



**Euro
Manganese
Inc.**

Prospectus

Euro Manganese Inc.

ARBN 627 968 567

**Initial Public Offering
of chess depositary interests**

Lead Manager

Canaccord Genuity
(Australia) Limited

IMPORTANT NOTICES

Australian Offering

The offer contained in this prospectus (**Prospectus**) is an invitation by Euro Manganese Inc. (ARBN 627 968 567) (**Euro Manganese or Company**) to apply for CHESS Depositary Interests or CDIs in the Company (**Australian Offering**). This Prospectus is issued by the Company and supports the initial public offering of the Company.

At the Prospectus Date (as defined below), the Company had a fully diluted share capital of 152,568,615 common shares (**Shares**). This consists of 134,259,600 Shares, 5,784,015 warrants and 12,525,000 options. Refer to 'Consolidated Capitalization of the Company' on page 43 of the Canadian Prospectus for further information.

This Prospectus supplements, and should be read together with, the Amended and Restated Prospectus issued by the Company on 26 June 2018 as part of its initial public offering in Canada, a copy of which is included at Annexure A (**Canadian Prospectus**).

As the Company is not established in Australia, its general corporate activities (apart from offering securities in Australia) are not regulated by the *Corporations Act 2001* of the Commonwealth of Australia but instead are regulated under the *Business Corporations Act 2002* (British Columbia) administered by the Registrar established under that Act. Its activities as a public company following completion of the initial public offering in Canada will be principally regulated by the *Securities Act (British Columbia)* and the British Columbia Securities Commission.

Lodgement and listing

This Prospectus is dated 4 September 2018 (**Prospectus Date**) and was lodged with ASIC on that date. This Prospectus is a replacement Prospectus and replaces the prospectus dated 22 August 2018 (**Original Prospectus**). Neither ASIC nor the Australian Securities Exchange (**ASX**) takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The Company will apply within seven days after the Prospectus Date to the ASX for admission of the Company to the official list of, and quotation of the CDIs on, the ASX (**Listing**).

This Prospectus has been issued to provide further disclosure in relation to the Company's historical financial information (please see section 4.2.3 and section 4.2.4), confirmation that there is no material change to the JORC Report (please see 'Reporting Standards – NI 43-101 and JORC Code' in this section), additional disclosure in Annexure B, a statement of independence as to the Independent Geologists (please see 'Reporting Standards – NI 43-101 and

JORC Code' in this section), the timeline of the Canadian Offering (please see 'Important Dates') and confirmation that there is no material change to the Canadian Prospectus (please see 'Canadian Prospectus' in this section).

Expiry date

This Prospectus expires on 22 September 2019, being the date which is 13 months after the Prospectus Date (**Expiry Date**) and no CDIs will be issued on the basis of this Prospectus after the Expiry Date.

Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor.

It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company. In particular, in considering the prospects of Euro Manganese, you should consider the risks that could affect the financial performance of the Company. You should carefully consider these risks in the light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company. Some of the risks that should be considered by prospective investors are set out in section 5. There may be risks in addition to the risks set out in section 5 that should be considered in light of your personal circumstances.

No person named in this Prospectus, nor any other person, guarantees the performance of Euro Manganese, the repayment of capital by the Company or the payment of a return on the CDIs. No person is authorised to give any information or make any representation in connection with the Australian Offering which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company or their respective directors.

To the extent permitted by law, each of the Company, Computershare Investor Services Pty Limited (**Share Registry**) and Canaccord Genuity (Australia) Limited (**Lead Manager**) disclaim all liability, whether in negligence or otherwise, to persons who trade CDIs before receiving their holding statements even if such persons confirmed their allocation through a Broker.

Exposure period

The Corporations Act prohibits the Company from processing applications under the Australian Offering (**Applications**) during the seven day period after the lodgement

of the Original Prospectus with ASIC (**Exposure Period**). However, ASIC Corporations (Exposure Period) Instrument 2016/74 means that there is no additional exposure period under the Corporations Act for this Prospectus.

Forward-looking statements and industry information

This Prospectus contains forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, at the Prospectus Date, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve uncertainties, assumptions and known and unknown risks, including the risks set out in section 5, many of which are beyond the control of the Company and its directors and management.

The Company and its directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Except where required by law, the Company has no intention of updating or revising forward-looking statements, or publishing prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

This Prospectus uses market data, industry forecasts and projections. The Company has obtained significant portions of this information from market research prepared by third parties. There is no assurance that any of the forecasts contained in the reports, surveys and research of such third parties that are referred to in this Prospectus will be achieved. The Company has not independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors in section 5.

Statements of past performance

This Prospectus includes information regarding the past performance of Euro Manganese. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Financial information presentation

All financial amounts contained in this Prospectus are expressed in Canadian currency unless otherwise stated. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

Section 4 sets out in detail the Financial Information referred to in this Prospectus. The basis of preparation of the Financial Information is also set out in that section.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the International Financial Reporting Standards (IFRS).

Non-financial data is as at the Prospectus Date, unless otherwise stated.

Currency

As indicated above, unless otherwise indicated, all “dollar” amounts or references to “C\$” and “\$” refer to Canadian dollars, references to “A\$” are to Australian dollars, references to “USD\$” are to United States dollars and references to “CZK\$” are to Czech Koruna.

As of the Prospectus Date, the “sell” rate of exchange posted by the Reserve Bank of Australia for conversion of one Australian dollar into one Canadian dollar was A\$1.00 equals \$0.96.

For the purpose of this Prospectus and the Australian Offering, the rate of exchange for conversion of one Australian dollar into one Canadian dollar is A\$1.00 equals C\$0.96 (the **AUD:CAD Exchange Rate**). It should be noted by Applicants that the Australian Offering is being priced in Australian dollars at the AUD:CAD Exchange Rate.

Amounts referred to in this Prospectus when expressed in Australian dollars, Canadian dollars, United States dollars or Czech Korunas may change as a result of fluctuations in the exchange rate between those currencies.

The CDIs will be listed on the ASX and priced in Australian dollars. However, the Company's reporting currency is C\$ and the Company's Shares will also be quoted and trading on the TSX-V. As a result, movements in foreign exchange rates may cause the price of the Company's securities to fluctuate for reasons unrelated to the Company's financial condition or performance and may result in a discrepancy between the Company's actual results of operations and investors' expectations of returns on ASX-listed CDIs expressed in Australian dollars. In addition, if a dividend is paid by the Company in the future, this dividend will be denominated in C\$. As such, an investor whose principal currency is not C\$ will be exposed to foreign currency exchange rate risk.

Obtaining a copy of this Prospectus and applying for CDIs

A hard copy of this Prospectus is available free of charge to any applicant under the Australian Offering in Australia by calling the Euro Manganese ASX IPO Information

Line on 1300 223 074 (within Australia) or +61 3 9415 4034 (outside Australia) from 8:30am to 5:30pm (Sydney Time) during the Australian Offer period from 5 September 2018 to 18 September 2018. The Prospectus is available in electronic form at <https://euromanganeseoffer.thereachagency.com>. The Australian Offering constituted by the Prospectus in electronic form is available only to persons downloading or printing it within Australia and is not available to persons in any other jurisdiction (including the United States).

Applications for CDIs may only be made during the offer period for the Australian Offering on the application form included in, or accompanying, this Prospectus in its hard copy form, or in its soft copy form which must be downloaded in its entirety from <https://euromanganeseoffer.thereachagency.com>, together with an electronic copy of this Prospectus (**Application Form**). By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is included in, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus. Refer to section 7 for further information.

No cooling off rights

Cooling off rights do not apply to an investment in CDIs issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application.

Photographs and diagrams

Photographs and diagrams used in this Prospectus are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus, its contents or that the assets shown in them are or, on Completion of the Australian Offering will be, owned by Euro Manganese. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the Prospectus Date.

Selling restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the CDIs or the Australian Offering, or to otherwise permit a public offering of CDIs, in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek

advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The CDIs have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States and may not be offered or sold, directly or indirectly, in the United States unless the CDIs are registered under the U.S. Securities Act, or an exemption from the registration requirements of the U.S. Securities Act and any other applicable securities laws is available.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the CDIs have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the CDIs has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to CDIs that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted CDIs may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Australian Offering. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the CDIs have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials

in connection with the Australian Offering or sale, or invitation for subscription or purchase, of CDIs, may not be issued, circulated or distributed, nor may the CDIs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's equity securities, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the CDIs being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire CDIs. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the Australian Offering has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the CDIs.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the CDIs may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the CDIs has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Reporting standards – NI 43-101 and JORC Code

The information in this Prospectus that relates to exploration results and mineral resource estimation has been prepared in accordance with the Canadian Securities Administrators, National Instrument 43-101 (**NI 43-101**). Specifically, NI 43-101 requires that mineral resource estimates be prepared in accordance with, and have the meaning ascribed by, the Canadian Institute of Mining and Petroleum (**CIM**) Definition Standards. NI 43-101 Companion Policy also identifies the JORC Code as an "acceptable foreign code" for the estimation of mineral resources and that it is substantially similar to CIM Definition Standards as both are based on and consistent with the International Reporting Template, published by the Committee for Mineral Reserves International Reporting Standards (**CRIRSCO Template**). The independent NI 43-101 technical report dated 27 April 2018 (release date of 21 June 2018) entitled "Technical Report on Mineral Resource Estimation for the Chvaletice Manganese Project Chvaletice, Czech Republic" prepared by Mr. James Barr, P. Geo, Senior Geologist, and Mr. Jianhui Huang, Ph.D., P.Eng, Senior Metallurgical Engineer of Tetra Tech Canada Inc. (**Chvaletice Technical Report**), summarised in Appendix A to the Canadian Prospectus, has been prepared in accordance with NI 43-101.

The independent JORC Code technical report with an effective date of 27 April 2018 (release date of 21 June 2018) entitled "Public Reporting on Exploration Results and Mineral Resource Estimation for the Chvaletice Manganese Project Chvaletice, Czech Republic" prepared by Mr. James Barr, P. Geo, Senior Geologist, and Mr. Jianhui Huang, Ph.D., P.Eng, Senior Metallurgical Engineer (**Independent Geologists**) of Tetra Tech Canada Inc. (**JORC Report**) has been prepared for the purposes of verifying the information in the Chvaletice Technical Report against the JORC Code. Refer to section 9.14 of this Prospectus for a copy of the JORC Code Table 1 for mineral resource estimation.

The Company has determined that a drill hole table setting out the easting and northing of the drill-hole collar, elevation or RL of the drill-hole collar, dip and azimuth of the hole, down hole width and depth and the end of the hole is not material to understanding the exploration results set out in this Prospectus given the type of deposit, the relatively homogenous nature of the tailings material in which all was identified to contain concentrations of manganese, and the evenly spaced locations of vertical drill-holes throughout the cells.

The Company confirms that neither Tetra Tech Canada Inc. or the Independent Geologists have been commissioned by the Company to provide any services or advice to the Company prior to preparing the NI 43-101 Report and the JORC Report for the purpose of the Canadian Prospectus and the Prospectus.

The Company and the Independent Geologists confirm that, as at the date of this Prospectus, there have been no material circumstances which would require an update to the NI 43-101 Report and the JORC Report.

The Independent Geologists confirm that statements of mineral resources and mineral reserves prepared in accordance with the CIM Definition Standards applicable under NI 43-101 would not be materially different if prepared in accordance with the JORC Code. No mineral reserves have been prepared for the Chvaletice Manganese Project deposit.

There can be no assurance that those portions of such mineral resources that are not mineral reserves will ultimately be converted into mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

For readers to fully understand the technical information in this Prospectus, they should read the Chvaletice Technical Report (available on SEDAR at www.sedar.com under the Company's profile) and the JORC Report (available on the Company's website at www.mn25.ca), which are incorporated by reference, in their entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this Prospectus. The Chvaletice Technical Report and JORC Report are intended to be read as a whole, and sections should not be read or relied upon out of context. The technical information in the Chvaletice Technical Report and JORC Report are subject to the assumptions and qualifications contained in those reports.

Canadian Prospectus

The Directors confirm that, as at the date of this Prospectus, there have been no material changes to the information contained in the Canadian Prospectus since 26 June 2018 (the date of the Canadian Prospectus).

Privacy

By filling out the Application Form to apply for CDIs you are providing personal information to the Company through its Share Registry, which is contracted by the Company to manage Applications. The Company and the Share Registry on its behalf, may collect, hold and use that personal information in order to process your Application to service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be used from time to time to inform you about other products and services offered by Euro Manganese, which it considers may be of interest to you. Your personal information may also be provided to Euro Manganese's members, agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy and applicable laws. The members, agents and service providers of Euro Manganese may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are as follows:

- the Share Registry for ongoing administration of the Shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the CDIs and for associated actions.

You may request access to your personal information held by, or on behalf of, the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by writing to the Share Registry as follows.

Email: privacy@computershare.com.au

Arrangements with the Lead Manager

The Australian Offering is being arranged and managed by the Lead Manager.

Investigating Accountant's Report on the Financial Information and financial services guide

The provider of the Investigating Accountant's Report on the Financial Information has provided Australian investors with a financial services guide in relation to its independent review under the Corporations Act. The Investigating Accountant's Report and accompanying financial services guide are provided in section 8.

Company website

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the Company's website, or any other website referred to in the sources contained in this Prospectus, is incorporated in this Prospectus by reference.

Defined terms, cross-references and references to dates and times

Defined terms used in this Prospectus have the meaning given to them in the Canadian Prospectus, unless otherwise indicated in the Glossary set out in section 11. All references to sections or page numbers are to sections or page numbers of this Prospectus, unless otherwise indicated.

Unless otherwise stated or implied, references to dates and times in this Prospectus are to the date or time in Sydney, Australia. There may be differences between totals and sums of components in tables contained in this Prospectus due to rounding.

Questions

If you have any questions about how to apply for CDIs, please call your stockbroker, solicitor, accountant, tax adviser or other independent and qualified professional adviser. Instructions on how to apply for CDIs are set out in section 7 of this Prospectus and on the back of each Application Form. Alternatively, please contact the Euro Manganese ASX IPO Information Line on 1300 223 074 (within Australia) or +61 3 9415 4034 (outside Australia from 8:30am to 5:00pm (Sydney Time), Monday to Friday (Business Days only).

This Prospectus and the Canadian Prospectus are important and should be read in their entirety.

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Key Offer Statistics

Euro Manganese Inc is offering a minimum of 20 million CDIs in respect of fully paid Shares at the Offering Price of A\$0.26 per CDI (equivalent to \$0.25 at the AUD:CAD Exchange Rate) (**Minimum Australian Offering**¹), with a right to accept oversubscriptions of 14 million CDIs to a maximum offering of 34 million CDIs at the Offering Price (**Maximum Australian Offering**²). The CDIs will be issued by the Company (**Australian Offering**^{1,2}).

To facilitate each of the Institutional Australian Offer, the Broker Firm Australian Offer and General Public Offer the Company has determined to raise not less than A\$5.2 million (equivalent to \$5 million at the AUD:CAD Exchange Rate) and not more than A\$8.8 million (equivalent to \$8.5 million at the AUD:CAD Exchange Rate). The CDIs being offered under the Australian Offering will represent 100% of the CDIs on issue on Completion of the Australian Offering.

Concurrent with Completion of the Australian Offering, the Company intends on completing a public offering of 6,000,000 Shares at the Offering Price of \$0.25 for gross proceeds of \$1,500,000 (**Canadian Offering**). The Company will also be seeking a listing of the Shares on the TSX Venture Exchange the (**TSXV**) and has applied to list the Shares on the TSXV. Listing on the TSXV will be subject to the Company fulfilling all the initial listing requirements of the TSXV, including distribution of the Shares to a minimum number of public holders.

The Company has determined for the Australian Offering to be larger than the Canadian Offering given the strong expertise and understanding of the battery materials industry by Australian investors and to broaden the shareholder base outside North America and provide a liquid market for the Company's securities.

The completion of the Canadian Offering is conditional upon Completion of the Minimum Australian Offering and the Completion of the Minimum Australian Offering is conditional upon the completion of the Canadian Offering.

Key offer statistics related to the Australian Offering and the Canadian Offering are as follows:

Company	Euro Manganese Inc.	
Ratio of CDIs per Share	Each CDI is equivalent to one Share	
	Minimum Australian Offering	Maximum Australian Offering
Offering Price	A\$0.26 per CDI ⁶ (\$0.25 per CDI)	A\$0.26 per CDI ⁶ (\$0.25 per CDI)
Total proceeds of the Australian Offering to the Company	A\$5.2 million ⁶ (\$5.0 million)	A\$8.8 million ⁶ (\$8.5 million)
Total number of CDIs to be issued under the Australian Offering	20,000,000	34,000,000
Total number of CDIs to be issued to the Lead Manager ³	1,000,000	1,700,000
Total proceeds of the Canadian Offering to the Company	A\$1.6 million ⁶ (\$1.5 million)	A\$1.6 million ⁶ (\$1.5 million)
Total number of Shares to be issued under the Canadian Offering	6,000,000	6,000,000
Total proceeds of the Canadian Offering and Australian Offering to the Company	A\$6.8 million ⁶ (\$6.5 million)	A\$10.4 million ⁶ (\$10.0 million)
Total number of Shares and CDIs to be issued under the Australian Offering and Canadian Offering	27,000,000	41,700,000
Total number of Shares and CDIs on issue on Completion of the Australian Offering and Canadian Offering	161,259,600	175,959,600
Market capitalisation at the Offering Price ^{4, 5}	A\$41.9 million ⁶ (\$40.3 million)	A\$45.7 million ⁶ (\$43.4 million)

1. Excludes 1,000,000 CDIs issued for no additional consideration to the Lead Manager in connection with the Lead Manager's fee under the Minimum Australian Offering.

2. Excludes 1,700,000 CDIs issued for no additional consideration to the Lead Manager in connection with the Lead Manager's fee under the Maximum Australian Offering.

3. Represents the number of CDIs issued for no additional consideration to the Lead Manager in connection with the Lead Manager's fee under the Minimum Australian Offering and Maximum Australian Offering, respectively.

4. Market capitalization is calculated as the total number of Shares and CDIs on issue following the Australian Offering and Canadian Offering multiplied by the Offering Price, being A\$0.26 (equivalent to C\$0.25 at the AUD:CAD Exchange Rate).

5. On a non-diluted basis, excluding 12,525,000 Options and 7,784,015 Warrants on issue following the Minimum Australian Offering and Canadian Offering (9,184,015 Warrants on issued following the Maximum Australian Offering).

6. At the AUD:CAD Exchange Rate.

Important dates

Lodgement of this Prospectus with ASIC	4 September 2018
Australian Offering opens	5 September 2018
Australian Offering closes	18 September 2018
Settlement	24 September 2018
Issue of CDIs (Completion of the Australian Offering)	25 September 2018
Expected completion of dispatch of holding statements	28 September 2018
Expected commencement of trading on the ASX (on a normal settlement basis)	1 October 2018

The commencement of marketing for the Canadian Offering is expected to commence 29 August 2018 and is expected to be completed by 13 September 2018. Thereafter, the closing of the Canadian Offering and the commencement of trading on the TSX Venture Exchange will be on 1 October 2018, concurrent with the closing of the Australian Offering and commencement of trading on the ASX.

Note: The above timetable is indicative only and is subject to change. The Company, in consultation with the Lead Manager, reserves the right to vary any and all of the above dates and times without notice (including, subject to the Listing Rules and the Corporations Act, to close the Australian Offering early, to extend the closing date, or to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Australian Offering before Completion of the Australian Offering, in each case without notifying any recipient of this Prospectus or Applicants). If the Australian Offering is cancelled or withdrawn before the issue of CDIs, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Australian Offering opens.

The admission of the Company to the Official List and the quotation and commencement of trading of the CDIs is subject to confirmation from ASX.

How to invest

Applications for CDIs can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus. Instructions on how to apply for CDIs are set out in section 7 and on the back of the Application Form.

01.

Investment Overview

01. Investment Overview

1.1 Introduction

TOPIC	SUMMARY	FOR MORE INFORMATION
Who is Euro Manganese?	Euro Manganese is a mineral exploration company incorporated in Canada.	See ' <i>Summary</i> ' on page 8 of the Canadian Prospectus
What is Euro Manganese's business?	The core business of Euro Manganese, and current sole focus, is the evaluation and development of the 100%-owned Chvaletice manganese project (the Chvaletice Manganese Project or the Project), which involves the re-processing of a manganese deposit hosted in historic mine tailings located in the Czech Republic, for the production of high-purity manganese products for producers of lithium-ion battery precursor materials, as well as producers of specialty steel and aluminium alloys.	See ' <i>Business of the Company</i> ' on page 13 of the Canadian Prospectus
What is Euro Manganese's history?	Euro Manganese was incorporated under the BCBCA on November 24, 2014. Information on Euro Manganese's history since incorporation is provided on page 13 of the Canadian Prospectus.	See ' <i>Corporate Structure</i> ' on page 13 of the Canadian Prospectus
Where does Euro Manganese operate?	While the Company is headquartered in Vancouver, Canada, Euro Manganese's primary operations are in the Czech Republic at the site of the Chvaletice Manganese Project. The Chvaletice Manganese Project is located approximately 90 kilometres east of Prague. It has direct access to the ports of Hamburg, Gdansk and Rotterdam. The site is adjacent to a 820 megawatt thermal power station, which is a major electrical transmission node in the Czech Republic's national power grid.	See ' <i>Corporate Structure</i> ' on page 13 of the Canadian Prospectus and ' <i>Business of the Company</i> ' on page 13 of the Canadian Prospectus

01. Investment Overview

TOPIC	SUMMARY	FOR MORE INFORMATION
What are the key features of Euro Manganese's business?	The Company's principal asset is its 100% ownership interest in the Chvaletice Manganese Project, and the majority of its activities are focused on the evaluation, planning and potential development thereof. The Company was formed with the objective of evaluating, acquiring, developing and operating the Chvaletice Manganese Project, a manganese deposit hosted in historic mine tailings, located in the Czech Republic. The focus of the Company is on building a reliable, world-leading supplier of ultra high-purity manganese products serving the renewable energy, high performance steelmaking and aluminium alloy industries. The Company's wholly-owned subsidiary, Mangan, holds two licences covering mineral exploration rights for the Chvaletice Manganese Project. The original exploration licence was transferred to Mangan effective 28 January 2015 and is valid until 30 September 2019. On 4 May 2018, the Czech Ministry of Environment issued Mangan an additional exploration licence, valid until 31 May 2023, allowing it to drill the slopes on the perimeter of the tailings piles. On 17 April 2018, with effect from 28 April 2018, Mangan was also issued a preliminary mining permit by the Ministry of Environment (Preliminary Mining Permit), referred to by the Ministry of Environment as the prior consent of the establishment of the Mining Lease District. The Preliminary Mining Permit, valid until 30 April 2023, covers the areas included in the Licences and now secures Mangan's exploration rights for the entire deposit. The Preliminary Mining Permit forms one of the prerequisites for the application for the establishment of the Mining Lease District and represents one of the key steps towards final permitting for the project. Based on the Preliminary Mining Permit and other documents, including the Environmental Impact Assessment (which may only be commenced after the Preliminary Mining Permit was issued), Mangan has until 30 April 2023 to apply for the establishment of the Mining Lease District covering the areas included in the Licences. The establishment of the Mining Lease District, the application for the final Mining Permit, and applications for permits relating to the construction of infrastructure required for the project, are required prior to mining at the Chvaletice Manganese Project. The main activities required for the Chvaletice Manganese Project's full development will incorporate several phases in order to support the construction of a new plant capable of producing high-purity electronic manganese metal (HPEMM) using a conventional, proven, selenium-free process and, possibly as well, high-purity manganese sulphate (HPMSM) for the lithium ion battery industry. The phases include: a) the evaluation of the mineral resource; b) the design of one or more process plants; c) permitting; and d) HPEMM and/or HPMSM market development.	See <i>'Management's Discussion and Analysis'</i> on page 23 of the Canadian Prospectus

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1.2 Key features of Euro Manganese's business model

TOPIC	SUMMARY	FOR MORE INFORMATION
How does Euro Manganese generate its revenue?	As an early exploration stage corporation, the Company does not own any properties with established reserves and does not presently have any operating revenues. The Company's business model is premised on the future production of high-purity manganese products for producers of lithium-ion battery precursor materials, as well as producers of specialty steel and aluminium alloys. As indicated above, the main activities required for the Project's full development and achievement of commercial production will involve the further evaluation of the mineral resource, the design of one or more process plants, the securing of all permitting required for the Project's operations, and HPEMM and/or HPMSM market development.	See <i>'Management's Discussions and Analysis'</i> on page 23 of the Canadian Prospectus
How does Euro Manganese fund its business operations?	The Company estimates that proceeds from the Canadian Offering and the Australian Offering together with existing cash reserves will fund operations and negative cash flows therefrom for at least 18 months. The ability of the Company to arrange such equity financings in the future will depend principally upon prevailing market conditions and the business performance of the Company. Its inability to raise additional funds in the future could result in delay or indefinite postponement of further exploration and development of the Company's properties.	See <i>'Management's Discussions and Analysis'</i> on page 31 of the Canadian Prospectus

1.3 Key benefits of an investment in Euro Manganese

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Waste reprocessing rather than mining	The Company's operations will involve the reprocessing and remediation of a manganese deposit hosted in historic mine tailings. There are no plans for the Company to conduct any hard rock mining.	See <i>'Business of the Company'</i> on page 8 of the Canadian Prospectus
Czech Republic is a stable, modern democracy with a free market economy	The Czech Republic is a member country of the European Union (EU). The Czech Republic split from Slovakia in January 1993 and is now a stable, modern democracy with a free market economy. Mineral exploration activity in the Czech Republic has increased recently, driven largely by a search for battery making raw materials such as lithium and cobalt. Through local laws, regulations and standards, which have been harmonized with those that prevail in the EU, the country has robust environmental regulations and a well-informed and engaged population that cares about the health of its environment and the diversity of its ecosystems.	See <i>'Business of the Company'</i> on page 18 of the Canadian Prospectus

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Strategic location for production and distribution	The Chvaletice Manganese Project is strategically located for production and distribution. It is located approximately 90 kilometres east of the country's capital, Prague, in an area served by excellent infrastructure. The site has direct access to rail, road and a navigable river for transportation. It is also immediately adjacent to an 820-megawatt power station – an important node in the Czech national power grid – that provides the Chvaletice Manganese Project with direct and efficient access to competitively priced electrical power. The surrounding region is agrarian, yet industrialized. In addition to the adjacent power station, within a radius of five kilometres of the Chvaletice Manganese Project site are two rock quarries, an industrial and municipal waste disposal site, metal and pre-cast concrete fabrication facilities, warehousing facilities, a plastic pipe manufacturer, a steel foundry and a ready-mix concrete plant. A commuter train trip from Prague to the nearby village of Chvaletice takes approximately one hour. In addition, the Project's location in Central Europe means that the Company is well positioned to supply participants in the lithium-ion battery, steelmaking and aluminium alloy production industries throughout Europe.	See <i>'Business of the Company'</i> on page 18 of the Canadian Prospectus
Access to skilled workforce	The Czech Republic also has a highly-educated, skilled and productive workforce capable of supporting a multitude of technologically advanced industries.	See <i>'Business of the Company'</i> on page 18 of the Canadian Prospectus
Community engagement and focus	The Company has initiated pro-active and regular consultation with community stakeholders, which are expected to intensify as the evaluation and planning for the Chvaletice Manganese Project advances. The Company's subsidiary, Mangan, opened a Project Information Centre in November 2017 in the town of Chvaletice's Municipal Culture House to provide local residents with opportunities to learn about the Chvaletice Manganese Project and to provide feedback and suggestions.	See <i>'Business of the Company'</i> on page 18 of the Canadian Prospectus
Commitment to socially and environmentally sustainable production	The Company emphasizes a safe and secure working environment for all of its employees, contractors and consultants, and recognizes the importance of operating in a sustainable manner. The Company has adopted a Code of Ethics and Business Conduct (the Code), which sets out the standards which guide the conduct of its business and the behaviour of its directors, officers, employees and consultants. The Code requires that the Company conduct its operations with a view to respecting and enhancing the economic and social situations of the communities in which the Company operates.	See <i>'Business of the Company'</i> on page 19 of the Canadian Prospectus

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Experienced Board and Management team	The Board and Management team comprises a selection of individuals with experience and expertise relevant to the mineral exploration industry. The Board currently consists of eight members, six of whom are independent. Euro Manganese's highly experienced Board and Management team has decades of industry experience in the minerals exploration, mining and construction materials sectors. Certain Directors have held leadership positions in institutions across these sectors.	See ' <i>Directors and Officers</i> ' on page 50 of the Canadian Prospectus
Increased Demand for manganese in the form of HPEMM and HPMSM	There is a rapidly increasing demand for manganese in the form of HPEMM and HPMSM in the manufacture of precursor materials for some varieties of lithium ion batteries. There are many formulations of chemicals used in lithium ion batteries at present, with the various formulations of lithium ion batteries vying for markets and market share in the battery space. Lithium ion batteries containing manganese are gaining markets, market share, and market preference over other types of batteries. Within the range of manganese bearing lithium ion batteries, the most common are lithium manganese oxide batteries, lithium nickel manganese cobalt batteries (NMC) batteries and lithium nickel manganese oxide. NMC batteries are increasingly preferred for electric vehicles and a range of other battery powered tools and devices, due to their energy density, durability and safety features. NMC batteries are also gaining preference for stationary energy storage system applications.	Section 4 and Annexure B

1.4 Key risks

TOPIC	SUMMARY	FOR MORE INFORMATION
Risks relating to the Company's business		
Speculative nature of business	Exploration for minerals is a highly speculative venture necessarily involving substantial risk. In particular, there is a risk that the Company will not find an economic mineral deposit on the Chvaletice Manganese Project. This will have a negative effect on the Company.	See ' <i>Risk Factors</i> ' on page 78 of the Canadian Prospectus

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No Mineral Reserves	Currently, there are no mineral reserves (within the meaning of NI 43-101) on the Company's Chvaletice Manganese Project. Only those mineral deposits that the Company can economically and legally extract or produce, based on a comprehensive evaluation of cost, grade, recovery and other factors, are considered mineral reserves. The resource estimates contained in the Company's technical reports are indicated and inferred resource estimates only and no assurance can be given that any particular level of recovery of manganese or other minerals from mineralized material will in fact be realized or that an identified mineralized deposit will ever qualify as a commercially mineable mineral deposit.	See 'Risk Factors' on page 79 of the Canadian Prospectus
Imprecise estimates of mineral resources	The mineral resource figures referred to in the Chvaletice Technical Report and this Prospectus have been determined and valued based on assumed future prices, cut-off grades and operating costs. However, until mineral deposits are actually extracted and processed, any mineral resources must be considered as estimates only. Any material change in the quantity of mineralization, grade or mineralization to waste ratio or extended declines in market prices for manganese may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition.	See 'Risk Factors' on page 79 of the Canadian Prospectus
Potential land title defects	The granting and transfer, by the Czech authorities, of the original Chvaletice Manganese Project's exploration licence to Mangan and its predecessor holders was reviewed by the Company prior to the acquisition of Mangan. The Company was granted a second exploration licence on 4 May 2018 covering the slopes on the perimeter of the tailings piles and was granted a Preliminary Mining Permit on 17 April 2018 covering the areas included in the exploration licences. Although the Company believes the Preliminary Mining Permit along with the exploration licences secure Mangan's rights for the entire deposit, there still may be undetected title defects affecting such mineral rights.	See 'Risk Factors' on page 80 of the Canadian Prospectus
No guarantee of surface rights	The Company does not control the surface rights over the claims which comprise its Chvaletice Manganese Project. Some surface rights are owned by local communities, some surface rights are owned by private residential interests, and there are potential overlapping surface usage issues in some areas. The Company may be required to negotiate the acquisition of surface rights, leases, rights of way, or other arrangements in those areas where it may wish to develop its operations. There is no guarantee that areas needed for extractive activities and related facilities will be available.	See 'Risk Factors' on page 79 of the Canadian Prospectus

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TOPIC	SUMMARY	FOR MORE INFORMATION
No guarantee of licences or permits	The original Chvaletice Manganese Project exploration licence expires 30 September 2019. A second exploration licence, issued 4 May 2018, covering the slopes on the perimeter of the tailings piles expires 31 May 2023. Should additional exploration and evaluation work be anticipated after these dates, the Company will be required to renew or extend the Licences prior to their expiration. Further, the Company's Preliminary Mining Permit which was issued on 17 April 2018, expires 30 April 2023. Although the Company considers this permit a key step towards final permitting for the Project, it will still require additional approvals and permits from various governmental authorities relating to, among others, the following (i) mineral extraction and exploitation rights; (ii) water use rights; (iii) maintenance of title; (iv) employees; (v) health and safety; (vi) repatriation of capital and exchange controls; and (vii) permits relating to the construction of infrastructure required for the project. Material delays or failure to receive these additional permits may result in the expiration, loss or cancellation of the Company's rights.	See ' <i>Risk Factors</i> ' on page 80 of the Canadian Prospectus
Substantial capital expenditures required	Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any chosen site. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis or on terms acceptable to the Company.	See ' <i>Risk Factors</i> ' on page 81 of the Canadian Prospectus
Access to infrastructure, supplies and utilities	The exploration, extraction, processing and development of mineral projects depend, to one degree or another, on adequate infrastructure. Reliable roads, power sources and particularly water supply are important determinants that affect capital and operating costs. Process reagents, as well as critical infrastructure equipment, may need to be imported. An inability to create or access such infrastructure due to weather phenomena, sabotage, government or other interference could adversely affect the operations, profitability, financial condition, results of operations and prospects of the Company. Fluctuations in the prices and availability of commodities consumed in connection with exploration activities or used as part of development and processing activities, such as natural gas, diesel, oil, electricity, sulphuric acid and other reagents can significantly impact the operating cost of exploration and mineral extraction activities. These price fluctuations can be unpredictable, can occur over short periods of time and may have a materially adverse impact on operating costs or the timing of future costs.	See ' <i>Risk Factors</i> ' on page 81 of the Canadian Prospectus

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Management experience	The Company's success is currently largely dependent on the performance of the Company's directors and officers. The Company's management team has experience in the resource exploration and development business. The experience of these individuals is a factor which will contribute to the Company's continued success and growth. The Company does not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any member of management, the Company's board, or any key employee or consultant, could have a material adverse effect on the Company's future. Investors who are not prepared to rely on the Company's management team should not invest in the Company's securities.	See 'Risk Factors' on page 81 of the Canadian Prospectus
Uncertainty of additional funding	Sufficient funding may not be available to the Company for further exploration and development of its property interests. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties.	See 'Risk Factors' on page 81 of the Canadian Prospectus
Negative cash flow	The Company has a limited history of operations, with no revenues and no history of earnings, cash flow or profitability. The Company has had negative operating cash flow since the Company's inception, and the Company will continue to have negative operating cash flow for the foreseeable future given that the Company's Chvaletice Manganese Project is still at the exploration and evaluation stage. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues.	See 'Risk Factors' on page 82 of the Canadian Prospectus
Legal and regulatory requirements	The Company conducts its exploration activities in the Czech Republic. The legal and regulatory requirements in this country with respect to conducting mineral exploration and mining activities, banking system and controls, as well as local business culture and practices are different from those in Canada, Australia and the United States. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the control of the Company. The impact of any such changes may adversely affect the business of the Company.	See 'Risk Factors' on page 82 of the Canadian Prospectus
Operating hazards and risks	Mineral exploration and development involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage.	See 'Risk Factors' on page 82 of the Canadian Prospectus

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Competition	The mineral exploration and extraction industry is intensely competitive. Any inability to compete with established competitors could also have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.	See ' <i>Risk Factors</i> ' on page 82 of the Canadian Prospectus
Country risks	The Chvalatice Manganese Project is located in the Czech Republic and therefore its activities are subject to the risks normally associated with the conduct of business in foreign countries. In October 2017, a new Prime Minister was elected, and in January 2018, the President was re-elected. While the Company believes that the political climate in the Czech Republic provides a suitable environment for its proposed operations, there is no guarantee against the possibility that the current, or a future, government may adopt substantially different policies or take arbitrary action which might halt exploration, involve the re-nationalization of private assets or the cancellation of contracts, the cancellation of mineral exploration, extraction and processing rights and/or changes in taxation treatment, any of which could result in a material adverse effect on the Company's business, results of operations, financial condition and prospects.	See ' <i>Risk Factors</i> ' on page 83 of the Canadian Prospectus
Legal opposition and proceedings	The Company may be subject to regulatory investigations, civil claims, lawsuits and other proceedings in the ordinary course of its business. Additionally, the Czech legal system is relatively young and continues to evolve at a rapid pace. Accordingly, there is often limited jurisprudence and authoritative opinion on commercial issues, which in turn makes legal outcomes less predictable. Furthermore, it may be difficult to obtain swift and equitable enforcement of a judgment in the Czech Republic, or to obtain enforcement of a judgment by a court of another jurisdiction, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.	See ' <i>Risk Factors</i> ' on page 83 of the Canadian Prospectus
Global economic uncertainty	Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company or at all. In such an event, the Company's operations and financial condition could be adversely impacted. The Company assesses on a quarterly basis the carrying values of its mineral properties. Should market conditions and commodity prices worsen and persist in a worsened state for a prolonged period of time, an impairment of the Company's mineral properties may be required.	See ' <i>Risk Factors</i> ' on page 84 of the Canadian Prospectus

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Fluctuating mineral prices	Fluctuations in the prices of HPEMM and HPMSM could adversely affect the Company's financial performance and results of operations. Further, if the market price of these metals falls or remains depressed, the Company may experience losses or asset write-downs and may curtail or suspend some or all of the Company's exploration, development and mining activities.	See 'Risk Factors' on page 84 of the Canadian Prospectus
Insurance	The Company's business is subject to a number of risks and hazards (as further described in this Prospectus). Although the Company maintains insurance and intends, upon completion of the Australian Offering and Canadian Offering, to obtain certain additional insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its activities, including current and any future mining operations.	See 'Risk Factors' on page 84 of the Canadian Prospectus
Compliance with environmental regulations	The potential costs and delays associated with compliance with environmental laws, regulations, approvals and permits could prevent the Company from economically operating or proceeding with the further development and exploration of the Chvaletice Manganese Project, and any non-compliance with such laws, regulations, approvals and permits at the Chvaletice Manganese Project could result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. Environmental hazards may also exist on the Chvaletice Manganese Project that are unknown to the Company at present and that have been caused by previous or existing owners or operators of the property and for which the Company may be liable for remediation.	See 'Risk Factors' on page 85 of the Canadian Prospectus
Changes in climate conditions	A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, this may result in increased costs at the Company's operations. In addition, the physical risks of climate change may also have an adverse effect on the Company's operations.	See 'Risk Factors' on page 85 of the Canadian Prospectus

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Social and environmental activism	While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, non-government organizations or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically.	See ' <i>Risk Factors</i> ' on page 86 of the Canadian Prospectus
Corruption and anti-bribery law	The Company's business is subject to the Canada's Corruption of Foreign Public Officials Act, and other anti-bribery laws. If the Company's employees or other agents are found to have engaged in such practices, the Company could suffer severe penalties and other consequences that may have a material adverse effect on its business, financial condition and results of operations.	See ' <i>Risk Factors</i> ' on page 86 of the Canadian Prospectus
Tax	The Czech Republic government, Australian government and Canadian government may implement changes to the tax regime that may affect the Company. These changes could include changes in prevailing tax rates, withholding taxes and the imposition of new or temporary taxes, the proceeds of which are earmarked for designated government purposes. Some of these changes may result in increases in the Company's tax payments, which could have an adverse effect on the Company's operations or profitability.	See ' <i>Risk Factors</i> ' on page 86 of the Canadian Prospectus
Future acquisitions	The Company may seek to grow by acquiring companies and/or assets or establishing joint ventures that the Company believes will complement its current or future business. The Company may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for the Company's business. The Company cannot guarantee that the Company can complete any acquisition the Company pursues on favourable terms, or that any acquisitions completed will ultimately benefit the Company's business.	See ' <i>Risk Factors</i> ' on page 87 of the Canadian Prospectus
Reliability of historical information	The Company has relied on, and the disclosure from the Chvaletice Technical Report, is based, in part, upon historical data compiled by previous parties involved with the Chvaletice Manganese Project. To the extent that any of such historical data is inaccurate or incomplete, the Company's exploration plans may be adversely affected.	See ' <i>Risk Factors</i> ' on page 87 of the Canadian Prospectus

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Risks relating to the CDIs		
Speculative nature of investment	An investment in the CDIs carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future.	See 'Risk Factors' on page 87 of the Canadian Prospectus
Liquidity and future financing	The Company is in the early stages of its business and has no source of operating revenue. The Company's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on satisfactory terms, if at all. If additional financing is raised by issuance of additional CDIs or Shares from treasury, control may change and shareholders may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its current business plan or cease operating.	See 'Risk Factors' on page 87 of the Canadian Prospectus
Going-concern risk	There can be no assurances that the Company will be successful in completing equity or debt financing on terms acceptable to the Company, if at all, or in achieving profitability. This could, in turn have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.	See 'Risk Factors' on page 87 of the Canadian Prospectus
Currency fluctuations	The Company maintains its accounting records and reports its financial position and results in Canadian dollars, but a portion of the Company's operating and capital expenses are or will be incurred in Czech Republic Koruna and US dollars, and manganese will be sold based principally on a US dollar price. Exchange rate fluctuations in these currencies are beyond the Company's control and such fluctuations could have an adverse effect on the Company's business, financial condition and results of operations.	See 'Risk Factors' on page 88 of the Canadian Prospectus
No operating history	To operate effectively, the Company will be required to continue to implement changes in certain aspects of its business, improve its information systems and develop, manage and train management level and other employees to comply with ongoing public company requirements. Failure to take such actions, or delay in implementation thereof, could adversely affect the Company's business, financial condition, liquidity and results of operations.	See 'Risk Factors' on page 88 of the Canadian Prospectus

