 6,364	\$ -
Office and miscellaneous	543	154
Project investigation	66,728	-
Professional fees (Note 7)	51,296	3,272
Transfer agent and filing fees	926	5,829
Travel and trade show	<u>1,465</u>	<u>63</u>
Loss from operations	<u>(127,322)</u>	<u>(9,318)</u>
Foreign exchange gain	1,058	988
Recovery of exploration and evaluation assets (note 4)	17,500	
Unrealized loss on marketable securities (Note 3)	<u>(1,334)</u>	<u>(4,667)</u>
	<u>17,224</u>	<u>(3,679)</u>
Loss and comprehensive loss for the period	<u>\$ (110,098)</u>	<u>\$ (12,997)</u>
Basic and diluted loss per share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Basic and diluted weighted average number of common shares outstanding	<u>50,302,763</u>	<u>5,302,763</u>

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

EUROPEAN ELECTRIC METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

For the three months ended July 31,	2023	2022
CASH FROM OPERATING ACTIVITIES		
Loss for the period	\$ (110,098)	\$ (12,997)
Items not affecting cash:		
Unrealized loss on marketable securities	1,334	4,667
Recovery of exploration and evaluation assets	(17,500)	-
Changes in non-cash working capital items:		
Advances	(2,299)	-
Receivables	-	(444)
Accounts payable and accrued liabilities	<u>31,944</u>	<u>1,834</u>
Net cash used in operating activities	<u>(96,619)</u>	<u>(6,940)</u>
Change in cash during the period	(96,619)	(6,940)
Cash, beginning of period	<u>760,705</u>	<u>28,475</u>
Cash, end of period	<u>\$ 664,086</u>	<u>\$ 21,535</u>

Supplemental disclosure with respect to cash flows (Note 6)

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

EUROPEAN ELECTRIC METALS INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves	Deficit	Total
	Number	Amount			
Balance at April 30, 2022	5,302,763	\$ 46,600,039	\$ 5,995,385	\$ (54,112,975)	\$ (1,517,551)
Loss for the period	-	-	-	(12,997)	(12,997)
Balance at July 31, 2022	5,302,763	46,600,039	5,995,385	(54,125,972)	(1,530,548)
Issuance of Shares	45,000,000	2,250,000	-	-	2,250,000
Share Issuance cost	-	(12,758)	-	-	(12,758)
Loss for the period	-	-	-	(227,062)	(227,062)
Balance at April 30, 2023	50,302,763	48,837,281	5,995,385	(54,353,034)	479,632
Loss for the period	-	-	-	(110,098)	(110,098)
Balance at July 31, 2023	50,302,763	\$ 48,837,281	\$ 5,995,385	\$ (54,463,132)	\$ 369,534

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

EUROPEAN ELECTRIC METALS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended July 31, 2023

(Unaudited - Expressed in Canadian Dollars)

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 11).

These consolidated 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 July 31, 2023, the Company had working capital of \$369,534 (April 30, 2023 – \$479,632). The Company has incurred losses from inception including \$110,098 during the period ended July 31, 2023 (2023 - \$12,997) 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 this financing will be extended or that any additional future financing will be available. 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 consolidated 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.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

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.

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.

EUROPEAN ELECTRIC METALS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended July 31, 2023

(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (cont'd...)**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, 2023. These condensed consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements for year ended April 30, 2023.

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 three-month period ended July 31, 2023, the Company received marketable securities of Europacific Metals Inc (formerly Goldplay Mining Inc). ("Europacific") with a fair value of \$17,500 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 July 31, 2023, the marketable securities had a fair value of \$20,833 (April 30, 2023 - \$4,667) and accordingly the Company recognized an unrealized loss of \$1,334 (2022 - \$4,667) during the three-month period ended July 31, 2023.

	Number of shares	Fair market value
Balance April 30, 2022	133,334	\$ 12,667
Loss on revaluation	-	(8,000)
Balance, April 30, 2023	133,334	4,667
Additions	700,000	17,500
Loss on revaluation	-	(1,334)
Balance, July 31, 2023	833,334	\$ 20,833

EUROPEAN ELECTRIC METALS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended July 31, 2023

(Unaudited - Expressed in Canadian Dollars)

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 Europacific. Under the terms of the agreement, Europacific 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 Europacific common shares (Note 3) to the Company with a fair value at the time of issuance of \$20,000 (cash and shares received in fiscal 2022).

On April 25, 2023, the Company entered into an option agreement to sell its remaining 30% of the shares of EVX Portugal to Europacific. Under the terms of the agreement Europacific acquired the remaining 30% of EVX Portugal by :

- a) Paying \$50,000 to the Company (received in fiscal 2023), and
- b) Issuing 700,000 common shares of Europacific to the Company (received during the period ended July 31, 2023).

5. SHARE CAPITAL AND RESERVES**Authorized share capital**

As at July 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.

Share issuances

During the period ended July 31, 2023, the Company did not issue any shares.

During the year ended April 30, 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 \$12,758.

EUROPEAN ELECTRIC METALS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended July 31, 2023

(Unaudited - Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES (cont'd...)**Stock options**

Stock option transactions are summarized as follows:

	Stock options	
	Number	Weighted Average Exercise Price
Outstanding, April 30, 2022	145,000	\$ 5.00
Expired	(145,000)	5.00
Outstanding, April 30, 2023 and July 31, 2023	-	\$ -

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 period ended July 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 RSUs 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 RSUs can be granted for a maximum term of 10 years. 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.

6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the three-month period ended July 31, 2023, the Company received 700,000 shares of Europacific, valued at \$17,500 as part of the consideration for the remaining 30% interest in EVX Portugal.

During the three-month period ended July 31, 2022, there were no material non-cash transactions.

No cash was paid for interest or taxes for the three-month periods ended July 31, 2023 and July 31, 2022

EUROPEAN ELECTRIC METALS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended July 31, 2023

(Unaudited - Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

The consolidated 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

During the three months period ended July 31, 2023, the Company paid, accrued, or recognized:

- a. Professional fees of \$30,000 (2022 - \$nil) to a company controlled by an officer of the Company.

Included in accounts payable and accrued liabilities is \$182,945 (April 30, 2023 - \$151,445) due to officers, former officers and directors of the Company and included in prepayments is an expense advance of \$10,000 (April 30, 2023 - \$10,000) to an officer 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 cash, receivables and accounts payable and accrued liabilities approximates fair value due to the short term nature of the financial instruments. Marketable securities are valued at a level 1 fair value measurement and are classified as fair value through profit or loss. Cash, receivables and accounts payable and accrued liabilities are classified at amortized cost.

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. 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.

EUROPEAN ELECTRIC METALS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended July 31, 2023

(Unaudited - Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**Financial risk factors (cont'd...)***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 July 31, 2023, the Company had a cash balance of \$664,086 to settle current liabilities of \$336,616. 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 July 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 July 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 \$3,768 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.

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.

EUROPEAN ELECTRIC METALS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended July 31, 2023

(Unaudited - Expressed in Canadian Dollars)

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' equity (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. There were no changes to the Company's capital management approach during period ended July 31, 2023.

10. SEGMENTED INFORMATION

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

11. SUBSEQUENT EVENTS

During the three-month period ended July 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.