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No prior public market for the CDIs or Shares	Prior to Completion of the Australian Offering and Canadian Offering, there has been no public market for the CDIs or Shares, respectively. The price to the public and the number of CDIs to be issued have been determined by negotiation by the Company and the Lead Manager. The price paid for each CDI may bear no relation to the price at which the CDIs will trade in the public market subsequent to the Australian Offering.	See ' <i>Risk Factors</i> ' on page 88 of the Canadian Prospectus
Discretion in the use of proceeds	Management will have broad discretion concerning the use of the proceeds of the Offering, as well as the timing of their expenditure. If the proceeds are not applied effectively, the results of the Company's operations may suffer.	See ' <i>Risk Factors</i> ' on page 88 of the Canadian Prospectus
Share price fluctuations	In recent years, stock markets have experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to the operating performance of these companies. The market price of the CDIs and Shares could similarly be subject to wide fluctuations in response to a number of factors, most of which the Company cannot control. The realization of any of these factors could cause the market price of the CDIs and Shares to decline significantly. Additionally, as the Shares will be traded on the TSXV and the CDIs will be traded on the ASX, there is a possibility that there will be substantial price and volume disparities between the two markets.	See ' <i>Risk Factors</i> ' on page 88 of the Canadian Prospectus
Dividends	The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its Shares or CDIs. The Company does not anticipate paying cash dividends on the Shares or CDIs in the foreseeable future. Investors must rely on sales of their CDIs or Shares after price appreciation, which may never occur, as the only way to realize a return on their investment.	See ' <i>Risk Factors</i> ' on page 89 of the Canadian Prospectus
Reporting issuer costs	Prior to the Australian Offering and Canadian Offering, the Company has not been subject to the continuous and timely disclosure requirements of Canadian Securities Laws or other rules, regulations and policies of the TSXV or ASX. Compliance with reporting and other requirements applicable to public companies will create additional costs for the Company and will require the time and attention of Management.	See ' <i>Risk Factors</i> ' on page 89 of the Canadian Prospectus

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Future sales of CDIs and Shares	If the Company's shareholders sell substantial amounts of the Company's securities in the public market, the market price of the Company's securities could fall. It is anticipated that certain of the CDIs issued and outstanding prior to completion of the Offering will be subject to post-Completion resale restrictions. See " <i>Plan of Distribution</i> " and " <i>Escrowed Securities</i> " on pages 77 and 47 in the Canadian Prospectus for descriptions of these resale restrictions. Upon expiration of the resale restrictions to which they are subject, such CDIs and Shares will be freely tradable in the public market, subject to the provisions of applicable securities laws.	See 'Risk Factors' on page 90 of the Canadian Prospectus
Securities/industry analysts	The trading markets for CDIs and Shares could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or competitors.	See 'Risk Factors' on page 90 of the Canadian Prospectus
Dilution	The Offering Price of the CDIs and Shares will significantly exceed the net tangible book value per share of the CDIs and Shares. Accordingly, a purchaser of CDIs in the Australian Offering will incur immediate and substantial dilution of his, her or its investment. If the outstanding options and warrants to purchase Shares and/or CDIs are exercised or securities convertible into Shares and/or CDIs are converted, additional dilution will occur. With any additional sale or issuance of CDIs or Shares, or securities convertible into CDIs or Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.	See 'Risk Factors' on page 90 of the Canadian Prospectus
Class action litigation	In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. If the Company faces such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could materially harm its business.	See 'Risk Factors' on page 90 of the Canadian Prospectus
Enforcing judgments and effecting service on directors and officers	Some of the directors and officers of the Company reside outside of Australia, and some or all of the assets of those persons may be located outside of Australia. Therefore, it may not be possible for investors to collect or to enforce judgments obtained in Australian courts predicated upon the civil liability provisions of applicable Australian law against such persons.	See 'Risk Factors' on page 90 of the Canadian Prospectus

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Information system failure and security threats	The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation, results of operations, cash flows and financial condition. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.	See ' <i>Risk Factors</i> ' on page 91 of the Canadian Prospectus
Global financial conditions	General market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the global mining industry, global supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Company's operating environment and its operating costs, profit margins and share price. Any negative events in the global economy could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.	See ' <i>Risk Factors</i> ' on page 91 of the Canadian Prospectus
Conflict of interest	Certain of the Company's directors and officers are, and may continue to be, involved in the mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. There may be corporate opportunities which the Company is not able to procure due to a conflict of interest of one or more of the Company's directors or officers.	See ' <i>Risk Factors</i> ' on page 91 of the Canadian Prospectus
Delisting of securities on ASX and/or TSXV	If the Company fails to list the CDIs on the ASX and the Shares on the TSXV, the liquidity for its securities would be significantly impaired, which may substantially decrease the trading price of the CDIs and Shares. In addition, in the future, the Company's securities may fail to meet the continued listing requirements to be listed on the ASX and/or the TSXV. If the ASX delists the CDIs from trading on its exchange, or if the TSXV delists the Shares from trading on its exchange, the Company could face significant material adverse consequences.	See ' <i>Risk Factors</i> ' on page 92 of the Canadian Prospectus

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1.5 Key offer statistics

TOPIC	SUMMARY	FOR MORE INFORMATION
Concurrent and Cross-conditional Australian and Canadian Offerings	Under the Australian Offering, the Company is offering a minimum of 20 million CDIs in respect of fully paid Shares at the Offering Price of A\$0.26 per CDI (equivalent to \$0.25 at the AUD:CAD Exchange Rate) for gross proceeds of A\$5.2 million (equivalent to \$5 million at the AUD:CAD Exchange Rate), with a right to accept oversubscriptions of 14 million CDIs to a maximum offering of 34 million CDIs at the Offering Price. Gross proceeds under Maximum Australian Offering are A\$8.8 million (equivalent to \$8.5 million at the AUD:CAD Exchange Rate). Concurrent with Completion of the Australian Offering, the Company intends on completing a Canadian Offering of 6,000,000 Shares at the Offering Price of \$0.25 for gross proceeds of \$1,500,000. The Company will also be seeking a listing of the Shares on the TSXV and has applied to list the Shares on the TSXV. Listing on the TSXV will be subject to the Company fulfilling all the initial listing requirements of the TSXV, including distribution of the Shares to a minimum number of public holders. The Canadian Offering is not underwritten. The completion of the Canadian Offering is conditional upon Completion of the Minimum Australian Offering and Completion of the Minimum Australian Offering is conditional upon the completion of the Canadian Offering.	See pages 1-2 of the Canadian Prospectus

1. Represents the number of CDIs issued for no additional consideration to the Lead Manager in connection with the Lead Manager's fee under the Minimum Australian Offering and Maximum Australian Offering, respectively.
2. These Shares and CDIs will be subject to mandatory escrow arrangements as fully discussed in section 7.8. The number of shares and CDIs subject to mandatory escrow arrangements shown under the Minimum Australian Offering and Maximum Australian Offering include 1,000,000 and 1,700,000 CDIs, respectively, issued to the Lead Manager in connection with the Lead Manager's Fee. The number of Shares subject to escrow is calculated as of the date of this Prospectus and is subject to change based on the date of Listing. Expiry of the escrow restriction periods will range from the date of Listing to 24 months from the date of Listing.
3. Market capitalisation is calculated as the total number of Shares and CDIs on issue following the Australian Offering and Canadian Offering multiplied by the Offering Price, being A\$0.26 (equivalent to \$0.25 at the AUD:CAD Exchange Rate).
4. On a non-diluted basis, excluding 11,225,000 Options and 7,784,015 Warrants on issue following the Minimum Australian Offering and Canadian Offering (9,184,015 Warrants on issued following the Maximum Australian Offering).
5. At the AUD:CAD Exchange Rate.

01. Investment Overview

1.6 Directors and key management

TOPIC	SUMMARY	FOR MORE INFORMATION
Who are the Directors?	• Roman Shklanka, Non-Executive Chairman • Marco A. Romero, President and Chief Executive Officer, Director • David B. Dreisinger, Director • Daniel J. Rosický, Director • Harvey N. McLeod, Director • John Webster, Director • Jan Votava, Director • Gregory P. Martyr, Director	See <i>'Directors and Officers'</i> on pages 50-52 of the Canadian Prospectus
Who are the leadership team of Euro Manganese?	• Marco A. Romero, President and Chief Executive Officer, Director • Pierre F. Massé, Chief Financial Officer and Corporate Secretary • Jan Votava, Managing Director of Mangan Chvaletice s.r.o., and Director • Thomas Glück – Vice President, Development	See <i>'Directors and Officers'</i> on pages 50-52 of the Canadian Prospectus

01. Investment Overview

1.7 Significant interests of key people and related party transactions

TOPIC	SUMMARY				FOR MORE INFORMATION
What significant benefits are payable to the Directors and other persons connected with the Company or the Australian Offering and what significant interests do they hold?			APPROXIMATE VALUE OF SHARES OR CDIS HELD FOLLOWING COMPLETION OF THE CANADIAN OFFERING AND THE AUSTRALIAN OFFERING ⁸	APPROXIMATE VALUE OF SHARES OR CDIS HELD FOLLOWING COMPLETION OF THE CANADIAN OFFERING AND THE AUSTRALIAN OFFERING ^{8,9}	See 'Director and Officers' on pages 50-52 of the Canadian Prospectus and 'Director and Executive Compensation' on page 57 of the Canadian Prospectus
	Name	NUMBER OF SHARES OR CDIS BENEFICIALLY OWNED OR CONTROLLED	(\$)	(A\$)	
	Roman Shklanka ¹	8,503,335	\$2,125,833	\$2,210,867	
	Marco A. Romero ²	7,625,000	1,906,250	1,982,500	
	Pierre F. Massé	5,075,940	1,268,985	1,319,744	
	Harvey N. McLeod ³	3,757,500	939,375	976,950	
	John Webster ⁴	927,499	231,875	241,150	
	Daniel J. Rosický ⁵	2,197,252	549,313	571,286	
	David B. Dreisinger	737,499	184,375	191,750	
	Jan Votava	272,998	68,249	70,979	
	Gregory P. Martyr ⁶	268,888	67,222	69,911	
	Thomas Glück ⁷	958,835	239,709	249,297	
	Total	30,324,746	\$7,581,186	\$7,884,434	
	1. Includes Shares held by Shklanka Holdings Ltd., a company controlled by Roman Shklanka. 2. Includes Shares held by Navigator Management Ltd., a company controlled by Marco A. Romero. 3. Includes Shares held by 0743761 B.C. Ltd., a company controlled by Harvey N. McLeod. 4. Includes Shares held by JJW Investments Ltd., a company controlled by John Webster. 5. Includes 1,143,435 Shares issued for services rendered by PRK Raft a.s., a law firm in which Daniel Rosický is a senior partner. 6. Includes Shares held by Hogan's Bluff Pty Ltd., a company controlled by Gregory Martyr. 7. Includes Shares held by 0963395 B.C. Ltd., a company controlled by Thomas Glück. 8. Based on the Offering Price. 9. At the AUD:CAD Exchange Rate.				

01. Investment Overview

TOPIC	SUMMARY	FOR MORE INFORMATION	
What significant benefits are payable to the Directors and other persons connected with the Company or the Australian Offering and what significant interests do they hold? continued	Directors and key Management are also entitled to remuneration and fees on commercial terms including in accordance with the Stock Option Plan described in 'Options to Purchase Securities' on pages 44-45 of the Canadian Prospectus. Details of exercise prices, vesting periods and expiry dates for the options held by Directors and key Management are disclosed on pages 51-52 of the Canadian Prospectus. Options held by Directors and key Management are presented below:	See 'Director and Officers' on pages 50-52 of the Canadian Prospectus and 'Director and Executive Compensation' on page 57 of the Canadian Prospectus	
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01. Investment Overview

1.8 Financials and dividend policy

TOPIC	SUMMARY	FOR MORE INFORMATION
What is Euro Manganese's historical and forecast financial performance?	The Company has no history of earnings and a limited operating history. Selected consolidated financial and operating information for Euro Manganese is provided at page 11 of the Canadian Prospectus and in the section titled <i>'Management's Discussion and Analysis'</i> on pages 21 to 43 of the Canadian Prospectus.	See <i>'Management's Discussion and Analysis'</i> on pages 21-43 of the Canadian Prospectus and <i>'Appendix "FS" Financial Statements'</i> of the Canadian Prospectus
What is Euro Manganese's dividend policy?	The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its Shares. The Company does not anticipate paying cash dividends on the CDIs or Shares in the foreseeable future. The Company currently intends to retain all future earnings to fund the development and growth of its business.	See <i>'Risk Factors'</i> on page 78 of the Canadian Prospectus and <i>'Dividends'</i> on page 21 of the Canadian Prospectus
What is the financial outlook for the Company?	Given the current status of the Company's projects and the speculative nature of the mineral exploration, the Directors do not consider it appropriate to forecast future earnings. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.	See <i>'Management's Discussion and Analysis'</i> on pages 21-43 of the Canadian Prospectus

01. Investment Overview

1.9 Overview of the Australian Offering

TOPIC	SUMMARY	FOR MORE INFORMATION
Who is the issuer of this Prospectus?	The Company is the issuer of this Prospectus.	See 'Summary' on pages i-ii and 8 of the Canadian Prospectus
What is the Australian Offering?	The Australian Offering is an invitation to apply for between 20 million and 34 million CDIs in respect of fully paid Shares at the Offering Price of A\$0.26 per CDI (equivalent to \$0.25 at the AUD:CAD Exchange Rate). The CDIs will be issued by the Company. The Australian Offering is expected to raise not less than A\$5.2 million (equivalent to \$5 million at the AUD:CAD Exchange Rate) and not more than A\$8.8 million (equivalent to \$8.5 million at the AUD:CAD Exchange Rate). The CDIs being offered under the Australian Offering will represent 100% of the CDIs on issue on Completion of the Australian Offering. Each CDI issued pursuant to this Prospectus will, from the time they are issued, rank equally. If subscriptions are not received for a minimum of 20 million CDIs by the Closing Date, then the Australian Offer will not proceed and all Application Monies will be refunded without interest.	See 'Management's Discussion and Analysis' on pages i-ii and 22 -23 of the Canadian Prospectus
Is the Australian Offering conditional upon other events?	In addition to being conditional upon meeting the listing requirements of the ASX, Completion of the Minimum Australian Offering is conditional upon the completion of the Canadian Offering. Similarly, the completion of the Canadian Offering is conditional upon Completion of the Minimum Australian Offering.	See pages i-ii of the Canadian Prospectus

01. Investment Overview

TOPIC	SUMMARY	FOR MORE INFORMATION
Why is the Australian Offering being conducted?	The purpose of the Australian Offering, combined with the Company's working capital at 31 May 2018 estimated at \$6,538,000, and the proceeds of the Canadian Offering, is to provide funding to: - allow completion of Phase 1 of the recommended work program, relating to Geology and Mineral Resources and the remaining work program, relating to metallurgical testing and process engineering; - allow the Company to complete various engineering studies required for the completion of the Preliminary Economic Assessment, and Environmental Studies; - pay the costs of technical staff in the Czech Republic and Vancouver for the next 18 months; - pay the remaining costs of the Australian Offering and Canadian Offering, and pay for general and administrative expenses for the next 18 months; - provide working capital for the Company; and - broaden Euro Manganese's shareholder base and provide a liquid market for the CDIs and Shares. The use of proceeds received in connection with the Australian Offering is set out below and in section 7.1.3.	See 'Use of Proceeds' on pages 19-21 of the Canadian Prospectus
What is the proposed use of proceeds received in connection with the Australian Offering?	At the Offering Price, the Australian Offering will raise between A\$5.2 million (equivalent to \$5 million at the AUD:CAD Exchange Rate) and A\$8.8 million (equivalent to \$8.5 million at the AUD:CAD Exchange Rate). Assuming Completion of the Australian Offering occurs on 25 September 2018, this amount will be applied in the manner set out in 'Use of Proceeds' on page 19 of the Canadian Prospectus.	See 'Use of Proceeds' on pages 19-21 of the Canadian Prospectus
Will the CDIs be quoted on the ASX?	Shares will not be quoted on the ASX. Instead, the Company will apply to ASX for its admission to the Official List of, and quotation of its CDIs by, ASX (under the code 'EMN') within seven days after the Prospectus Date. Completion of the Australian Offering is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Australian Offering will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.	See section 7.12.1

01. Investment Overview

TOPIC	SUMMARY	FOR MORE INFORMATION
How is the Australian Offering structured/ who is eligible to participate in the Australian Offering?	The Australian Offering comprises of: - the General Public Offer, which is open to Retail Investors resident in Australia and Institutional Investors in Australia, Hong Kong, Singapore and the United Kingdom; - the Institutional Australian Offer, which consists of an offer to Institutional Investors in Australia, Hong Kong, Singapore and the United Kingdom; and - the Broker Firm Australian Offer, which consists of an offer to investors in Australia who are not Institutional Investors and who have received an invitation to participate from their Broker.	See section 7.1.1
Is the Australian Offering underwritten?	No, the Australian Offering is not underwritten or guaranteed by a person or agent. The Lead Manager will provide settlement support in accordance with the Offer Management Agreement.	See page ii of the Canadian Prospectus and section 9.4.1
Is there any brokerage commission or stamp duty payable by applicants?	No brokerage, commission or stamp duty is payable by Australian Applicants on the subscription for CDIs under the Australian Offering.	See section 9.10.4
What are the tax implications of investing in the CDIs?	The tax consequences of any investment in CDIs will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest in the Australian Offering.	See section 9.10
How can I apply?	Eligible investors may apply for CDIs by completing a valid Application Form attached to this Prospectus or online at https://euormanganeseeoffer.thereachagency.com, or as instructed by the Lead Manager in the case of Applicants in the Institutional Australian Offer. Applicants under the Broker Firm Offer should follow the instructions of their Broker. All Application Forms must be completed in accordance with their instructions and must be accompanied by payment either by B_{PAY} or by cheque (for the Broker Firm Australian Offer only) in Australian dollars for the full amount of the application at A\$0.26 per CDI (equivalent to \$0.25 at the AUD:CAD Exchange Rate). To the extent permitted by law, any application by an applicant under the Australian Offer is irrevocable.	See section 7.3.2

01. Investment Overview

TOPIC	SUMMARY	FOR MORE INFORMATION
When will I receive confirmation that my application has been successful?	It is expected that initial holding statements will be mailed to successful Applicants by standard post on or about 28 September 2018.	See section 7.2
What is the minimum Application size under the Australian Offering	The minimum Application size is 7,693 CDIs (A\$2,000) and in multiples of 3,847 CDIs (A\$1,000) worth of CDIs thereafter. There is no maximum value of CDIs that may be applied for.	See section 7.3.2
Can the Australian Offering be withdrawn?	The Company reserves the right not to proceed with the Australian Offering at any time before the issue of CDIs to successful Applicants. If the Australian Offering does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Australian Offering.	See section 7.10
Where can I find out more about this Prospectus or the Australian Offering?	If you are unclear in relation to any matter or are uncertain as to whether Euro Manganese is a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest. You can also contact the Euro Manganese ASX IPO Information Line on 1300 223 074 (within Australia) or +61 3 9415 4034 (outside Australia) from 8:30am to 5:00pm (Sydney Time) during the Australian Offering period.	See Important Dates and Key Australian Offering Statistics on pages 4 and 5 of this Prospectus

02.

Industry Overview

02. Industry Overview

See 'Independent Market Overview High Purity Electrolytic Manganese Metal and Manganese Sulfate Markets' at Annexure B to this Prospectus.

03.

Overview of Euro Manganese

03. Overview of Euro Manganese

See '*Business of the Company*' on pages 13 – 19 of the Canadian Prospectus.

04.

Financial Information

04. Financial Information

4.1 Introduction

The financial information relevant to this Prospectus includes financial information set out in this section and financial information included in the Canadian Prospectus. For clarity it includes:

- the Consolidated Statement of Financial Position as at 31 March 2018 as presented in this section 4;
- the Consolidated Statement of Loss and Comprehensive Loss for the years ended 30 September 2016 and 30 September 2017 as presented on page FS-7 of the Canadian Prospectus as extracted in section 4.2.3 and summarised in the table on page 29 of the Canadian Prospectus presenting the financial performance for the years ended 30 September 2016 and 30 September 2017;
- the Condensed Consolidated Interim Statements of Loss and Comprehensive Loss for the six months ended 31 March 2018 and 31 March 2017 as presented on page FS-52 of the Canadian Prospectus and extracted in section 4.2.4;
- the Consolidated Statements of Cash Flows for the years ended 30 September 2016 and 30 September 2017 as presented on page FS-8 of the Canadian Prospectus and extracted in section 4.2.3; and
- the Condensed Consolidated Interim Statements of Cash Flows for the six months ended 31 March 2018 and 31 March 2017 as presented on page FS-53 of the Canadian Prospectus and extracted in 4.2.4 (together the **Historical Financial Information**).

It also includes the Pro Forma Consolidated Statement of Financial Position as at 31 March 2018 as presented in this section (the **Pro Forma Historical Financial Information**).

No pro forma Consolidated Statements of Loss and Comprehensive Loss or pro forma Consolidated Statements of Cash Flows have been presented as there are no items that require adjustment. In addition, no adjustments have been made to illustrate ongoing listed company costs (e.g. directors' fees, annual and quarterly reporting, compliance costs, annual listing fees, share registry costs).

Together, the Historical Financial Information and the Pro Forma Historical Financial Information form the **Financial Information**.

The Financial Information has been reviewed by PricewaterhouseCoopers Securities Ltd, in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information, as stated in its Investigating Accountant's Report on the Financial Information. Investors should note the scope and limitations of the Investigating Accountant's Report (refer to section 8). The Investigating Accountant's Report on the Financial Information has been prepared solely in connection with the Australian Offering.

The information in this section 4 should also be read in conjunction with the risk factors set out in section 5 and other information contained in this Prospectus.

The Company has historically presented its financial reports in C\$ and will continue to do so following completion of the transactions proposed under the Prospectus. Accordingly, the financial information included in this section 4 is presented in C\$.

The Company will continue preparing financial statements in accordance with IFRS. Further, the Canadian generally accepted auditing standards will be the auditing standards that will be applied by the Company's auditor in relation to the financial statements of the Company and the ASX has agreed to the use of those auditing standards.

Refer also to Management's Discussion and Analysis set out on pages 21 to 43 of the Canadian Prospectus for further financial information, analysis and commentary.

04. Financial Information

4.2 Basis of preparation

The Financial Information has been prepared in accordance with the recognition and measurement principles contained in IFRS and the Company's adopted accounting policies.

The Pro Forma Historical Financial Information has been derived from the Unaudited Consolidated Statement of Financial Position of the Company at 31 March 2018 adjusted for the impact of the Australian Offering, the Canadian Offering and the Option Agreement for the right to acquire EP Chvaletice s.r.o., as described in section 9.4.2 of this Prospectus, as if those events or transactions had occurred as at 31 March 2018.

The Pro Forma Historical Financial Information has been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. Certain elements of the Historical Financial Information and Pro Forma Historical Financial Information are presented in an abbreviated form, insofar as they do not include all of the disclosures required by accounting standards applicable to the Company's annual consolidated financial statements.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position, financial performance, and cash flows.

04. Financial Information

4.2.1 Pro Forma Historical Financial Information:

	EURO MANGANESE INC. STATE- MENT OF FINANCIAL POSITION 31 MARCH 2018	AUSTRALIAN AND CANADIAN OFFERINGS ¹	LEAD MANAGER'S FEES ²	LEAD MANAGER'S WARR-ANTS ³	CASH TRANS- ACTION COSTS ⁴	FIRST OPTION PAYMENT RELATED TO PURCHASE OF EP CHVALETICE S.R.O. ⁵	PRO FORMA POST EQUITY RAISING AND FIRST OPTION PAYMENT
	CAD	CAD	CAD	CAD	CAD	CAD	CAD
Current Assets							
Cash	7,648,144	6,500,000	–	–	(709,800)	(875,000)	12,563,344
Prepaid	94,846	–	–	–	–	–	94,846
Receivable	55,338	–	–	–	–	–	55,338
Total current assets	7,798,328	6,500,000	–	–	(709,800)	(875,000)	12,713,528
Non-current assets							
Exploration and evaluation assets	1,249,086	–	–	–	–	–	1,249,086
Fair value of option payment	–	–	–	–	–	875,000	875,000
Property and Equipment	333,310	–	–	–	–	–	333,310
Total non-current assets	1,582,396	–	–	–	–	875,000	2,457,396
Total Assets	9,380,724	6,500,000	–	–	(709,800)	–	15,170,924
Current Liabilities							
Accounts payable	366,069	–	–	–	–	–	366,069
Due to related parties	163,974	–	–	–	–	–	163,974
Deferred consideration – current portion	295,101	–	–	–	–	–	295,101
Total current liabilities	825,144	–	–	–	–	–	825,144
Non-current liabilities							
Deferred consideration	480,508	–	–	–	–	–	480,508
Total non-current liabilities	480,508	–	–	–	–	–	480,508
Total liabilities	1,305,652	–	–	–	–	–	1,305,652
Net Assets	8,075,072	6,500,000	–	–	(709,800)	–	13,865,272
Shareholders' equity							
Share Capital	14,591,788	6,500,000	(250,000)	(218,000)	(597,800)	–	20,025,988
Equity Reserve	858,974	–	250,000	218,000	–	–	1,326,974
Deficit	(7,375,690)	–	–	–	(112,000)	–	(7,487,690)
Total share-holders' equity	8,075,072	6,500,000	–	–	(709,800)	–	13,865,272

04. Financial Information

Notes:

1. Completion of the Minimum Australian Offering of A\$5,200,000 (equivalent to \$5,000,000 at the AUD:CAD Exchange Rate) by way of issuing 20,000,000 CDIs at A\$0.26 (equivalent to \$0.25 at the AUD:CAD Exchange Rate) per CDI and the concurrent completion of the Canadian Offering of C\$1,500,000 by way of issuing 6,000,000 Shares at a price of \$0.25 per Share;
2. The issuance of 1,000,000 CDIs in respect of fully paid Shares, for no additional consideration, issued in connection with the Lead Manager CDI Fee, based on the Minimum Australian Offering, and having a fair value of A\$260,000 (equivalent to \$250,000 at the AUD:CAD Exchange Rate);
3. The issuance of Warrants entitling the Lead Manager to purchase 2,000,000 CDIs, based on the Minimum Australian Offering, issued in respect of fully paid Shares at \$0.375 per CDI for 36 months, having an assigned value at 31 March 2018 estimated to be \$218,000 (based on Black-Scholes pricing model using a risk-free rate of 1.84%, an expected life of 2.5 years, an annualized volatility of 90%, a dividend rate of nil, and a CDI price of \$0.25);
4. Cash transaction costs in relation to the Australian Offering and concurrent Canadian Offering estimated to be \$867,000, less expenses incurred to 31 March 2018 of \$157,200. Included in estimated cash transaction costs is the Lead Manager's 1% fee payable in cash of \$50,000 based on the Minimum Australian Offering. Estimated exchange listing fees of \$112,000, which are also included in the total cost estimate have been charged to deficit; and
5. The first option payment of 14,000,000 Czech Korunas (with an equivalent value of C\$875,000 based on the 29 March 2018 rate of exchange posted by the Czech National Bank for conversion of one Czech Koruna to Canadian dollars of CZK\$1 equals C\$0.0625) paid in connection with the Option Agreement related to the purchase of a 100% interest in EP Chvaletice s.r.o. as described in section 9.4.2. This adjustment assumes that the amount is paid at the Prospectus Date.

The above adjustments are based on the Minimum Australian Offering. Under the Maximum Australian Offering, the adjustments would be increased as follows: (a) adjustment 1 would increase from \$6,500,000 to \$10,000,000 representing an increase from 20,000,000 CDIs issued to 34,000,000 CDIs issued; (b) adjustment 2 would increase from \$250,000 to \$425,000 representing an increase in the number of CDIs issued to the Lead Manager from 1,000,000 to 1,700,000; (c) adjustment 3 would increase from \$218,000 to \$370,600 representing an increase in the number of Warrants issued to the Lead Manager from 2,000,000 to 3,400,000 Warrants; and (d) total cash transaction costs in adjustment 3 would increase from \$867,000 to \$902,000 representing an increase in the Lead Manager's Fee payable in cash, as described in section 9.11.

Any deferred tax assets (to the extent they are applicable), arising from the adjustments above have not been recognized as realization is not probable.

4.2.2 The pro forma movement in Shareholders' equity is as follows:

	NOTE	ISSUED SHARE CAPITAL #	ISSUED SHARE CAPITAL CAD	EQUITY RESERVES CAD	DEFICIT CAD	SHARE HOLDERS' EQUITY CAD
Balance as at 31 March 2018		132,206,540	14,591,788	858,974	(7,375,690)	8,075,072
Australian and Canadian Offerings	4.2.1(1)	26,000,000	6,500,000	–	–	6,500,000
Lead Manager's Fees	4.2.1(2)	1,000,000	(250,000)	250,000	–	–
Lead Manager's Warrants	4.2.1(3)	–	(218,000)	218,000	–	–
Cash Transaction Costs	4.2.1(4)	–	(597,800)	–	(112,000)	(709,800)
Pro forma balance as at 31 March 2018		159,206,540	20,025,988	1,326,974	(7,487,690)	13,865,272

The above table reflects the pro forma movement in Shareholders' equity based on the Completion of the Minimum Australian Offering. Based on the Maximum Australian Offering, adjustments described in 4.2.1(1), 4.2.1(2), 4.2.1(3) and 4.2.1(4) would be increased as described in the preceding section (4.2.1).

04. Financial Information

4.2.3 Consolidated Statement of Loss and Comprehensive Loss for the years ended 30 September 2016 and 30 September 2017 and Consolidated Statements of Cash Flows for the years ended 30 September 2016 and 30 September 2017

CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

	YEAR ENDED SEPTEMBER 30,	
For the years ended September 30, 2017 and 2016 (Expressed in Canadian Dollars)	2017 \$	2016 \$
Project Evaluation Expenses		
Drilling, sampling and surveys	346,025	5,887
Engineering	1,141,129	123,632
Environmental	26,524	17,856
Geophysical	43,229	–
Geological	96,358	3,890
Legal and professional fees	52,385	–
Market studies	28,043	46,758
Metallurgical	194,593	50,498
Option provision	76,064	16,719
Project management	112,625	26,459
Remuneration and overhead allocation	–	279,930
Supplies and rentals	43,196	–
Taxes	22,416	13,269
Travel	215,955	39,332
	2,398,542	624,230
Other Expenses		
Remuneration	321,675	216,452
Stock-based compensation	235,688	145,662
Option provision	134,753	57,368
Less: allocation to project evaluation	–	(279,930)
Net Remuneration	692,116	139,552
Legal and professional fees	67,679	14,832
Conferences	3,174	14,509
Investor relations	1,254	32,878
Depreciation	2,101	794
Insurance	6,938	875
Office, general and administrative	34,890	21,995
Office rent	18,000	13,600
Accretion expense	130,573	37,310
Travel	58,089	45,375
	1,014,814	321,720
Loss & comprehensive loss for the year	(3,413,356)	(945,950)
Loss per share		
Loss & comprehensive loss for the year	(3,413,356)	(945,950)
Basic and diluted loss per share	(0.35)	(0.23)
Weighted average number of shares outstanding	9,772,984	4,190,160

04. Financial Information

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended September 30, 2017 and 2016 (Expressed in Canadian Dollars)	2017 \$	2016 \$
Operating Activities		
Net loss for the period	(3,413,356)	(945,950)
Less non-cash transactions:		
Share-based payments		
Options	210,817	74,087
Shares and warrants for services	402,923	224,600
	613,740	298,687
Depreciation	2,101	794
Accretion expense	130,573	37,310
	(2,666,942)	(609,159)
Changes in non-cash working capital items:		
Accounts payable	300,294	23,327
Accounts receivable	(63,926)	(5,892)
Prepaid expenses	(129,228)	-
Related parties	(70,965)	183,871
	36,175	201,306
Net Operating activities	(2,630,767)	(407,853)
Financing Activities		
Common shares and warrants issued for cash	5,382,211	565,990
Common shares repurchased and cancelled	-	(800)
Loan from shareholders	-	90,000
Loan repayment to shareholder	-	(50,000)
	5,382,211	605,190
Investing Activities		
Cash acquired on acquisition	-	14,728
Mineral property acquisition payment	-	(96,306)
Property & equipment – purchases	(7,843)	(3,215)
	(7,843)	(84,793)
Increase in Cash & Cash Equivalents	2,743,601	112,544
Cash & Cash Equivalents – beginning of year	117,393	4,849
Cash & Cash Equivalents – end of year	2,860,994	117,393
Non-cash transactions excluded from above :		
Mineral property acquisition – net discounted value	-	(1,156,494)
Deferred consideration's discount	-	(343,506)
	-	(1,500,000)
Deferred share payment commitment	(300,000)	1,200,000
Share issue in relation to the acquisition of the mineral property	300,000	300,000
	-	(1,500,000)
Issue of broker's warrants		
Equity Reserve	96,182	-
Share Capital	(96,182)	-
Exercise of warrants outstanding at September 30, 2016		
Share Capital	(28,237)	-
Equity Reserve	28,237	-

04. Financial Information

4.2.4 Condensed Consolidated Interim Statements of Loss and Comprehensive Loss for the six months ended 31 March 2018 and 31 March 2017 and Condensed Consolidated Interim Statements of Cash Flows for the six months ended 31 March 2018 and 31 March 2017

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the six-month periods ended March 31, 2018 and 2017

	SIX-MONTH PERIOD ENDED MARCH 31,	
(Expressed in Canadian Dollars, except per share amounts) (Unaudited)	2018 \$	2017 \$
Project Evaluation Expenses		
Engineering	1,168,024	188,413
Remuneration	322,362	–
Market studies	158,356	13,371
Travel	110,224	58,844
Share-based compensation	97,323	8,144
Geological	79,070	–
Legal and professional fees	54,099	56
Project management	52,938	12,166
Supplies and rentals	32,387	–
Metallurgical	13,612	14,519
Drilling, sampling and surveys	–	12,500
Taxes	–	7,935
Environmental	–	2,643
	2,088,395	318,591
Other Expenses		
Remuneration	303,660	161,174
Share-based compensation	298,810	104,156
Total remuneration	602,470	265,330
Legal and professional fees	57,793	36,224
Travel	53,992	14,920
Accretion expense	51,232	64,061
Office, general and administrative	36,170	9,136
Insurance	27,546	–
Office rent	13,000	9,000
Conferences	12,390	3,174
Investor relations	6,395	720
Depreciation	2,055	669
	863,043	403,234
Loss & comprehensive loss for the period	(2,951,438)	(721,825)
Loss per share		
Basic and diluted loss per share	(0.03)	(0.02)
Weighted average number of shares outstanding	98,085,922	32,749,365

04. Financial Information

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

For the six-month periods ended March 31, 2018 and 2017

	SIX-MONTH PERIOD ENDED MARCH 31,	
(Expressed in Canadian Dollars) (Unaudited)	2018 \$	2017 \$
Operating Activities		
Net loss for the period	(2,951,438)	(721,825)
Less non-cash transactions: Share-based payments		
Options	312,870	34,937
Shares and warrants for services	201,363	146,954
	514,233	181,891
Depreciation	2,055	669
Accretion expense	51,232	64,061
	(2,383,918)	(475,204)
Changes in non-cash working capital items:		
Accounts payable	63,726	(17,670)
Accounts receivable	17,672	4,050
Prepaid expenses	34,382	–
Due to related parties	47,243	10,974
	163,023	(2,646)
Net Operating activities	(2,220,895)	(477,850)
Financing Activities		
Common shares issued for cash, net of expenses	7,327,063	542,119
Exercise of warrants	2,154	–
Exercise of stock options	5,500	–
	7,334,717	542,119
Investing Activities		
Property, plant and equipment's acquisition	(326,672)	(1,596)
	(326,672)	(1,596)
Decrease in Cash & Cash Equivalents	4,787,150	62,673
Cash & Cash Equivalents – beginning of the period	2,860,994	117,393
Cash & Cash Equivalents – end of the period	7,648,144	180,066
Non-cash transactions exclude d from above :		
Common shares issued as payment of financing services	(354,135)	–
Share issue cost	354,135	–
Issue of employee warrants		
Equity Reserve	116,313	–
Share Capital	(116,313)	–

05.

Risks

05. Risks

See '*Risk Factors*' on pages 78 – 92 of the Canadian Prospectus and section 1.4.

06.

**Key people,
interests
and benefits**

06. Key people, interests and benefits

6.1 Board of Directors

See 'Directors and Officers' on pages 50-57 of the Canadian Prospectus.

6.2 Director disclosure

Refer to 'Cease Trade Orders' and 'Bankruptcies' on page 56 of the Canadian Prospectus for information about:

- any company of which a Director was an officer that entered into a form of external administration because of insolvency during the time the Director was an officer or within the 12 month period afterwards; and
- any legal or disciplinary action against a Director that is less than 10 years old.

6.3 Senior Management

Name	Experience
Marco A. Romero, President and Chief Executive Officer	See 'Directors and Officers' on pages 50-55 of the Canadian Prospectus
Pierre F. Massé, Chief Financial Officer and Company Secretary	As above
Jan Votava, Managing Director of Mangan Chvaletice s.r.o	As above
Thomas Glück, Vice President, Development	As above

6.4 Interests and benefits

This section 6.4 sets out the nature and extent of the interests and fees of certain persons involved in the Australian Offering. Other than as set out below or elsewhere in this Prospectus, no:

- director or proposed director of the Company;
- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter (but not a sub-underwriter) to the Australian Offering or a financial services licensee named in this Prospectus as a financial services licensee involved in the Australian Offering,

holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before the lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Australian Offering; or
- the Australian Offering,

and no amount (whether in cash, Shares, CDIs or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Australian Offering or to any director or proposed director of the Company to induce them to become, or qualify as, a director.

Other than as set out elsewhere in this Prospectus, those Directors who are described as independent are free from business or other relationships that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of the person's judgement.

06. Key people, interests and benefits

6.4.1 Interests of advisers

The nature and extent of the interests and fees of professional advisers engaged by the Company is set out at section 9.11.

6.4.2 Directors interests and remuneration and executive remuneration

See 'Director and Executive Compensation' on pages 57-68 of the Canadian Prospectus.

6.5 Corporate governance

See 'Corporate Governance' on pages 70-76 of the Canadian Prospectus.

Audit Committee

See 'Appendix B – Audit Committee Charter' on page B-1 of the Canadian Prospectus.

Governance, Compensation, Nominating and Sustainability Committee

See pages 73-76 of the Canadian Prospectus for a description of this committee.

6.6 Corporate governance principles

The ASX Corporate Governance Council has developed and released the third edition of its ASX Corporate Governance Principles and Recommendations (**ASX Recommendations**) for ASX listed entities in order to promote investor confidence and to assist companies to meet stakeholder expectations. The ASX Recommendations are not prescriptions, but guidelines. However, under the Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it. Except as set out below, the Company intends to comply with all of the ASX Recommendations with effect from Listing.

The Company has followed all of the ASX Recommendations except as set out below:

- **ASX Recommendation 1.3** – Directors are provided with copies of the board mandate, sub-committee mandates, and all other codes of conduct outlining their responsibilities and Company policies that they are expected to abide by;
- **ASX Recommendation 1.4** – Given the Company's current size and stage of development, the Company does not have a separate corporate secretary. The Company's CFO is also its corporate secretary and reports to the President and CEO. The CEO and CFO communicate with the board chair on matters to do with the proper functioning of the board and its committees;
- **ASX Recommendation 1.5(a) and (c)** – The Company has a diversity policy but given the size and stage of development of the Company, it is not practical to set measurable objectives for achieving gender diversity;
- **ASX Recommendation 1.6(b)** – The process for periodically evaluating the performance of the Board, its committees and individual directors were only approved on 14 December 2017 and accordingly no evaluations have yet been completed to date;
- **ASX Recommendation 1.7(b)** – Due to the Company's current size and stage of development, no senior executive evaluations have been completed to date;
- **ASX Recommendation 2.2** – Significant and relevant board experience is set out in each director's biography on pages 52-55 of the Canadian Prospectus, as well as specifically for the Audit Committee on page 69 of the Canadian Prospectus;
- **ASX Recommendation 4.2** – It is not common practice in Canada for a CEO and CFO to prepare such a declaration, however the declaration can be prepared in the future. After Completion of the Australian Offering and the Canadian Offering, the Company's CEO and CFO will also be required to make prescribed certifications under Canadian disclosure standards;
- **ASX Recommendation 7.2(b)** – Disclosure in relation to whether review of the Company's risk management framework has occurred has typically not taken place but can be disclosed in future;

06. Key people, interests and benefits

- **ASX Recommendation 7.3** – The Company has no internal audit function given its size and stage of development;
- **ASX Recommendation 8.1(a)(3)** – A summary of the policy of the GCNS Committee, as it pertains to compensation, is provided on page 74 of the Canadian Prospectus; and
- **ASX Recommendation 1.5(2), 2.1(b), 2.3(b), 4.1(b), 7.1(b) and 7.3(b)** – Not applicable to the Company.

6.7 Corporate governance policies

The Board has adopted the following corporate governance policies, each having been prepared having regard to ASX Recommendations and which are available on the Company's website at www.mn25.ca

6.7.1 Risk management policy

See 'Appendix B – Audit Committee Charter' on page B-3 and 'Ethical Business Conduct' on pages 74 and 75 of the Canadian Prospectus.

6.7.2 Diversity policy

See 'Diversity' on page 76 of the Canadian Prospectus.

6.7.3 Continuous disclosure policy

Once listed on the ASX, the Company will be required to comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act. Subject to the exceptions contained in the Listing Rules, the Company will be required to disclose to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the CDIs. The Company is committed to observing its disclosure obligations under the ASX Listing Rules and the Corporations Act.

The Company has adopted a policy to take effect from Listing which establishes procedures that are aimed at ensuring that Directors and Management are aware of, and fulfil, their obligations in relation to the timely disclosure of material price-sensitive information. Under the continuous disclosure policy, the Board will be responsible for managing the Company's compliance with its continuous disclosure obligations. See further page 75 of the Canadian Prospectus.

6.7.4 Insider Trading Policy

See the description of the insider trading policy in the section entitled 'Ethical Business Conduct' on page 75 of the Canadian Prospectus.

6.7.5 Code of conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Ethics and Business Conduct, to be followed by all officers, employees and consultants of the Company and its subsidiary. Please see 'Ethical Business Conduct' on page 74 of the Canadian Prospectus for more information.

6.7.6 Communications with Shareholders

The Board's aim is to ensure that Shareholders are provided with sufficient information to assess the performance of Euro Manganese and that Shareholders are kept informed of all major developments affecting the state of affairs of Euro Manganese in accordance with all applicable laws. In addition to the Company's continuous disclosure obligations, the Company has a policy of seeking to keep Shareholders informed. All ASX announcements made to the market, including annual and half-year financial results, are posted on the Company's website (www.mn25.ca) as soon as they have been released by ASX. The full text of all notices of meetings and explanatory material, the Company's Annual Report, key policies, the charters of its Board committees and copies of all investor presentations made to analysts and media briefings will be posted on the Company's website (www.mn25.ca). The website also contains a facility for the Shareholders to direct queries to the Company.

6.8 Related party transactions

Other than as disclosed in this Prospectus, Euro Manganese is not party to any material related party arrangements.

07.

Details of the Australian Offering

07. Details of the Australian Offering

7.1 The Australian Offering

This Prospectus relates to an invitation to apply for a minimum of 20 million CDIs to be issued by the Company at the Offering price of A\$0.26 per CDI (equivalent to \$0.25 at the AUD:CAD Exchange Rate) (**Minimum Australian Offering¹⁾**), with a right to accept oversubscriptions of 14 million CDIs to a maximum offering of 34 million CDIs at the Offering Price (**Maximum Australian Offering²⁾**).

The Australian Offering is expected to raise not less than A\$5,200,000 (equivalent to \$5,000,000 at the AUD:CAD Exchange Rate) based on the Offering Price and not more than A\$8.8 million (equivalent to \$8.5 million at the AUD:CAD Exchange Rate).

The Australian Offering is made on the terms, and is subject to the conditions, set out in this Prospectus.

The total number of CDIs on issue at Completion of the Minimum Australian Offering will be 21,000,000, including 1,000,000 CDIs issued for no additional consideration to the Lead Manager in connection with the Lead Manager's Fee, being the minimum number of CDIs issued under this Prospectus. The total number of CDIs on issue at Completion of the Maximum Australian Offering will be 35,700,000, including 1,700,000 CDIs issued for no additional consideration to the Lead Manager in connection with the Lead Manager's Fee. One CDI will represent an underlying interest in one Share. All CDIs will, once issued, rank equally with each other. A summary of the rights attaching to the Shares is set out in section 7.13. The Lead Manager's Fee will also include cash of 1% of the proceeds to be raised, which under the Minimum Australian Offering will be C\$50,000 (equivalent to A\$52,000 at the AUD:CAD Exchange Rate) and under the Maximum Australian Offering will be C\$85,000 (equivalent to A\$88,000 at the AUD:CAD Exchange Rate).

If subscriptions are not received for a minimum of 20 million CDIs by the Closing Date, then the Australian Offer will not proceed and all Application Monies will be refunded without interest.

7.1.1 Structure of the Australian Offering

The Australian Offering is comprised of:

- the General Public Offer, which is open to Retail Investors resident in Australia and Institutional Investors in Australia, Hong Kong, Singapore and the United Kingdom;
- the Institutional Australian Offer, which consisted of an invitation to bid for CDIs made to Institutional Investors in Australia, Hong Kong, Singapore and the United Kingdom (see section 7.4); and
- the Broker Firm Australian Offer, which is open only to Australian Resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate.

The allocation of CDIs between the General Public Offer, the Institutional Australian Offer and the Broker Firm Australian Offer will be determined by the Company in consultation with the Lead Manager.

The Australian Offering will be managed by the Lead Manager pursuant to the Offer Management Agreement. A summary of this agreement, including the events which would entitle the Lead Manager to terminate this agreement, is set out in section 9.4.1.

7.1.2 Purpose of the Australian Offering and Canadian Offering

The purpose of the Australian Offering and Canadian Offering is to:

- allow completion of Phase 1 of the recommended work program, relating to Geology and Mineral Resources and the remaining work program, relating to metallurgical testing and process engineering;
- allow the Company to complete various engineering studies required for the completion of the Preliminary Economic Assessment, and Environmental Studies;
- pay the costs of technical staff in the Czech Republic and Vancouver for the next 18 months;

1. Excludes 1,000,000 CDIs issued for no additional consideration to the Lead Manager in connection with the Lead Manager's fee under the Minimum Australian Offering.

2. Excludes 1,700,000 CDIs issued for no additional consideration to the Lead Manager in connection with the Lead Manager's fee under.

07. Details of the Australian Offering

- pay the remaining costs of the Australian Offering and Canadian Offering, and pay for general and administrative expenses for the next 18 months;
- provide working capital for the Company; and
- broaden Euro Manganese's shareholder base and provide a liquid market for the CDIs and Shares.

7.1.3 Sources and uses of funds

Gross proceeds from the completion of the Minimum Australian Offering and Maximum Australian Offering are expected to be A\$5,200,000 (equivalent to \$5,000,000 at the AUD:CAD Exchange Rate) and A\$8,800,000 (equivalent to \$8,500,000 at the AUD:CAD Exchange Rate), respectively. Combined with the gross proceeds from the Canadian Offering, expected to be A\$1,600,000 (equivalent to \$1,500,000 at the AUD:CAD Exchange Rate), total gross proceeds from the Canadian Offering and Australian Offering are expected to be between A\$6,800,000 (equivalent to \$6,500,000 at the AUD:CAD Exchange Rate) and A\$10,400,000 (equivalent to \$10,000,000 at the AUD:CAD Exchange Rate). As described in the "Use of Proceeds" in the Canadian Prospectus, the Company's intention is to use these proceeds, together with the Company's estimated working capital at 31 May 2018 of C\$6,538,000, as set out below:

	ASSUMING COMPLETION OF THE CANADIAN OFFERING AND THE MINIMUM AUSTRALIAN OFFERING	BREAKDOWN OF EXPEND- ITURES AS A PERCENT OF FUNDS AVAILABLE	ASSUMING COMPLETION OF THE CANADIAN OFFERING AND THE MAXIMUM AUSTRALIAN OFFERING	BREAKDOWN OF EXPEND- ITURES AS A PERCENT OF FUNDS AVAILABLE
Phase 1 of recommended work program, relating to Geology and Mineral Resources ¹	A\$1,388,000 ⁷ (C\$1,332,000)	10.2%	A\$1,388,000 ⁷ (C\$1,332,000)	8.1%
Remaining work program, relating to Metallurgical Testing and Process Engineering ²	A\$665,000 ⁷ (C\$638,000)	4.9%	A\$665,000 ⁷ (C\$638,000)	3.9%
Other Engineering Studies required for completion of the Preliminary Economic Assessment ³	A\$661,000 ⁷ (C\$635,000)	4.9%	A\$661,000 ⁷ (C\$635,000)	3.8%
Environmental Studies ³	A\$540,000 ⁷ (C\$518,000)	4.0%	A\$540,000 ⁷ (C\$518,000)	3.1%
Costs of technical staff in Czech Republic and Vancouver for the next 18 months	A\$2,857,000 ⁷ (C\$2,743,000)	21.0%	A\$2,857,000 ⁷ (C\$2,743,000)	16.6%
Estimated costs of the Canadian Offering and Australian Offering, including listing fees estimated to be \$112,000 ⁴	A\$686,000 ⁷ (C\$659,000)	4.4%	A\$723,000 ⁷ (C\$694,000)	3.5%
Estimated general and administrative expenses ⁵	A\$2,949,000 ⁷ (C\$2,831,000)	21.7%	A\$2,949,000 ⁷ (C\$2,831,000)	17.1%
Working capital ⁶	A\$3,836,000 ⁷ (C\$3,682,000)	28.9%	A\$7,445,000 ⁷ (C\$7,147,000)	44.0%
TOTAL	A\$13,582,000⁷ (C\$13,038,000)	100.0%	A\$17,228,000⁷ (C\$16,538,000)	100.0%

07. Details of the Australian Offering

1. Represents the USD\$1,001,000 geology and mineral resources work program in Appendix "A" to the Canadian Prospectus – Disclosure Regarding the Chvaletice Manganese Project, converted to Canadian dollars.
2. Represents the metallurgical and process engineering expenditures of USD\$1,200,000 in Appendix "A" to the Canadian Prospectus – Disclosure Regarding the Chvaletice Manganese Project, less progress payments made to 31 May 2018 of USD\$720,000, converted to Canadian dollars.
3. This work program includes: completing a study on mining, tailings storage operations, reclamation design and waste management plans; advancing investigations to narrow down options for the plant site and related facilities and to advance of the Company's land acquisition program; and completing environmental scoping and baseline studies, as well as the related planning for an Environmental Impact Assessment.
4. Net of costs paid to 31 May 2018 of \$208,000.
5. The estimated general and administrative costs for the next 18 months are as follows:

	\$	A\$
Professional fees (legal and audit)	\$300,000	\$313,000
Salaries and consultants	1,605,000	1,672,000
Manganese metal market development	384,000	400,000
Insurance	200,000	208,000
Travel and investor relations	105,000	109,000
Office, administration and other	237,000	247,000
Total General and Administrative	\$2,831,000	\$2,949,000

6. As described in Section 9.4.2, upon completion of satisfactory environmental due diligence and within 60 days of the definitive option agreement related to the purchase of EP Chvaletice s.r.o. (expected to be in the third quarter of 2018), the Company will be required to make the first option payment related to the purchase in the amount of 14 million Czech Koruna (approximately \$0.84 million). This option payment will be funded from available working capital shown above.
7. At the AUD:CAD Exchange Rate.

The Company estimates that proceeds from the Canadian Offering and either the Minimum Australian Offering or the Maximum Australian Offering will fund operations and negative cash flows therefrom for at least 18 months.

The Directors believe that, on completion of the Canadian Offering and Completion of the Australian Offering, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.

Other than fees paid to Directors, salaries and benefits paid to officers of the Company, the routine reimbursement of expenses owed to Directors and officers of the Company, and legal fees paid to a law firm associated with a Director, no portion of the net proceeds from the Canadian Offering or Australian Offering are being allocated, directly or indirectly, to related parties.

Working capital from the net proceeds from the Canadian Offering and the Minimum Australian Offering of A\$3,836,000 (equivalent to \$3,682,000 at the AUD:CAD Exchange Rate) and from the Canadian Offering and the Maximum Australian Offering of A\$7,445,000 (equivalent to \$7,147,000 at the AUD:CAD Exchange Rate) may be used (a) to acquire or lease land, or secure surface rights for Chvaletice Manganese Project, including the first option payment related to the acquisition of EP Chvaletice s.r.o as described in note 6 to the table above and in section 9.4.2; and (b) contingent upon the results of the Phase 1 recommended work program relating to geology and mineral resources and the preliminary economic assessment, to fund the Phase 2 geological and mineral resource budget estimated to be USD\$785,000 (\$1,044,800), advance the Chvaletice Manganese Project permitting and initiate a potential feasibility study. Management, however, will have discretion to modify the allocation of the net proceeds of the Canadian Offering and Australian Offering, if necessary. If an unforeseen event occurs, business conditions change or the Company needs to account for business fluctuations, the Company may use the proceeds of the Canadian Offering and Australian Offering differently than as described in this Prospectus.

07. Details of the Australian Offering

7.1.4 Pro forma historical consolidated balance sheet

The Company's pro forma balance sheet following Completion of the Australian Offering, including details of pro forma adjustments, is set out in section 4.

7.1.5 Shareholding structure

The details of the ownership of the Company immediately prior to the Australian Offering and Canadian Offering, and on Completion of the Australian Offering and Canadian Offering, are set out below.

SHAREHOLDING STRUCTURE						
	CDIS, SHARES, OPTIONS & WARRANTS HELD AT PROSPECTUS DATE	PRE- AUSTRALIAN OFFERING AND CANADIAN OFFERING (%)	CDIS, SHARES, OPTIONS AND WARRANTS HELD AT COMPLETION OF THE MINIMUM AUSTRALIAN OFFERING AND CANADIAN OFFERINGS	ON COMPLETION OF THE MINIMUM AUSTRALIAN OFFERING AND CANADIAN OFFERINGS (%)	CDIS, SHARES, OPTIONS AND WARRANTS HELD AT COMPLETION OF THE MAXIMUM AUSTRALIAN OFFERING AND CANADIAN OFFERING	ON COMPLETION OF THE MAXIMUM AUSTRALIAN OFFERING AND CANADIAN OFFERING (%)
Investors under the Australian Offering ¹	–	–	21,000,000	11.6%	35,700,000	18.1%
Investors under the Canadian Offering	–	–	6,000,000	3.3%	6,000,000	3.0%
Directors, officers, promoters and other seed capitalists	134,259,600	88.0%	134,259,600	73.9%	134,259,600	67.9%
Subtotal of CDIs and Shares	134,259,600	88.0%	161,259,600	88.8%	175,959,600	89.0%
Options outstanding	12,525,000	8.2%	12,525,000	6.9%	12,525,000	6.3%
Warrants outstanding ²	5,784,015	3.8%	7,784,015	4.3%	9,184,015	4.7%
Total	152,568,615	100.0%	181,568,615	100.0%	197,668,615	100.0%

Notes:

1. Includes 1,000,000 CDIs issued for no additional consideration to the Lead Manager in connection with the Lead Manager's Fee under the Minimum Australian Offering and 1,700,000 CDIs issued for no additional consideration under the Maximum Australian Offering.
2. Warrants outstanding on Completion of the Australian Offering and Canadian Offering includes Warrants issued to the Lead Manager entitling it to purchase 2,000,000 CDIs at C\$0.375 per CDI for 36 months under the Minimum Australian Offering and 3,400,000 Warrants under the Maximum Australian Offering.

07. Details of the Australian Offering

7.1.6 Control implications of the Australian Offering

The Directors do not expect any Shareholders to control the Company on Completion of the Australian Offering (as defined in section 50AA of the Corporations Act).

The details of the ownership of the Company by significant shareholders having an ownership of 5% or more, both immediately prior to the Australian Offering and Canadian Offering, and on Completion of the Australian Offering and Canadian Offering, are set out below.

SHAREHOLDING STRUCTURE

Name of Shareholder	SHARES/CDIS HELD DIRECTLY OR INDIRECTLY IMMEDIATELY PRIOR TO COMPLETION OF THE CANADIAN OFFERING AND AUSTRALIAN OFFERING ⁴	PERCENTAGE OF OUTSTANDING SHARES/CDIS PRIOR TO COMPLETION OF THE CANADIAN OFFERING AND MINIMUM OR MAXIMUM AUSTRALIAN OFFERING ⁵	SHARES/CDIS HELD DIRECTLY OR INDIRECTLY ON COMPLETION OF THE CANADIAN OFFERING AND MINIMUM AUSTRALIAN OFFERING ^{1,4}	PERCENTAGE OF OUTSTANDING SHARES/CDIS ON COMPLETION OF THE CANADIAN OFFERING AND AUSTRALIAN OFFERING ⁶	PERCENTAGE OF OUTSTANDING SHARES/CDIS ON COMPLETION OF THE CANADIAN OFFERING AND MAXIMUM AUSTRALIAN OFFERING ⁶
Marco A. Romero	7,625,000 ^{2,4}	5.69%	7,625,000 ^{2,4}	4.73%	4.44%
Roman Shklanka	8,483,335 ^{3,4}	6.33%	8,483,335 ^{3,4}	5.26%	4.94%
Tribeca Global Natural Resources Fund	8,750,000	6.53%	8,750,000	5.43%	5.09%

Notes:

1. Assumes no Shares and no CDIs are subscribed for by either Mr. Romero, Dr. Shklanka or Tribeca Global Natural Resources Fund as part of the Australian Offering or Canadian Offering.
2. Includes Shares held by Navigator Management Ltd., a company controlled by Marco A. Romero and owned jointly with his spouse.
3. Includes Shares held by Shklanka Holding Ltd., a company controlled by Roman Shklanka.
4. Excludes Options to purchase 900,000 and 1,075,000 Shares granted to Mr. Romero and Dr. Shklanka, respectively, having exercise prices of between \$0.08 and \$0.20. Further details of Options held by Mr. Romero and Dr. Shklanka are included in section 1.7 and details of exercise prices, vesting periods and expiry dates for the Options held by all Directors and key Management are disclosed on pages 51-52 of the Canadian Prospectus.
5. Based on a non-diluted number of Shares outstanding immediately prior to Completion of the Australian Offering and Canadian Offering of 134,259,600.
6. Based on a non-diluted number of Shares and CDIs outstanding on Completion of the Australian Offering and Canadian Offering of 161,259,600 (or 175,959,600 based on the Completion of the Maximum Australian Offering and Canadian Offering).

7.1.7 Potential effect of the fundraising on the future of the Company

The Directors believe that on Completion of the Australian Offering and Canadian Offering, the Company will have sufficient funds available from the cash proceeds of the Australian Offering and Canadian Offering to fulfil the purposes of the Australian Offering and Canadian Offering and to achieve its stated business objectives for the next 18 months.

07. Details of the Australian Offering

7.2 Terms and conditions of the Australian Offering

TOPIC	SUMMARY
What is the type of security being offered?	CHESS Depositary Interests, or CDIs each representing one Share.
What are CDIs?	CDIs are financial products quoted on the ASX. A CDI represents a unit of beneficial interest in an underlying Share, such that each CDI will represent one Share. Shares represented by CDIs will be held by CHESS Depositary Nominees Pty Limited, a wholly-owned subsidiary of the ASX, on trust for the holders of Shares. CDIs will be quoted and trade on the ASX, but will not be able to be traded on TSXV unless converted into Shares. Holders should contact Computershare's Global Transaction team on 1300 731 056 (within Australia) or +613 9415 5361 (outside Australia) if they wish to convert CDIs into Shares or vice versa.
What are the rights and liabilities attached to the security being offered?	A description of the Shares, including the rights and liabilities attaching to them, is set out in section 7.13 below.
What is the consideration payable for each security being offered?	The Offering Price is A\$0.26 per CDI (equivalent to \$0.25 at the AUD:CAD Exchange Rate).
What is the Australian Offering Period?	The Australian Offering Period opens at 9am on 5 September 2018. The Australian Offering Period closes at 5pm on 18 September 2018. The key dates, including details of the Australian Offering Period, are set out on page 5. This timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Sydney Time. The Company, with the prior written consent of the Lead Manager, reserves the right to vary both of the above times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Australian Offering early, to extend the Closing Date, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Australian Offering before Settlement, in each case without notifying any recipient of this Prospectus or any Applicants). If the Australian Offering is cancelled or withdrawn before the issue of CDIs, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Australian Offering opens. No securities will be issued on the basis of this Prospectus later than the expiry date of 13 months after the date of the Prospectus.
What are the cash proceeds to be raised?	Not less than A\$5,200,000 (equivalent to \$5,000,000 at the AUD:CAD Exchange Rate) and not more than A\$8,800,000 (equivalent to \$8,500,000 at the AUD:CAD Exchange Rate) will be raised if the Australian Offering proceeds.
What is the minimum and maximum Application size under the Australian Offering?	The minimum Application size under the Australian Offering is 7,693 CDIs (A\$2,000 worth of CDIs) and in multiples of 3,847 (A\$1,000 worth of CDIs) thereafter. There is no maximum value of CDIs that may be applied for under the Australian Offering.

07. Details of the Australian Offering

TOPIC	SUMMARY
What is the allocation policy?	The basis of allocation of CDIs under the General Public Offer and the Institutional Australian Offer (including with respect to any oversubscriptions) will be determined by the Company, in consultation with the Lead Manager. Certain Applicants nominated by the Company and the Lead Manager may be given preference in allotment of CDIs. The Company, in consultation with the Lead Manager, reserves the right in its absolute discretion to issue no CDIs to Applicants under the General Public Offer or the Institutional Australian Offer and may reject any Application or allocate a lesser amount of CDIs than those applied for at its absolute discretion.
Will the CDIs be quoted on ASX?	The Company will apply to ASX within seven days of the Prospectus Date for admission to the Official List of, and quotation of the CDIs by, ASX under the code 'EMN'. Completion of the Australian Offering is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Australian Offering will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. The Company will be required to comply with the Listing Rules, subject to any waivers obtained by the Company from time-to-time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of Euro Manganese or the CDIs offered for subscription.
When are the CDIs expected to commence trading?	It is expected that trading of the CDIs on ASX will commence on or about 1 October 2018 on a normal settlement basis. It is the responsibility of each Applicant to confirm their holding before trading in CDIs. Applicants who sell CDIs before they receive an initial statement of holding do so at their own risk. The Company and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell CDIs or CDIs before receiving their initial statement of holding, whether on the basis of a confirmation of allocation provided by any of them, by a broker or otherwise.
When will I receive confirmation of whether my Application has been successful?	It is expected that initial holding statements will be mailed to successful Applicants by standard post on or about 28 September 2018. Refunds (without interest) to Applicants who make an Application and receive an allocation of CDIs, the value of which is smaller than the amount of the Application Monies, will be made as soon as practicable after Completion of the Australian Offering.
Is the Australian Offering underwritten?	No, the Australian Offering is not underwritten.
Are there any escrow arrangements?	Yes. Details are provided in section 7.8.

07. Details of the Australian Offering

TOPIC	SUMMARY
Has any ASX confirmation or ASIC modification been obtained or been relied on?	Yes. Details are provided in section 7.11.
Are there any taxation considerations?	Yes. Details are provided in section 9.10.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of CDIs under the Australian Offering. See section 9.11 for details of various fees payable by the Company to the Lead Manager.
What should I do with any enquiries?	All enquiries in relation to the Broker Firm Australian Offer should be directed by your Broker. If you are unclear in relation to any matter or are uncertain as to whether CDIs are a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest. You can also contact the Euro Manganese ASX IPO Information Line on 1300 223 074 (within Australia) or +61 3 9415 4034 (outside Australia) from 8:30am to 5:30pm (Sydney Time) during the Australian Offer Period.

7.3 General Public Offer

7.3.1 Who can apply

The General Public Offer is open to Retail Investors resident in Australia and Institutional Investors in Australia, Hong Kong, Singapore and the United Kingdom.

7.3.2 How to apply

In order to apply under the General Public Offer, please complete the online Application Form attached to or accompanying this Prospectus, including the online application form available at <https://euromanganeseeoffer.thereachagency.com>, pursuant to which Applicants apply for CDIs under the General Public Offer. Application Forms must be completed and Application Monies must be paid in accordance with the accompanying instructions.

An application for CDIs can only be made by applying for CDIs and paying by BPAY^{®1}, using the online Application Form (described below).

By making an Application, you declare that you were given access to this Prospectus (or any supplementary or replacement prospectus), together with an Application Form. **The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.**

The minimum application under the General Public Offer is 7,693 CDIs (A\$2,000 worth of CDIs) and in multiples of 3,847 (A\$1,000 worth of CDIs) thereafter. There is no maximum value of CDIs that may be applied for under the General Public Offer. However, the Company and the Lead Manager reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications in the General Public Offer. The Company may determine a person to be eligible to participate in the General Public Offer, and may amend or waive the General Public Offer Application procedure requirements, in its discretion in compliance with applicable laws.

1. ® Registered to BPAY Pty Limited ABN 69 079 137 518.

07. Details of the Australian Offering

The Company, in consultation with the Lead Manager, reserves the right to reject any Application or to allocate a lesser number of CDIs than that which is applied for.

The Australian Offering opens at 9.00am (Sydney Time) on 5 September 2018 and is expected to close at 5.00pm (Sydney Time) on 18 September 2018. The Company and the Lead Manager may elect to close the Australian Offering or any part of it early, extend the Australian Offering or any part of it, or accept late Applications either generally or in particular cases. The Australian Offering, or any part of it, may be closed at any earlier date and time, without further notice.

7.3.3 How to pay

Applicants can apply online at <https://euromanganeseeoffer.thereachagency.com> and pay your Application Monies by BPAY.

Payment via BPAY

You may apply for CDIs online and pay your Application Monies by BPAY. Applicants wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of this Prospectus which is available at <https://euromanganeseeoffer.thereachagency.com> and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (CRN)).

You should be aware that you will only be able to make a payment via BPAY if you are the holder of an account with an Australian financial institution which supports BPAY transactions.

When completing your BPAY payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid. It is your responsibility to ensure that payments are received by 5.00pm (Sydney time) on the Closing Date.

Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY, and policies with respect to processing BPAY transactions may vary between banks, credit unions or building societies.

The Company accepts no responsibility for any failure to receive Application Monies or payments by BPAY before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

7.3.4 Application Monies

The Company reserves the right to decline any Application in whole or in part, without giving any reason. Application Monies received under the General Public Offer will be held in a special purpose account until CDIs are issued to successful Applicants.

Applicants under the General Public Offer whose Applications are not accepted, or who are allocated a lesser number of CDIs than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

Applicants whose Applications are accepted in full will receive the whole number of CDIs calculated by dividing the Application Monies provided by the Offering Price. Where the Offering Price does not divide evenly into the Application Monies, the number of CDIs to be allocated will be determined by the Company, in consultation with the Lead Manager.

07. Details of the Australian Offering

7.3.5 Acceptance of Applications

An Application in the General Public Offer is an offer by an Applicant to the Company to apply for CDIs specified on the online Application Form available at <https://euromanganeseeoffer.thereachagency.com> at the Offering Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the online Application Form (including the conditions regarding quotation on ASX) available at <https://euromanganeseeoffer.thereachagency.com> in section 12 and the acknowledgements in section 7.5. To the extent permitted by law, an Application by an Applicant is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of CDIs to successful Applicants.

The Lead Manager, in agreement with the Company, reserves the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the General Public Offer, or to waive or correct any errors made by the Applicant in completing their Application.

7.3.6 General Public Offer allocation policy

The basis of allocation of CDIs under the General Public Offer (including with respect to any oversubscriptions) will be determined by the Company, in consultation with the Lead Manager. Certain Applicants nominated by the Company and the Lead Manager may be given preference in allotment of CDIs.

The Company, in consultation with the Lead Manager, reserves the right in its absolute discretion to issue no CDIs to Applicants under the General Public Offer and may reject any Application or allocate a lesser amount of CDIs than those applied for at its absolute discretion.

7.4 Institutional Australian Offer

7.4.1 Invitations to bid

The Institutional Australian Offer will consist of an invitation to certain Institutional Investors in Australia, Hong Kong, Singapore and the United Kingdom to apply for CDIs. The Lead Manager will separately advise selected Institutional Investors of the application procedures for the Institutional Australian Offer.

7.4.2 Allocation policy under Institutional Australian Offer

The allocation of CDIs among Applicants in the Institutional Australian Offer will be determined by the Company in consultation with the Lead Manager. The Company and the Lead Manager have absolute discretion regarding the basis of allocation of CDIs among Institutional Investors and there will be no assurance that any Institutional Investor will be allocated any CDIs, or the number of CDIs for which it may bid.

Participants in the Institutional Australian Offer will be advised of their allocation of CDIs, if any, by the Lead Manager. The allocation policy will be influenced, but not constrained, by a number of factors including:

- the number of CDIs bid for by particular Applicants;
- the timeliness of the bid by particular Applicants;
- the Company's desire for an informed and active trading market following Listing;
- the Company's desire to establish a wide spread of institutional shareholders;
- the overall level of demand under the Australian Offering;
- the size and type of funds under management of particular Applicants;
- the likelihood that particular Applicants will be long-term Shareholders; and
- any other factors that the Company and the Lead Manager consider appropriate.

07. Details of the Australian Offering

7.5 Broker Firm Australian Offer

7.5.1 Who can apply

The Broker Firm Australian Offer is open only to Australian resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate. If you have received an invitation to participate from your Broker, you will be treated as a Broker Firm Applicant under the Broker Firm Australian Offer. You should contact your Broker to determine whether you can receive an invitation from them under the Broker Firm Australian Offer. The Broker Firm Australian Offer is not open to persons in the United States.

7.5.2 How to apply

If you have received an invitation to participate from your Broker and wish to apply for CDIs under the Broker Firm Australian Offer, you should contact your Broker for information about how to complete and lodge your Broker Firm Australian Offer Application Form and for payment instructions. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Application Form. Applicants under the Broker Firm Australian Offer must not send their Application Forms or payment to the Share Registry.

Applicants under the Broker Firm Australian Offer should contact their Broker to request a Prospectus and Application Form, or download a copy at <https://euromanganeseoffer.thereachagency.com>. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5.00pm (Sydney Time) on the Closing Date or any earlier closing date as determined by your Broker.

If you are an investor applying under the Broker Firm Australian Offer, you should complete and lodge your Broker Firm Australian Offer Application Form with the Broker from whom you received your invitation to participate. Broker Firm Australian Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

By making an Application, you declare that you were given access to this Prospectus (or any supplementary or replacement prospectus), together with an Application Form. **The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.**

The minimum application under the Broker Firm Australian Offer is 7,693 CDIs (A\$2,000 worth of CDIs). There is no maximum value of CDIs that may be applied for under the Broker Firm Australian Offer. However, the Company and the Lead Manager reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications in the Broker Firm Australian Offer which are for more than A\$100,000 worth of CDIs. The Company may determine a person to be eligible to participate in the Broker Firm Australian Offer, and may amend or waive the Broker Firm Australian Offer Application procedure requirements, in its discretion in compliance with applicable laws.

The Company, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application. The Australian Offering opens at 9.00am (Sydney Time) on 5 September 2018 and is expected to close at 5.00pm (Sydney Time) on 18 September 2018. The Company and the Lead Manager may elect to close the Australian Offering or any part of it early, extend the Australian Offering or any part of it, or accept late Applications either generally or in particular cases. The Australian Offering, or any part of it, may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

7.5.3 How to pay

Applicants under the Broker Firm Australian Offering must pay their Application Monies in accordance with the instructions received from their Broker.

07. Details of the Australian Offering

7.5.4 Application Monies

The Company reserves the right to decline any Application in whole or in part, without giving any reason. Application Monies received under the Broker Firm Australian Offer will be held in a special purpose account until CDIs are issued to successful Applicants.

Applicants under the Broker Firm Australian Offer whose Applications are not accepted, or who are allocated a lesser number of CDIs than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

Applicants whose Applications are accepted in full will receive the whole number of CDIs calculated by dividing the Application Monies provided by the Offer Price. Where the Offer Price does not divide evenly into the Application Monies, the number of CDIs to be allocated will be determined by the Applicant's Broker.

7.5.5 Acceptance of Applications

An Application in the Broker Firm Australian Offer is an offer by an Applicant to the Company to apply for CDIs specified on the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Application Form (including the conditions regarding quotation on ASX and the acknowledgements in Section 7.6). To the extent permitted by law, an Application by an Applicant is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of CDIs to successful Applicants.

The Lead Manager, in agreement with the Company reserves the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Australian Offer, or to waive or correct any errors made by the Applicant in completing their Application.

7.5.6 Broker Firm Australian Offer allocation policy

The allocation of CDIs to Brokers was determined by the Company and the Lead Manager. CDIs which have been allocated to Brokers for allocation to their Australian resident retail clients will be issued to the Applicants who have received a valid allocation of CDIs from those Brokers (subject to the right of the Company and the Lead Manager to reject or scale back Applications which are for more than A\$100,000). It will be a matter for each Broker as to how they allocate firm CDIs among their retail clients, and they (and not the Company or the Lead Manager) will be responsible for ensuring that retail clients who have received a firm allocation from the, receive the relevant CDIs.

7.6 Acknowledgements

Each Applicant under the Australian Offering will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Articles and the terms and conditions of the Australian Offering;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of CDIs at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of CDIs applied for (or a lower number allocated in a way described in this Prospectus), or no CDIs at all;

07. Details of the Australian Offering

- authorised the Company and the Lead Manager and its respective officers or agents, to do anything on behalf of the Applicant(s) necessary for CDIs to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that CDIs are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and tax issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Australian Offer);
- acknowledged and agreed that the Australian Offering may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Australian Offering will not proceed.

Each Applicant will be taken to have represented, warranted and agreed as follows:

- it understands that the CDIs have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold, pledged in the United States, except in accordance with U.S. Securities Act regulation requirements or in a transaction exempt from, or not subject to, registration under the U.S. Securities Act and any other applicable state securities laws;
- it is not in the United States;
- it has not sent and will not send the Prospectus or any other material relating to the Australian Offering to any person in the United States;
- it is purchasing the CDIs in an offshore transaction meeting the requirements of Regulation S; and
- it will not offer or sell the CDIs in any other jurisdiction outside Australia.

Each Applicant under the Institutional Australian Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

7.7 Arrangements with the Lead Manager

The Lead Manager has been appointed to arrange, manage and act as Lead Manager and bookrunner of the Australian Offering pursuant to the terms of the Offer Management Agreement. The Offer Management Agreement is subject to a number of conditions precedent and sets out a number of circumstances under which the Lead Manager may terminate the Offer Management Agreement and its obligations thereunder. A summary of certain terms of the Offer Management Agreement, including the conditions precedent and termination provisions, is provided in section 9.4.

7.8 Escrow arrangements

Under ASX Listing Rules, CDIs, Shares, Options and Warrants held by certain promoters, related parties, and consultants (other than any CDIs or Shares acquired by them under the Australian Offering and Canadian Offering) (collectively, the **ASX Escrowed Securityholders**) will be escrowed for a period of up to two years from the date of Listing. Each of the ASX Escrowed Securityholders will enter into an escrow deed in respect of their escrowed CDIs, Shares, Options and/or Warrants. This deed will prevent them from disposing of their escrowed CDIs, Shares, Options and/or Warrants for the applicable escrow period.

07. Details of the Australian Offering

In aggregate, on Completion of the Australian Offering and Canadian Offering, Shares, CDIs, Options and Warrants held by the ASX Escrowed Securityholders will be the subject of these escrow arrangements, as set out in the following table:

Escrowed party	ESCROW PERIOD	CDIS/SHARES HELD ON ESCROW	OPTIONS HELD IN ESCROW	WARRANTS HELD IN ESCROW
Directors				
Roman Shklanka	24 months ³	7,463,335 ¹	526,000	–
Marco A. Romero	24 months ³	7,625,000 ¹	443,000	–
David B. Dreisinger	24 months ³	624,167	443,000	–
Daniel J. Rosický	24 months ³	763,333 ²	401,000	–
Harvey N. McLeod	24 months ³	2,237,500 ¹	471,000	–
John Webster	24 months ³	760,833 ¹	513,000	–
Jan Votava	24 months ³	84,414	190,000	–
Gregory P. Martyr ¹	24 months ³	51,111 ¹	100,000	–
Promoters				
Promoters, other than Directors	–	–	–	–
Seed capitalists	Various	1,702,145 ⁴	84,000 ⁸	–
Employees				
Executive Team ⁵	Various	1,242,189 ⁶	280,000 ⁷	–
Non-related vendors	Various	1,500,000 ⁹	140,000 ⁷	–
Consultants	12 months ¹⁰	3,432,238	1,925,000	–
Consultants	24 months ³	2,962,369 ¹¹	500,000	7,784,015 ¹²
Total		30,448,634	6,016,000	7,784,015

The above table is presented as if the date of Listing was 22 August 2018. The ASX will make the final determination of the mandatory escrow to be applied to CDIs, Shares and Options which may be different from that set out in this Prospectus.

- Includes Shares held by companies owned or controlled by Directors.
- Excludes Shares owned by PRK Raft a.s., a law firm in which Mr. Rosický is a senior partner.
- 24 months – Securities will be escrowed for 24 months from the date of Listing.
- Securities will be escrowed for 12 months from the date of original issue, and will be released between 18 August 2018 to 21 December 2018.
- Excludes Messrs. Romero and Votava who are included in Directors.
- Securities will be escrowed for 12 months from the date of issue, from 22 September 2018 to 21 February 2019.
- Securities will be escrowed for 12 months from the date of issue, until 22 September 2018.
- Securities will be escrowed for 12 months from the date of issue, until 14 December 2018.
- Securities will be escrowed for 12 months from the date of issue, until 9 May 2019.
- 12 months – Securities will be escrowed for 12 months from the date of Listing.
- Includes 1,000,000 CDIs issued to the Lead Manager in connection with the Lead Manager's Fee based on the Minimum Australian Offer, which would be increased to 1,700,000 CDIs based on the Maximum Australian Offer.
- Includes 2,000,000 Warrants issued to the Lead Manager in connection with the Lead Manager's Fee based on the Minimum Australian Offer, which would be increased to 3,400,000 Warrants based on the Maximum Australian Offer.

Note: Please see 'Escrowed Securities' on pages 47 – 49 of the Canadian Prospectus in relation to Shares escrowed under the TSX-V Listing Rules.

07. Details of the Australian Offering

The restriction on “disposing” is broadly defined under the ASX Listing Rules and includes, among other things, selling, assigning, transferring or otherwise disposing of (or offering to sell, assign, transfer or otherwise dispose of) any interest in the escrowed securities, encumbering or granting a security interest over the escrowed securities, granting or exercising an option over the escrowed securities, doing, or omitting to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or any interest in or economic benefit of, any of the escrowed securities, or agreeing to do any of those things.

All of the ASX Escrowed Securityholders may be released early from these escrow obligations to enable: (a) the ASX Escrowed Securityholders to accept an offer under a takeover bid in relation to their escrowed securities if holders of at least half of the securities the subject of the bid that are not held by the ASX Escrowed Securityholders have accepted the takeover bid; or (b) the escrowed securities held by the ASX Escrowed Securityholders to be transferred or cancelled as part of a merger or arrangement. During the escrow period, the ASX Escrowed Securityholders whose securities are subject to escrow may also: (a) transfer their securities in the event of death, serious disability or incapacity; (b) dispose of their securities to immediate family members and certain other related entities; and (c) deal in any of their securities to the extent the dealing is required by applicable law (including an order of a court of competent jurisdiction). These escrow restrictions are not expected to have an effect on the liquidity of trading Shares on the TSXV or CDIs on the ASX.

7.9 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the CDIs or the Australian Offering or otherwise to permit a public offering of the CDIs in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation to apply for CDIs in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation, or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States or elsewhere outside Australia, unless it has attached to it the selling restrictions applicable in the jurisdictions outside Australia and may only be distributed to persons to whom the Australian Offering may lawfully be made in accordance with the laws of any applicable jurisdiction.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The CDIs have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold, pledged in the United States except in accordance with U.S. Securities Act registration requirements or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable state securities laws.

7.10 Discretion regarding the Australian Offering

The Company may withdraw the Australian Offering at any time before the issue of CDIs to successful Applicants. If the Australian Offering, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

The Company and the Lead Manager also reserve the right to, subject to the Corporations Act, close the Australian Offering or any part of it early, extend the Australian Offering or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer CDIs than the amount applied or bid for.

07. Details of the Australian Offering

7.11 ASX and ASIC

7.11.1 ASX waivers and confirmations

The Company has applied to ASX for the following Listing Rule waivers and confirmations:

- confirmation that the Articles are consistent with the Listing Rules for the purposes of Listing Rule 1.1, Condition 2;
- a waiver from the requirements of Listing Rules 1.1 Condition 6 and 2.4 to the extent necessary to permit the Company only to apply for quotation of such number of Shares as are actually represented by CDIs subject to customary conditions;
- a waiver from Listing Rule 2.8 to the extent necessary to permit the Company not to be required, post-admission, to apply for quotation of CDIs which are issued as a result of shareholders converting their Shares to CDIs;
- a waiver from Listing Rule 1.1 Condition 12 which requires the exercise price for options to be at least 20 cents;
- a waiver from the requirements of Listing Rule 4.2A (and in particular, Listing Rule 4.2A.2A) and 4.2B to the extent necessary to permit the Company not to be required to lodge a half year report for each of its financial half years subject to customary conditions;
- a waiver from the requirements of Listing Rule 4.10.9, which requires that an entity include in its annual report the names of the 20 largest holders of each class of quoted securities;
- a waiver of Listing Rules 5.3 and 5.5 subject to customary conditions;
- a waiver from Listing Rule 6.10.3 to permit the Company to comply with the law of its home jurisdiction;
- a waiver from Listing Rule 7.1 on the condition that the Company not be permitted to issue new shares in a single transaction or group of related transactions where the number of new shares issued would be greater than 25% of the issued and outstanding shares immediately prior to the Listing;
- a waiver from Listing Rule 9.1.3 so that Shares held by certain Shareholders are subject to a 12 month (instead of 24 month) escrow;
- a waiver from Listing Rule 10.18;
- a waiver from Listing Rule 14.2.1 to permit it not to include the ability for members to cast votes against resolutions relating to the election of a director or the appointment of an auditor subject to customary conditions;
- a waiver from Listing Rule 14.3 to accommodate compliance with Canadian law subject to customary conditions;
- a customary waiver from Listing Rule 15.7;
- confirmation from ASX that it may prepare its accounts and financial disclosures as required by Chapter 4 of the Listing Rules solely in accordance with IFRS and that it will not be required to provide a statement reconciling its accounts to Australian accounting standards;
- confirmation that ASX will permit it to present its accounts and other financial disclosures in Canadian dollars with no reconciliation to Australian dollars; and
- confirmation that ASX will permit Canadian generally accepted auditing standards to be applied by the Company's auditor in relation to the financial statements of the Company.

07. Details of the Australian Offering

7.12 ASX listing, registers and holding statements

7.12.1 Application to ASX for listing and quotation of CDIs

The Company will apply to ASX within seven days of the Prospectus Date, for admission to the Official List and quotation of the CDIs on ASX under the code 'EMN'. Completion of the Australian Offering is conditional on ASX approving this application. If approval is not given for the official quotation of the CDIs on ASX within three months after such application is made (or any longer period permitted by law), the Australian Offering will be withdrawn and all Application Monies received will be refunded without interest, as soon as practicable in accordance with the requirements of the Corporations Act.

The Company will be required to comply with the Listing Rules, subject to any waivers obtained by the Company from time-to-time.

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of Euro Manganese or the CDIs offered for subscription.

7.12.2 CHESS and issuer sponsored holdings

The Company will apply to participate in ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the CDIs become approved financial products (as defined in ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister.

For all successful Applicants, the CDIs of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other CDIs will be registered on the issuer sponsored subregister.

Following Completion, Shareholders will be sent a holding statement that sets out the number of CDIs that have been allocated to them. This statement will also provide details of a Shareholder's HIN for CHESS holders or, where applicable, the SRN of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.13 Summary of rights and liabilities attaching to Shares and other material provisions of the Articles

7.13.1 Introduction

The rights and liabilities attaching to ownership of Shares are:

- detailed in the Articles which may be inspected during normal business hours at the registered office of the Company; and
- in certain circumstances, regulated by the *Business Corporations Act* (British Columbia) as amended from time to time (**BCBCA**), the Listing Rules, the ASX Settlement Operating Rules and the general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Articles are set out below. This summary is not exhaustive, does not constitute a definitive statement of the rights and liabilities of Shareholders and is qualified by the fuller terms of the Articles. The summary assumes that the Company is admitted to the Official List.

The Articles are subject to the Business Corporations Act.

07. Details of the Australian Offering

7.13.2 Recognition of Trusts

No person will be recognised by the Company as holding any Share upon any trust, and the Company is not bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or fraction of a Share or any other rights in respect of any Share except an absolute right to the entirety thereof in the shareholder.

7.13.3 Issue of Shares

- The Company may issue, allot, sell or otherwise dispose of the unissued Shares and issued Shares held by the Company at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which Shares with par value may be issued) that the directors may determine;
- The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase Shares from the Company or any person or procuring or agreeing to procure purchasers for Shares;
- No Share may be issued until it is fully paid; and
- The Company may issue CDIs, share purchase warrants, options and rights upon such terms and conditions as the directors determine, which CDIs, share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, Shares or any other securities issued or created by the Company.

7.13.4 Share Transfers

A transfer of the Shares must not be registered unless:

- a duly signed instrument of transfer in respect of the Share has been received by the Company;
- if a share certificate has been issued by the Company in respect of the Share to be transferred, that share certificate has been surrendered to the Company; and
- if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the Share to be transferred, that acknowledgment has been surrendered by the Company.

If a shareholder signs an instrument of transfer in respect of Shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of Shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the Shares represented by the share certificates or set out in the written acknowledgements deposited with the instrument of transfer:

- in the name of the person named as transferee in that instrument of transfer; or
- if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

7.13.5 Purchase of Shares

Subject to the Articles, special rights and restrictions attached to the Shares and the BCBCA, the Company may, if authorised by the directors, purchase or otherwise acquire any of its Shares at the price and upon the terms specified in such resolution.

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the Share, but while such Share is held by the Company, it:

- is not entitled to vote the share at a meeting of its shareholders;
- must not pay a dividend in respect of the Share; and
- must not make any other distribution in respect of the Share.

07. Details of the Australian Offering

7.13.6 Borrowing powers

The Company may, if authorised by directors, borrow money, issue bonds, debentures and other debt obligations, guarantee the repayment of money and mortgage, charge or grant security interest in all or part of the assets of the Company.

7.13.7 Alterations

The Company may by resolution of the directors alter the share structure of the Company. The Company may, by special resolution, create special rights or restrictions for Shares or classes of Shares or vary such rights or restrictions attaching to Shares.

The Company may by resolution of the directors or special resolution alter the name of the Company or alter the Articles.

7.13.8 Meetings of Shareholders

The Company must hold an annual general meeting at least once in each calendar year. Members are entitled to pass a unanimous resolution in lieu of an annual general meeting.

The directors may call a meeting of shareholders at their discretion and the Company must send notice of the date, time and location of any meeting at least 21 days before the meeting.

7.13.9 Special Business

If the meeting of shareholders is considering any of the following it is deemed a meeting of special business:

- a meeting that is not an annual general meeting unless it is relating to the conduct of or voting at the meeting; and
- if the meeting is an annual general meeting and any matter is to be discussed except for the following: business relating to the conduct of voting, consideration of financial statements, considerations of reports of directors or auditors, setting or changing the number of directors, election or appointment of directors, appointment of an auditor, business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution.

If the meeting is a special business meeting the shareholders must receive notice that states the general nature of the special business and be provided with any relevant document to the meeting.

7.13.10 Voting at meetings

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution. The quorum for the transaction of business at a meeting of shareholders is two shareholders entitled to vote at the meeting who hold, in the aggregate, at least 5% of the issued Shares entitled to be voted at the meeting. If there is only one shareholder entitled to vote at meeting of shareholders the quorum is one person.

Every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

7.13.11 Votes of shareholders

Subject to any special rights or restrictions attached to any Shares and to the restrictions imposed on joint shareholders on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote, and on a poll, every shareholder entitled to vote on the matter has one vote in respect of each Share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

07. Details of the Australian Offering

7.13.12 Directors – remuneration

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

The Company must also reimburse each director for the reasonable expenses incurred in and about the business of the Company.

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependents and may make contribution to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

7.13.13 Directors – election and removal

The shareholders entitled to vote at an annual general meeting for the election of directors must elect or in the unanimous resolution appoint, a board of directors. All the directors cease to hold office immediately before the election or appointment of directors but are eligible for re-election or re-appointment.

A person must consent to being a director and must be present at the meeting in which they are elected and must not refuse.

If the Company has no directors or fewer directors in office than the number set pursuant to the Articles, the shareholders may elect or appoint directors to fill any vacancies on the board.

The Company may remove any director before the expiration of their term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

The directors may remove any director before the expiration of their term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

Directors may only be eligible for election as a director of the Company if nominated by shareholders at an annual meeting of shareholders or any special meeting of shareholders.

7.13.14 Directors – powers and duties

The Directors must manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company that are not required by the Articles or by the BCBCA to be exercised by the shareholders of the Company.

7.13.15 Directors – meetings and voting

Questions arising at any meetings of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does have a second or casting vote.

Other than for meetings held at regular intervals, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting, must be given to each of the directors and the alternate directors.

7.13.16 Indemnification

Subject to the BCBCA, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on these terms.

The failure of a director, or alternate director or officer of the Company to comply with the BCBCA or the Articles does not invalidate any indemnity to which he or she is entitled.

07. Details of the Australian Offering

7.13.17 Dividends

Subject to the BCBCA, the directors may from time to time declare and authorise payment of such dividends as they may deem advisable without giving notice to shareholders.

All dividends on Shares of any class or series of Shares must be declared and paid according to the number of Shares held.

7.14 Summary of Rights and Liabilities Attaching to Options

Please see 'Options to Purchase Securities' on page 44 – 46 of the Canadian Prospectus. Also refer to 'Appendix "D" Stock Option Plan' in the Canadian Prospectus.

7.15 Summary of Rights and Liabilities Attaching to Warrants

As of the Prospectus Date, the following Warrants are outstanding:¹

Name of Warrant holder	ISSUANCE/ GRANT DATE	NUMBER OF WARRANTS	MATURITY	WARRANT EXERCISE PRICE (C\$)
Canaccord Genuity Corp	16-Jun-17	2,042,895	16-Jun-19	0.11
Canaccord Genuity Corp	30-Jun-17	292,250	30-Jun-19	0.11
Canaccord Genuity Corp	31-Jul-17	417,295	31-Jul-19	0.11
Canaccord Genuity Corp	18-Aug-17	174,825	18-Aug-19	0.11
Canaccord Genuity (Australia) Limited	28-Feb-18	2,525,000	28-Feb-21	0.30
Canaccord Genuity Corp	28-Feb-18	281,750	28-Feb-21	0.30
Canaccord Genuity Corp	20-Mar-18	50,000	28-Feb-21	0.30
Total		5,784,015		

1. The warrant holder has a right to nominate another member of the Canaccord Group to hold the Warrant.

Each existing Warrant entitles the holder to purchase one Share at the exercise price on or before maturity.

Additionally, the Lead Manager will be granted a Warrant entitling the Lead Manager to purchase 10% of the number of CDIs issued in respect of fully paid Shares pursuant to the Australian Offering at an exercise price equal to 150% of the Offering Price for a period of 36 months from the date of issue. Based on the issuance of 20,000,000 CDIs pursuant to the Minimum Australian Offering, the Lead Manager will be granted a Warrant entitling the Lead Manager to purchase 2,000,000 CDIs at an exercise price equal to C\$0.375 per CDI expiring 36 months from the date of issue. Based on the issuance of 34,000,000 CDIs pursuant to the Maximum Australian Offering, the Lead Manager will be granted a Warrant entitling the Lead Manager to purchase 3,400,000 CDIs on the same terms as described above.

Pursuant to the ASX Listing Rules, all existing 5,784,015 Warrants will be escrowed for a period of two years from the date of Listing. Additionally, the Warrants having an exercise price of C\$0.11 per Share will be subject to the TSX-V Seed Share Resale Restrictions (within the meaning of the TSXV rules) and will be released from escrow over a period of four months from listing on the TSXV.

08.

Investigating Accountant's Report

08. Investigating Accountant's Report



The Directors
Euro Manganese Inc.
1500 – 1040 West Georgia Street
Vancouver BC V6E 4H8
Canada

4 September 2018

Dear Directors

Investigating Accountant's Report

Independent Limited Assurance Report on Euro Manganese Inc.'s historical and pro forma historical financial information and Financial Services Guide

We have been engaged by Euro Manganese Inc. (the **Company**) to report on the historical financial information and pro forma historical financial information of the Company for inclusion in the Australian Offering prospectus proposed to be issued under the Corporations Act 2001 (Cth) (**Prospectus**) dated on or about 4 September 2018 and relating to the proposed initial public offering of CDIs in the Company for issue by the Company under the Prospectus.

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian financial services licence under the Corporations Act 2001. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers holds the appropriate Australian financial services licence under the Corporations Act 2001. This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Scope

Historical Financial Information

You have requested PricewaterhouseCoopers Securities Ltd to review the following historical financial information of the Company (the responsible party) included in the Prospectus:

- the Consolidated Statement of Financial Position as at 31 March 2018 as presented in section 4 of the Prospectus;
- the Consolidated Statement of Loss and Comprehensive Loss for the years ended 30 September 2016 and 30 September 2017 as presented in section 4 of the Prospectus and on page FS-7 of the Canadian Prospectus and summarised in the table on page 29 of the Canadian Prospectus presenting the financial performance for the years ended 30 September 2016 and 30 September 2017;

PricewaterhouseCoopers Securities Ltd, ACN 003 311 617, ABN 54 003 311 617, Holder of Australian Financial Services Licence No 244572
480 Queen Street, Brisbane City, QLD, 4000.
T: +61 7 3257 5000, F: +61 2 3257 5999, www.pwc.com.au

08. Investigating Accountant's Report



- the Condensed Consolidated Interim Statements of Loss and Comprehensive Loss for the six months ended 31 March 2018 and 31 March 2017 as presented in section 4 of the Prospectus and on page FS-52 of the Canadian Prospectus;
- the Consolidated Statements of Cash Flows for the years ended 30 September 2016 and 30 September 2017 as presented in section 4 of the Prospectus and on page FS-8 of the Canadian Prospectus; and
- the Condensed Consolidated Interim Statements of Cash Flows for the six months ended 31 March 2018 and 31 March 2017 as presented in section 4 of the Prospectus and on page FS-53 of the Canadian Prospectus; (together, the **Historical Financial Information**)

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in International Financial Reporting Standards and the Company's adopted accounting policies. The Historical Financial Information has been extracted from:

- the financial report of the Company for the years ended 30 September 2016 and 30 September 2017 which was audited by PricewaterhouseCoopers LLP (Canadian Firm) in accordance with Canadian generally accepted auditing standards. PricewaterhouseCoopers LLP (Canadian Firm) issued an unmodified audit opinion on the financial reports with an emphasis of matter in relation to going concern; and
- the unaudited financial report of the Company for the six months ended 31 March 2018.

Certain elements of the Historical Financial Information are presented in the Prospectus in an abbreviated form, insofar as they does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro Forma Historical Financial Information

You have requested PricewaterhouseCoopers Securities Ltd to review the following pro forma historical financial information of the Company included in the Prospectus:

- the Pro Forma Consolidated Statement of Financial Position as at 31 March 2018 as presented in section 4 of the Prospectus (the **Pro Forma Historical Financial Information**).

The Pro Forma Historical Financial Information has been derived from the unaudited Condensed Consolidated Interim Statement of Financial Position of the Company as at 31 March 2018, after adjusting for the effects of pro forma adjustments described in section 4 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in International Financial Reporting Standards and the Company's adopted accounting policies applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in section 4 of the Prospectus, as if those events or transactions had occurred as at 31 March 2018. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position, financial performance, and cash flows.

08. Investigating Accountant's Report



Directors' responsibility

The directors of the Company are responsible for the preparation of the Historical Financial Information and Pro Forma Historical Financial Information, including its basis of preparation and the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of the Company, as described in section 4 of the Prospectus, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4 of the Prospectus being the recognition and measurement principles contained in International Financial Reporting Standards and the Company's adopted accounting policies.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of the Company as described in section 4 of the Prospectus, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4 of the Prospectus being the recognition and measurement principles contained in International Financial Reporting Standards and the Company's adopted accounting policies applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in section 4 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information.

08. Investigating Accountant's Report



Notice to investors outside Australia

Under the terms of our engagement this report has been prepared solely to comply with Australian Auditing Standards applicable to review engagements.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside Australia. We are not recommending or making any representation as to suitability of any investment to any person.

Restriction on Use

Without modifying our conclusions, we draw attention to section 4 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included.

Liability

The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this report in the Prospectus. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of this transaction other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Wim Blom', with a horizontal line extending to the right.

Wim Blom
Authorised Representative of
PricewaterhouseCoopers Securities Ltd

08. Investigating Accountant's Report



Appendix A – Financial Services Guide

PRICEWATERHOUSECOOPERS SECURITIES LTD

FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 4 September 2018

1. About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) ("**PwC Securities**") has been engaged by Euro Manganese Inc ("**the Company**") to provide a report in the form of an Investigation Accountants Report in relation to the Historical Financial Information and Pro Forma Historical Financial Information (**the "Report"**) for inclusion in the Prospectus dated 4 September 2018.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2. This Financial Services Guide

This Financial Services Guide ("**FSG**") is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4. General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

08. Investigating Accountant's Report



5. Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report, our fees are charged on an hourly basis and as at the date of this Report amount to approximately A\$90,000.

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6. Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business. We note that PricewaterhouseCoopers LLP, based in Vancouver, Canada is the independent auditor of Euro Manganese Inc.

7. Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Service ("FOS"), an external complaints resolution service. FOS can be contacted by calling 1300 780 808. You will not be charged for using the FOS service.

8. Contact Details

PwC Securities can be contacted by sending a letter to the following address:

Wim Blom
Authorised Representative
480 Queen Street
GPO Box 150
Brisbane QLD 4000

09.

Additional Information

09. Additional Information

9.1 Registration

Euro Manganese Inc. was incorporated under the BCBCA (British Columbia) on November 24, 2014.

9.2 Company tax status

The Company will not operate in, or have its central management and control exercised in, Australia and therefore will not be taxed as an Australian tax resident public company for the purpose of Australian income tax law.

9.3 Corporate structure

See 'Corporate Structure' on page 13 of the Canadian Prospectus.

9.3.1 CDIs to be issued and transferred under the Australian Offering

The details of the ownership of the CDIs as at the Prospectus Date and the expected ownership of the CDIs on Completion of the Australian Offering are set out in section 7.1.5.

The total number of CDIs on issue upon Completion of the Minimum Australian Offering will be 21,000,000, including 1,000,000 CDIs issued for no consideration to the Lead Manager in connection with the Lead Manager's Fee.

The total number of CDIs on issue upon Completion of the Maximum Australian Offering will be 35,700,000, including 1,700,000 CDIs issued for no consideration to the Lead Manager in connection with the Lead Manager's Fee.

The total number of Shares on issue upon completion of the Canadian Offering will be 140,259,600.

Accordingly, the total number of Shares on issue and CDIs on issue in respect of fully paid Shares, upon completion of the Canadian Offering and Australian Offering, will be 161,259,600.

The total number of Shares on issue and CDIs on issue in respect of fully paid Shares, upon completion of the Canadian Offering and Australian Maximum Offering, will be 175,959,600.

9.4 Material Contracts

See 'Material Contracts' on page 93 of the Canadian Prospectus.

9.4.1 Offer Management Agreement

On 22 August 2018, the Company entered into an Offer Management Agreement, pursuant to which Canaccord Genuity (Australia) Limited agrees to act as lead manager and bookrunner for the Australian Offering on the terms and conditions under the Offer Management Agreement.

In carrying out its obligations, the Lead Manager is acting as an independent contractor on arm's length basis and not as a fiduciary of the Company or its shareholders.

Fee arrangements are set out in section 9.11.

The Lead Manager's obligations are subject to certain conditions, including lodgement of this Prospectus with ASIC, the Company obtaining any ASX waivers and ASIC modifications which are necessary to enable the Australian Offering to proceed and each material contract summarised in this section 9.4 having been executed or adopted as applicable.

The Lead Manager may terminate its obligations under the Offer Management Agreement by notice to the Company should a termination event as set out in the Offer Management Agreement occur at any time before 2:30pm on the Settlement date, or such other time as specified in the Offer Management Agreement, including:

- a material statement contained in an Offer Document is misleading or deceptive, or a material matter is omitted from an Offer Document (having regard to the provisions of sections 710, 711, 712 and 716 of the Corporations Act), or an Offer Document otherwise materially fails to comply with the Corporations Act, the Listing Rules or other applicable laws;
- the Company becomes required to issue a supplementary Prospectus because of the operation of section 719(1) of the Corporations Act or lodges a supplementary Prospectus with ASIC, in a form and substance that has not been approved by the Lead Manager (acting reasonably);

09. Additional Information

- at any time the S&P/ASX Metals and Mining Index falls to a level that is 90% or less of the level as at the close of trading on the date of the Offer Management Agreement and closes at or below that 90% level on at least 2 consecutive Business Days prior to the Settlement date or the Business Day immediately prior to the Settlement date;
- any of the escrow deeds entered by the ASX Escrowed Security Holders are withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with;
- any forecast, expression of opinion, intention or expectation expressed in an Offer Document is not in all material respects fair and honest and based on reasonable assumptions or is or becomes incapable of being met or unlikely to be met in the stated time in any material respect;¹
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any governmental agency which makes it illegal for the Lead Manager to satisfy a material obligation of this agreement, or to market, promote or settle the Australian Offering;
- legal proceedings are commenced against any member of the Company or its subsidiaries or against any director of any of them in that capacity;
- any director of the Company is charged with an indictable offence or is disqualified from managing a corporation under the Corporations Act;
- approval is refused or not granted, other than subject to customary conditions, or ASX indicates that it does not intend to grant approval to the Company's admission to the Official List, on or before Completion of the Australian Offering or, if granted, approval is subsequently withdrawn (other than by customary conditions) or withheld;
- the Company is prevented from issuing the CDIs by applicable laws, an order of a court of competent jurisdiction or a governmental authority, within the time required by the Listing Rules, the timetable of the Australian Offering and the Corporations Act;
- any of the following notifications are made:
 - » ASIC holding a hearing under section 739(2) of the Corporations Act or issuing an order (including an interim order) under section 739 of the Corporations Act;
 - » an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Australian Offering or the Prospectus or the Company;
 - » ASIC commences any inquiry or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Australian Offering or the Prospectus or the Company;
 - » any person gives a notice under section 733(3) of the Corporations Act or any person (other than the Lead Manager) who has previously consented to the inclusion of their name or any statement in the Prospectus withdraws that consent; or
 - » any person gives a notice under section 730 of the Corporations Act in relation to the Prospectus;
- the Company withdraws the Prospectus or the Australian Offering or the Canadian Offering;
- the closing certificate that the Company provides to the Lead Manager under the Offer Management Agreement is misleading or inaccurate in a material respect;
- an event specified in the timetable of the Australian Offering up to and including Settlement is delayed by more than 3 Business Days;
- the Company or its subsidiary becomes Insolvent, or there is an act or omission which is likely to result in the Company or its subsidiary becoming insolvent;
- if a regulatory body withdraws, revokes or amends any regulatory approvals required for the Company to perform its obligations under the Offer Management Agreement, such that the Company is rendered unable to perform its obligations under the Offer Management Agreement;
- a change in the managing director or chief financial officer of the Company occurs, or there is a change in the board of directors of the Company;
- the managing director or chief financial officer of the Company, or a director, vacates his or her office (or announces an intention to do so);

09. Additional Information

- any material adverse change or effect, or any development occurs that is likely to have a material adverse change or effect in the financial condition, earnings, business affairs or business prospects, results of operations or general affairs of the business of the Company;
- any of the material contracts summarised in this section 9.4 is terminated, withdrawn, rescinded, avoided or repudiated, is materially breached or ceases to have effect or becomes void or voidable;
- if, in the reasonable opinion of the Lead Manager, there is at any time after lodgement of the Prospectus with ASIC:
 - » a misleading or deceptive statement in a Prospectus;
 - » an omission from a Prospectus of information required by section 710 or 711 of the Corporations Act; or
 - » a new circumstance that has arisen that would have been required by section 710 or 711 of the Corporations Act to be included in that Prospectus if it had arisen before that time,
 that is materially adverse from the point of view of an investor;
- there is introduced or announced a new law or change to an existing law that is likely to give rise to a material adverse change or effect, or any development occurs that is likely to have a material adverse change or effect in the financial condition, earnings, business affairs or business prospects, results of operations or general affairs of the business of the Company;¹
- either of the following events occurs:
 - » a general moratorium on commercial banking activities in Australia, Canada, the United Kingdom, the Peoples Republic of China or the United States is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
 - » any adverse effect on the financial markets in Australia, Canada, the United Kingdom, the Peoples Republic of China or the United States, or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
 - » trading in all securities quoted or listed on ASX, London Stock Exchange, New York Stock Exchange, Shanghai Stock Exchange or the Toronto Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading,
 in either case the effect of which is such as to make it, in the reasonable judgment of the Lead Manager, impractical to promote the Australian Offering or to enforce contracts to subscribe for the CDIs;¹ and
- the Company or any of its directors or officers (as that term is defined in the Corporations Act) engage in any fraudulent conduct or activity whether or not in connection with the Australian Offering.

Where a termination event above is marked with an “1” the Lead Manager will only be able to terminate its obligations under Offer Management Agreement if, in the reasonable opinion of the Lead Manager:

- the termination event has had or is likely to have a material adverse effect on the financial condition, financial position or financial prospects of the Company or its subsidiary or the market price of the CDIs; or
- the termination event has had or is likely to have a material adverse effect on the success or outcome of the Australian Offering, or the ability of the Lead Manager to market or promote or settle the Australian Offering; or
- the Lead Manager will or is reasonably likely to contravene, be involved in a contravention of, or incur a liability under the Corporations Act or any other applicable law as a result of the event.

The Company agrees to provide an indemnity in favour of the Lead Manager in relation to the contents and issue of this Prospectus. The Offer Management Agreement may be amended by the Company and the Lead Manager.

09. Additional Information

9.4.2 Option Agreement – EPCS

On 13 August 2018, the Company, through its subsidiary Mangan, entered into a Option Agreement in which it has secured an option for the purchase of a 100% interest in EP Chvaletice s.r.o. (**EPCS**) (the **Option Agreement**).

EPCS is a small Czech steel fabrication company that owns a 19.94-hectare parcel of land located immediately south of the highway and rail line that bound the Company's Chvaletice Manganese Project tailings deposit. The land parcel is immediately adjacent to the west of the Chvaletice power plant and a 1.7-hectare parcel of land and rail siding that was acquired by EMI in November 2017. The land is zoned for industrial use and contains numerous buildings, including office, warehousing and other industrial structures, several of which are leased to short-term tenants. The land also contains two rail spurs and is served by gas, water and power. This land parcel encompasses the intended site of the Company's proposed high-purity manganese products processing plant.

Pursuant to the Option Agreement the Company will have the right to acquire EPCS by making three cash instalments aggregating 140 million Czech Koruna (approximately C\$8.45 million) as follows:

- a first instalment of 10% or 14,000,000 Czech Koruna (approx. C\$0.85 million) (**First Instalment**) within 60 days of the Option Agreement and completion of satisfactory environmental due diligence;
- a second instalment of 30% or 42,000,000 Czech Koruna (approx. C\$2.5 million) (**Second Instalment**) within 60 days of final approval of the environmental impact assessment for the Chvaletice Manganese Project, but no later than three years after signing the Option Agreement, unless extended as described below; and
- a final payment of 60% or 84,000,000 Czech Koruna (approx. C\$5.1 million) (**Final Payment**) due upon receipt of all development permits for the Chvaletice Manganese Project, but no later than five years after signing the Option Agreement.

The Second Instalment may be extended by one year, to the fourth anniversary of signing the Option Agreement, by making an additional payment of 14,000,000 Czech Koruna which would be deducted from the Final Payment (the **Extension Payment**) and by making a further payment of 2,100,000 Czech Koruna (approx. C\$128,000), representing interest at 5% per annum on the one-year deferral of the Second Payment. The First and Second Instalments and the Extension Payment are non-refundable, provided there are no material breaches of the Option Agreement by the vendor.

The shares of EPCS will be held in escrow pending payment of the Final Payment by the Company. Further, liens will be placed by the Company on property and shares of EPCS while the Option Agreement is in effect. The vendor of EPCS will continue to operate its steel fabrication business until the Final Payment is received and will retain profits from the business and will be responsible for losses of the business during the term of the Option Agreement. Any profits or losses will be factored into a working capital adjustment to the purchase price, if any.

9.5 Consents to be named, inclusion of statement and disclaimers of responsibility and competent person's statement

9.5.1 Consents to be named and inclusion of statement and disclaimers of responsibility

Each of the parties referred to below (each a **Consenting Party**), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the Consenting Parties has given and has not, before the lodgement of the Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named. None of the Consenting Parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement is made in this Prospectus is based, other than as specified below:

- Canaccord Genuity (Australia) Limited;
- MinterEllison;
- PricewaterhouseCoopers LLP; and
- PricewaterhouseCoopers Securities Ltd.

PricewaterhouseCoopers Securities Ltd. has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of its Investigating Accountant's Report in section 8 and the statements specifically attributed to it in the text of, or by a footnote in, this Prospectus, in the form and context in which they are included (and all other references to that report) in this Prospectus.

09. Additional Information

9.5.2 Competent person's statement

Information in this Prospectus which relates to the Company's exploration results and mineral resource estimations is based on information compiled by Mr. James Barr, P. Geo, Senior Geologist, and Mr. Jianhui Huang, Ph.D., P.Eng, Senior Metallurgical Engineer whom are members of Engineers and Geoscientists of British Columbia being a Recognised Professional Organisation as listed by the ASX. Mr. Barr and Mr. Huang are employed by Tetra Tech Canada Inc. and are Competent Persons as defined by the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code, 2012 Edition), having five years' experience that is relevant to the style of mineralization and type of deposit under consideration.

Please see Annexure C for a copy of the Independent Geologists' Competent Person's Consent Forms.

Messrs Barr and Huang have each provided, and have not withdrawn, their consent to the inclusion in this Prospectus on the matters based on their information, in the form and context in which it appears.

9.6 Litigation

There is no litigation on foot in respect of Euro Manganese (or any subsidiary of Euro Manganese) as at the date of this Prospectus.

9.7 Miscellaneous

The Company maintains insurance and intends, upon completion of the Australian Offering, to obtain certain additional insurance to protect against certain risks in such amounts as it considers to be reasonable.

9.8 Comparison of laws governing the Company as a Canadian company with laws governing Australian publicly listed companies generally

Unless otherwise stated, the Corporations Act provisions referred to below do not apply to the Company as a foreign Company.

CORPORATE ACTION	CANADIAN LAW	AUSTRALIAN LAW
Transactions that require Shareholder approval	Under the BCBCA, the charter documents of the Company consist of the "notice of articles", which sets forth the name of the corporation and the amount and type of authorized capital, and "articles" which govern the operation of the corporation. The notice of articles is filed with the British Columbia Registrar of Companies and the articles are filed with the corporation's registered and records office. The required authorization to amend the notice of articles or articles of a corporation under the BCBCA will be specified in the BCBCA or the articles of the corporation based on the type of resolution. In many instances, including a change of name or amendments to the articles, the BCBCA or the articles may provide for approval solely by a resolution of the directors. If the type of resolution is not specified in the BCBCA or the articles, most amendments will require a special resolution of the shareholders to be approved by not less than two-thirds of the votes cast by the shareholders voting on the resolution.	Under the Corporations Act, the principal transactions or actions requiring shareholder approval include: • adopting or altering the constitution of the company; • appointing or removing a director or auditor; • certain transactions with related parties of the company; • putting the company into liquidation; • changes to the rights attached to shares; and • Shareholder approval is also required for certain transactions affecting share capital (e.g. share buybacks and share capital reductions).

09. Additional Information

CORPORATE ACTION

Transactions that require Shareholder approval continued

CANADIAN LAW

Under the BCBCA, certain extraordinary corporate actions, such as amalgamations, continuances, reorganizations and other corporate actions such as liquidations (winding-ups), arrangements and/or the sale of all or substantially all of its assets or undertaking, require approval of the shareholders by special resolution. Under the BCBCA, a resolution passed by a special majority at a general meeting for which proper notice has been provided constitutes a special resolution. A special majority is a majority of votes, as specified by the articles, that is not less than 66 2/3% and not more than 75% of the votes cast on the resolution. Where the articles do not specify the percentage required for a special majority, a special majority is 66 2/3% of the votes cast on the resolution. Additionally, under the BCBCA, a resolution consented to in writing by all of the shareholders holding shares that carry the right to vote at general meetings constitutes a special resolution. The articles of the Company provide that a special majority is 66 2/3% of the votes cast on the resolution.

In addition, under the policies of the TSX Venture Exchange (the **TSX-V Rules**), the TSX-V may require securityholders to approve certain transactions, and typically will require securityholder approval of transactions:

- in which the proposed issuance will materially affect control of the Company, being generally the creation of a new 20% shareholder(s);
- in which more than 50% of the Company's assets, business or undertaking are disposed of; and
- certain related party transactions, including asset acquisitions where non-arms' length parties received shares equal to more than 10% of the then outstanding shares.

The TSX-V Rules also require shareholder approval of stock option plans, including their annual re-approval by shareholders.

AUSTRALIAN LAW

Under the ASX Listing Rules, shareholder

- approval is required for matters including:
- increases in the total amount of directors' fees;
- directors' termination benefits in certain circumstances;
- certain transactions with related parties;
- certain issues of shares; and if a company proposes to make a significant change to the nature or scale of its activities or proposes to dispose of its main undertaking.

09. Additional Information

CORPORATE ACTION

CANADIAN LAW

AUSTRALIAN LAW

Shareholders' right to request or requisition a general meeting

Under the BCBCA, the holders of not less than 5% of the issued shares of a corporation that carry the right to vote at general meetings (such as common shares) may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition. Upon satisfying the technical requirements of the BCBCA for making such a requisition, the directors must call a general meeting of shareholders to be held not more than four (4) months after the date on which the requisition is received by the corporation to transact the business stated in the requisition. If the directors fail to send notice of a general meeting within twenty-one (21) days after the date on which the requisition is received, then the requisitioning shareholders, or any one or more of them holding more than 2.5% of the issued shares of the corporation that carry the right to vote at general meetings, may send notice of a general meeting to be held to transact the business stated in the requisition.

The Corporations Act requires the Directors to call a general meeting on the request of members with at least 5% of the vote that may be cast at the general meeting. Shareholders with at least 5% of the votes that may be cast at the general meeting may also call and arrange to hold a general meeting at their own expense.

Shareholders' right to appoint proxies to attend and vote at meetings on their behalf

This position is comparable under Canadian law.

Under the Corporations Act a member of a company who is entitled to attend and cast a vote at a meeting of the company's members may appoint a person as the member's proxy to attend and vote for the member at the meeting.

Changes in the rights attaching to shares

The required authorization to amend the notice of articles or articles of a corporation under the BCBCA will be specified in the BCBCA or the articles of the corporation based on the type of resolution. If the type of resolution is not specified in the BCBCA or the articles, most amendments will require a special resolution of the shareholders to be approved by not less than two-thirds of the votes cast by the shareholders voting on the resolution. Amendments to any special rights and restrictions attaching to any issued shares require, in addition to any resolution provided for by the articles, consent by a special resolution of the holders of the class or series of shares affected.

The Corporations Act allows a company to set out in its constitution the procedure for varying or cancelling rights attached to shares in a class of shares. If a company does not have a constitution, or has a constitution that does not set out a procedure, such rights may only be varied or cancelled by:

- a special resolution passed at a meeting for a company with a share capital of the class of members holding shares in the class; or
- a written consent of members with at least 75% of the votes in the class.

09. Additional Information

CORPORATE ACTION

CANADIAN LAW

AUSTRALIAN LAW

Shareholder protections against oppressive conduct

Under the BCBCA, a shareholder of a corporation and any other person whom the court considers an appropriate person to make an application, has the right to apply to court on the grounds that: (i) the affairs of the corporation are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant, or (ii) some act of the corporation has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant. On such an application, the court may make such order as it sees fit, including an order to prohibit any act proposed by the corporation.

Under the Corporations Act, shareholders have statutory remedies for oppressive or unfair conduct of the company's affairs and the court can make any order as it sees appropriate.

Shareholder Rights of Dissent and Appraisal

The BCBCA provides that shareholders who disagree with certain extraordinary actions being taken by a corporation may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares upon compliance with the procedures for registering a valid dissent, which include not voting in favour of the matter that is the subject of the dissent.

No such rule exists under Australian law.

09. Additional Information

CORPORATE ACTION

Shareholders' rights to bring or intervene in legal proceedings on behalf of the company

CANADIAN LAW

Under the BCBCA, a shareholder or director of a corporation and any person who, in the discretion of the court, is a proper person to make an application to court to bring an action on behalf of a corporation (derivative action) may, with judicial leave: (i) bring an action in the name and on behalf of the corporation to enforce an obligation owed to the corporation that could be enforced by the corporation itself or to obtain damages for any breach of such an obligation or (ii) defend, in the name and on behalf of the corporation, a legal proceeding brought against the corporation. Shareholder approval of the alleged breach of right, duty, or obligation owed to the company is not determinative but will be taken into account.

AUSTRALIAN LAW

The Corporations Act permits a shareholder to apply to the court for leave to bring proceedings on behalf of the company, or to intervene in proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for those proceedings, or for a particular step in those proceedings.

The court must grant the application if it is satisfied that:

- it is probable that the company will not itself bring the proceedings, or properly take responsibility for them, or for the steps in them;
- the applicant is acting in good faith;
- it is in the best interests of the company that the applicant be granted leave;
- if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and
- either at least 14 days before making the application, the applicant gave written notice to the company of the intention to apply for leave and of the reasons for applying, or the court considers it appropriate to grant leave.

The Corporations Act provides that proceedings brought or intervened in with leave must not be discontinued, compromised or settled without the leave of the court.

09. Additional Information

CORPORATE ACTION**CANADIAN LAW****AUSTRALIAN LAW****“Two Strikes” rule in relation to remuneration reports**

No such rule exists under Canadian law, the TSX-V Rules or the BCBCA.

The Corporations Act requires that a company's annual report must include a report by the Directors on the company's remuneration framework (called a remuneration report).

A resolution must be put to shareholders at each annual general meeting of the company's shareholders (**AGM**) seeking approval for the remuneration report. The approval is advisory only, however, if more than 25% of shareholders vote against the remuneration report at two consecutive AGMs (i.e. two strikes), an ordinary (50%) resolution must be put to shareholders at the second AGM proposing that a further meeting be held within 90 days at which all of the Directors who approved the second remuneration report must resign and stand for re-election.

Disclosure of substantial holdings and takeover bids

Under applicable Canadian securities laws, any person that acquires beneficial ownership of, or the power to exercise control or direction over, 10% or more of a class of voting or equity securities of the Company is required to issue a press release and to file an early warning report disclosing their shareholdings to the Company and the public. A person that files an early warning report for the Company will also be required to file a news release and early warning report for every 2% or more change in the voting or equity securities of the Company such person acquires and/or upon such person ceasing to hold 10% or more of the voting or equity securities of the Company.

The Corporations Act requires every person who is a substantial holder to notify the listed company and the ASX that they are a substantial holder and to give prescribed information in relation to their holding if:

the person begins to have, or ceases to have, a substantial holding in the company or scheme;

- the person has a substantial holding in the
- company or scheme and there is a movement of at least 1% in their holding; or
- the person makes a takeover bid for securities of the company.

09. Additional Information

CORPORATE ACTION

Disclosure of substantial holdings and takeover bids continued

CANADIAN LAW

Furthermore, directors, chief executive officers, chief financial officers and chief operating officers and shareholders holding 10% or more of the voting securities of the Company (**Insiders**) are required to file an Insider report. Insider reports set out the number and percentage of the Company's securities that an Insider owns or exercises control or direction over. Insider reports are publicly disclosed on the System for Electronic Disclosures by Insiders (www.sedi.ca) and must be filed within ten days of a person becoming an Insider and within five days of a change of that person's security holdings in the Company.

In Canada, unless an exemption from the formal takeover bid requirements under Canadian securities legislation is available or can be obtained, persons or companies making an offer to acquire securities (including shares) to a resident of Canada (regardless of the domicile of the issuer of those shares), in circumstances where the subject securities, together with securities that the offeror already beneficially owns (including any securities held by joint offerors), constitute, in aggregate, 20% or more of the outstanding shares of that class of the Company at the time of the offer, are required to extend the offer to all securityholders in the jurisdiction by means of a take-over. These provisions require, among other things, the production, filing and mailing of a takeover bid circular to the subject securityholders of the target company.

Takeover bids must treat all securityholders alike (including in terms of the form and amount of consideration being offered) and must not involve any collateral agreements, with certain exceptions for employment compensation arrangements.

AUSTRALIAN LAW

Under the Corporations Act a person has a substantial holding if the total votes attached to voting shares in the company in which they or their associates have relevant interests is 5% or more of the total number of votes attached to voting shares in the company, or the person has made a takeover bid for voting shares in the company and the bid period has started and not yet ended.

These provisions do not apply to the Company as an entity established outside Australia. However, the Company will be required to release to the ASX any substantial holder notices that are filed in Canada. Chapters 6, 6A and 6C of the Corporations Act dealing with the acquisition of shares (including acquisitions and takeovers) do not apply to the Company given it is incorporated in British Columbia. Instead the Company is subject to the relevant law in Canada as set out in the adjacent column.

09. Additional Information

CORPORATE ACTION

CANADIAN LAW

AUSTRALIAN LAW

Disclosure of substantial holdings and takeover bids continued

Takeover bids must remain open for a minimum of 105 days from the date of the mailing of the circular, after which time all securities deposited under the offer may be taken up. Additionally, regardless of the minimum tender condition selected by a bidder under a takeover bid (customarily $66\frac{2}{3}\%$ or 50%), all takeover bids must be subject to a condition that more than 50% of the outstanding securities owned by persons other than the bidder and any joint offerors must be tendered to the offer. For the protection of target securityholders, the takeover bid rules contain various additional requirements, such as restrictions applicable to conditional offers and the withdrawal, amendment or suspension of offers. Securities regulators retain a general 'public interest jurisdiction' to regulate takeovers and may intervene to halt or prevent activity that is abusive, or require changes to the terms of any take-over offer. Purchases outside the bid, before, during and after the bid, are also regulated. Canadian securities laws do allow certain exemptions to the formal takeover bid requirements, on specified conditions. For example, private agreements to purchase securities from up to five persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12-month period if the consideration paid does not exceed the market price at the date of acquisition.

09. Additional Information

9.9 CHESS Depositary Interests

Details of the CDIs and the key differences between holding CDIs and holding the underlying Shares is detailed below:

What are CDIs?	In order for the Shares to trade electronically on the ASX, the Company intends to participate in the electronic transfer system known as CHESS operated by ASX Settlement. CHESS cannot be directly used for the transfer of securities of companies domiciled in certain foreign jurisdictions, such as Canada. Accordingly, to enable the Shares to be cleared and settled electronically through CHESS, the Company intends to issue depositary interests called CHESS Depositary Interests or CDIs. CDIs confer the beneficial ownership in foreign securities such as the Shares on the CDI holder, with the legal title to such Shares being held by an Australian depositary nominee.
Who is the depositary nominee and what do they do?	The Company will appoint CHESS Depositary Nominees Pty Limited, a subsidiary of the ASX, and an approved general participant of ASX Settlement to act as its Australian depositary. CHESS Depositary Nominees Pty Limited will hold legal title to the Shares on behalf of CDI holders. CHESS Depositary Nominees Pty Limited will receive no fees for acting as the Depositary for the CDIs. By completing an Application Form, an Applicant will apply for Shares to be issued to CHESS Depositary Nominees Pty Limited, which will in turn issue CDIs to the Applicant.
What registers will be maintained recording your interests?	The Company will operate book entry and certificated registers of Shares in Canada, and an uncertificated issuer sub-register of CDIs and an uncertificated CHESS sub-register of CDIs in Australia. The Company's uncertificated issuer sponsored sub-register of CDIs and uncertificated CHESS sub-register of CDIs will be maintained by the Share Registry. Legal ownership of the Shares underlying the CDIs will be held by CHESS Depositary Nominees Pty Limited on the Canadian register. The two uncertificated sub-registers of CDIs combined will make up the register of beneficial title of the Shares underlying the CDIs.
How is local and international trading in CDIs affected?	CDI holders who wish to trade their CDIs will be transferring the beneficial interest in the Shares rather than the legal title. The transfer will be settled electronically by delivery of the relevant CDI holdings through CHESS. In other respects, trading in CDIs is essentially the same as trading in other CHESS approved securities, such as shares in an Australian company.

09. Additional Information

**What is the
CDI:Share ratio?**

One CDI will represent an underlying interest in one Share.

**What will Applicants
receive on acceptance
of their Applications?**

Successful Applicants will receive a holding statement which sets out the number of CDIs held by the CDI holder and the reference number of the holding. These holding statements will be provided to a holder when a holding is first established and where there is a change in the holdings of CDIs.

**How do CDI holders
convert from a CDI
holding to a direct
holding of Shares on
the Canadian register?**

CDI holders who wish to convert their ASX listed CDIs to Shares to be held on the Canadian register can do so by instructing the Company's Share Registry either:

- directly in the case of CDIs on the issuer sponsored sub-register operated by the Company. CDI holders will be provided with a form entitled "CDI Cancellation AU-CA Register" for Completion and return to the Company's Share Registry; or
- through their sponsoring participant (usually their broker) in the case of CDIs which are sponsored on the CHESS sub-register. In this case, the sponsoring broker will arrange for completion of the relevant form and its return to the Company's Share Registry.

The Company's Share Registry will then arrange for the Shares to be transferred from CHESS Depositary Nominees Pty Limited into the name of that holder and a new share certificate or statement will be issued. This will cause the Shares to be registered in the name of the holder on the Company's Canadian register and trading on ASX will no longer be possible. The Company's Share Registry will not charge an individual security holder or the Company a fee for transferring CDI holdings into Shares (although a fee will be payable by market participants). It is expected that this process will be completed within 24 hours, provided that the Share Registry is in receipt of a duly completed and valid form. However, no guarantee can be given about the time for this conversation to take place.

If holders of Shares wish to convert their holdings to CDIs, they can do so by contacting the Company's Share Registry. The Company's Share Registry will not charge a fee to a holder of Shares seeking to convert the Shares to CDIs (although a fee will be payable by market participants).

09. Additional Information

What are the voting rights of a CDI holder?

If holders of CDIs wish to attend and vote at the Company's general meeting, they will be able to do so. Under the ASX Listing Rules and the ASX Settlement Operating Rules, the Company as an issuer of CDIs must allow CDI holders to attend any meeting of the holders of Shares unless relevant Canadian law at the time of the meeting prevents CDI holders from attending those meetings.

In order to vote at such meetings, CDI holders have the following options:

- a) instructing CHESS Depositary Nominees Pty Limited, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Company's Share Registry prior to the meeting; or
- b) informing the Company that they wish to nominate themselves or another person to be appointed as CHESS Depositary Nominees Pty Limited's proxy with respect to their Shares underlying the CDIs for the purposes of attending and voting at the general meeting; or
- c) converting their CDIs into a holding of Shares and voting these at the meeting (however, if thereafter the former CDI holder wishes to sell their investment on ASX it would be necessary to convert the Shares back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting. See above for further information regarding the conversion process.

As holders of CDIs will not appear on the Company's share register as the legal holders of the Shares, they will not be entitled to vote at Shareholder meetings unless one of the above steps is undertaken.

As each CDI represents one Share, a CDI holder will be entitled to one vote for every one CDI they hold. CDI voting instruction forms and details of these alternatives will be included in each notice of meeting sent to CDI holders by the Company.

These voting rights exist only under the ASX Settlement Operating Rules, rather than under the Canadian law.

Since CHESS Depositary Nominees Pty Limited is the legal holder of applicable shares, the holders of CDIs do not have any directly enforceable rights under the Company's Articles.

What dividend and other distribution entitlements do CDI holders have?

Despite legal title to the Shares being vested in CHESS Depositary Nominees Pty Limited, the ASX Settlement Operating Rules provide that CDI holders are to receive all economic benefits and other entitlements in relation to the underlying Shares, these include dividends and other entitlements which attach to the underlying Shares. These rights exist only under the ASX Settlement Operating Rules (which have the force of law by virtue of the Corporations Act), rather than under Canadian law.

Whilst the Company does not anticipate declaring any dividends in the foreseeable future, should it do so in the longer term, the Company will declare any dividends in CAD, and the CDI holder will receive such dividend in A\$.

09. Additional Information

What corporate action entitlement (such as rights issues and bonus issues) do CDI holders have?

If a takeover bid or similar transaction is made in relation to the Shares of which CHESS Depositary Nominees Pty Limited is the registered holder, under the ASX Settlement Operating Rules, CHESS Depositary Nominees Pty Limited must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI holder. CHESS Depositary Nominees Pty Limited must ensure that the offeror processes the takeover acceptance of a CDI holder if such CDI holder instructs CHESS Depositary Nominees Pty Limited to do so.

These rights exist only under the ASX Settlement Operating Rules, rather than under the Canadian law.

What notices and announcement will CDI holders receive?

CDI holders will receive all notices and company announcements (such as annual reports) that shareholders are entitled to receive from the Company. These rights exist only under the ASX Settlement Operating Rules, rather than under Canadian law.

What rights do CDI holders have on liquidation or winding up?

In the event of the Company's liquidation, dissolution or winding up, a CDI holder will be entitled to the same economic benefit on their CDIs as holders of Shares.

These rights exist only under the ASX Settlement Operating Rules, rather than under Canadian Law.

Will CDI holders incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares?

A CDI holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares.

Where can further information be obtained?

For further information in relation to CDIs and the matters referred to above, please refer to the ASX website and the documents entitled:

- a) "Understanding CHESS Depositary Interests at: http://www.asx.com.au/documents/settlements/CHESS_Depositary_Interests.pdf
 - b) ASX Guidance Note 5 at: http://www.asx.com.au/documents/rules/gn05_chess_depository_interests.pdf or contact your stockbroker or the Lead Manager.
-

9.10 Taxation considerations

The following comments provide a general summary of Australian tax issues for Australian tax resident Shareholders who acquire CDIs under this Prospectus.

The categories of Shareholders considered in this summary are limited to Australian tax resident individuals, trusts, partnerships and complying superannuation funds, each of whom hold their CDIs on capital account. The comments are also applicable to Australian resident corporate Shareholders that hold a less than 10% direct or indirect shareholding in the Company. The information is given on the basis that Company is a Canadian tax resident and not an Australian tax resident.

This summary does not consider the consequences for non-Australian tax resident Shareholders, or Australian tax resident Shareholders who are insurance companies, banks, Shareholders that hold their CDIs on revenue account or carry on a business of trading in shares or Shareholders who are exempt from Australian tax. This summary also does not cover the consequences for Australian tax resident Shareholders who are exempt from Australian income tax or subject to Division 230 of the Income Tax Assessment Act 1997 (the Taxation of Financial Arrangements or "TOFA" regime).

09. Additional Information

This summary is based on the law in Australia in force at the Prospectus Date. This summary does not take into account the tax law of countries other than Australia. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. The taxation laws of Australia or their interpretation may change. The precise implications of ownership or disposal of the CDIs will depend upon each Shareholder's specific circumstances.

Shareholders should obtain their own advice on the taxation implications of holding or disposing of the CDIs, taking into account their specific circumstances.

9.10.1 Dividends on a CDI

Dividends may be paid to Shareholders

Where dividends on a CDI are distributed, those dividends will constitute assessable income of an Australian tax resident Shareholder. Australian tax resident Shareholders should include the dividend in their assessable income in the year they derive the dividend. Franking credits will not be attached to any dividends paid by the Company. This is because the Company is a Canadian tax resident and not an Australian tax resident. As dividends will not have any franking credits attached, the dividends will be taxed at the prevailing tax rate of the Shareholder.

The dividends paid by the Company to a Shareholder may be subject to a Canadian dividend withholding tax of no more than 25% which may be reduced to a rate of no more than 15% where a Shareholder satisfies all relevant conditions pursuant to the Double Tax Agreement between Australia and Canada. Shareholders should seek their own advice in relation to this. To the extent Canadian dividend withholding tax is withheld on dividend payments to Australian resident Shareholders, a foreign income tax offset (FITO) should be available in Australia to the Shareholder. A FITO acts broadly as a tax credit against the Australian tax liability arising from the dividends received. Where the Australian tax liability is less than the FITO, the excess FITO is not refundable or otherwise available for use. The rules in relation to FITOs can be complex and Shareholders should seek advice taking into account their specific circumstances.

9.10.2 Disposal of CDIs

The disposal of a CDI by a Shareholder will be a capital gains tax (CGT) event in Australia. A capital gain will arise where the capital proceeds on disposal exceed the cost base of the Share (broadly, the amount paid to acquire the Share plus any transaction costs). In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds from the sale.

A CGT discount may be applied against the capital gain (after reduction of total capital gains by capital losses) where the Shareholder is an individual, complying superannuation entity or trustee, the CDIs have been held for more than 12 months and certain other requirements have been met. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one third, after offsetting current year or prior year capital losses.

Where the Shareholder is the trustee of a trust that has held the CDIs for more than 12 months before disposal the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss will be realised where the reduced cost base of the Share exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

9.10.3 Goods and Services Tax (GST)

Shareholders should not be liable for GST in respect of their investment in CDIs. Shareholders may not be entitled to claim full input tax credits in respect of any GST paid on costs incurred in connection with their acquisition of the CDIs. Separate GST advice should be sought by Shareholders in this respect.

09. Additional Information

9.10.4 Stamp duty

Shareholders should not be liable for stamp duty levied by any State or Territory in Australia in respect of their holding of CDIs. Under such current stamp duty legislation, no stamp duty would ordinarily be payable by Shareholders on any subsequent transfer of CDIs.

Shareholders should seek their own advice as to the impact of stamp duty in their own particular circumstances.

9.11 Costs of the Australian Offering

The Company has engaged the following professional advisers:

- Canaccord Genuity (Australia) Limited has acted as Lead Manager to the Company in respect of the Australian Offering. The Company has paid, or agreed to pay, the Lead Manager a fee of 6% of the aggregate gross proceeds of the Australian Offering (**Lead Manager Fee**) payable in respect of 1% in cash and the balance of 5% in CDIs (excluding disbursements and GST). Accordingly, based on gross proceeds from the Minimum Australian Offering of A\$5,200,000 (equivalent to \$5,000,000 at the AUD:CAD Exchange Rate), the Lead Manager's Fee will include cash of not less than A\$52,000 (equivalent to \$50,000 at the AUD:CAD Exchange Rate) and not less than 1,000,000 CDIs, and based on gross proceeds from the Maximum Australian Offering of A\$8,800,000 (equivalent to \$8,500,000 at the AUD:CAD Exchange Rate), the Lead Manager's Fee will include cash of not less than A\$88,000 (equivalent to \$85,000 at the AUD:CAD Exchange Rate) and not less than 1,700,000 CDIs;
- MinterEllison has acted as Australian legal adviser in relation to the Australian Offering. The Company has paid, or agreed to pay, approximately A\$185,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to MinterEllison in accordance with its normal time-based charges;
- PricewaterhouseCoopers Securities Ltd. has acted as Investigating Accountant and has prepared the Investigating Accountant's Report. The Company has paid, or agreed to pay, approximately A\$90,000 in total (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to PricewaterhouseCoopers Securities Ltd. in accordance with its normal time-based charges; and

These amounts and other cash expenses of the Australian Offering and Canadian Offering are estimated to be equal to C\$1,117,000 in total, based on the Minimum Australian Offering, and include including the Lead Manager Fee payable in cash and CDIs in respect of fully paid Shares and estimated listing fees for both the ASX and TSX-V of \$112,000. Based on the Maximum Australian Offering, total costs are estimated to be equal to C\$1,327,000. These costs exclude the value of Warrants entitling the Lead Manager to purchase CDIs issued at 150% of the Offering Price for a period of 36 months from the date of issue, which based on the Minimum Australian Offering would be 2,000,000 Warrants, and based on the Maximum Australian Offering would be 3,400,000 Warrants.

The expenses described above will be paid by the Company out of available cash, except for the component of the Lead Manager's fee which is 5% of the aggregate gross proceeds of the Australian Offering which will be payable in CDIs in respect of fully paid Shares to the Lead Manager. Further information on the use of proceeds and payment of expenses of the Australian Offering is set out in section 'Use of Proceeds' on pages 19 – 21 of the Canadian Prospectus.

9.12 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications and bids under this Prospectus are governed by the law applicable in New South Wales and each Applicant and bidder submits to the exclusive jurisdiction of the courts of New South Wales.

9.13 Statement of Directors

The issue of this Prospectus has been authorised by each Director. Each Director has consented to lodgement of this Prospectus with ASIC and issue of this Prospectus and has not withdrawn that consent.

09. Additional Information

9.14 JORC Code Table 1

PUBLIC REPORT ON THE CHVALETICE MANGANESE PROJECT
FILE: 704-MIN.VMIN03117-02 | JUNE 21, 2018 | ISSUED FOR USE

SECTION 1. Sampling Techniques and Data

Criteria	Explanation
Sampling Techniques	- Sonic rig advanced at 2 m intervals, approx. 14 kg wet weight 755 core samples (2 m) were recovered - Samples extracted from core tube at 1 m subsamples (approx. 7 kg wet weight) for logging and physical measurements - A quarter split (approx. 3.5 kg wet weight) was extracted from the 1 m subsamples, recombined with the corresponding 1 m subsample, bagged and shipped to SGS for particle size analysis, lithogeochemistry, metals analysis and bulk density testing (approx. 7 kg for 2 m representative sample) - Remaining ¾ split recombined with respective 1 m subsample, bagged and send to CRIMM (China) for bulk sample and metallurgical testing (approx. 21 kg for 2 m representative sample)
Drilling Techniques	A total of 1,679.3 m was drilled in 80 vertical holes, spaced approximately 100 m, using 100 mm diameter size rods and sonic core barrel advance provided by Eijkelpamp SonicSampDrill B.V. and crews from Giesbeek, the Netherlands
Drill Sample Recovery	- Recoveries estimated by field crew and recorded on geological logs - No casing was installed and drill rods were pulled for each core run
Logging	- Logging was conducted in the field at drill side by GET sro, on hard copy paper and transcribed into digital drillhole database - Records include lithological description, wet mass, field moisture, rinse pH, recovery, and magnetic susceptibility
Subsampling Techniques and Sample Preparation	- Sampling excludes overlying topsoil, and underlying native soil substrate - Assay samples received at SGS Bor were weighed (wet) and homogenized by hand using the "Japanese slab cake method" of kneading and rolling the sample 100 g subsample sent to laser diffraction particle size analysis - Remaining sample dried (105 degrees C) and homogenized 1 kg extracted for pulverization to -75µm and assaying
Quality of Assay Data and Laboratory Tests	- Samples were analyzed and tested for manganese and elemental assay, lithogeochemistry, particle size distribution, mass, moisture content, paste pH and EC and specific gravity - Use of 4-acid and aqua regia for trace element and manganese concentrations (total and "soluble" portions) - Lithogeochemistry to confirm complete digestion of manganese concentrations - Particle size analysis by laser diffraction and sieve + hydrometer - In situ bulk density (wet and dry) calculated using estimated recovery in field and laboratory estimated and mass and moisture measurements, and specific gravity by pycnometer
Verification of Sampling and Assaying	- Systematic QA/QC program was designed in connection with the drill-sampling and analytical work - Insertion of additional 15.7% control samples (CRMs, duplicates, and blanks) - Access to internal QC data generated by the labs - Re-analysis or repeat of the test work on batches and samples that fail the QC criteria - Field and pulp duplicates - External laboratory analytical verification - Independent CP sampling
Location of Data Points	- Property topography was provided by GET sro in Czech projection S-JTSK using the Bpv datum - Surveying of drill hole collars was completed on-site by GET using a Trimble model R4 GNSS global positioning system (GPS) receiver equipment
Data Spacing and Distribution	- Holes spaced at approximately 100 m - Downhole sampling continuous at 2 m intervals

09. Additional Information

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SECTION 1. Sampling Techniques and Data

Criteria	Explanation
Orientation of Data in Relation to Geological Structure	Drillholes were vertical through heterogeneous tailings mass
Sample Security	Samples stored at a field warehouse managed by Geomin in Jihlava prior to shipping to laboratory for analyses
Audits or Reviews	Independent site visit, sampling and data review completed by Tetra Tech Competent Person, James Barr, P.Geo., during the delineation drilling campaign

SECTION 2. Reporting of Exploration Results

Criteria	Explanation
Mineral Tenement and Land Tenure Status	- Mangan is a private company established in the Czech Republic in 1997, is 100% owned by Euro Manganese Incorporated, and holds 100% ownership of exploration licence number 631/550/14-Hd (valid until September 30, 2019) and exploration licence number MZP/2018/550/386-Hd (valid until May 31, 2023), - Exploration licence number 631/550/14-Hd is registered to include mineral rights on a total area of 0.98 km² (98 ha) which cover the CMP, of which 0.82 km² is located within the Municipality of Trnavka, and 0.16 km² is located within the Municipality of Chvaletice - Exploration licence MZP/2018/550/386-Hd allows the company to drill on the perimeter of the tailings piles - On April 28, 2018, Mangan was issued a Preliminary Mining Permit by the Ministry of Environment, Licence No. MZP/2018/550/387-HD which covers the areas included in the Exploration Licences and secures Mangan's rights for the entire deposit area and is a prerequisite for the application for the establishment of the Mining Lease District. - At present, Mangan does not hold surface rights to the CMP area, which are considered as those lands of original ground elevation surrounding and immediately underlying the protected area that contains tailings Cells 1, 2, and 3. The area of interest for the CMP overlies and adjoins 18 privately owned land parcels.
Exploration Done by Other Parties	- Hand auger sampling in 2014, four holes ranging from 2 to 2.5 m depth - Testpit sampling in 2015, seven testpits ranging between 1.8 to 3.8 m depth
Geology	- The mineralization found in tailings at the CMP deposited by manmade processes following grinding and flotation processes of black pyritic shale and is therefore not characteristic of a traditional bedrock hosted manganese deposit - The material can be physically characterized as a compacted soil, with varying degrees of particle sizes from clay to coarse sand.
Drill Hole Information	- Drillholes were collared on the surface of the tailings deposits and drilled vertically downwards to completion in the underlying native soil substrate, approximate average depth in Cell 1 = 26 m, Cell 2 = 27 m and Cell 3 = 11 m - Detailed information of drillhole coordinates is not included here and can be seen in drillhole layouts in Figure 10-1 in the report
Data Aggregation Methods	No data aggregation was performed on exploration results
Relationship Between Mineralization Widths and Intercept Points	Downhole width is equivalent to true width
Diagrams	Diagrams, maps and cross-sections are included in the report for reference
Balanced Reporting	As a privately held company, no public disclosure was completed

09. Additional Information

PUBLIC REPORT ON THE CHVALETICE MANGANESE PROJECT
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SECTION 2. Reporting of Exploration Results

Criteria	Explanation
Other Substantive Exploration Data	A total of 6.6 km lines of high-resolution electric resistivity tomography (ERT) and seismic refraction was conducted by Glmpuls Praha spol. s.r.o. in 2017
Further Work	Further work is recommended with a budget in the report to increase confidence in the perimeter of the tailings deposit and as infill drilling

SECTION 3 Estimation and Reporting of Mineral Resources

Criteria	Explanation
Database Integrity	- Tetra Tech undertook verification of the data transfer and compilation process at SGS through visual comparison of the issued certificates of analysis with the digital assay records - The drillhole database was visually inspected by Tetra Tech, and corrections made prior to further inspection using digital validation tools within Leapfrog Geo modelling software
Site Visits	A site visit was conducted by Tetra Tech CP, James Barr, P.Geo., from July 1 to 3, 2017 during the drilling campaign, and a site visit was conducted by Mr. Jianhui Huang, Ph.D., P.Eng on February 5, 2018.
Geological Interpretation	- A mineral resource estimate has been developed for total and soluble manganese concentrations - Additionally, average moisture and grain size distribution indicators are reported for the deposit - Geological interpretation assumes that deposition of tailings materials was episodic over the life of the historical mining operations, and the material was deposited from processed materials with mixed particle sizes suspended in slurry with thin lateral continuity with a particle gradation from coarse to fine away from the point of discharge
Dimensions	- Total surface area is approximately 1,032,800 m², approximate total volume (tailings) 17,528,800 m³, approximate total volume of topsoil is 2,060,030 m³ - The resource is reported using a sub-block model with parent blocks 50x50x4 m and sub-blocks 25x25x4 m
Estimation and Modelling Techniques	- The Mineral Resource Estimate was calculated using Aranz Leapfrog Geo - Interpolation searches were based on variography and were performed using the spheroid model in Leapfrog. This method is based on ordinary Kriging, however, lacks some fundamental control on the variogram model, kriging parameters, and composite input
Moisture	The tonnage is reported on a dry material basis
Cut-off Parameters	No cut-off parameters are applied
Mining Factors or Assumptions	- The deposit sits above ground and is candidate for traditional truck and shovel mining, or other possible surface extraction techniques following dewatering of tailings - It is assumed that mining selectivity will not be applied due to inherent difficulty of grade control and selective mining for this deposit type - Onsite and offsite operating cost estimates (US\$5.22/t for onsite mining and magnetic pre-concentration treatment; US\$173/t for manganese extraction and refining from 15% tMn concentrate, including off site and royalty cost)
Metallurgical Factors or Assumptions	- Process recovery of approximately 68% metal recovery at the leaching and refining; 50% metal recovery at the magnetic concentration for lower than 4% tMn materials 99.7% EMM metal price of US\$2.09/kg or US\$0.95/lb (Infomine, April 2017). The commodity price is expected to be higher for 99.9% Mn EMM; - Metallurgical testwork is described in Section 13 of the report
Environmental Factors or Assumptions	- The area covered by the Chvaletice tailings has been significantly impacted by past mining and other heavy industrial activities - Environmental baseline studies have been in progress since the summer of 2016. These include hydrological sampling and monitoring, as well fauna and flora surveys

09. Additional Information

PUBLIC REPORT ON THE CHVALETICE MANGANESE PROJECT
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SECTION 3 Estimation and Reporting of Mineral Resources

Criteria	Explanation
Bulk Density	- In situ dry bulk density is basis for tonnage estimate and was calculated from estimated core recovery along with laboratory measurements for mass and moisture - Bulk density was a variable modelled into the block model based on the calculated in situ dry bulk density for each sample - In situ dry bulk density values for individual samples range between 0.74 t/m³ and 2.85 t/m³, with a mean value of 1.55 t/m³
Classification	- Classification is based on the JORC Code, and divides the mineral resource into Inferred and Indicated categories based primarily on drill spacing - Inferred resources were classified around the perimeter of the deposit due to uncertainty of composition of material used for the initial starter dykes and depth of topsoil cover on outer slopes
Audits and Reviews	- No external audits were performed - Internal peer and senior review audits were performed as part of Tetra Tech's quality management system
Discussion of Relative Accuracy/Confidence	- The mineral resource estimate is reported as a weighted average grade and tonnage based on the search methodology and is not reported within error or confidence limits - Inferred resources are considered lower confidence with higher margin of error than Indicated resources - The modelling was validated using visual comparison, declustered mean comparison, and swath plots and is considered to be representative of the input data - Bulk density relies on estimated recovery from the field which may introduce some error into the calculation - Assumption of lateral continuity/gradation of particle size may introduce error

10.

**Legal Opinion of
PRK Partners s.r.o**

10. Legal Opinion of PRK Partners s.r.o



PRK Partners s.r.o. attorneys at law
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tel.: +420 221 430 111, fax: +420 224 235 450

CONFIDENTIAL

TO: **EURO MANGANESE INC.**

Attn. to the Board of Directors and the Due Diligence Committee of the Board
1500-1040 West Georgia Street,
Vancouver
Canada BC V6E 4H8

Prague, 17 August 2018

RE: Legal opinion on matters related to EURO MANGANESE Inc.

Dear Sirs,

1. INTRODUCTION

- 1.1 We have been asked to opine on certain Czech law matters for the purposes of an initial public offering by EURO MANGANESE INC., a private company incorporated and existing under the laws of British Columbia, Canada, with its registered office at 1700, Park Place, 666 Burrard Street, Vancouver BC, Canada V6C 2X8, Incorporation No.: BC1019912, Business No.: 827214396BC0001, registered with the BC Registry Services (the "EMI") in relation to (i) a Czech limited liability company MANGAN Chvaletice, s.r.o., a company incorporated and existing under the laws of the Czech Republic, with its registered office at Znojemska 2716/78, 586 01 Jihlava, ID-no: 253 27 542, registered in the Commercial Register maintained by the Regional Court in Brno, file number C 25468 (the "MANGAN") and (ii) the Trnávka Exploration Area in Chvaletice, a deposit of manganese ore in the area of the Chvaletice tailing pond (the "CHVALETICE MANGANESE PROJECT").

2. SCOPE OF INQUIRY

- 2.1 This opinion is strictly limited to the specific topics expressly set out in section 5 below, and is not to be read as extending by implication to any other matter in connection with the below documents or otherwise.
- 2.2 This opinion is rendered as of the date hereof and we have no obligation to update this opinion if circumstances change in the future.

3. ASSUMPTIONS

- 3.1 As is the case of all legal opinions, memoranda and statements prepared by PRK Partners, this opinion is subject to certain standard assumptions and qualifications as listed in Schedule 1 hereto (the "ASSUMPTIONS").

4. DOCUMENTS

- 4.1 This opinion is solely based on documents listed in Schedule 2 hereto (the "DOCUMENTS").

10. Legal Opinion of PRK Partners s.r.o

- 4.2 Also, for the purpose of rendering this opinion, we have not examined any agreements or documents (even if related to the DOCUMENTS) other than the DOCUMENTS. We have not made any verification of factual matters in the course of our examination for purposes of rendering this opinion.

5. OPINION

- 5.1 We confirm, based on the DOCUMENTS, subject to the ASSUMPTIONS, the following:

5.1.1 **EMI is the sole shareholder of MANGAN and is recorded as the sole shareholder in the Czech Commercial Register maintained by the Regional Court in Brno under file no. C 25468;**

5.1.2 **MANGAN is duly registered limited liability company in good standing incorporated and existing under the laws of the Czech Republic;**

5.1.3 **MANGAN holds valid licences and/or permits for the following parts of the CHVALETICE MANGANESE PROJECT:**

- (a) **Exploration License Trnávka I - the respective exploration licence (No. 631/550/14-Hd) was issued by the Ministry of the Environment on 2 September 2014 in favour of G E T s.r.o. and subsequently transferred to MANGAN with effect from 28 January 2015 and valid until 30 September 2019 (the "Exploration License Trnávka I")¹.**

The area covered by the Exploration License Trnávka I is covered in the Preliminary Mining Permit (please see sec. 5.1.3(c) below) together with the area covered by the Exploration License Trnávka II (please see sec. 5.1.3(b) below).

- (b) **Exploration License Trnávka II - the respective exploration licence (No. MZP/2018/550/386-Hd) was issued by the Ministry of the Environment on 4 May 2018 in favour of MANGAN with effect from 23 May 2018, valid until 31 May 2023 (the "Exploration License Trnávka II")².**

The area covered by the Exploration License Trnávka II is covered by the Preliminary Mining Permit (please see sec. 5.1.3(c) below) together with the area covered by the Exploration License Trnávka I (please see sec. 5.1.3(a) above).

- (c) **Preliminary Mining Permit³ – the respective prior consent of the Ministry of Environment with the establishment of the Mining Lease District (No.**

¹ The Exploration License Trnávka I (in Czech: *rozhodnutí Ministerstva životního prostředí o stanovení průzkumného území Trnávka pro vyhledávání a průzkum výhradních ložisek manganové rudy*) means the decision of the Ministry of the Environment Ref. No. 631/550/14-Hd on determination of exploration area Trnávka and on granting the exploration licence to GET s.r.o.

² The Exploration License Trnávka II (in Czech: *rozhodnutí Ministerstva životního prostředí o stanovení průzkumného území Trnávka II pro vyhledávání vyhrazeného nerostu manganové rudy a průzkum případně zjištěných ložisek tohoto vyhrazeného nerostu*) means the decision of the Ministry of the Environment Ref. No. MZP/2018/550/386-Hd on determination of exploration area Trnávka II and on granting the exploration licence to MANGAN.

³ The Preliminary Mining Permit (in Czech: *předchozí souhlas k podání návrhu na stanovení dobývacího prostoru Trnávka pro dobývání ložisek manganové rudy Chvaletice*) is formed by a decision – prior consent of the Ministry of Environment of the Czech Republic for the establishment of the Mining Lease District, i.e. prerequisite for MANGAN's application for establishment of the Mining Lease District.

10. Legal Opinion of PRK Partners s.r.o

MZP/2018/550/387-Hd) was issued on 17 April 2018 with effect from 28 April 2018 (the "Preliminary Mining Permit").

The Preliminary Mining Permit is valid until 30 April 2023, and covers the areas covered by the Exploration License Trnávka I and the Exploration License Trnávka II.

The Preliminary Mining Permit forms one of the prerequisites for application for establishment of the Mining Lease District, i.e. based on the Preliminary Mining Permit and other documents (incl. EIA, which may be prepared only after the Preliminary Mining Permit was issued) required by Czech legislation, MANGAN may apply for establishment of the Mining Lease District (covering the area which is subject to Exploration License Trnávka I and Exploration License Trnávka II) until 30 April 2023 and thus practically convert the Preliminary Mining Permit into the Mining Lease District and consequently Final Mining Permit, subject to compliance with all terms of the applicable laws and regulations of the Czech Republic.

- 5.1.4 The Final Report on Geological Works carried out by MANGAN related to the CHVALETICE MANGANESE PROJECT was recommended for approval by the Commission for Projects and Final Reports, and was approved by the Ministry of Environment on 8 December 2017. Based on this approval, the deposit's resource estimate filed by MANGAN was incorporated in the Czech Republic's State Balance and MANGAN was entrusted with protection of the deposit.

6. DISCLOSURE

- 6.1 This opinion is given for the benefit of EMI and the directors of EMI in connection with the initial public offering of EMI and may be published in the corresponding prospectus in Canada and Australia but is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.
- 6.2 This opinion is issued under and subject to Czech law.

* * *

Kind regards

PRK Partners s.r.o. attorneys at law



Attachments:

- 1) ASSUMPTIONS
- 2) List of DOCUMENTS

10. Legal Opinion of PRK Partners s.r.o

SCHEDULE 1 ASSUMPTIONS AND QUALIFICATIONS

Any legal opinion, memorandum or other communication (the "**memorandum**") prepared by any entity of PRK Partners (each such entity hereinafter "**PRK Partners**") is, unless the memorandum expressly provides otherwise, based on the following assumptions and is subject to the following qualifications. Please note that we accept no liability for any matters addressed in the assumptions and qualifications.

1. Limitations of review by PRK Partners

The scope of review by PRK Partners of any documents or information is limited to the documents and information specifically referred to in the memorandum, and such documents and information are reviewed exclusively within the scope described in the memorandum. No memorandum may, therefore, be relied upon as being the outcome of a comprehensive investigation of such documents and information or a review that extends beyond the scope described in the memorandum.

We accept no responsibility to update the memorandum to reflect events or circumstances occurring after the date thereof.

2. Sources of information

In preparing the memorandum, we assume:

- that copies of all documents presented are consistent with their originals and that the documents may not represent all the documents that ought to have been supplied to us for the purpose of our review and/or may not contain all relevant information;
- that no changes have arisen to the presented documents or data included therein up to the moment the memorandum was issued to the client;
- that each document provided to us is in full force and effect and, except where expressly brought to our attention, has not been terminated or amended;
- that the information provided by our clients or by third parties are accurate, true, up-to-date and not misleading; such information has been verified only to the extent expressly mentioned in the memorandum;
- the validity, correctness and enforceability of any public documents, including excerpts from public registers, register of pledges and public lists, and that any information included in those public documents is up-to-date, factually correct and complete;
- that the signatures on all of the presented documents are genuine and that the respective persons who executed documents were duly authorized to sign them having obtained all necessary corporate and other required consents, including spousal consents;
- the validity and effectiveness, and adherence to the terms and conditions, of any powers of attorney granted for the purposes of signing those documents;
- the legal capacity and absence of mental disorder of all natural persons as of the moment of signing the respective documents and that they have signed the respective documents honestly, in *bona fide* and based on their free and earnest will; and
- the accuracy of information available over the Internet and published by public authorities on their websites (including, without limitation, information from public registers, register of pledges and public lists) even though such information may be susceptible to data corruption or interception due to unlawful interference or computer viruses, and providers of such information generally disclaim liability for its accuracy.

Further, please note that:

- if the majority of the background documents provided is in a different language than that of the memorandum, there are always irreconcilable differences between languages making it impossible to guarantee a completely accurate translation or interpretation. In particular, there are legal concepts

10. Legal Opinion of PRK Partners s.r.o

which exist in one jurisdiction and not in another, and in those cases it is difficult to provide an entirely satisfactory translation.

- unless expressly required otherwise, we reviewed those public records we believed would be instrumental for our understanding of the documents and/or the matter, even though such a review falls beyond the scope of our task.
- unless expressly required, our searches exclude searches of public records with respect to restitution claims.

3. Validity and enforceability of documents

We comment on the validity of contracts and other documents based only on the text of those documents and, if applicable, the texts of other documents referred to in the memorandum. The addressee of our memorandum must be aware that contracts or other documents may also be invalid, ineffective or putative, and obligations arising thereunder may be unenforceable, for reasons other than those reviewed by us, including, without limitation:

- lack of authorization or will of the individuals signing such documents;
- apparent contradiction with good morals, violation of law or serious disruption of public order;
- in the event of a legal act without consideration;
- the real purpose of formally law-compliant actions or real intent of the parties;
- due to the application of insolvency law, relevant laws regulating liquidation and the enforcement of court decisions and other laws that restricts creditors' rights generally (including setoffs and statute-barred limitations) and criminal law; or
- failure to observe other, most typically public law, requirements.

By issuing a memorandum, we do not confirm the enforceability of obligations under any contracts or other documents referred to therein.

4. Applicable law: Excluded matters

Our memoranda deal exclusively with matters of law applicable in the country where the entity of PRK Partners issuing the memorandum is incorporated. If we procure advice on the laws of any other jurisdiction, we are liable only for the standard of care in selecting the relevant local counsels in the respective jurisdiction, but we assume no liability for the correctness or completeness of that counsel's advice. Moreover, we have not made any assessment of the possible commercial or financial consequences of any particular document provided, unless expressly required.

We furthermore accept no liability for any of the following matters which may be relevant but which are outside the scope of PRK Partners' review:

- accounting and tax matters (unless the provision of tax advice has expressly been agreed);
- budgets, forecast assessments, valuations;
- adequacy of insurance coverage and other financial schemes, commercial targets of transactions conducted based on the documents referred to in a memorandum;
- factual environmental matters and other areas where special non-legal expertise is required; and
- confirming that all official (public) documents were issued within the statutory deadlines and in accordance with all other legal requirements.

5. Important notice

The current wording of the Constitution of the Czech Republic guarantees independence of judiciary and judges in their decision-making. In making their rulings, judges are only bound by the statutes and international treaties

10. Legal Opinion of PRK Partners s.r.o

which form a part of the legal order. In our view, legal regulations are often ambiguous and might thus become mutually contradictory. In addition, as a result of an extensive re-codification of the Czech private law (with effect from 1 January 2014), plenty of new rules and regulations have been introduced which frequently do not follow the previous legal status. The interpretation of many of these rules and regulations is ambiguous, and the application practice of courts is still rudimentary for now. In the given situation we cannot exclude that as doctrine and the decision-making practice of courts develops, it will result in different conclusions than those supported by us in our statement.

Our liability related to any memorandum is limited to the amount which would be paid out in the relevant case under the professional indemnity insurance policy maintained by PRK Partners.

10. Legal Opinion of PRK Partners s.r.o

SCHEDULE 2
LIST OF DOCUMENTS

No.	DOCUMENT	LANGUAGE	VERSION	DATE
1)	Excerpt from Czech Commercial Register with respect to MANGAN confirming its existence and EMI's 100% ownership of MANGAN	CZ	original	27 April 2017
2)	Excerpt from the Czech Insolvency Register confirming no registration of MANGAN	CZ	original	27 April 2017
3)	Notarial Deed No. NZ 211/2016 N, 244/2016 confirming approval of MANGAN's general meeting of 100% acquisition of MANGAN by EMI	CZ	original	13 May 2016
4)	Share Transfer Agreement between GEOMIN s.r.o. and EMI	CZ	original	13 May 2016
5)	Share Transfer Agreement between Orex Consultants s.r.o. and EMI	CZ	original	13 May 2016
6)	Share Transfer Agreement between G E T s.r.o. and EMI	CZ	original	13 May 2016
7)	Decision of the Ministry of the Environment Ref. No. 631/550/14-Hd on determination of exploration area Trnavka and on granting the exploration licence to GET s.r.o.	CZ	authorized copy	2 September 2014 effective date: 25 September 2014
8)	Decision of the Ministry of the Environment Ref. No. 1755/550/14-Hd on approval of transfer of the exploration area Trnavka (including the exploration licence) from GET s.r.o. to MANGAN	CZ	authorized copy	2 January 2015 effective date: 28 January 2015
9)	Report "Legislative aspects related to the granting of a permit for the mining and treatment of manganese ore" prepared by GET s.r.o.	ENG	copy	April 2015
10)	Report "The environmental and social conditions in the territory conflicts of interest in regard to environmental protection – interim report" prepared by GET s.r.o.	ENG	copy	April 2015
11)	Minutes from the meeting of the Commission for Projects and Final Reports (Ministry of Environment)	CZ	copy	8 December 2017
12)	Decision of the Ministry of the Environment Ref. No. MZP/2018/550/387-Hd on granting of the prior consent to establish Mining Lease District	CZ	copy	28 April 2018
13)	Decision of the Ministry of the Environment Ref. No. MZP/2018/550/386-Hd on determination of exploration area Trnavka II and on granting the exploration licence to MANGAN	CZ	copy	4 May 2018

11.

Glossary

11. Glossary

TERM	MEANING
Applicant	A person who submits an Application under this Prospectus.
Application	An application for CDIs under this Prospectus.
Application Form	The relevant form attached to or accompanying this Prospectus including the online application form available at https://euromanganeseeoffer.thereachagency.com , pursuant to which applicants apply for CDIs.
Application Monies	The amount accompanying an Application Form submitted by an applicant.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange, as operated by ASX Limited (ACN 008 624 691).
ASX Recommendations	The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2014 Amendments (third edition).
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532).
ASX Settlement Operating Rules	The operating rules of ASX Settlement and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ACN 001 314 503).
ATO	Australian Taxation Office.
AUD, A\$ or Australian Dollar	The lawful currency of the Commonwealth of Australia.
Australian Offering	The invitation under this Prospectus to apply for a minimum of 20 million CDIs with a right to accept oversubscriptions of 14 million CDIs to be issued by the Company at the Offering Price to raise not less than A\$5.2 million (equivalent to \$5 million at the AUD:CAD Exchange Rate) and not more than A\$8.8 million (equivalent to \$8.5 million at the AUD:CAD Exchange Rate) and includes the General Public Offer, the Institutional Australian Offer and the Broker Firm Australian Offer.
Australian Offering Period	The period between 5 September 2018 and 18 September 2018.
Articles	The articles of association of the Company as amended from time to time.
BCBCA	The Business Corporations Act (British Columbia).
Board or Board of Directors	The board of Directors of the Company.
Broker	Any ASX participating organisation selected by the Lead Manager to participate in the Broker Firm Australian Offer.
Broker Firm Australian Offer	The invitation to apply for CDIs under this Prospectus to Australian resident borrowers of Brokers who have received an invitation to participate from their Broker.

11. Glossary

TERM	MEANING
Business Day	Means a day on which (a) ASX is open for trading in securities and (b) banks are open for general banking business in Sydney.
CAD, CAD\$, C\$, \$ or Canadian Dollar	The lawful currency of Canada.
Canadian Prospectus	The document titled <i>'Amended and Restated Preliminary Prospectus (amending and restating the preliminary prospectus dated March 29, 2018)'</i> dated 26 June 2018 as set out in Annexure A.
CEO	Chief Executive Officer.
CDIs	CHES Depository Interest.
CFO	Chief Financial Officer.
CGT	Capital gains tax.
Czech Koruna	The lawful currency of the Czech Republic.
CHES	Clearing House Electronic Sub-register System operated in accordance with the Corporations Act.
Chvaletice Manganese Project or Project	The Company's manganese tailings re-processing facility in the Czech Republic.
Chvaletice Technical Report	The independent NI 43-101 technical report with an effective date of April 27, 2018 (released June 21, 2018) entitled "Technical Report on Mineral Resource Estimation for the Chvaletice Manganese Project Chvaletice, Czech Republic" prepared by Mr. James Barr, P. Geo, and Mr. Jianhui (John) Huang, Ph.D., P. Eng.
Closing Date	The date on which the Australian Offering is expected to close being 18 September 2018.
Company or Euro Manganese	Euro Manganese Inc.
Company Secretary	The company secretary of the Company from time to time.
Completion or Completion of the Australian Offering	Completion in respect of the issuance of CDIs under the Australian Offering in accordance with the Offer Management Agreement.
Canadian Securities Laws	The securities legislation or ordinance and regulations thereunder of each province of Canada and the rules, instruments, policies and orders of each Canadian securities regulator made thereunder.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Corporations Regulations	<i>Corporations Regulations 2001</i> (Cth).

11. Glossary

TERM	MEANING
Director	Each of the directors of the Company from time to time.
Environmental Impact Assessment	The assessment of the environmental consequences of a plan, policy, program, or actual project prior to the decision to move forward with the proposed project.
Escrowed CDIs	Certain of the CDIs to be escrowed during the Escrow Period.
Expiry Date	22 September 2019, being the date which is 13 months after the Prospectus Date, after which no CDIs will be issued under this Prospectus.
Exposure Period	The period specified in section 727(3) of the Corporations Act, being a minimum of seven days from the Prospectus Date, during which an application must not be accepted. ASIC may extend this period by a further seven days after the end of this period.
Financial Information	The financial information referred to in section 4.
FX	Foreign exchange.
General Public Offer	The offer to Retail Investors in Australia and Institutional Investors in Australia, Hong Kong, Singapore and the United Kingdom under this Prospectus as described in section 7.3.
GST	Goods and services or similar tax imposed in Australia.
HIN	Holder Identification Number.
HPERM	High-purity electronic manganese metal.
HPMSM	High-purity manganese sulphate.
Institutional Investor	An investor who is: a) a person in Australia who is a sophisticated investor or professional investor under sections 708(8) and 708(11) of the Corporations Act; and b) an institutional investor in certain other jurisdictions, as agreed between the Company and the Lead Manager, to whom offers of CDIs may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing, registration or qualification with, or approval by, any governmental agency (except one with which the Company is willing, in its absolute discretion, to comply).
Institutional Australian Offer	The invitation to bid for CDIs made to Institutional Investors in Australia, Hong Kong, Singapore and the United Kingdom to acquire CDIs under this Prospectus as described in section 7.4.
Investigating Accountant's Report	The Investigating Accountant's Report set out in section 8.
JORC Code	2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code, 2012 Edition).

11. Glossary

TERM	MEANING
Lead Manager	Canaccord Genuity (Australia) Limited.
Lead Manager Fee	Has the meaning given in section 9.11.
Listing	The date on which the Company is admitted to the Official List.
Listing Rules	The official listing rules of ASX.
Management	Euro Manganese's management team, led by Marco Romero (CEO).
Mangan	Mangan Chvaletice s.r.o.
Mining Lease District	The granting by the Czech Ministry of the Environment to the organization that carried out or invested in exploration work on the deposit a preferential claim in regard to the areas covered under the organization's exploration licences for the purpose of carrying out mining activities.
n.a.	Not applicable.
Offering Price	Is the price payable for a CDI under the Australian Offering, being A\$0.26 per CDI (equivalent to \$0.25 at the AUD:CAD Exchange Rate).
Offer Document	The following documents issued or published by, or on behalf of, and with the authorisation of, the Company in respect of the Australian Offering: a.) the Prospectus; b.) any Application Form, confirmation of allocation and registration details form and bookbuild confirmation letter under the Broker Firm Australian Offer or Institutional Australian Offer; and c.) institutional marketing materials.
Offer Management Agreement	The document titled ' <i>Offer management agreement</i> ' between the Company and the Lead Manager dated 22 August 2018.
Official List	The official list of ASX.
Option	An option to acquire a Share pursuant to the Stock Option Plan.
Prospectus	This document (including the electronic form of this document) and any supplementary or replacement prospectus in relation to this document.
Prospectus Date	The date on which a copy of this Prospectus was lodged with ASIC, being 4 September 2018.
Regulation S	Regulation S promulgated under the Securities Act.
Related body corporate	Has the meaning given in the Corporations Act.
Retail Investor	An investor who is not an Institutional Investor.

11. Glossary

TERM	MEANING
Settlement	Settlement in respect of the CDIs the subject of the Australian Offering occurring as described in the Offer Management Agreement.
Share Registry	Computershare Investor Services Pty Limited in Australia and Computershare Investor Service Inc. in Canada.
Shareholder	The registered holder of a CDI.
Share	A fully paid ordinary share in the Company.
SRN	Securityholder reference number.
Stock Option Plan	The stock option plan of the Company.
Subsidiary	Has the meaning given in the Corporations Act.
Sydney Time	The time in Sydney, Australia.
US	The United States of America.
USD, US\$ or U.S. Dollar	The lawful currency of the United States of America.
U.S. Securities Act	United States Securities Act of 1933, as amended.
Warrant	An irrevocable, non-transferable option granted by the Company to purchase Shares or CDIs of the Company, at a pre-determined price, at any time on or before the warrant's expiry date.



Annexure A – Canadian Prospectus

A. Annexure A – Canadian Prospectus

A copy of this amended and restated preliminary prospectus has been filed with the securities regulatory authorities in each of the Provinces of British Columbia, Alberta and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this amended and restated preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of securities only in those jurisdictions where such securities may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States except in transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See “Plan of Distribution”.

AMENDED AND RESTATED PRELIMINARY PROSPECTUS (amending and restating the preliminary prospectus dated March 29, 2018)

Initial Public Offering

June 26, 2018



\$1,500,000 or 6,000,000 Common Shares

Euro Manganese Inc. (the “**Company**” or “**Euro Manganese**”) is a mineral exploration company whose principal business, and current sole focus, is the evaluation and development of the Chvaletice manganese project (the “**Chvaletice Manganese Project**”), which involves the re-processing of a manganese deposit hosted in historic mine tailings located in the Czech Republic, for the production of high-purity manganese products for producers of lithium-ion battery precursor materials, as well as producers of specialty steel and aluminum alloys.

This prospectus qualifies the distribution (the “**Offering**”) of 6,000,000 common shares of the Company (each, a “**Share**”) at a price of \$0.25 per Share (the “**Offering Price**”) for total gross proceeds of \$1,500,000. The Offering Price was determined by negotiation between the Company and Canaccord Genuity Corp. (the “**Agent**”).

Concurrent with the completion of the Offering, the Company intends on completing a public offering of not less than \$5,000,000 in Australia by way of issuing 20,000,000 CHESS Depository Interests (each, a “**CDI**” and each CDI representing one fully paid Share) at the same Offering Price as under the Offering (the “**Australian Offering**”). The Company will also be seeking a listing of the CDIs on the Australian Securities Exchange (the “**ASX**”). Canaccord Genuity (Australia) Limited (the “**Australian Agent**”) will act as lead agent for the Australian Offering. Fees payable to the Australian Agent in connection with the Australian Offering include the Australian Agent’s Fee of 6% of the aggregate gross proceeds of the Australian Offering, payable in CDIs in respect of fully paid Shares, and warrants entitling the Australian Agent to purchase 10% of the CDIs issued in respect of fully paid Shares at an exercise price equal to 150% of the Offering Price for a period of 36 months from the date of issue (the “**Australian Agent’s Warrants**”).

The completion of the Offering is conditional upon the completion of the Australian Offering and the completion of the Australian Offering is conditional upon the completion of the Offering.

See “*Plan of Distribution*”.

Price: \$0.25 per Share

A. Annexure A – Canadian Prospectus

	<u>Price to the Public</u>	<u>Agent's Fee⁽¹⁾</u>	<u>Net Proceeds to the Company⁽²⁾</u>
Per Share	\$0.25	\$0.00	\$0.25

Notes:

1. In consideration of the services provided by the Agent in connection with the Offering, the Company has agreed to pay the Agent a cash fee of \$70,000 (the "**Corporate Finance Fee**"), plus applicable taxes.
2. Before deducting the expenses of the Offering and the Australian Offering that are estimated to be approximately \$780,000. The expenses of the Offering will be paid by the Company from the proceeds of the Offering and the Australian Offering. See "*Plan of Distribution*".

The Offering is not underwritten or guaranteed by any person or agent. The Agent has agreed to offer the Shares on a commercially reasonable efforts basis. The Agent conditionally offers the Shares, if, as and when issued, sold and delivered by the Company in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*", subject to approval of certain legal matters relating to the Offering, on behalf of the Company by Stikeman Elliott LLP, and on behalf of the Agent by Bennett Jones LLP. See "*Plan of Distribution*".

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "*Risk Factors*".

The Company has applied to list the Shares on the TSX Venture Exchange (the "TSXV"). Listing will be subject to the Company fulfilling all the initial listing requirements of the TSXV, including distribution of the Shares to a minimum number of public holders. The Company has also applied to list the CDI's on the ASX. Listing will be subject to the Company fulfilling all the initial listing requirements of the ASX. See "*Plan of Distribution*".

An investment in the Shares is speculative and is subject to numerous risks that should be considered by a prospective purchaser. Prospective purchasers should carefully consider the risk factors described under "*Risk Factors*" before purchasing the Shares.

The Offering is subject to the receipt by the Agent of subscriptions in the amount of \$1,500,000. Subscriptions for Shares will be received subject to rejection or allotment in whole or in part. It is expected that a book-entry only certificate representing the Shares sold pursuant to the Offering will be issued in registered form to CDS Clearing and Depository Services Inc. ("**CDS**"), or its nominee, and will be deposited with CDS at each closing of the Offering (each a "**Closing**"), for which the initial Closing is expected to occur on or about ●, 2018 (the "**Closing Date**"), but in any case no later than 90 days after the date hereof. Other than Shares sold in the United States, which may be represented by individual certificates, a purchaser of Shares comprising the Offering will receive only a customer confirmation from the registered dealer which is a CDS participant and from or through which the Shares are purchased. See "*Plan of Distribution*".

All subscription funds received by the Agent will be held in trust by the Agent pending closing of the Offering. If the subscriptions amounting to \$1,500,000 have not been received within 90 days of the issuance of a receipt for this prospectus, or if a receipt has been issued for an amendment to the final prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of receipt for the final prospectus, the distribution will cease, and the Agent shall promptly return the proceeds of subscriptions to the subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

Certain of the Company's directors and officers reside outside of Canada. The persons named below have appointed the following agent for service of process:

Name

Daniel Rosický
Jan Votava
Gregory Martyr

Name and Address of Agent

152928 Canada Inc.
c/o Stikeman Elliott LLP
Suite 1700, 666 Burrard Street
Vancouver, BC V6C 2X8

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or that resides outside of Canada, even if the party has appointed an agent for service of process.

Certain legal matters relating to the securities offered hereby will be passed upon by Stikeman Elliott LLP, on behalf of the Company and by Bennett Jones LLP on behalf of the Agent. No person is authorized by the Company to provide any information

A. Annexure A – Canadian Prospectus

or make any representations other than those contained in this Prospectus in connection with the issue and sale of the securities offered hereunder.

The Company's head office is located at 1500 - 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H8 and its registered and records office is located at Suite 1700 - 666 Burrard Street, Vancouver, British Columbia V6C 2X8.

Prospective investors in the Shares should rely only on the information contained in this Prospectus. Neither the Company nor the Agent has authorized anyone to provide investors with any different or additional information. If anyone provides prospective purchasers with any additional or different or inconsistent information, including information or statements in media articles about the Company, prospective purchasers are warned not to rely on it. Neither the Company nor the Agent is offering to sell the Shares in any jurisdiction where the offer or sale is not permitted. Prospective purchasers should not assume that the information contained in this Prospectus is accurate as of any date other than the date of this Prospectus, or where information is stated to be as of a date other than the date of this Prospectus, such other applicable date. Subject to the Company's obligations under applicable securities laws, the information contained in this Prospectus is accurate only as of the date of this Prospectus regardless of the time of delivery of this Prospectus or of any sale of the Shares.

Agent:

**Canaccord Genuity Corp.
Suite 3000 - 161 Bay Street
Toronto, Ontario M5J 2S1**

A. Annexure A – Canadian Prospectus

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A. Annexure A – Canadian Prospectus

GLOSSARY

In this Prospectus, unless otherwise indicated or the context otherwise requires, the following terms shall have the indicated meanings. Words importing the singular include the plural and vice versa and words importing a gender include any genders. A reference to an agreement means the agreement as it may be amended, supplemented or restated from time to time. Technical terms used in this Prospectus but not hereinafter defined have the meaning ascribed to such terms in NI 43-101.

“**affiliate**” or “**associate**” has the meaning ascribed thereto in the *Securities Act* (British Columbia), as amended from time to time;

“**Agency Agreement**” means the agency agreement dated ●, 2018, between the Company and the Agent with respect to the Offering;

“**Agent**” means Canaccord Genuity Corp.;

“**ASX**” means the Australian Securities Exchange;

“**Audit Committee**” has the meaning ascribed to it under “*Audit Committee*”;

“**Australian Agent**” means Canaccord Genuity (Australia) Limited;

“**Australian Agent’s Fee**” means a fee of 6% of the aggregate gross proceeds of the Australian Offering payable in CDI’s in respect of fully paid Shares to the Australian Agent;

“**Australian Agent’s Warrant Shares**” means CDI’s in respect of fully paid Shares issuable to the Australian Agent upon the exercise of the Australian Agent’s Warrants;

“**Australian Agent’s Warrants**” means warrants entitling the Australian Agent to purchase 10% of the number of CDIs issued in respect of fully paid Shares pursuant to the Australian Offering at an exercise price equal to 150% of the Offering Price for a period of 36 months from the date of issue;

“**Australian Offering**” means the public offering, concurrent with the Offering, of CDIs in Australia for gross proceeds of no less than \$5,000,000;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended from time to time, including the regulations promulgated thereunder;

“**Board**” means the board of directors of the Company;

“**Board Mandate**” means the Board’s written mandate;

“**business day**” means a day other than a Saturday, Sunday or a day on which the principal chartered banks located at Vancouver, British Columbia are not open for business;

“**Canadian Securities Laws**” means the securities legislation or ordinance and regulations thereunder of each province of Canada and the rules, instruments, policies and orders of each Canadian securities regulator made thereunder;

“**CDI**” means CHESS Depository Interest;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**CEO**” means the chief executive officer of the Company;

“**CFO**” means the chief financial officer of the Company;

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“**Chvaletice Manganese Project**” means the Company’s manganese tailings re-processing facility in the Czech Republic;

“**Chvaletice Technical Report**” means the independent NI 43-101 technical report with an effective date of April 27, 2018 (released June 21, 2018) entitled “Technical Report on Mineral Resource Estimation for the Chvaletice Manganese Project Chvaletice, Czech Republic” prepared by Mr. James Barr, P. Geo, and Mr. Jianhui (John) Huang, Ph.D., P. Eng.;

“**Closing**” means the closing of the Offering;

“**Closing Date**” means the date of the Closing, for which the initial Closing is expected to be on or about ●, 2018, but in any case no later than ●, 2018;

“**Company**” means Euro Manganese Inc.;

“**Company Executives**” mean the current executive officers of the Company;

“**Corporate Finance Fee**” means the cash fee of \$70,000 paid to the Agent in connection with the Offering;

“**diluted basis**” means the number of Shares outstanding assuming the exercise of all outstanding Options and other rights to acquire Shares;

“**Disclosure Policy**” has the meaning ascribed to it under “*Ethical Business Conduct*”;

“**Escrow Agent**” means Computershare Investor Services Inc.;

“**Escrow Agreement**” means the escrow agreement dated the Listing Date among the Company, the Escrow Agent and the holders of the Escrowed Securities;

“**Escrowed Securities**” has the meaning ascribed to it under “*Escrowed Securities - NP 46-201 Escrow*”;

“**Fiscal 2016**” means the year ended September 30, 2016;

“**Fiscal 2017**” means the year ended September 30, 2017;

“**forward-looking statements**” has the meaning set out under “Forward-Looking Statements” on page 7;

“**Governance, Compensation, Nominating and Sustainability Committee**” means the Corporate Governance, Compensation, Nominating and Sustainability Committee of the Board which, among other things, administers the Company’s executive compensation program;

“**HPERM**” means high-purity electrolytic manganese metal, a form of highly-refined manganese metal, which can be used to produce certain specialty steel and aluminum alloys, as well as HPMSM;

“**HPMSM**” means high-purity manganese sulfate monohydrate, a form of highly-refined manganese salt, which is a major ingredient in certain common types of lithium-ion batteries;

“**IASB**” means International Accounting Standards Board;

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board, as adopted by the Canadian Accounting Standards Board;

“**Indemnified Parties**” means the Agent and its affiliates, directors, officers, employees and partners;

“**Insider**” has the meaning ascribed to it in the *Securities Act* (British Columbia) and includes an associate, as defined in the *Securities Act* (British Columbia);

“**Insider Trading Policy**” has the meaning ascribed to it under “*Ethical Business Conduct*”;

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“**Listing Date**” means the day the Shares are accepted for listing on the TSXV;

“**Lock-Up Period**” means 120 days from the Closing Date;

“**Management**” means, collectively, the executive officers of the Company;

“**Mangan**” means Mangan Chvaletice s.r.o.;

“**MD&A**” means management’s discussion and analysis;

“**Named Executive Officers**” or “**NEOs**” means the CEO, CFO, and the three most highly compensated executive officers whose total compensation exceeded \$150,000 per annum in the relevant fiscal year;

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

“**NI 45-102**” means National Instrument 45-102 – *Resale of Securities*;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*;

“**NI 58-101**” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;

“**NP 46-201**” means National Policy 46-201 – *Escrow for Initial Public Offerings*;

“**NP 58-201**” means National Policy 58-201 – *Corporate Governance Guidelines*;

“**Offering**” means the distribution of Shares of the Company at the Offering Price which will be completed pursuant to this Prospectus;

“**Offering Price**” means \$0.25;

“**Option**” means an option to acquire a Share granted pursuant to the Stock Option Plan;

“**Participants**” means the persons eligible to participate under the Stock Option Plan, being the directors, officers, employees of, and consultants to, the Company or its subsidiaries;

“**Person**” means any individual, partnership, association, body corporate, trust, trustee, executor, administrator, legal representative, government, regulatory authority or other entity;

“**Prospectus**” means this amended and restated preliminary prospectus dated June 26, 2018, amending and restating the preliminary prospectus dated March 29, 2018;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Share-based Award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, Shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock;

“**Share Split**” means the subdivision of Shares on a one-for-five basis, as approved at the annual general meeting of the Company on March 20, 2018;

“**Shareholder**” means a holder of Shares;

“**Shares**” means the common shares in the capital of the Company;

“**Stock Option Plan**” means the stock option plan of the Company;

“**Tax Act**” means the *Income Tax Act* (Canada) as amended from time to time, including the regulations promulgated thereunder;

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“**TSXV**” means the TSX Venture Exchange;

“**United States**” and “**U.S.**” mean the United States of America, its territories and possessions, including the District of Columbia; and

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended from time to time.

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NOTICE TO INVESTORS

General

Certain technical terms used throughout this Prospectus are defined under the heading titled “*Glossary*”. Any statements in this Prospectus made by or on behalf of Management are made in such persons’ capacities as officers of the Company and not in their personal capacities.

Prospective investors in the Shares should rely only on the information contained in this Prospectus and are not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. Neither the Company nor the Agent has authorized anyone to provide investors with any different or additional information. If anyone provides prospective purchasers with any additional or different or inconsistent information, including information or statements in media articles about the Company, prospective purchasers are warned not to rely on it. Neither the Company nor the Agent is offering to sell the Shares in any jurisdiction where the offer or sale is not permitted. Prospective purchasers should not assume that the information contained in this Prospectus is accurate as of any date other than the date of this Prospectus, or where information is stated to be as of a date other than the date of this Prospectus, such other applicable date. Subject to the Company’s obligations under applicable securities laws, the information contained in this Prospectus is accurate only as of the date of this Prospectus regardless of the time of delivery of this Prospectus or of any sale of the Shares.

Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in the Shares.

Information contained on Euro Manganese’s website, www.mn25.ca, is not part of this Prospectus and is not incorporated herein by reference and may not be relied upon by prospective purchasers for the purpose of determining whether to invest in the Shares.

For investors outside Canada, neither the Company nor the Agent has done anything that would permit the Offering, or possession or distribution of this Prospectus, in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about and to observe any restrictions relating to the Offering and the distribution of this Prospectus. Investors purchasing CDI’s pursuant to the Australian Offering should not rely on this Prospectus.

Investors are urged to read the information under the headings “*Risk Factors*” and “*Forward-Looking Statements*” appearing elsewhere in this Prospectus.

Conventions

Words importing the singular number include the plural and vice versa, and words importing a gender include both genders.

Certain terms used in this Prospectus are defined under the heading titled “*Glossary*”.

Forward-Looking Statements

Certain statements contained in this Prospectus constitute forward-looking statements and forward-looking information (collectively, “**forward-looking statements**”). Such forward-looking statements relate to possible events, conditions or financial performance of the Company based on future economic conditions and courses of action. All statements other than statements of historical fact are forward-looking statements. The use of any words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe”, “will likely result”, “are expected to”, “will continue”, “is anticipated”, “believes”, “estimated”, “intends”, “plans”, “projection”, “outlook” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes there is a reasonable basis for the expectations reflected in the forward-looking statements, however no assurance can be given that these expectations will prove to be correct and the forward-looking statements included in this Prospectus should not be unduly relied

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upon by investors. The forward-looking statements speak only as of the date of this Prospectus and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this Prospectus contains forward-looking statements pertaining to the following:

- the Offering Price and the completion, size and timing of the Offering;
- the listing of the Shares on the TSXV;
- the completion, size and timing of the Australian Offering;
- the listing of the CDIs on the ASX;
- the use of proceeds of the Offering and the Australian Offering;
- the amount of compensation to be paid/granted to the directors and officers of the Company;
- completion of exploration work programs on the Company's mineral projects;
- capital and general expenditures;
- the Company's treatment under regulatory regimes and tax laws; and
- expected levels of operating costs, general administrative costs, costs of services and other costs and expenses.

With respect to forward-looking statements contained in this Prospectus, the Company has made assumptions regarding, among other things:

- listing of the Shares and the CDIs on the TSXV and the ASX, respectively;
- completion of the Offering and the Australian Offering, respectively;
- the potential markets for the manganese products the Company is seeking to produce;
- costs to be incurred by the Company;
- foreign exchange rates;
- the Company's ability to operate efficiently and to maintain stable operating costs; and
- the completion of the Offering.

The Company's actual results could differ materially from those anticipated in the forward-looking statements as a result of the risk factors set forth below and elsewhere in this Prospectus:

- liabilities inherent in the Company's operations;
- uncertainties associated with mineral exploration;
- uncertainties associated with securing environmental and operating permits;
- competition for, among other things, capital, equipment and skilled personnel;
- weather and working conditions;
- security breaches;
- foreign exchange;
- global economic uncertainty;
- country risks;
- legal regulations involving the settlement of funds;
- absence of operating history as a public company;
- natural disasters and accidents;
- requirement for and/or failure to achieve additional financings;
- fluctuations in metal prices, interest rates and equity and debt capital market volatility; and
- the other factors referred to under "*Risk Factors*".

Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive.

The forward-looking statements included in this Prospectus are expressly qualified by this cautionary statement and are made as of the date of this Prospectus. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities laws. Subscribers should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in the Shares.

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Currency

In this Prospectus, unless otherwise indicated, all “dollar” amounts or references to “\$” refer to Canadian dollars. References to “USD\$” are to United States dollars, references to “CZK\$” are to Czech Koruna, and references to “€” are to Euros.

On June 25, 2018, the rate of exchange posted by the Bank of Canada for conversion of one Canadian dollar into United States dollars was \$1.00 equals USD\$0.7517.

On June 25, 2018, the rate of exchange posted by the Czech National Bank for conversion of one Canadian dollar into Czech Korunas was \$1.00 equals CZK\$16.691.

On June 25, 2018, the rate of exchange posted by the Bank of Canada for conversion of one Canadian dollar into European Euros was \$1.00 equals €0.6428.

Marketing Materials

Any “template version” of any “marketing materials” (as such terms are defined under applicable Canadian Securities Laws) that are utilized by the Agent in connection with the Offering are not part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus. Any template version of any marketing materials that has been, or will be, filed under the Company’s profile on www.sedar.com before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into this Prospectus.

Enforcement of Judgements

The majority of the Company’s operations and assets are located outside of Canada and certain of its directors reside outside of Canada. Although the directors who reside outside of Canada have appointed 152928 Canada Inc. c/o Stikeman Elliott LLP, at Suite 1700 – 666 Burrard Street, Vancouver, British Columbia V6C 2X8, as their agent for service of process in Canada, it may not be possible for investors to enforce against such persons judgements obtained in Canadian courts, including those predicated on the civil liability provisions of applicable securities laws in Canada.

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SUMMARY

The following is a summary of the principal features of the Company and the Offering and should be read together with the more detailed information and financial data and statements appearing elsewhere in this Prospectus. Purchasers should carefully consider, among other things, the matters discussed under “Risk Factors”. Reference is made to the “Glossary” for the meaning of certain defined terms and abbreviations.

The Company

The Company was incorporated under the BCBCA on November 24, 2014 under the name “Euro Manganese Inc.” and the Company’s head office and registered and records office are located in Vancouver, British Columbia.

The Company is not a reporting issuer in any jurisdiction and the Shares are not listed or posted for trading on any stock exchange. The Company has applied to list its Shares on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

Concurrent with the completion of the Offering, the Company intends on completing a public offering of CDIs in Australia. The Company will also be seeking a listing on the ASX. Listing will be subject to the Company fulfilling all of the listing requirements of the ASX.

The completion of the Offering is conditional upon the completion of the Australian Offering and the completion of the Australian Offering is conditional upon the completion of the Offering.

See “*Corporate Structure*”.

Principal Business

The Company is a mineral exploration company whose principal business, and current and sole focus, is the evaluation and development of the Chvaletice Manganese Project, which involves the re-processing of a manganese deposit hosted in historic mine tailings located in the Czech Republic, for the production of high-purity manganese products.

See “*Business of the Company*”.

The Offering

<i>The Issuer</i>	Euro Manganese Inc.
<i>Offering Price</i>	\$0.25 per Share
<i>Offering</i>	\$1,500,000
<i>Form of Offering</i>	Marketed offering in each of the Provinces of British Columbia, Alberta and Ontario by way of a long form prospectus on a reasonable commercial efforts basis. Offering to other jurisdictions as permitted by applicable securities laws and as mutually agreed upon by the Agent and the Company. See “ <i>Plan of Distribution</i> ”.
<i>Share Capital</i>	The following table sets forth the share capital of the Company before and after giving effect to the Offering and Australian Offering. The table should be read in conjunction with the financial statements contained in Appendix “FS” to this Prospectus.

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	Prior to Completion of the Offering and the Australian Offering ⁽¹⁾	After Completion of the Offering and the Australian Offering ⁽¹⁾⁽²⁾
Basic		
Common Share Capital	134,051,757	161,251,757
Warrants	5,784,015	7,784,015
Options	11,225,000	11,225,000
Fully Diluted		
Common Shares (unlimited)	151,060,772	180,260,772

Note:

1. After adjusting for the subdivision of the Shares on a one-for-five basis, as approved at the Annual General Meeting of the Company on March 20, 2018 (the “**Share Split**”).
2. Assumes 6,000,000 Shares issued pursuant to the Offering, 20,000,000 CDIs in respect of fully paid Shares issued pursuant to the Australian Offering, 1,200,000 CDI's in respect of fully paid Shares issued in connection with the Australian Agent's Fee, and 2,000,000 Australian Agent's Warrants.

Closing

The initial Closing is expected to take place on or about the Closing Date, or such other date as the Agent and the Company may agree, but not later than ●, 2018. See “*Plan of Distribution*”.

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Use of Proceeds

Gross proceeds from the concurrent completion of the Offering and Australian Offering, are expected to be \$1,500,000 and \$5,000,000, respectively. The Company's intention is to use these proceeds, together with the Company's estimated working capital at May 31, 2018 of \$6,538,000, as set out below. See "Use of Proceeds" for further details.

	Assuming Completion of the Offering and the Australian Offering (\$)
Phase 1 of recommended work program, relating to Geology and Mineral Resources ⁽¹⁾	1,332,000
Remaining work program, relating to Metallurgical Testing and Process Engineering ⁽²⁾	638,000
Other Engineering Studies required for the completion of the Preliminary Economic Assessment ⁽³⁾	635,000
Environmental Studies ⁽³⁾	518,000
Costs of technical staff in Czech Republic and Vancouver for the next 18 months	2,743,000
Estimated costs of the Offering and Australian Offering, including listing fees estimated to be \$150,000 ^{(4), (5)}	572,000
Estimated general and administrative expenses ⁽⁶⁾	2,831,000
Working capital	3,769,000
TOTAL	\$13,038,000

Notes:

1. Represents the USD\$1,001,000 geology and mineral resources work program in Appendix "A" - Disclosure Regarding the Chvalatice Manganese Project, converted to Canadian dollars.
2. Represents the metallurgical and process engineering expenditures of USD\$1,200,000 in Appendix "A" - Disclosure Regarding the Chvalatice Manganese Project less progress payments made to May 31, 2018 of USD\$720,000, converted to Canadian dollars.
3. This work program includes: completing a study on mining, tailings storage operations, reclamation design and waste management plans; advancing investigations to narrow down options for the plant site and related facilities and to advance of the Company's land acquisition program; and completing environmental scoping and baseline studies, as well as the related planning for an Environmental Impact Assessment.
4. Net of costs paid to May 31, 2018 of \$204,000.
5. Excludes the Australian Agent's Fee of 6% of the Australian Offering in the amount of \$300,000 which is payable by the issuance of Shares, and the value of the Australian Agent's Warrants.
6. The estimated general and administrative costs for the next 18 months are as follows:

Professional fees (legal and audit)	\$ 300,000
Salaries and consultants	1,605,000
Manganese metal market development	384,000
Insurance	200,000
Travel and investor relations	105,000
Office, administration and other	237,000
Total General and Administrative	\$ 2,831,000

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The Company estimates that proceeds from the Offering and the Australian Offering will fund operations and negative cash flows therefrom for at least 18 months. The estimated total operating costs necessary for the Company to achieve its business objectives for the next 18 months, are \$9,269,000 in the event of the completion of both the Offering and the Australian Offering.

The Company's principal business objectives that it expects to accomplish using its estimated working capital as at May 31, 2018, and net proceeds from the Offering and Australian Offering, are as follows:

- fund expenses related to the completion of the Offering and Australian Offering, and the listing of its Shares on the TSXV and the ASX;
- completion of Phase 1 of the Chvalitice Manganese Project work program related to geology and mineral resources, and the balance of the work program related to mineral processing and metallurgical testing before the end of 2018; and
- completion of a Preliminary Economic Assessment ("PEA") in the fourth quarter of calendar 2018, based on the completion of a number of requisite studies.

The major event that needs to occur between the Closing Date and the first anniversary of the Closing Date in order for the Company to meet this business objective includes, but is not limited to, the completion of the drilling program to support the conversion of resources from categories of lower confidence to categories of higher confidence, such that the resource estimate will meet a Measured and Indicated status under NI 43-101, by the fourth quarter of 2018 at an estimated cost of US\$1,001,000 (\$1,332,000).

Selected Consolidated Financial and Operating Information

The following table sets out selected historical financial information as at and for the periods indicated. Investors should read the selected historical financial information in conjunction with the Company's management's discussion and analysis, the Company's audited financial statements and the accompanying notes included in this Prospectus under "Management's Discussion and Analysis" and in Appendix "FS". The selected historical financial information has been prepared in accordance with IFRS.

In Canadian Dollars, except per share data	For the 3 Months Ended March 31, 2018	For the 6 Months Ended March 31, 2018	For the Year Ended September 30, 2017	For the Year Ended September 30, 2016
Total Revenue	-	-	-	-
Net Loss	1,484,602	2,951,438	3,413,356	945,950
Loss per Share, basic and fully diluted ⁽¹⁾	0.01	0.03	0.07	0.05
Total Assets	9,380,724	9,380,724	4,321,011	1,378,514
Total Liabilities	1,305,652	1,305,652	1,180,635	1,120,733
Dividend	-	-	-	-

Note:

1. After adjusting for the Share Split.

Summary of Risk Factors

The activities of the Company are subject to risks inherent in the mining and mineral processing industries, as well as the risks normally encountered in a newly established business, including but not limited to: negative cash flow; lack of adequate capital; liquidity concerns and future financing requirements to sustain operations; dilution; no history of operations and revenues and no history of earnings or dividends; competition; economic changes; and uninsured risks. The Company's property has no history of commercial mine tailings re-processing operations, revenues, earnings or dividends. An investment in the Company's securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk a loss of their entire investment. **Subscribers should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in Shares.**

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There is currently no public market for the Shares and there can be no assurance that an active market for the Shares will develop or be sustained after the completion of the Offering. The value of the Shares is subject to volatility in market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

See “*Risk Factors*”.

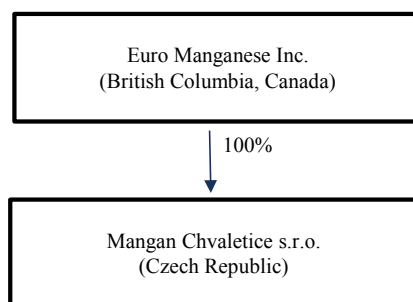
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CORPORATE STRUCTURE

Name, Address and Incorporation

Euro Manganese Inc. was incorporated under the BCBCA on November 24, 2014. The registered office of the Company is located at Suite 1700 – 666 Burrard Street, Vancouver, British Columbia V6C 2X8 and the head office is located at Suite 1500, 1040 West Georgia Street, Vancouver, BC V6E 4H8.

The Company holds 100% of the voting shares of Mangan Chvaletice s.r.o. (“**Mangan**”), a company formed under the laws of the Czech Republic and which owns a 100% interest in the Chvaletice Manganese Project. The Company’s current organizational chart is as follows:



BUSINESS OF THE COMPANY

Three Year History

The Company is a private Canadian company whose principal business is the evaluation and development of the Chvaletice Manganese Project. Since incorporation, the Company has taken the following steps to develop its business:

- (1) on December 14, 2014, the Company negotiated an earn-in option agreement (the “**Earn-in Agreement**”), to acquire an indirect interest in the exploration-stage Chvaletice Manganese Project from Mangan (See “*Chvaletice Manganese Project Earn-in Option Agreement*”);
- (2) on May 13, 2016, the Company acquired a 100% interest in Mangan, from Mangan’s founding shareholders and the Earn-In Agreement was cancelled pursuant to an amendment to the Earn-in Agreement dated May 13, 2016 (the “**Mangan Acquisition Agreement**”) (See “*Acquisition of Mangan*”);
- (3) recruited directors and officers with the complementary skills and experience required to operate a publicly listed mineral exploration and mineral processing company; and
- (4) as of the date of this Prospectus, raised aggregate gross proceeds in excess of \$13 million through the sale of Shares, including a \$7,550,000 private placement in February 2018. The funds raised have provided sufficient capital to carry on the Company’s business to date, including expenditures to advance the evaluation of the Chvaletice Manganese Project.

Chvaletice Manganese Project Earn-in Agreement

Shortly after the Company’s incorporation, the Company negotiated the Earn-in Agreement, dated December 14, 2014, to acquire an indirect interest in the exploration-stage Chvaletice Manganese Project from Mangan, a company based in the Czech Republic owning a 100% interest in the Chvaletice Manganese Project. Pursuant to the

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Earn-in Agreement, the Company obtained the right to acquire, in two phases, up to an 80% interest in Mangan by spending a total of \$2.5 million in developing the Chvaletice Manganese Project. The Earn-in Agreement allowed the Company a period of time, subject to a \$10,000 cash payment to the Mangan's founding shareholders, to complete due diligence on the mineral property. At the end of the earn-in period, the agreement also called for a payment equivalent to \$1.5 million in Shares.

Acquisition of Mangan

On May 13, 2016 (the “**Acquisition Date**”), the Company acquired a 100% interest in Mangan from Mangan's founding shareholders pursuant to the Mangan Acquisition Agreement. In connection with the acquisition, the Earn-in Agreement was cancelled and in exchange for receiving from the shareholders of Mangan a 100% equity interest in Mangan, the Company agreed to the following consideration:

- (1) An aggregate cash payment of \$10,590 paid to Mangan's founding shareholders in early June 2016.
- (2) The issuance of Shares in five equal tranches, each tranche valued at \$300,000, for a total value of \$1,500,000. The first tranche, issued on June 16, 2016, consisted of 3,000,000 Shares at an estimated fair value of \$0.10 per Share, and the second tranche issued on May 13, 2017, consisted of 2,727,275 Shares at an estimated fair value of \$0.11 per Share, as adjusted to reflect the subdivision of Shares on a one-for-five basis which was approved at the Annual General Meeting of the Company on March 20, 2018 (the “**Share Split**”). The third tranche was issued on May 9, 2018 and consisted of 1,500,000 Shares at an estimated fair value of \$0.20 per Share. The last two tranches will be issued May 13, 2019 and May 13, 2020 and the number of Shares to be issued will be based on the estimated value of the Shares at the time of each issue. If the Company is publicly traded at the time of the issuance of such shares, the value will be equal to the 20-trading day weighted average of the Share price. On each anniversary of the Acquisition Date, the total number of Shares to be issued is restricted to an amount that when combined with other Shares held by Mangan's founding shareholders does not exceed a maximum of 20% of the Shares outstanding following the applicable share issuance.
- (3) The issue of an aggregate 1.2% net smelter royalty (“**NSR**”) interest in the Chvaletice Manganese Project to Mangan's founding shareholders, pursuant to three separate arm's length royalty agreements (each, a “**Royalty Agreement**”) with each of Mr. Jiří Šourek as to a 0.396% NSR, Mr. Pavel Reichl, as to a 0.408% NSR, and Mr. Tomáš Pechar, as to a 0.396% NSR. Pursuant to each Royalty Agreement, Mangan has a right of first refusal on the sale of all or a part of the royalties held by Mangan's founding shareholders and has 90 calendar days to match any bona fide and binding offer accepted by any of the royalty holders.

On June 15, 2018, the Company and Mangan's three founding shareholders amended the terms of the Mangan Acquisition Agreement to (i) limit the minimum deemed value of the Shares to be issued under the last two tranches so as not to be less than \$0.05 per Share; (ii) provide the Company with an option to settle the remaining two tranches in cash rather than Shares; and (iii) agree to settle the last two tranches in cash in the event that the remaining two Share issuances result in the deemed value of the Shares being below \$0.05 per share.

Overview

The Company is a private company with plans to list on the TSXV and the ASX upon completion of its proposed IPO. The Company's principal business, and current focus, is the evaluation and potential development of the Chvaletice Manganese Project, which involves the re-processing of a manganese deposit hosted in historic mine tailings. The Company's activities in the Czech Republic are conducted through its wholly-owned subsidiary, Mangan, which holds the rights to the Chvaletice Manganese Project.

With the development of the Chvaletice Manganese Project, the Company aims to establish a reliable producer of high-purity electrolytic manganese metal (“**HPMM**”) and/or high-purity manganese sulfate monohydrate (“**HPMSM**”) to satisfy the needs of producers of lithium-ion battery precursor materials, as well as producers of specialty steel and aluminum alloys.

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The Company is committed to advancing the Chvalětice Manganese Project in an effective, efficient and prudent manner while adhering to the best practices in corporate governance, application of technology, environmental excellence and social integration. The Company's goal is to develop a state-of-the-art, commercially-viable and environmentally sustainable business enterprise.

Evaluation and Planning Activities

From inception to the end of the fiscal year of September 30, 2017, the Company incurred in excess of \$3.0 million in direct expenditures to advance the evaluation of the Chvalětice Manganese Project, the bulk of which was incurred during Fiscal 2017. For the six months ended March 31, 2018, the Company incurred a further \$2.1 million on the project's evaluation and advancement.

In 2017, the Company conducted an extensive drilling program, using state-of-the-art Sonic sampling technology to sample the tailings for resource estimation and bulk-sampling purposes, conducted a broad range of tests and analyses at leading laboratories in Europe, North America and Asia, and implemented a quality assurance and quality control program to ensure the integrity of its resource estimates. The results of this 2017 work program have been reported on in a new resource estimate that meets Canadian NI 43:101 standards.

During 2017, the Company also initiated a wide range of bench and pilot scale tests and investigations to determine the optimum process to re-process the manganese contained in the Chvalětice tailings to produce HPEMM and HPMSM. This extensive metallurgical testwork program is nearing completion. The Company's aim is to reliably produce high-quality products that satisfy the demanding specifications of producers of lithium-ion battery precursor materials, as well as producers of specialty steel and aluminum alloys, while meeting the safety, health and environmental standards of the Czech Republic and European Union,

The Company has also undertaken what it believes to be scoping and pre-feasibility-level process design studies, evaluating plant and site infrastructure layout alternatives, developing preliminary capital and operating cost estimates, planning and carrying out extensive environmental studies, and conducting widespread community consultations. The Company believes that it must involve local communities in the development of the Chvalětice Manganese Project, so that it can meaningfully incorporate local input to ensure its economic, environmental and social viability.

In January 2018, the Company initiated an extensive geotechnical study of the tailings and certain lands under consideration for a potential plant site. A program of cone penetration tests and related geophysical soundings was completed. The Company is still working to determine optimum plant conditions to achieve the desired results and process parameters before scaling up for pilot plant testing, including temperature, pH, residence time, reagent dosage and other process parameters that affect plant performance, production costs and product specifications. The planned HPEMM pilot plant test program, intended to bring together in sequence the elements of the entire HPEMM process flowsheet, is expected to be completed in the second half of calendar 2018.

Market research and discussions with potential off-take purchasers are ongoing and are increasingly focused on product specifications, especially those required to meet the requirements of the producers of high-quality Nickel, Manganese and Cobalt ("NMC") lithium-ion battery precursor materials. NMC battery chemistry is progressively emerging as the dominant electric vehicle battery chemistry in the world and is widely expected to experience strong growth in the coming decade. High-purity manganese inputs are a vital constituent of this new generation of automotive batteries. The Company's goal is to differentiate itself in this highly competitive market by focussing on the reliable and sustainable European production of the highest quality and purity materials.

The Company's plans for 2018 include: initiating hydrological and hydrogeological studies to extend the baseline environmental monitoring program; completing a study on mining, tailings storage operations and reclamation design, and waste management plans; conducting final phase of infill drilling to convert Indicated resources to Measured resources, and to drill and sample the slopes and embankments of the tailings piles, to upgrade the Inferred resources thereon; advancing investigations to narrow down potential plant and related facilities site options, and advancement of the Company's land acquisition program; following the receipt of a Preliminary Mining Permit on April 17, 2018, initiating the Environmental Impact Assessment studies and reclamation planning; and completing a PEA for the production of HPEMM; and completing the process evaluation studies and related testwork for HPMSM. The PEA is expected to be completed during the third or fourth quarter of calendar 2018.

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See “Use of Proceeds”.

The Chvaletice Manganese Project Resource

The Chvaletice Manganese Project manganese resource is contained in three adjacent flotation tailings piles that were emplaced on flat terrain immediately below the site of a flotation mill site, adjacent to the former Chvaletice open pit mine. The Chvaletice Manganese Project is the subject of a report entitled “Technical Report on Mineral Resource Estimation for the Chvaletice Manganese Project, Chvaletice, Czech Republic” (the “**Chvaletice Technical Report**”), having an effective date of April 27, 2018, with a release date of June 21, 2018, as prepared by Mr. James Barr, P. Geo, Senior Geologist, and Mr. Jianhui (John) Huang, Ph.D., P. Eng., Senior Metallurgical Engineer, both with Tetra Tech Canada Inc. (“**Tetra Tech**”) and both of which are “qualified persons” under NI 43-101.

A summary of the Chvaletice Technical Report resources is presented in the table below:

Cell	Class	Volume (m ³ , '000s)	Tonnes (kt)	Bulk Density (t/m ³)	Total Mn (%)	Soluble Mn (%)
T1	Indicated	5,684	8,832	1.55	8.08	6.46
	Inferred	1,004	1,497	1.49	8.60	6.87
T2	Indicated	6,773	10,567	1.56	6.86	5.48
	Inferred	996	1,648	1.65	7.90	6.05
T3	Indicated	2,772	3,973	1.43	7.34	5.78
	Inferred	250	363	1.46	7.84	6.14
Total	Indicated	15,229	23,371	1.53	7.40	5.90
	Inferred	2,251	3,508	1.56	8.21	6.43

Note:

1. Numbers may not add exactly due to rounding.

The original exploration license for the Chvaletice Manganese Project, issued by the Czech Republic’s Ministry of the Environment on September 2, 2014, was transferred to Mangan effective January 28, 2015 and is valid until September 30, 2019 (“**Exploration License Trnávka I**”). On May 4, 2018, the Czech Ministry of Environment issued Mangan an additional exploration licence allowing it to drill the slopes on the perimeter of the tailings piles (“**Exploration License Trnávka II**”). Exploration License Trnávka II became effective May 23, 2018 and is valid until May 31, 2023. On April 17, 2018, with effect from April 28, 2018, Mangan was issued a Preliminary Mining Permit by the Ministry of Environment, referred to by the Ministry of Environment as the prior consent of the establishment of the Mining Lease District (the “**Preliminary Mining Permit**”). The Preliminary Mining Permit, valid until April 30, 2023, covers the areas included in Exploration License Trnávka I and the Exploration License Trnávka II (together the “**Licenses**”) and now secures Mangan’s rights for the entire deposit.

The Preliminary Mining Permit forms one of the prerequisites for the application for the establishment of the Mining Lease District and represents one of the key steps towards final permitting for the project. Based on the Preliminary Mining Permit and other documents, including the Environmental Impact Assessment (which may only commence after the Preliminary Mining Permit is issued), Mangan has until April 30, 2023 to apply for the establishment of the Mining Lease District covering the areas included in the Licenses. The establishment of the Mining Lease District, the application for the final Mining Permit, and applications for permits relating to the construction of infrastructure required for the project, are required prior to mining at the Chvaletice Manganese Project.

At present, Mangan does not hold surface rights to the Chvaletice Manganese Project area, which are considered as those lands of original ground elevation surrounding, and those parcels of original ground underlying and immediately surrounding, the three tailings deposit which comprise the Chvaletice Manganese Project. The area of interest for the Chvaletice Manganese Project overlies 18 privately owned land parcels with surface rights. To date, Mangan received the consent to conduct exploration activities and to access the site from the land owners whose surface properties underlie the tailings. In the future, the Company expects to negotiate the acquisition of surface

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rights, leases, rights of way, or other arrangements in those areas where it may wish to develop its operations, site facilities and infrastructure. There is no guarantee that areas needed for these activities and facilities will be available. See “*Risk Factors – Risks Relating to the Business of the Company and Industry-related Risks - Rights to use the Surface of the Company’s Mineral Properties are not Guaranteed*”.

A summary of the Chvaletice Technical Report containing the relevant technical disclosure on the Chvaletice Manganese Project is attached as Appendix “A” to this Prospectus. For readers to fully understand the technical information in this Prospectus, they should read the Chvaletice Technical Report (available on SEDAR at www.sedar.com under the Company’s profile) in its entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this Prospectus. The Chvaletice Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The technical information in the Chvaletice Technical Report is subject to the assumptions and qualifications contained in the report.

Specialized Skill and Knowledge

At the current stage of the Company’s development, the nature of its business requires specialized skills, knowledge and technical expertise. Such skills and knowledge currently include the areas of geology, management, exploration programs, finance and accounting, engineering, mineral processing, and environmental management and compliance. In addition to the specialized skills listed above, the Company relies on staff members, contractors and consultants with specialized knowledge of logistics and operations in the Czech Republic and local community relations. In order to attract and retain personnel with the specialized skills and knowledge required for the Company’s operations, the Company maintains competitive remuneration and compensation packages. To date, the Company has been able to meet its staffing requirements.

Competition

The Company competes with other exploration companies for the acquisition of mineral claims and other mineral interests, as well as for the recruitment and retention of qualified employees or consultants with the technical expertise to find, develop, and operate such properties. Competition in the mining, mineral processing and waste re-processing industry is intense, and includes competition for capital to fund their evaluation and development projects. The Company competes with other such companies, many of which have greater financial resources and technical expertise. Such competition may result in the Company being unable to acquire or develop desired properties, to recruit or retain qualified employees and consultants or to acquire the capital necessary to fund its operations and develop its properties. The Corporation’s inability to compete with other companies for these resources could have a material adverse effect on the Corporation’s business, financial condition, results of operations, cash flows or prospects. See “*Risk Factors – Competition*”.

Employees

As at the end of the most recent financial year, September 30, 2017, the Company and its subsidiaries employed a total of three employees, including two executive officers, all three of which were located in Vancouver, Canada. Subsequent to that date, the Company added two additional executive officers, one in each of Vancouver and the Czech Republic, as well as four additional employees in the Czech Republic. The Company also employs consultants on an as-needed basis.

Environmental Protection

All phases of the Company’s operations are subject to environmental regulation. Environmental legislation is evolving in a manner which requires increasingly strict standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for corporations and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company’s operations, including its ability to develop the Chvaletice Manganese Project, capital and operating expenditures, earnings and competitive position.

As further outlined in the Chvaletice Technical Report, the area covered by the Chvaletice Manganese Project tailings has been significantly impacted by past mining and other heavy industrial activities. Czech law exempts land

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owners and developers from impacts prior to 1989. Mining activity at the Chvaletice Manganese Project predates 1975. The Company is, however, responsible for any new disturbances and impacts that it may cause.

Environmental baseline studies have been in progress since the summer of 2016. These include hydrological sampling and monitoring, as well as fauna and flora surveys.

During Fiscal 2017, the Company was provided with a report identifying the local requirements and permits required for the project, among other things. Local regulatory requirements discussed therein included the permitting process and Czech environmental regulations, standards and best practices for an Environmental Monitoring and Management Plan, including waste water, waste and tailings storage, air, noise and other environmental regulations. A time schedule for the process of an environmental impact assessment, environmental permits and building permits was provided, which suggests that permitting could take approximately 16 months from the time an Environmental Impact Assessment report and permit application is filed.

The Company has initiated pro-active and regular consultation with community stakeholders, which are expected to intensify as the evaluation and planning for the Chvaletice Manganese Project advances. The Company's subsidiary, Mangan, opened a Project Information Center in November 2017 in the Town of Chvaletice's Municipal Culture House to provide local residents with opportunities to learn about the Chvaletice Manganese Project and to provide feedback and suggestions.

Due to the location of the Chvaletice Manganese Project on the shore of the Labe River, there is potential for environmental sensitivities related to run-off and potential impacts to local groundwater. Adequate additional baseline environmental data collection and planning will be required to ensure the effects to the receiving environment are well understood. This baseline work has been initiated, as discussed above, and is ongoing.

Czech Republic

The Company's sole project of interest is located in the Czech Republic, a member country of the European Union. The official language of the Czech Republic is Czech, and the currency is the Czech koruna. The Czech Republic split from Slovakia in January 1993 and is now a stable, modern democracy with a free market economy. Mineral exploration activity in the Czech Republic has increased recently, driven largely by a search for battery making raw materials such as lithium and cobalt.

Through local laws, regulations and standards, which have been harmonized with those that prevail in the EU, the country has robust environmental regulations and a well-informed and engaged population that cares about the health of its environment and the diversity of its ecosystems. The Czech Republic also has a highly-educated, skilled and productive workforce capable of supporting a multitude of technologically advanced industries.

Corporate income tax in the Czech Republic at a rate of 19% will apply to the profits generated by all companies, including branches of foreign companies. Czech resident companies are required to pay corporate income tax on income derived from worldwide sources and non-resident companies are subject to taxation on income sourced in the Czech Republic. There are no regional or local income taxes in the Czech Republic. Additionally, Czech companies are required to withhold tax on payments of dividends to non-residents in the amount of 15%, unless the recipient is a company that owns at least a certain amount of the capital or a certain amount of the voting shares of the company paying the dividend directly, such as Euro Manganese, in which case the withholding is reduced to 5%. The Czech Republic imposes royalties on the extraction of minerals, and the rate currently applicable for manganese is 2,308.43 Czech Koruna (approximately \$140) per tonne of manganese sold.

The Chvaletice Manganese Project is located approximately 90 kilometers east of the country's capital, Prague, in an area served by excellent infrastructure. The site has direct access to rail, road and a navigable river for transportation. It is also immediately adjacent to an 820-megawatt power station - an important node in the Czech national power grid - that provides the Chvaletice Manganese Project with direct and efficient access to competitively priced electrical power. The surrounding region is agrarian, yet industrialized, and a skilled workforce is available in the local market. In addition to the adjacent power station, within a radius of five kilometers of the Chvaletice Manganese Project site are two rock quarries, an industrial and municipal waste disposal site, metal and pre-cast concrete fabrication facilities, warehousing facilities, a plastic pipe manufacturer, a

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steel foundry and a ready-mix concrete plant. A commuter train trip from Prague to the nearby village of Chvaletice takes approximately one hour.

Despite the attractiveness of the Chvaletice Manganese Project being located in the Czech Republic, its activities are subject to the risks normally associated with the conduct of business in foreign countries. See “*Risk Factors – Country Risks*”. The occurrence of one or more of these risks could have a material and adverse effect on the Company’s profitability or the viability of its affected foreign operations, which could have a material and adverse effect on the Company’s business viability, results of operations, financial condition and prospects.

Social or Environmental Policies

The Company emphasizes a safe and secure working environment for all of its employees, contractors and consultants, and recognizes the importance of operating in a sustainable manner. The Company has adopted a Code of Ethics and Business Conduct (the “**Code**”), which sets out the standards which guide the conduct of its business and the behavior of its directors, officers, employees and consultants. All new employees must read, and acknowledge that they will abide by, the Code when hired. The Code, among other things, sets out standards in areas relating to the Company’s: commitment to health and safety in its business operations; compliance with applicable occupational health and safety laws and regulations; promoting and providing a work environment in which individuals are treated with respect, and is free of all forms of discrimination and abusive and harassing conduct; providing employees with equal opportunity; and ethical business conduct and legal compliance.

The Code also requires the Company to conduct its exploration, development and mining operations using environmental best practices with a goal of protecting human health, minimizing impact on the ecosystem and returning exploration and mining sites to a high environmental standard, and always in compliance with all applicable environmental laws and regulations. Further, the Code requires that the Company conduct its operations with a view to respecting and enhancing the economic and social situations of the communities in which the Company operates.

The Company has also adopted a Whistleblowing Policy wherein employees and consultants of the Company are provided with the mechanics by which they may raise concerns with respect to falsification of financial records, unethical conduct, harassment, theft, and violation of the Code, or any other “wrong-doing” in a confidential, anonymous process. The Whistleblower Policy provides employees and contractors with information regarding who to contact with a complaint, how the Company will respond to a complaint, and timeframes for the Company to respond (the “**Whistleblower Policy**”). The Company will respect the confidentiality of any whistle blowing complaint received by the Company where the complainant requests that confidentiality.

USE OF PROCEEDS

Gross proceeds from the concurrent completion of the Offering and Australian Offering, are expected to be \$1,500,000 and \$5,000,000, respectively. The Company has net working capital of approximately \$6,538,000 as at May 31, 2018. Accordingly, the Company estimates that, following the completion of the Offering and the Australian Offering, and together with its existing working capital, it will have available funds in the amount of \$13,038,000.

The Company expects to use the proceeds it receives from the Offering and Australian Offering, together with the Company’s estimated working capital at May 31, 2018, to pursue the Company’s growth strategy. Accordingly, the Company expects to use its available funds as follows:

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	Assuming Completion of the Offering and the Australian Offering
Phase 1 of recommended work program, relating to Geology and Mineral Resources ⁽¹⁾	\$ 1,332,000
Remaining work program, relating to Metallurgical Testing and Process Engineering ⁽²⁾	638,000
Other Engineering Studies required for the completion of the Preliminary Economic Assessment ⁽³⁾	635,000
Environmental Studies ⁽³⁾	518,000
Costs of technical staff in Czech Republic and Vancouver for the next 18 months	2,743,000
Estimated costs of the Offering and Australian Offering, including listing fees estimated to be \$150,000 ^{(4), (5)}	572,000
Estimated general and administrative expenses ⁽⁶⁾	2,831,000
Working capital	3,769,000
TOTAL	\$ 13,038,000

Notes:

1. Represents the USD\$1,001,000 geology and mineral resources work program in Appendix “A” - Disclosure Regarding the Chvalteice Manganese Project, converted to Canadian dollars.
2. Represents the metallurgical and process engineering expenditures of USD\$1,200,000 in Appendix “A” - Disclosure Regarding the Chvalteice Manganese Project less progress payments made to May 31, 2018 of USD\$720,000, converted to Canadian dollars.
3. This work program includes: completing a study on mining, tailings storage operations, reclamation design and waste management plans; advancing investigations to narrow down options for the plant site and related facilities and to advance of the Company's land acquisition program; and completing environmental scoping and baseline studies, as well as the related planning for an Environmental Impact Assessment.
4. Net of costs paid to May 31, 2018 of \$204,000.
5. Excludes the Australian Agent's Fee of 6% of the Australian Offering in the amount of \$300,000 which is payable by the issuance of Shares, and the value of the Australian Agent's Warrants.
6. The estimated general and administrative costs for the next 18 months are as follows:

Professional fees (legal and audit)	\$ 300,000
Salaries and consultants	1,605,000
Manganese metal market development	384,000
Insurance	200,000
Travel and investor relations	105,000
Office, administration and other	237,000
Total General and Administrative	\$ 2,831,000

The Company estimates that proceeds from the Offering and the Australian Offering will fund operations and negative cash flows therefrom for at least 18 months. The estimated total operating costs necessary for the Company to achieve its business objectives for the next 18 months, are \$9,269,000 in the event of the completion of both the Offering and the Australian Offering.

Other than fees paid to directors of the Company, salaries and benefits paid to officers of the Company, the routine reimbursement of expenses owed to directors and officers of the Company, and legal fees paid to a law firm associated with a director of the Company, no portion of the net proceeds from the Offering or Australian Offering are being allocated, directly or indirectly, to related parties. See “*Director and Executive Compensation*” and “*Management's Discussion and Analysis – Related Party Transactions*”.

The Company's principal business objectives that it expects to accomplish using its estimated working capital as at May 31, 2018, and net proceeds from the Offering and Australian Offering, are as follows:

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- fund expenses related to the completion of the Offering and Australian Offering, and the listing of its Shares on the TSXV and the ASX;
- completion of Phase 1 of the Chvaletice Manganese Project work program related to geology and mineral resources, and the balance of the work program related to mineral processing and metallurgical testing before the end of 2018; and
- completion of a PEA in the fourth quarter of calendar 2018, based on the completion of a number of requisite studies, including : an environmental baseline study of the Chvaletice tailings site, to set the stage for the initiation of a comprehensive environmental impact assessment and permitting process in 2018; studies for plant site selection, design and localization work, adapting conventional, modern Chinese electrolytic manganese metal plant technology to meet stringent Czech and European health, safety and environmental regulations; scoping and pre-feasibility level process development and engineering, along with preliminary capital and operating cost estimates to confirm and optimize the economic viability of the Chvaletice Manganese Project; and market studies of HPEMM and studies analyzing the future impact of changes in the battery markets on the supply and demand of high purity manganese products.

The major event that needs to occur between the Closing Date and the first anniversary of the Closing Date in order for the Company to meet this business objective includes, but is not limited to, the completion of the drilling program to support the conversion of resources from categories of lower confidence to categories of higher confidence, such that the resource estimate will meet a Measured and Indicated status under NI 43-101, by the fourth quarter of 2018 at an estimated cost of US\$1,001,000 (\$1,332,000).

The foregoing represents the Company's current intentions, based upon its present plans and business conditions to use and allocate the net proceeds of the Offering and Australian Offering. Working capital of \$3,751,000 from the net proceeds from the Offering and Australian Offering may be used (a) to acquire or lease land, or secure surface rights for Chvaletice Manganese Project; and (b) contingent upon the results of the Phase 1 recommended work program relating to geology and mineral resources and the PEA, to fund the Phase 2 geological and mineral resource budget estimated to be USD\$785,000 (\$1,044,800), advance the Chvaletice Manganese Project permitting and initiate a potential feasibility study. Management, however, will have discretion to modify the allocation of the net proceeds of the Offering and Australian Offering, if necessary. If an unforeseen event occurs, business conditions change or the Company needs to account for business fluctuations, the Company may use the proceeds of the Offering and Australian Offering differently than as described in this Prospectus. See "*Risk Factors – Discretion in the Use of Proceeds*".

The Company had negative operating cash flow for the financial year ended September 30, 2017 and has subsequent to that date continued to have negative operating cash flow. There are no assurances that the Company will generate positive cash flow from operations in the future.

DIVIDENDS

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its Shares, and does not currently have a policy with respect to the payment of dividends or other distributions. The Company does not currently pay dividends and does not intend to pay dividends in the foreseeable future. The declaration and payment of any dividends in the future is at the discretion of the Board and will depend on numerous factors, including compliance with applicable laws, financial performance, working capital requirements of the Company and its subsidiaries and such other factors as its directors consider appropriate. There can be no assurance that the Company will pay dividends under any circumstances. See "*Risk Factors – Dividends to Shareholders*".

MANAGEMENT'S DISCUSSION AND ANALYSIS

Annual MD&A

The Company is a private company with plans to list on the TSXV and the ASX upon closing of its proposed IPO. Until a receipt is issued for a final prospectus in connection with the proposed IPO in one or both of these jurisdictions, the Company is not a reporting issuer. The Company's principal business and current focus, is the evaluation and potential development of the Chvaletice Manganese Project, which involves the re-processing of a manganese deposit hosted in historic mine tailings.

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This Annual MD&A, prepared as of June 25, 2018, supplements, but does not form part of the audited financial statements of the Company for the year ended September 30, 2017. This Annual MD&A should be read in conjunction with the remainder of this Prospectus, including sections entitled “*Selected Historical Financial Information*” and “*Risk Factors*” in this Prospectus and the Company’s audited consolidated financial statements and related notes thereto included in this Prospectus. The Company’s audited consolidated financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board (the “**IASB**”) and the Company’s significant accounting policies are set out in Note 3 of the audited consolidated financial statements for the year ended September 30, 2017 (the “**2017 Year End Financials**”). All dollar amounts contained in this Annual MD&A are expressed in Canadian dollars and tabular amounts are expressed in thousands of Canadian dollars, unless otherwise indicated. Further, all Share and per Share amounts in this Annual MD&A have been adjusted to reflect the subdivision of Shares on a one-for-five basis, as approved at the Annual General Meeting of the Company on March 20, 2018 (the “**Share Split**”).

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the MD&A, is complete and reliable.

The technical information in this Annual MD&A concerning the Chvalitice Manganese Project was prepared under the supervision of Mr. Gary Nordin, a Qualified Person under NI 43-101.

This Annual MD&A contains “forward-looking information” that is subject to various risks and uncertainties, including those set forth in “*Statement Regarding Forward-Looking Information*” and “*Risk Factors*” in this Prospectus. The Company cannot assure investors that such information will prove to be accurate, and actual results and future events may differ materially from those anticipated in such information. The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. Investors are cautioned not to place undue reliance on this forward-looking information.

Significant Transaction During the six Months-Ended March 31, 2018

The Company signed an engagement letter dated January 24, 2018, with the Australian Agent to act as lead agent and sole book runner in connection with:

- (a) an issue or sale of securities of the Company via a pre-IPO private placement to raise no less than \$5,000,000, plus up to a \$1,500,000 President’s List, (together, the “**February 2018 Private Placement**”), at a price of \$0.20 per Share; and
- (b) a subsequent IPO for the issue or sale of new fully paid CDIs in respect of fully paid Shares to raise no less than \$5,000,000 (the “**Australian Offering**”), plus a \$1,500,000 President’s List issuance at a price of no less than \$0.25 per CDI (“**Offering Price**”).

The Australian Agent will act as lead agent for the Australian Offering. Fees payable to the Australian Agent in connection with the Australian Offering include the Australian Agent’s Fee of 6% of the aggregate gross proceeds of the Australian Offering, payable in CDIs in respect of fully paid Shares, and the Australian Agent’s Warrants.

The Australian Offering is intended to be an IPO made to institutional and retail investors in Australia by way of issuing 20,000,000 CDIs, each representing one fully paid Share, with application to be made for the Company to be listed on the ASX and for the CDIs to be listed and quoted for trading on the ASX. In addition to the Australian Offering and listing on the ASX, it is anticipated that an application would be made by the Company for its Shares to be dual-listed and quoted for trading on the TSXV. The terms of the engagement letter allowed for the size of the February 2018 Private Placement and the Australian Offering to be increased subject to written agreement from the Company in its sole discretion. The President’s List purchases under the February 2018 Private Placement and the Australian Offering are on the same terms as those offered to others under the February 2018 Private Placement or Australian Offering.

The Company and Australian Agent agreed to increase the February 2018 Private Placement to 37,750,000 Shares at a price of \$0.20 per Share, and on February 28, 2018, the Company closed the February 2018 Private Placement

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for gross proceeds of \$7,550,000. Fees paid to the Australian Agent amounted to 6% of the amount raised by the Australian Agent, and were paid by the issuance of 1,515,000 new fully paid Shares at \$0.20 per Share. Further consideration included a warrant to purchase 2,525,000 Shares exercisable at \$0.30 per Share on or before February 28, 2021. Remuneration related to finder fees in connection with a portion of the \$1,500,000 President's List included \$39,810, paid by the issuance of 199,050 Shares at \$0.20 per Share, and a warrant to purchase 331,750 Shares exercisable at \$0.30 per Share on or before February 28, 2021.

Fees payable to the Australian Agent in connection with the Australian Offering include the Australian Agent's Fee of 6% of the aggregate gross proceeds of the Australian Offering, payable in CDIs in respect of fully paid Shares, and the Australian Agent's Warrants entitling the Australian Agent to purchase 10% of the CDIs issued in respect of fully paid Shares at 150% of the Offering Price for a period of 36 months from the date of issue, provided, however, that no Agent's Fee or Australian Agent's Warrants shall be paid in connection with any funds raised from purchasers on the President's List.

On March 9, 2018, the Company signed an engagement letter with the Agent to act as lead agent for the offering of 6,000,000 Shares in Canada at a price of \$0.25 per Share for total gross proceeds of \$1,500,000 (the "Offering"). The Offering is intended to be in place of the President's List issuance of CDIs contemplated under the January 24, 2018 engagement letter between the Company and the Australian Agent and be on substantially the same terms and conditions as the Australian Offering. The completion of the Offering is conditional upon the completion of the Australian Offering and the completion of the Australian Offering is conditional upon the completion of the Offering. In consideration of the services provided by the Agent in connection with the Offering, the Company has agreed to pay the Agent a flat-rate Corporate Finance Fee of \$70,000.

Other expenses of the Offering and the Australian Offering are estimated to be approximately \$780,000, excluding the Australian Agent's Fee and Australian Agent's Warrants, but including the Corporate Finance Fee and Agent's Expenses. These expenses shall be paid by the Company from the proceeds of the Offering and the Australian Offering.

Business Overview

The Company was formed with the objective of acquiring, evaluating, developing and operating the Chvaletice Manganese Project, a manganese deposit hosted in historic mine tailings, in which the Company has a 100% ownership and which is located in the Czech Republic. The Company's wholly-owned subsidiary, Mangan, holds two licenses covering mineral exploration rights for the Chvaletice Manganese Project. The original exploration license was transferred to Mangan effective January 28, 2015 and is valid until September 30, 2019. On May 4, 2018, the Czech Ministry of Environment issued Mangan an additional exploration licence, valid until May 31, 2023, allowing it to drill the slopes on the perimeter of the tailings piles. On April 17, 2018, with effect from April 28, 2018, Mangan was also issued a Preliminary Mining Permit by the Ministry of Environment, referred to by the Ministry of Environment as the prior consent of the establishment of the Mining Lease District. The Preliminary Mining Permit, valid until April 30, 2023, covers the areas included in the Licenses and now secures Mangan's exploration rights for the entire deposit.

The Preliminary Mining Permit forms one of the prerequisites for the application for the establishment of the Mining Lease District and represents one of the key steps towards final permitting for the project. Based on the Preliminary Mining Permit and other documents, including the Environmental Impact Assessment (which may only be commenced after the Preliminary Mining Permit was issued), Mangan has until April 30, 2023 to apply for the establishment of the Mining Lease District covering the areas included in the Licenses. The establishment of the Mining Lease District, the application for the final Mining Permit, and applications for permits relating to the construction of infrastructure required for the project, are required prior to mining at the Chvaletice Manganese Project.

The main activities required for the Chvaletice Manganese Project's full development will incorporate several phases in order to support the construction of a new plant capable of producing high-purity electronic manganese metal (HPEMM) using a conventional, proven, selenium-free process and, possibly as well, high-purity manganese sulphate (HPMSM) for the lithium ion battery industry. The phases include: a) the evaluation of the mineral resource; b) the design of one or more process plants; c) permitting; and d) HPEMM and/or HPMSM market development.

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See “*Business of the Company*” and “*Risk Factors*”.

Annual Highlights

During Fiscal 2017 and to the date of this Prospectus, the following are a summary of the Company’s highlights:

- Raised approximately \$6 million during Fiscal 2017 for the continued evaluation of the Chvaletice Manganese Project.
- Confirmed the qualitative and quantitative characteristics of a historical mineral resource, the results of which are reported in a new resource estimate that meets Canadian NI 43-101 standards.
- Commenced an extensive series of laboratory investigations in one of China’s leading metallurgical research and development institutes and in several other laboratories around the world, to determine the optimum process to convert the manganese in the Chvaletice tailings into HPEMM and HPMSM, while meeting the safety and environmental standards of the Czech Republic and European Union.
- Commenced a thorough environmental baseline study of the Chvaletice tailings site, to set the stage for the initiation of a comprehensive Environmental Impact Assessment in 2018.
- Initiated the plant site selection, design and localization work, adapting conventional, modern Chinese EMM plant technology to meet stringent Czech and European health, safety and environmental regulations.
- Initiated scoping and pre-feasibility level process development and engineering, along with preliminary capital and operating cost estimates to confirm and optimize the economic viability of the Chvaletice Manganese Project.
- Initiated a thorough assessment of the potential to produce battery-grade HPMSM, both from Chvaletice HPEMM and directly from Chvaletice tailings concentrates.
- Continued engagement and consultation with local community stakeholders to ensure the Chvaletice Manganese Project is well understood and designed to fit into the local environmental and social setting, and to ensure the Company develops enduring relationships with local residents.
- Developed a deeper understanding of the Lithium-ion battery raw materials supply chain, and continued build a network in the industry, while evaluating opportunities to supply high-purity manganese products to battery makers in Europe, Asia and North America.
- Successfully obtained a Preliminary Mining Permit on April 17, 2018, one of the key steps toward final permitting for the Chvaletice Manganese Project.
- Obtained an additional exploration license on May 4, 2018 from the Czech Ministry of Environment allowing the Company to drill the slopes on the perimeter of the tailings piles which, along with the Preliminary Mining Permit, further secures Mangan’s rights to the entire tailings deposit.

The Chvaletice Manganese Project Earn-in Option Agreement and Subsequent Acquisition

On December 14, 2014, the Company negotiated an Earn-in Agreement, to acquire an indirect interest in the exploration-stage Chvaletice Manganese Project from Mangan, a company based in the Czech Republic owning a 100% in the Chvaletice Manganese Project. Pursuant to the Earn-in Agreement, the Company obtained the right to acquire, in two phases, up to 80% interest in Mangan by spending a total of \$2.5 million in developing the Chvaletice Manganese Project. The Earn-in Agreement allowed the Company a period of time, subject to a \$10,000 cash payment to Mangan’s founding shareholders, to complete due diligence on the mineral property. At the end of the earn-in period, the agreement also called for a payment equivalent to \$1.5 million in Shares.

On May 13, 2016, the Company acquired a 100% interest in Mangan from Mangan’s founding shareholders pursuant to the Mangan Acquisition Agreement. The transaction did not meet the definition of a business combination under IFRS 3 – Business Combinations and was therefore accounted for as an acquisition of an asset.

The Earn-in Agreement was cancelled and, in exchange for receiving from Mangan’s founding shareholders a 100% equity interest in Mangan, the Company agreed to the following consideration:

- (1) A cash payment of \$10,590 paid to Mangan’s founding shareholders in early June 2016.
- (2) The issuance of Shares in five equal tranches, each tranche valued at \$300,000. The first tranche, issued on June 16, 2016, consisted of 3,000,000 Shares at an estimated fair value of \$0.10 per Share, based on the

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Company's most recent arm's length equity financing share price. The second tranche issued on May 13, 2017, consisted of 2,727,275 Shares at an estimated fair value of \$0.11 per Share, based on the Company's most recent arm's length equity financing share price. The third tranche issued on May 9, 2018, consisted of 1,500,000 Shares at an estimated fair value of \$0.20 per Share, based on the Company's most recent arm's length equity financing share price. The last two tranches will be issued May 13, 2019 and May 13, 2020.

The future number of shares to be issued will be based on the estimated value of the Shares at the time of each issue. If traded on a stock exchange, the value of the Shares will equal to the market value of the Shares or, if the Shares are not traded on a stock exchange, the value of the Shares will equal the Company's most recent arm's length equity financing share price. As the future number of shares to be issued is undetermined, accounting standards required that the Company record the estimated value of future share issues as a liability rather than equity.

By letter agreement dated June 15, 2018, the Company and Mangan's three founding shareholders amended the terms of the Mangan Acquisition Agreement to (i) limit the minimum deemed value of the Shares to be issued in the future under the last two tranches so as not be less than \$0.05 per Share; (ii) to provide the Company with an option to settle the remaining two Share issuance obligations in cash rather than Shares; and (iii) agree to settle the last two tranches in cash in the event that the remaining two Share issuances result in the deemed value of the Shares being below \$0.05 per share.

Additionally, on each of the two remaining anniversaries of the Acquisition Date, the total number of Shares to be issued is restricted to an amount that, when combined with other Shares held by Mangan's founding shareholders, is a maximum of 20% of the Company's outstanding Shares following the issue. If necessary, the unit price of the Shares used in the calculation will be adjusted accordingly at the time of issue. Given that the Company estimated the fair value of the future Share issuances on the Acquisition Date to be \$1.2 million, the maximum 20% limitation factor was assigned a nil value.

- (3) The issue of an aggregate 1.2% NSR interest in the Chvalteice Manganese Project to Mangan's three founding shareholders. See "*Business of the Company – Acquisition of Mangan*".

A summary of the total consideration issued and the balance of Mangan's net assets acquired at May 13, 2016, as presented in thousands of Canadian dollars, are as follows:

	\$		\$
Net Consideration Value		Net Assets Acquired	
1) Paid on the closing date:		Cash	14.7
Cash payment	10.6	Receivable	3.2
600,000 shares issued at \$0.50/share	300.0	Accounts payable	(4.2)
	310.6	Mineral property interest	1,239.1
2) Deferred future consideration:			
Value of common shares to be issued over four years	1,200.0		
less discounted future obligation ⁽¹⁾	(343.5)		
	856.5		
3) Capitalized acquisition costs	85.7		
Total consideration value	1,252.8	Total net assets acquired	1,252.8

- (1) At May 13, 2016, an estimated interest percentage of 15% based on comparative companies was used to discount the \$1.2 million nominal future deferred consideration balance to \$856,494. Over the next four-year period, the Company expects to accrue cumulative accretion charges totaling \$343,506.

As indicated above, during the year ended September 30, 2017, the Company issued a \$300,000 partial repayment consisting of 2,727,275 Shares at a price of \$0.11 per Share and the Company accrued an accretion charge of \$130,573 (2016 - \$37,310) resulting in a balance of \$724,377 (2016 - \$893,804) in deferred consideration at

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September 30, 2017. For the six months ended March 31, 2018, the Company accrued an accretion charge of \$51,232 resulting in a balance of \$775,609 in deferred consideration at March 31, 2018.

Review of Operations - The Chvaletice Manganese Project

The Chvaletice Manganese Project is located in the Czech Republic, contained within the townships of Chvaletice and Trnavka, in the Labe River valley. The Czech capital city of Prague is located 90 kilometres to the west. The Chvaletice Manganese Project site is adjacent to established infrastructure, including an 820-megawatt coal-fired power station which serves the Czech Republic's national grid. The surrounding region is industrialized and skilled labor is expected to be available from local markets.

The Chvaletice Manganese Project resource is contained in three flotation tailings piles that were emplaced on flat terrain immediately below the site of a flotation mill site, adjacent to the former Chvaletice open pit mine and mill. The tailings were deposited from historical milling operations for the recovery of manganese and the extraction of pyrite used for the production of sulfuric acid. The tailings cover a cumulative surface area of approximately one square kilometre and were stacked on three separate piles ranging in depth from about 12 to 28 meters.

Figure 1 – Plan view of Chvaletice tailings piles.



In the summer of 2017, the Company completed a drilling campaign to upgrade the Chvaletice Manganese Project's mineral resource to NI 43-101 standards, overseen by Tetra Tech. This was the first step of a program to complete a preliminary mineral resource estimate. The six-week Sonic drilling program, covering the three cells contained within the Chvaletice Manganese Project boundaries, totaled 1,679 meters that included 80 vertical holes drilled at roughly 100 meters spacing. Following the completion of the drilling program, seismic and resistivity geophysical tests were completed on lines surrounding the periphery of the tailings piles, to assess geological and hydrogeological aspects of the ground underlying the tailings.

The material collected from the drill program totaling approximately 20 tonnes was collected and split on a 25:75 ratio. The testing program was designed to evaluate chemical and physical characteristics of the tailings material for the purpose of mineral resource evaluation as well as other aspects that include mineralogy, hydrological, geotechnical, metallurgical and process engineering evaluations. The 25% split-material was sent for assay and particle size analysis and the 75% split-material was used to create a bulk sample totaling approximately 14.8 tonnes used for advanced metallurgical test analysis.

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Figure 2 –
Power Plant on
left and tailings
pile #2.

Tetra Tech issued the Chvaletice Technical Report effective April 27, 2018 (having a release date of June 21, 2018), which included a resource estimate prepared in accordance with NI 43-101 guidelines. Mr. James Barr, P.Geo. and Mr. Jianhui (John) Huang, Ph.D., P. Eng. of Tetra Tech acted as qualified persons in the supervision and preparation of the Chvaletice Technical Report. The resource estimate is summarized in “Business of the Company – The Chvaletice Manganese Project Resource.”

Tetra Tech was also engaged to conduct a tailings/residue facility design study, as well as prepare a NI 43-101 compliant PEA pursuant to which Tetra Tech would oversee test work, process and infrastructure design resource estimation and an economic analysis of the Chvaletice Manganese Project performed by itself and other consultants in China and Europe. The PEA is expected to be completed during the fourth quarter of calendar 2018.

In the fourth quarter of calendar 2017, the Company also initiated a wide range of bench and pilot scale tests and investigations to determine the optimum process to re-process the manganese contained in the Chvaletice tailings to produce HPEMM and HPMSM. The initial phase of this extensive metallurgical testwork program is nearing completion. The Company has also undertaken scoping and pre-feasibility-level process design studies, evaluating plant and site infrastructure layout alternatives, developing preliminary capital and operating cost estimates, planning and carrying out extensive environmental studies, and conducting widespread community consultations.

Throughout Fiscal 2017, the Company continued its environmental and hydrological baseline studies of the tailings area, including flora and fauna surveys, surface and underground water sampling/monitoring. These were completed at the end of September 2017. The Company also continued its consultation with the community in order to facilitate community engagement and opened a Project Information Center and local office in the village of Chvaletice in January 2018. In October 2017, the Company also commissioned market studies for high-purity manganese products that will be incorporated in the PEA. It also initiated a study analyzing the future impact of changes in the battery markets on the high purity manganese products supply chain.

In January 2018, the Company initiated an extensive geotechnical study of the tailings and certain lands under consideration for a potential plant site.

The Company is still working to determine optimum plant conditions to achieve the desired results and process parameters before scaling up for pilot plant testing, including temperature, pH, residence time, reagent dosage and other process parameters that affect plant performance, production costs and product specifications. The planned HPEMM pilot plant test program, intended to bring together in sequence the elements of the entire HPEMM process flowsheet, is expected to be completed in the second half of 2018.

On May 4, 2018, the Czech Ministry of Environment issued Mangan an exploration licence, valid until May 31, 2023, allowing it to drill the slopes on the perimeter of the tailings piles. On April 17, 2018, with effect from April 28, 2018, Mangan was also issued a Preliminary Mining Permit by the Ministry of Environment, referred to by the Ministry of Environment as the prior consent of the establishment of the Mining Lease District. The Preliminary Mining Permit, valid until April 30, 2023, covers the area included in the newly granted license, as well as Mangan’s original exploration license, and now secures Mangan’s exploration rights for the entire deposit. This permit is a prerequisite for the application for the establishment of the Mining Lease District and represents one of the key steps towards final permitting for the project. Based on the Preliminary Mining Permit and other documents, including the Environmental Impact Assessment (which may only commence after the Preliminary

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Mining Permit is issued), Mangan has until April 30, 2023 to apply for the establishment of the Mining Lease District covering the areas included in the Licenses. The establishment of the Mining Lease District, the application for the final Mining Permit, and applications for permits relating to the construction of infrastructure required for the project, are required prior to mining at the Chvaletice Manganese Project. See “*Annual MD&A – Business Overview*.”

Outlook

The Company’s planned activities for the next twelve months include the completion of the engineering studies mentioned above, which will be incorporated into the Chvaletice Manganese Project PEA for the production of HPEMM, expected to be completed during the fourth quarter of calendar 2018. This work program includes: completing a study on mining, tailings storage operations, reclamation design and waste management plans; conducting the final phase of infill drilling to convert Indicated resources to Measured resources and to drill and sample the slopes and embankments of the tailings piles to upgrade the Inferred resources thereon; and advancing investigations to narrow down options for the plant site and related facilities and to advance the Company’s land acquisition program.

During 2018, the Company intends to complete the ongoing environmental scoping and baseline studies, and having been issued its Preliminary Mining Permit in April 2018, complete the related planning for, and initiate, an Environmental Impact Assessment for the Chvaletice Manganese Project. Plans for 2018 also include the completion of the process evaluation studies and related testwork for HPMSM. A second Sonic drilling program is also planned for the summer of 2018, with the objective of upgrading the resource estimate for the project to a Measured and Indicated status.

Discussions with leading Asian, European and North American importers of high-purity manganese products are ongoing. The discussions have centered around the possibility of the Chvaletice Manganese Project’s future production providing a competitive and reliable long-term supply of HPEMM and/or HPMSM. However, given that the Chvaletice Manganese Project is still in the exploration and evaluation stage, there can be no assurance that these discussions will lead to offtake agreements, or strategic partnerships in the near term, if at all.

Selected Annual Information

The following information has been extracted from the audited consolidated financial statements for the years ended September 30, 2017, 2016 and 2015 and is presented in thousands of Canadian dollars, except per share amounts.

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	For the years ended September 30,		
	2017	2016	2015 ⁽¹⁾
Revenue	-	-	-
Project evaluation expenses ^{(2), (3)}	2,399	624	38
Other expenses ^{(4), (5)}	1,015	322	27
Net loss attributable to owners of the Company	3,414	946	65
Net loss per share attributable to owners of the Company, basic and fully diluted ^{(6), (7)}	(0.07)	(0.05)	(0.01)
Dividends	-	-	-

	As at September 30,		
	2017	2016	2015
Total assets ^{(8), (9)}	4,321	1,378	18
Non-current liabilities ⁽¹⁰⁾	450	621	

Notes:

- Operating results for the period ended September 30, 2015 are from the date of the Company's incorporation on November 24, 2014.
- Project evaluation expenditures for the years shown include the Company's expenditures from the date of the Earn-in Agreement to the date of the acquisition of the Chvalteice Manganese Project, May 13, 2016, as well as following the acquisition of the Chvalteice Manganese Project (see "The Chvalteice Manganese Project Earn-in Option Agreement and Subsequent Acquisition").
- Project evaluation expenditures include non-cash stock-based compensation relating to option grants of \$76,064, \$16,716 and nil for the years ended September 30, 2017, 2016 and 2015, respectively.
- Other expenses include non-cash stock-based compensation relating to option grants of \$134,753, \$57,368 and nil for the years ended September 30, 2017, 2016 and 2015, respectively.
- Other expenses for the years ended September 30, 2017, 2016 and 2015 includes non-cash accretion expense of \$130,573, \$37,310 and nil, respectively, relating to the deferred share consideration in connection with the acquisition of the Chvalteice Manganese Project on May 13, 2016 (see "The Chvalteice Manganese Project Earn-in Option Agreement and Subsequent Acquisition").
- Fully diluted weighted average common shares outstanding used in the calculation of diluted net loss per share in each of the periods presented are not reflective of the outstanding stock options and warrants at that time as their exercises would be anti-dilutive in the net loss per share calculation. Accordingly, loss per share on a diluted basis is the same as loss per share on an undiluted basis.
- After adjusting for the Share Split.
- Total assets as at September 30, 2017 includes a cash balance of \$2,860,994.
- Total assets as at September 30, 2017 and 2016 include \$1,249,086 in mineral property interest related to the acquisition of the Chvalteice Manganese Project on May 13, 2016. (See "The Chvalteice Manganese Project Earn-in Option Agreement and Subsequent Acquisition").
- Non-current liabilities as at September 30, 2017 and 2016 include the non-current portions of the deferred share consideration to be issued in connection with the acquisition of the Chvalteice Manganese Project, of \$450,456 and \$621,571, respectively. (See "The Chvalteice Manganese Project Earn-in Option Agreement and Subsequent Acquisition").

Results of operations – Years ended September 30, 2017 and 2016

To date, the Company's operating results reflect the exploration and evaluation activities at its Chvalteice Manganese Project, and other expenses, which primarily comprise administrative expenses. The sum of these expenditures amounted to losses for the years ended September 30, 2017 and 2016 of \$3,413,356 and \$945,950, respectively.

Exploration activities for the year ended September 30, 2017 of \$2,398,542 increased substantially over the prior year's exploration activities of \$624,230. Exploration activities for the year ended September 30, 2016 included expenditures from the date of the Earn-in Agreement to the date of the acquisition of the Chvalteice Manganese Project, May 13, 2016, and expenditures incurred by the Company following the acquisition of the Chvalteice Manganese Project. (See "The Chvalteice Manganese Project Earn-in Option Agreement and Subsequent Acquisition").

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For Fiscal 2016, project related expenses of \$624,230 primarily consisted of engineering costs, metallurgical testing costs, and an allocation of management remuneration of \$279,930. During Fiscal 2017, the Company saw a significant increase in project related engineering, drilling, metallurgical studies, and other activities related to the Chvalitice Manganese Project. As a result, engineering costs rose to \$1,141,129 (2016 - \$123,632), drilling, sampling and survey costs rose to \$346,025 (2016 - \$5,887), metallurgical studies rose to \$194,593 (2016 - \$50,498), geological costs rose to \$96,358 (2016 - \$3,890), and project travel costs rose to \$215,955 (2016 - \$39,332). No management remuneration or overhead was charged to the project for the year ended September 30, 2017, as third-party consultants were assigned all project related functions. Refer to “*Review of Operations - The Chvalitice Manganese Project*” for a summary of the engineering and project related activities.

As a result of the increased project related expenditures, there was a corresponding increase in administrative expenditures which rose from \$321,720 in the year ended September 30, 2016 to \$1,014,814 in 2017. Net remuneration for the 2017 fiscal year of \$692,116 (2016 - \$139,552) included \$235,688 (2016 - \$145,662) paid by way of share issuances, and \$134,753 (2016 - \$57,368) in stock-based compensation relating to option grants to management and directors. As indicated above, the increased involvement of third-party advisors in the management of technical issues allowed senior management of the Company to concentrate their efforts in raising additional capital for the Company. Consequently, there was no allocation of management remuneration and overhead charges to project exploration activities in Fiscal 2017. Administrative expenses for the 2017 year also included increases in legal and professional costs to \$67,679 (2016 - \$14,832) due to the financings during the year and general growth of the Company, and non-cash accretion expense of \$130,573 (2016 - \$37,310) relating to the deferred share consideration in connection with the acquisition of the Chvalitice Manganese Project in May 2016 (see “*The Chvalitice Manganese Project Earn-in Option Agreement and Subsequent Acquisition*”).

Select Quarterly Financial Information

The following table presents selected financial information for each of the most recent eight quarters ending September 30, 2017. Amounts shown are in thousands of Canadian dollars, except per share amounts.

Quarter ended:	Fiscal 2017				Fiscal 2016			
	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015
Revenue	-	-	-	-	-	-	-	-
Project evaluation expenses ^{(1), (2)}	1,488	592	226	92	131	166	250	77
Other expenses ^{(3), (4)}	347	265	195	208	95	55	111	62
Net loss attributable to owners of the Company	1,835	857	421	300	226	221	361	139
Net loss per share attributable to owners of the Company, basic and fully diluted ^{(5), (6)}	(0.03)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)

Notes:

1. Project evaluation expenditures for the quarters shown include the Company's expenditures from the date of the Earn-in Agreement to the date of the acquisition of the Chvalitice Manganese Project, May 13, 2016, as well as following the acquisition of the Chvalitice Manganese Project (see “*The Chvalitice Manganese Project Earn-in Option Agreement and Subsequent Acquisition*”).
2. Project evaluation for the quarters ended September 30, 2017, June 30, 2017, March 31, 2017 and December 31, 2016 include non-cash stock-based compensation relating to option grants of \$44,365 (September 30, 2016 - \$4,117), \$23,555 (June 30, 2016 - \$12,602), \$4,027 (March 31, 2016 - nil), and \$4,117 (December 31, 2015 - nil), respectively.
3. Other expenses for the quarters ended September 30, 2017, June 30, 2017, March 31, 2017 and December 31, 2016 include non-cash stock-based compensation relating to option grants of \$67,317 (September 30, 2016 - \$13,544), \$40,643 (June 30, 2016 - \$43,824), \$13,249 (March 31, 2016 - nil), and \$13,544 (December 31, 2015 - nil), respectively.
4. Other expenses for the quarters ended September 30, 2017, June 30, 2017, March 31, 2017 and December 31, 2016 include non-cash accretion expense of \$35,468 (September 30, 2016 - \$34,420), \$31,044 (June 30, 2016 - \$2,890), \$31,679 (March 31, 2016 - nil), and \$32,382 (December 31, 2015 - nil), respectively, relating to the deferred share consideration in connection with the acquisition of the Chvalitice Manganese Project on May 13, 2016 (see “*The Chvalitice Manganese Project Earn-in Option Agreement and Subsequent Acquisition*”).

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5. Fully diluted weighted average common shares outstanding used in the calculation of diluted net loss per share in each of the periods presented are not reflective of the outstanding stock options and warrants at that time as their exercises would be anti-dilutive in the net loss per share calculation. Accordingly, loss per share on a diluted basis is the same as loss per share on an undiluted basis.
6. After adjusting for the Share Split.

Beginning in January 2017, the Company embarked on a growth phase which marked a significant increase in project related activities. As a result, quarterly exploration and evaluation expenditures increased over each prior quarter commencing with the quarter ended March 31, 2017. The timing of various engineering and related analytical studies for the Chvalitec Manganese Project account for most large variances in project activities on a quarterly and annual basis. Additionally, in June 2017, an extensive drill and assay program was initiated as the first step of a program to complete the PEA report. Accordingly, engineering, drilling, sampling and surveys, and metallurgical studies comprise the majority of the project related costs and account for the significant variations commencing in the quarter ended June 30, 2017.

The increased involvement of outside advisors in the management of technical issues allowed senior management of the Company to concentrate their efforts in raising additional capital for the Company. Consequently, starting in October 2016, no additional administrative and overhead charges were allocated to the exploration activities.

The increase in the level of quarterly administrative expenditures is mainly attributed to the combination of a) additional legal and professional costs related to financing activities, which also required more senior management time, b) increases in non-cash stock-based compensation related to option grants to directors and management and c) increases to non-cash accretion expense related to the acquisition of 100% interest in the Chvalitec Manganese Project in May 2016.

Liquidity and Capital Resources

As at September 30, 2017, the Company held cash of \$2,860,994. Cash is held with reputable financial institutions and is invested in highly liquid short-term investments with maturities of three months or less. The funds are not exposed to liquidity risk and there are no restrictions on the ability of the Company to use these funds to meet its obligations.

Cash increased by \$2,743,601 during the year ended September 30, 2017 primarily due to a private equity placement completed in August 2017, which raised net proceeds of \$5,382,211, offset by cash used in net operating activities of \$2,630,767.

As at September 30, 2017, the Company had working capital of \$2,333,053. Subsequent to year-end, the Company closed the February 2018 Private Placement for net cash proceeds of \$7,327,063. See “*Prior Sales*” and “*Event Subsequent to the year ended September 30, 2017*”.

The Company’s capital resources at September 30, 2017, combined with the net proceeds from the February 2018 Private Placement, and the Offering and Australian Offering, are expected to provide sufficient working capital to fund its corporate and project development costs for at least 18 months. As an early exploration stage corporation, the Company does not own any properties with established reserves and has no operating revenues and is unable to self-finance its operations. Accordingly, the only source of future funds presently available to the Company is through the issuance of share capital. The ability of the Company to arrange such equity financings in the future will depend principally upon prevailing market conditions and the business performance of the Company. Its inability to raise additional funds in the future may require the Company to curtail or terminate its activities and may result in material adjustments to the carrying values of assets. See “*Risk Factors*.”

The Company is not subject to any externally imposed capital requirements. As at September 30, 2017, the Company had no material contractual obligations which required minimum annual cash payments. Refer to “*Annual MD&A – Contractual Commitments*” and “*Interim MD&A – Subsequent Transactions*” for contractual obligations arising subsequent to September 30, 2017.

For additional information regarding the Company’s capital commitments and expenditures required to fund planned growth or fund development activities, see “*Use of Proceeds*” and “*Business of the Company – The Acquisitions*”.

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Off Balance Sheet Arrangements

At the end of September 30, 2017, there are no off-balance sheet arrangements which could have a material impact on current or future results of operations or the financial condition of the Company.

Related Party Transactions

For the fiscal year ended September 30, 2017, amounts paid to related parties were incurred in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the transacting parties.

At September 30, 2017, key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole, and consisted of the Company's directors and officers, including its President and Chief Executive Officer, Chief Financial Officer and Corporate Secretary and Vice President Development.

For the year ended September 30, 2017, salaries and consulting fees to officers of the Company were \$645,928 (2016 – \$177,000) and comprised \$252,000 (2016 - \$168,000) to the President and CEO, \$238,687 (2016 - \$9,000) to the CFO, and \$155,241 (2016 – nil) to the Vice President Development. Stock-based compensation to the officers and directors for the 2017 fiscal year was \$158,932 (2016 – \$202,669) and comprised stock-based compensation to officers of \$47,982 (2016 - \$157,266) and to directors of \$110,950 (2016 - \$45,403). Related party transactions for the year ended September 30, 2017 also include fees provided by PRK Raft a.s. (“PRK”), a legal firm associated with Daniel Rosický, a director of the Company, in the amount of \$43,171 (2016 – \$93,564).

As at September 30, 2017, amounts owing to officers of the Company for salaries and consulting fees amounted to \$64,576 (2016 - \$176,515) and included \$34,654 (2016 - \$8,515) owing to the CFO, nil (2016 - \$168,000) owing to the President and CEO, and \$29,922 (2016 – nil) owing to the Vice President Development.

As at September 30, 2017, fees owing to PRK amounted to \$11,161 (2016 - \$9,418). Other amounts payable to officers and directors for travel related expenses amounted to \$40,994 (2016 - \$1,763) and included \$36,102 (2016 - \$840) owing to the President and CEO, nil (2016 - \$923) owing to the CFO and \$4,892 (2016 – nil) owing to two directors.

Proposed Transactions

At the end of September 30, 2017, there are no proposed asset or business acquisitions or dispositions being considered that would affect the financial condition, financial performance or cash flows of the Company.

Contractual Commitments

Pursuant to the Mangan Acquisition Agreement, as at September 30, 2017, the Company has a commitment to issue a cumulative total of \$900,000 in Shares that are issuable in three equal \$300,000 annual equity instalments, on May 13 in each of 2018, 2019 and 2020. Subsequent to quarter end, the Company issued 1,500,000 Shares at \$0.20 per share in settlement of \$300,000 of the obligation due on May 13, 2018. The number of Shares to be issued for the remaining two tranches were to be based on the estimated value of the Company's Shares at the time of each issue. On June 15, 2018, the Company and Mangan's three founding shareholders amended the terms of the acquisition agreements to indicate that the minimum deemed value of the Shares to be issued in the future will not be less than \$0.05 per Share and to allow the Company an option to settle the remaining obligations in cash, in its sole discretion, provided that in the event either of the remaining two Share issuances result in the deemed value of the Shares being below \$0.05 per share, the Company agrees to settle such obligations in cash. See “*The Chvalatice Manganese Project Earn-in Option Agreement and Subsequent Acquisition*”.

Pursuant to the terms of an agency agreement entered into by the Company on June 16, 2017 and subscription agreements entered into with various purchasers, the Company agreed that it would use commercially reasonable efforts to become a reporting issuer in Canada and obtain a public company listing in Canada or Australia. The Company agreed to issuance of penalty shares for no consideration to the brokered placement's investors if the Company fails to meet certain listing commitments within the agreed periods. The first commitment, to file a

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preliminary prospectus or other listing document in Canada or Australia, was satisfied on March 29, 2018 when the Company filed a preliminary prospectus in Canada. The second commitment is to become publicly listed within 18 months from August 18, 2017. Should the Company fail to meet this obligation, the Company will be required to issue for no consideration an additional 6,272,725 Shares to the brokered placement's investors. The Company also offered to shareholders that previously invested at \$0.10 and \$0.11 per Share the opportunity to amend their share subscription agreements to include the same penalties as offered to the participants of the brokered placement. Accordingly, in the event the second penalty is triggered, the Company will be required to issue for no consideration a total of 3,946,055 additional Shares to those shareholders.

As part of the June 2017 brokered placement, the Company also granted to Canaccord Genuity Corp. (Canada) a right of first refusal to act as agent for a twelve-month period ending August 18, 2018 in any offering of the Company's securities to be issued and sold to the public in Canada by private placement or public offering or to provide professional, sponsorship or advisory services performed by a broker or investment dealer. This commitment was subsequently waived by the Agent on January 22, 2018, in connection with the engagement letter signed by the Company and the Australian Agent. (See "*Event Subsequent to the year ended September 30, 2017*").

The Company has entered into employment agreements with its executive officers in which the individuals are entitled to a combination of base salary; extended benefits; specified milestones payments; and may be eligible for annual performance-based bonus as determined by the Board in its sole discretion. Following termination without cause, executive officers are also entitled to 12-month written notice or, in one case, a severance equivalent of one year's salary. Further, upon a change of control, as defined in their employment agreements, certain executives are entitled to lump sum payments of between eighteen and twenty-four months of their base salaries.

Subsequent to March 31, 2018, the Company entered into an agreement for the office rental in Vancouver, for the period June 1, 2018 to April 30, 2021, requiring it to make minimum annual cash payments as follows:

For the 12 months ending March 31, 2019	\$48,860
For the 12 months ending March 31, 2020	\$61,000
For the 12 months ending March 31, 2021	\$61,200
For the 12 months ending March 31, 2022	\$5,100

Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at the date of this MD&A, the Company has 134,051,757 Shares issued and outstanding.

There are also 11,225,000 stock options outstanding, exercisable at an average price of \$0.13 per share, with expiry dates ranging from April 6, 2026 to February 21, 2028.

Also outstanding as of the date of this MD&A are 5,784,015 warrants comprised of: 2,927,265 broker warrants exercisable at \$0.11 per share expiring between June 16, 2019 to August 18, 2019; and 2,856,750 broker warrants exercisable at \$0.30 per share expiring February 28, 2021.

Subsequent Transactions

Subsequent to September 30, 2017, to March 31, 2018, the Company acquired in November 2017 a land parcel and some building and equipment, including a rail siding, for \$326,672.

On December 14, 2017, the Company granted, to directors and employees of the Company, a total of 700,000 options with an exercise price of \$0.11 per share until December 14, 2027.

On February 28, 2018, the Company closed the February 2018 Private Placement for proceeds of \$7,550,000, and on January 24, 2018 and March 9, 2018, entered into agreements with the Australian Agent and Agent, respectively, in respect the Australian Offering and Offering. See "*Events Subsequent to the year ended September 30, 2017*".

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On January 9, 2018, a total of 250,005 options to purchase Shares having an average exercise price of \$0.09 per Share expired or were forfeited by employees or consultants that ended providing services to the Company. In January and February 2018, the Company granted an officer a total of 1,076,965 warrants to purchase Shares at one-fifth of \$0.01 per Share in lieu of \$116,312 in services provided during the five-month period ended December 31, 2017, after which the warrants were exercised, and 1,076,965 Shares were issued. On February 21, 2018, a total of 433,855 Shares were issued at \$0.11 per Share as payment for \$48,849 in services rendered to the end of January 2018. Further, on February 21, 2018, the Company granted to directors, employees and consultants, a total of 3,225,000 options with an exercise price of \$0.20 per share until February 21, 2028, and on March 20, 2018, the Company granted a new director 500,000 options with an exercise price of \$0.20 per share until March 20, 2028.

See also “*Interim MD&A – Subsequent Transactions*” for those transactions occurring after March 31, 2018.

Financial Risk Management

The Company’s financial instruments are exposed to certain financial risks, which include credit risk, liquidity risk and interest rate risk.

Credit Risk

Credit risk arises from cash as well as credit exposures to counterparties of outstanding receivables and committed transactions. There is no concentration of credit risk other than on cash deposits and receivables. The Company’s cash deposits as at September 30, 2017 are primarily held with a Canadian chartered bank. Further, receivables comprise amounts due from the Canadian federal government. Therefore, credit risk is considered low.

Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they become due. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company’s reputation.

Interest Rate Risk

As the Company has no loans or borrowings with variable rates of interest as at September 30, 2017, the Company does not believe interest rate risk is significant.

Capital Management

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern to pursue suitable business opportunities and to maintain flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration and evaluation stage and has not achieved commercial operations from its projects, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders’ equity. The Company manages and adjusts its capital structure considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain and adjust the capital structure, the Company may attempt to issue new shares, enter joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets, approved by the board, that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company’s investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

Except for the deferred equity commitment referred above under the heading “*Contractual Commitments*”, the Company is not currently subject to externally imposed capital requirements. There are no changes in the

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Company's approach to capital management, including the funds expected from the pending Offering and Australian Offering.

Financial instrument – measurement of fair value

The Company's financial instruments at September 30, 2017 consist of cash, receivables, due to related parties and accounts payable and accrued liabilities. Classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Company's designation of such instruments.

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within 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 values of cash, receivables, due to related parties, and of accounts payable and accrued liabilities at September 30, 2017 approximate their fair value because of the short-term nature of these instruments.

Accounting Policies, Significant Accounting Estimates and Critical Judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events that affect the reported amounts of assets and liabilities at the date of the corresponding consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from these estimates.

The Company's significant accounting policies and accounting estimates are contained in the 2017 Year End Financials of the Company set out in this Prospectus. Certain of these policies involve critical accounting estimates because they require management to make subjective or complex judgments about matters that are inherently uncertain, and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant Accounting Estimates

Significant accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Fair value of deferred Share consideration, of Share consideration and of contingently payable penalty Shares:

As part of the acquisition of Mangan, the Company discounted the \$1,200,000 future deferred consideration at an annual rate of 15%. The discount rate represents an estimate of the Company's borrowing rate at the time of the acquisition. The deferred consideration balance is being accreted at an annual rate of 15% over the remaining repayment period and the resulting increase is being recorded as an annual accretion charge. Changes in these assumptions changes the value assigned to the acquired assets and related liabilities.

Significant estimation is involved in determining the fair value of Shares issued by the Company given that the Company is not publicly traded. Reference is made to the most recent share price negotiated with arms-length third parties when estimating the fair value of Shares.

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Significant judgement is also involved in determining the fair value of the penalty Shares to be issued to certain shareholders if specific future conditions are not met. See “*Event Subsequent to the year ended September 30, 2017*”. Management considered the Company’s previous record of raising financing in making this judgement.

Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

Going concern

The preparation of the consolidated financial statements requires management to make judgments regarding its ability to continue as a going concern as discussed in Note 1 of the 2017 Year End Financials included in this Prospectus.

Exploration and evaluation assets

Management is required to assess impairment in respect of exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project, future plans towards finding commercial reserves and whether future economic benefits are likely either from exploitation or future sale or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. The nature of exploration and evaluation activity is such that only a small proportion of projects are ultimately successful, and some assets are likely to become impaired in future periods.

Management has determined that there were no triggering events present as defined in IFRS 6 for the exploration and evaluation assets and as such, no impairment test was performed.

Accounting pronouncements not yet effective as at September 30, 2017

The following standards and pronouncements have been issued by the IASB and have not yet been adopted by the Company. The Company is currently evaluating the impact the new and amended standards are expected to have on its financial statements.

IFRS 9, Financial Instruments (“**IFRS 9**”), addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. The new standard states that an entity choosing to measure a liability at fair value will present the portion of the change in its fair value due to changes in the entity’s own credit risk in the other comprehensive income or loss section of the entity’s statement of comprehensive loss, rather than within profit or loss.

Additionally, IFRS 9 includes revised guidance related to derecognition of financial instruments. IFRS 9 applies to financial statements for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is assessing the impact of this standard.

IFRS 15 Revenue from Contracts with Customers establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is not expecting the standard to impact the financial statements.

IFRS 16 Leases (“**IFRS 16**”) specifies how an issuer will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less, or the underlying asset has an insignificant value. IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of the standard on the Company’s financial statement measurements and disclosures. The Company does not anticipate early adoption of this standard.

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Interim MD&A

This Interim MD&A, prepared as of June 25, 2018, supplements, but does not form part of the interim financial statements of the Company for the three and six months ended March 31, 2018. This Interim MD&A should be read in conjunction with the remainder of this Prospectus, including sections entitled “*Selected Historical Financial Information*” and “*Risk Factors*” in this Prospectus and the Company’s condensed consolidated interim financial statements as at and for the three and six months ended March 31, 2018 and related notes thereto (the “**March 2018 Interim Financials**”) included in this Prospectus. The March 2018 Interim Financials are prepared in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting* (“IAS 34”), and the Company’s significant accounting policies are unchanged from those set out in Note 3 of the 2017 Year End Financials. All dollar amounts contained in this Interim MD&A are expressed in Canadian dollars and tabular amounts are expressed in thousands of Canadian dollars, unless otherwise indicated. Further, all Share and per Share amounts in this Interim MD&A have been adjusted to reflect the Share Split.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the Interim MD&A, is complete and reliable.

The technical information in this Interim MD&A concerning the Chvaletice Manganese Project was prepared under the supervision of Mr. Gary Nordin, a Qualified Person under NI 43-101.

This Interim MD&A contains “forward-looking information” that is subject to various risks and uncertainties, including those set forth in “*Statement Regarding Forward-Looking Information*” and “*Risk Factors*” in this Prospectus. The Company cannot assure investors that such information will prove to be accurate, and actual results and future events may differ materially from those anticipated in such information. The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. Investors are cautioned not to place undue reliance on this forward-looking information.

Business Overview, and Quarterly Highlights

The Company’s principal asset is its 100% ownership interest in the Chvaletice Manganese Project, and the majority of its activities are focused on the evaluation, planning and potential development thereof. For a business overview, a summary of the Company’s highlights during the six-month period ended March 31, 2018, and a review of the Company’s activities related to its Chvaletice Manganese Project, please see “*Annual MD&A - Annual and Quarterly Highlights*” and “*Results of Operations – the Chvaletice Manganese Project*”.

See also “*Business of the Company*” and “*Risk Factors*”.

Review of Operations - The Chvaletice Manganese Project

See “*Annual MD&A - Review of Operations - The Chvaletice Manganese Project*” for a review of the Company’s activities conducted on the Chvaletice Manganese Project to date, including activities conducted during the six-month period ended March 31, 2018.

Outlook

See “*Annual MD&A – Outlook*.”

Results of operations – Three Months ended March 31, 2018 and 2017

To date, the Company’s operating results have reflected the exploration and evaluation activities at its Chvaletice Manganese Project, and other expenses, which primarily comprise administrative expenses. The sum of these expenditures resulted in losses for the quarters ended March 31, 2018 and 2017 of \$1,484,602 and \$421,285, respectively, and losses in each of the two quarters of \$0.01 on a per share basis.

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Project evaluation costs in the quarter ended March 31, 2018 of \$969,175 increased substantially over the evaluation costs incurred in the quarter ended March 31, 2017 of \$226,339. For the quarter ended March 31, 2017, project related exploration and evaluation expenses primarily consisted of engineering and travel costs and expenses related to some initial drilling and metallurgical testwork, and included no costs for remuneration. Increases to project related costs from the quarter ended March 31, 2017 to 2018 are primarily attributable to: engineering costs which rose to \$516,219 (2017 - \$130,214); manganese market study costs which rose to \$66,617 (2017 - \$12,168); project-related legal and professional costs which rose to \$18,634 (2017 - Nil); geological costs which rose to \$13,075 (2017 - Nil); project travel costs which rose to \$63,495 (2017 - \$44,439); project management costs which rose to \$24,819 (2017 - Nil); and supplies and equipment rentals which rose to \$11,738 (2017 - Nil). Remuneration costs also rose significantly from the quarter ended March 31, 2017 to 2018, from Nil to \$174,660 and represented the cost of a full time Managing Director of Mangan and supporting personnel which were hired in early October 2017 to manage the increased level of engineering consultants and other project activities. Additionally, project evaluation costs for the quarter ended March 31, 2018 include non-cash share-based compensation relating to option grants of \$79,918 (2017 - \$4,027).

Engineering costs for the quarter end March 31, 2018 of \$516,219 represented approximately 53% of the total project evaluation costs for the quarter and related to: a tailings/residue facility design study; studies related to test work, process and infrastructure design; the initiation of a wide range of bench and pilot scale tests and investigations to determine the optimum process to re-process Chvalitice tailings and recover manganese to produce HPEMM and HPMSM; scoping and pre-feasibility-level process design studies, evaluating plant and site infrastructure layout alternatives, developing preliminary capital and operating cost estimates, planning and carrying out extensive environmental studies, and conducting widespread community consultations. Engineering costs for the period also include an extensive geotechnical study, initiated in January 2018, of the tailings and certain lands under consideration for a potential plant site.

Market studies initiated in the prior quarter resulted in costs of \$66,617 in the March 31, 2018 quarter and related to market studies commissioned by the Company for high-purity manganese products that will be incorporated in the PEA. Also included were costs related to a study initiated to analyze the future impact of changes in the battery markets on the high purity manganese products supply chain.

As a result of the increased project related expenditures, there was a corresponding increase in administrative expenditures which rose from \$194,946 in the quarter ended March 31, 2017 to \$515,427 in 2018. Net remuneration for the 2018 March quarter of \$376,859 (2017 - \$130,490) included \$164,927 (2017 - \$13,249) in share-based compensation relating to option grants to management and directors. Additional share-based compensation paid by way of share issuances, amounted to Nil and \$37,013 for the three months ended March 31, 2018 and March 31, 2017, respectively. Administrative expenses for the 2018 quarter also included increases in legal and professional costs of \$23,496 (2017 - \$14,589), insurance of \$13,773 (2017 - Nil), travel of \$41,523 (2017 - \$7,987), conferences of \$10,132 (2017 - Nil), office rent of \$7,500 (2017 - \$4,500), investor relations of \$1,830 (2017 - \$480), and other general and administrative expenses of \$13,098 (2017 - \$4,866). Non-cash accretion expense for the March 31, 2018 quarter of \$25,334 (2017 - \$31,679) relates to the deferred share consideration issued in connection with the acquisition of Mangan in May 2016. (see “*Annual MD&A - The Chvalitice Manganese Project Earn-in Option Agreement and Subsequent Acquisition*”).

Results of operations – Six Months ended March 31, 2018 and 2017

Losses for the six-month periods ended March 31, 2018 and 2017 were \$2,951,438 and \$721,825, respectively, which resulted in losses on a per share basis of \$0.03 and \$0.02, respectively.

Project evaluation costs in the six months ended March 31, 2018 of \$2,088,395 increased substantially over the evaluation costs incurred in the six months ended March 31, 2017 of \$318,591. For the six months ended March 31, 2017, project related evaluation expenses primarily consisted of engineering and travel costs and expenses related to some initial drilling and metallurgical testwork, and included no remuneration costs. Increases to project related costs from the six months ended March 31, 2017 to 2018 are primarily attributable to: engineering costs which rose to \$1,168,024 (2017 - \$188,413); manganese market study costs which rose to \$158,356 (2017 - \$13,371); project-related legal and professional costs which rose to \$54,099 (2017 - \$56); geological costs which rose to \$79,070 (2017 - Nil); project travel costs which rose to \$110,224 (2017 - \$58,844); project management costs which rose to \$52,938 (2017 - \$12,166); and supplies and equipment rentals which rose to \$32,387 (2017 - Nil). Remuneration

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costs also rose significantly from the six months ended March 31, 2017 to 2018, from Nil to \$322,362, and represented the cost of the Managing Director of Mangan and supporting personnel which were hired in early October 2017. Additionally, project evaluation costs for the six months ended March 31, 2018 include non-cash share-based compensation relating to option grants of \$97,323 (2017 - \$8,144).

Engineering costs for the six-month period ended March 31, 2018 of \$1,168,024 represented approximately 56% of the total project evaluation costs for the period and related to the engineering studies described under “*Interim MD&A - Results of Operations – For the Three Months Ended March 31, 2018.*”

As a result of the increased project evaluation expenditures, there was a corresponding increase in administrative expenditures which rose from \$403,234 in the six months ended March 31, 2017 to \$863,043 in the 2018 period. Net remuneration for the 2018 six-month period of \$602,470 (2017 - \$265,330) included \$83,263 (2017 - \$77,363) paid by way of share issuances, and \$215,547 (2017 - \$26,793) in stock-based compensation relating to option grants to management and directors. Administrative expenses for the six months ended March 31, 2018 included increases in legal and professional costs of \$57,793 (2017 - \$36,224), insurance of \$27,546 (2017 - Nil), travel of \$53,992 (2017 - \$14,920), conferences of \$12,390 (2017 - \$3,174), office rent of \$13,000 (2017 - \$9,000), investor relations of \$6,395 (2017 - \$720), and other general and administrative expenses of \$36,170 (2017 - \$9,136). Non-cash accretion expense for the six-months ended March 31, 2018 of \$51,232 (2017 - \$64,061) relates to the deferred share consideration issued in connection with the acquisition of Mangan.

Select Quarterly Financial Information

The following table presents selected financial information for each of the most recent eight quarters. Amounts shown are in thousands of Canadian dollars, except per share amounts.

Quarter ended:	Fiscal 2018		Fiscal 2017				Fiscal 2016	
	March 31, 2018	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Revenue	-	-	-	-	-	-	-	-
Project evaluation expenses ^{(1), (2)}	969	1,119	1,488	592	226	92	131	166
Other expenses ^{(3), (4), (5)}	515	348	347	265	195	208	95	55
Net loss attributable to owners of the Company	1,484	1,467	1,835	857	421	300	226	221
Net loss per share attributable to owners of the Company, basic and fully diluted ^{(6), (7)}	(0.01)	(0.02)	(0.03)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)

Notes:

1. Project evaluation expenditures for the quarters shown include the Company's expenditures from the date of the Earn-in Agreement to the date of the acquisition of the Chvalitice Manganese Project, May 13, 2016, as well as following the acquisition of the Chvalitice Manganese Project (see “*Annual MD&A - The Chvalitice Manganese Project Earn-in Option Agreement and Subsequent Acquisition*”).
2. Project evaluation for the quarters ended March 31, 2018, December 31, 2017, September 30, 2017, June 30, 2017, March 31, 2017, December 31, 2016, September 30, 2016 and June 30, 2016 include non-cash share-based compensation relating to option grants of \$79,918, \$17,405, \$44,365, \$23,555, \$4,027, \$4,117, \$4,117 and \$12,602, respectively.
3. Other expenses for the quarters ended March 31, 2018, December 31, 2017, September 30, 2017, June 30, 2017, March 31, 2017, December 31, 2016, September 30, 2016 and June 30, 2016 include non-cash share-based compensation relating to option grants of \$164,927, \$50,620, \$67,317, \$40,643, \$13,249, \$13,544, \$13,544, and \$43,821, respectively.
4. Other expenses for the quarters ended March 31, 2018, December 31, 2017, September 30, 2017, June 30, 2017, March 31, 2017, December 31, 2016, September 30, 2016 and June 30, 2016 also include non-cash share compensation paid by way of share issuances of Nil, \$83,263, \$81,713, \$76,613, \$37,013, \$40,349, \$28,237, and \$46,800, respectively.
5. Other expenses for the quarters ended March 31, 2018, December 31, 2017, September 30, 2017, June 30, 2017, March 31, 2017, December 31, 2016, September 30, 2016 and June 30, 2016 include non-cash accretion expense of \$25,334, \$25,898, \$35,468, \$31,044, \$31,679, \$32,382, \$4,420 and \$2,890, respectively, relating to the deferred share consideration in connection with the acquisition of the Chvalitice Manganese Project on May 13, 2016 (see “*Annual MD&A - The Chvalitice Manganese Project Earn-in Option Agreement and Subsequent Acquisition*”).
6. Fully diluted weighted average common shares outstanding used in the calculation of diluted net loss per share in each of the periods presented are not reflective of the outstanding stock options and warrants at that time as their exercises would be anti-dilutive in the net loss per share calculation. Accordingly, loss per share on a diluted basis is the same as loss per share on an undiluted basis.

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7. After adjusting for the Share Split.

Beginning in January 2017, the Company embarked on a growth phase which marked a significant increase in project related activities. As a result, quarterly exploration and evaluation expenditures increased over each prior quarter commencing with the quarter ended March 31, 2017. The timing of various engineering and related analytical studies for the Chvaletice Manganese Project account for most large variances in project activities on a quarterly and annual basis. Additionally, in June 2017, an extensive drill and assay program was initiated as the first step of a program to complete the PEA report. Accordingly, engineering, drilling, sampling and surveys, and metallurgical studies comprise the majority of the project related costs and account for the significant variations commencing in the quarters ended June 30, 2017 and December 31, 2017. Further, commencing with the quarter ended December 31, 2017, project related costs reflect the hiring of a full-time Managing Director of Mangan, and supporting personnel, to manage the increased level of engineering consultants and other project activities in the Czech Republic. Also beginning in October 2017, the Company raised its in country presence with the opening of offices in Prague and a Project Information Center in the town of Chvaletice. Also, beginning January 2018, project related costs reflect the hiring of a full-time Vice President, Project Development, to oversee process engineering and overall project development planning.

The increased involvement of outside advisors in the management of technical issues allowed senior management of the Company to concentrate their efforts in raising additional capital for the Company. Consequently, starting at the beginning of Fiscal 2017, no additional administrative and overhead charges were allocated to exploration activities.

The increase in the level of quarterly administrative expenditures is mainly attributed to the combination of a) increased remuneration, b) additional legal and professional costs related to financing activities, which also required more senior management time, and c) increases in non-cash stock-based compensation related to option grants to directors and management.

Liquidity and Capital Resources

As at March 31, 2018, the Company held cash of \$7,648,144. Cash is held with reputable financial institutions and is invested in highly liquid short-term investments with maturities of three months or less. The funds are not exposed to liquidity risk and there are no restrictions on the ability of the Company to use these funds to meet its obligations.

Cash increased by \$4,787,150 during the six months ended March 31, 2018, primarily due to the February 2018 Private Placement which raised net cash proceeds of \$7,327,063. Cash generated from financing activities were offset by cash used in net operating activities of \$2,220,895 for the six months ended March 31, 2018, as well as by cash used to acquire land and equipment near the project area in the amount of \$326,672.

As at March 31, 2018, the Company had working capital of \$6,973,184, which compares to working capital at September 30, 2017 of \$2,333,053. The increase in working capital was due to the February 2018 Private Placement, offset by operating expenditures and the acquisition of land and equipment, as described above.

The Company's capital resources at March 31, 2018, combined with the net proceeds from the Offering and Australian Offering, are expected to provide sufficient working capital to fund its corporate and project development costs for at least 18 months. As an early exploration stage corporation, the Company does not own any properties with established reserves and has no operating revenues and is unable to self-finance its operations. Accordingly, the only source of future funds presently available to the Company is through the issuance of share capital. The ability of the Company to arrange such equity financings in the future will depend principally upon prevailing market conditions and the business performance of the Company. Its inability to raise additional funds in the future may require the Company to curtail or terminate its activities, and may result in material adjustments to the carrying values of assets. See "*Risk Factors*."

The Company is not subject to any externally imposed capital requirements. As of the date of this MD&A, other than as described in "*Annual MD&A - Contractual Commitments*", the Company had no material contractual obligations which required minimum annual cash payments.

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For additional information regarding the Company's capital commitments and expenditures required to fund planned growth or fund development activities, see "Use of Proceeds" and "Business of the Company" elsewhere in this Prospectus.

Off Balance Sheet Arrangements

As at March 31, 2018, there are no off-balance sheet arrangements which could have a material impact on current or future results of operations, or the financial condition of the Company.

Related Party Transactions

For the three and six months ended March 31, 2018, amounts paid to related parties were incurred in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the transacting parties.

At March 31, 2018, key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole, and consisted of the Company's directors and officers, including its non-executive Chairman, President and Chief Executive Officer, Chief Financial Officer, Vice President Development, and Managing Director of Mangan.

For the three months ended March 31, 2018, salaries to officers of the Company and directors fees totaled \$342,353 (2017 – \$103,012) and comprised \$75,000 (2017 - \$63,000) to the President and CEO, \$60,000 (2017 - \$40,013) to the CFO, \$57,245 (2017 – nil) to the Vice President Development, \$112,064 (2017 – nil) to the Managing Director of Mangan, and directors fees of \$38,044 (2017 -nil). Stock-based compensation to the officers and directors for three months ended March 31, 2018 was \$189,401 (2017 – \$14,071) and comprised stock-based compensation to officers of \$68,040 (2017 - \$3,419) and to directors of \$121,362 (2017 - \$10,652).

For the six months ended March 31, 2018, salaries to officers of the Company and directors fees totaled \$650,498 (2017 – \$209,362) and comprised \$138,000 (2017 - \$126,000) to the President and CEO, \$146,263 (2016 - \$83,363) to the CFO, \$116,213 (2017 – nil) to the Vice President Development, \$211,979 (2017 – nil) to the Managing Director of Mangan, and directors fees of \$38,044 (2017 -nil). Stock-based compensation to the officers and directors for six months ended March 31, 2018 was \$242,302 (2017 – \$28,455) and comprised stock-based compensation to officers of \$121,362 (2017 - \$10,652) and to directors of \$45,016 (2017 - \$12,636).

Related party transactions for the three and six months ended March 31, 2018 also include fees provided by PRK Raft a.s. ("PRK"), a legal firm associated with Daniel Rosický, a director of the Company, in the amount of \$16,307 (2017 – \$2,275) and \$38,182 (2017 – \$8,160).

As at March 31, 2018, amounts owing to directors and officers of the Company for salaries and directors fees amounted to \$89,319 and included \$51,275 owing to the President and CEO, and \$38,044 owing in directors' fees. As at March 31, 2018, fees owing to PRK amounted to \$12,410. Other amounts payable to officers and directors for the reimbursement of travel related expenses amounted to \$62,445 and included \$47,407 owing to the President and CEO, \$782 owing to the CFO, \$7,978 owing to the Vice President Development, \$1,314 owing to the Managing Director of Mangan, and \$4,764 owing to one director.

Proposed Transactions

As at March 31, 2018, there are no proposed asset or business acquisitions or dispositions being considered that would affect the financial condition, financial performance or cash flows of the Company.

Contractual Commitments

Contractual commitments of the Company as at March 31, 2018, are disclosed under "Annual MD&A - Contractual Commitments".

Outstanding Share Data

Outstanding share data as at the date of this MD&A is disclosed in "Annual MD&A – Outstanding Share Data."

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Subsequent Transactions

On April 17, 2018, the Czech authorities approved the issuance of a Preliminary Mining Permit for the Chvaletice Manganese Project. The receipt of this permit, valid until April 30, 2023, enables Mangan to commence work on the Environmental Impact Assessment, and represents a key step towards final permitting for the Chvaletice Manganese Project. Additionally, on May 4, 2018, Mangan was issued an additional exploration licence, which along with the Preliminary Mining Permit secures Mangan's exploration rights for the entire deposit area. See "*Annual MD&A – Business overview*."

On May 9, 2018, the Company issued 1,500,000 Shares at a price of \$0.20 per Share in settlement of \$300,000 of the deferred consideration issued in connection with the acquisition of Mangan (see "*Contractual Commitments*"). Additionally, on June 15, 2018, the Company and Mangan's founding shareholders amended the terms of the acquisition agreements to alter the settlement terms of the two remaining Share issuance obligations as described in "*Annual MD&A - Contractual Commitments*".

On May 28, 2018, the Company issued 222,997 Shares at a price of \$0.20 per Share as payment for \$44,599 in services rendered during the three months ended March 31, 2018 and issued 122,220 Shares at a price of \$0.20 per Share in connection with directors' fees of \$24,444 incurred during the quarter ended March 31, 2018.

Subsequent to March 31, 2018, the Company entered into an agreement for the office rental in Vancouver, requiring it to make minimum annual cash payments as described in "*Annual MD&A - Contractual Obligations*". Additionally, subsequent to quarter end, the Company committed to expenditures aggregating approximately \$1.1 million in connection with various studies related to the completion of the PEA, the final phase of infill drilling to convert Indicated resources to Measured resources, and drilling and sampling the slopes and embankments of the tailings piles to upgrade the Inferred resources thereon.

Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, which include credit risk, liquidity risk and interest rate risk.

Credit Risk

Credit risk arises from cash as well as credit exposures to counterparties of outstanding receivables and committed transactions. There is no concentration of credit risk other than on cash deposits and receivables. The Company's cash deposits as at March 31, 2018 are primarily held with a Canadian chartered bank. Further, receivables comprise amounts due from the Canadian federal government. Therefore, credit risk is considered low.

Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

Interest Rate Risk

As the Company has no loans and borrowings with variable rates of interest as at March 31, 2018, the Company does not believe interest rate risk is significant.

Capital Management

The Company's objectives and approach to managing capital are unchanged from those at September 30, 2017. Other than described in "*Annual MD&A – Capital Management*" and "*Annual MD&A - Contractual Commitments*," the Company is not subject to externally imposed capital requirements. There are no changes in the Company's approach to capital management, including the funds expected from the pending Offering and Australian Offering.

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Financial instrument – measurement of fair value

The Company's financial instruments at March 31, 2018 consist of cash, due to related parties and accounts payable and accrued liabilities. Classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments.

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within 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 values of cash, receivables, due to related parties and of accounts payable and accrued liabilities at March 31, 2018 approximate their fair value because of the short-term nature of these instruments.

Accounting policies, significant accounting estimates and critical judgements

See "Annual MD&A - Accounting policies, significant accounting estimates and critical judgements" and the March 2018 Interim Financials of the Company included in this Prospectus.

Accounting pronouncements not yet effective as at March 31, 2018

See "Annual MD&A - Accounting pronouncements not yet effective as at September 30, 2017" and the March 2018 Interim Financials of the Company included in this Prospectus.

DESCRIPTION OF SHARES

The Company's authorized share capital consists of an unlimited number of Shares without par value, of which there are 134,051,757 Shares issued and outstanding as at the date of this Prospectus. All of the Shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders, with each Share carrying the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the payment by the Company of all of its liabilities. The holders of Shares are entitled to receive dividends as and when declared by the Board in respect of the Shares on a pro rata basis.

CONSOLIDATED CAPITALIZATION OF THE COMPANY

The following table sets forth the share capital of the Company before and after giving effect to the Offering and the Australian Offering. As at the date of this Prospectus, there are 134,051,757 Shares issued and outstanding. The following table, presented as of June 26, 2018, should be read in conjunction with the financial statements contained in this Prospectus.

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	Prior to Completion of the Offering and the Australian Offering ⁽¹⁾	After Completion of the Offering and the Australian Offering ⁽¹⁾⁽²⁾
Basic		
Common Shares (unlimited)		
Common Share Capital	134,051,757	161,251,757
Warrants	5,784,015	7,784,015
Options	11,225,000	11,225,000
Fully Diluted		
Common Shares	151,060,772	180,260,772

Note:

1. After adjusting for the Share Split.
2. Assumes 6,000,000 Shares issued pursuant to the Offering, 20,000,000 CDIs in respect of fully paid Shares issued pursuant to the Australian Offering, 1,200,000 CDI's in respect of fully paid Shares issued in connection with the Australian Agent's Fee, and 2,000,000 Australian Agent's Warrants.

OPTIONS TO PURCHASE SECURITIES

The Board has adopted a stock option plan (the “**Stock Option Plan**”) whereby the maximum number of Shares that may be reserved for issuance under outstanding stock options is 10% of the Company's issued and outstanding Shares on a non-diluted basis, as constituted on the date of any grant of options under the Stock Option Plan. The purpose of the Stock Option Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the Company's shareholders.

Under the Stock Option Plan, options will be exercisable over periods as determined by the Board and are required to have an exercise price no less than the closing market price of the Shares on the trading day immediately preceding the day of the grant. Pursuant to the Stock Option Plan, the Board may from time to time authorize the issue of options to directors, senior officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The maximum number of Shares which may be issued pursuant to options previously granted and those granted under the Stock Option Plan or any other stock option plan of the Company will be 10% of the issued and outstanding Shares at the time of the grant. In addition, the number of Shares which may be reserved for issuance to any one individual may not exceed (without the requisite disinterested shareholder approval) 5% of the issued Shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. The Stock Option Plan permits the Board to specify a vesting schedule in its discretion, subject to any regulatory imposed minimum vesting requirements, if any. Unless otherwise specified by the Board at the time of granting an option, and subject to the other limits on option grants set out in the Stock Option Plan, all options granted under the Stock Option Plan shall vest and become exercisable in full upon grant, except options granted to consultants performing investor relations activities, which options must vest in stages over twelve months with no more than one-quarter of the options vesting in any three-month period.

The Stock Option Plan provides that in the event of a triggering event (“**Triggering Event**”), defined therein and including a change of control, proposed dissolution, liquidation or wind-up of the Company, proposed merger or amalgamation or take-over of the Company, or a sale of substantially all of the Company's assets, all options vested may thereupon be exercised in whole or in part by the Option Holder. The Board may also accelerate the expiry date of outstanding options in connection with a Triggering Event. The Stock Option Plan also contains adjustment provisions with respect to outstanding options in cases of share reorganizations, special distributions and other corporation reorganizations.

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The Stock Option Plan provides that on the death or disability of an Option Holder, all options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such options. Unless the Board determines otherwise, options held by or exercisable by a personal representative of the deceased or disabled Option Holder will, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject. Where an optionee is terminated for cause or voluntarily resigns, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or is otherwise terminated by the Company other than for cause, then all vested options held by such optionee will expire at the earlier of (i) the expiry date of such options and (ii) the date which is 30 days after the optionee ceases its office, employment or engagement with the Company.

In accordance with good corporate governance practices and as recommended by National Policy 51-201 *Disclosure Standards*, the Company imposes black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the Board. In order to ensure that holders of outstanding options are not prejudiced by the imposition of such black-out periods, the Stock Option Plan contains a provision to the effect that any outstanding options with an expiry date occurring during a management imposed black-out period or within five trading days thereafter will be automatically extended to a date that is 10 trading days following the end of the black-out period.

The following table shows the aggregate number of Options outstanding as at the date of the Prospectus:

Group (Number in Group)	Shares Under Option ⁽⁸⁾	Exercise Price ⁽⁸⁾	Market Value ⁽⁹⁾	Expiration Dates
Current and past executive officers of the Company (the “Company Executives”)				
Granted May 16, 2016 (2 persons) ⁽¹⁾	400,000	\$0.08	N/A	May 16, 2026
Granted April 6, 2017 (2 persons) ⁽³⁾	250,000	\$0.10	N/A	April 6, 2027
Granted September 22, 2017 (3 persons) ⁽⁴⁾	750,000	\$0.11	N/A	September 22, 2027
Granted December 14, 2017 (1 person) ⁽⁵⁾	75,000	\$0.11	N/A	December 14, 2027
Granted February 21, 2018 (4 person) ⁽⁶⁾	1,050,000	\$0.20	N/A	February 21, 2028
Current and past non-executive directors of the Company, excluding Company Executives				
Granted May 16, 2016 (5 persons) ⁽¹⁾	1,000,000	\$0.08	N/A	May 16, 2026
Granted June 14, 2016 (1 person) ⁽²⁾	200,000	\$0.10	N/A	June 14, 2026
Granted April 6, 2017 (6 persons) ⁽³⁾	825,000	\$0.10	N/A	April 6, 2027
Granted September 22, 2017 (6 persons) ⁽⁴⁾	1,550,000	\$0.11	N/A	September 22, 2027
Granted December 14, 2017 (4 persons) ⁽⁵⁾	475,000	\$0.11	N/A	December 14, 2027
Granted February 21, 2018 (5 persons) ⁽⁶⁾	1,300,000	\$0.20	N/A	February 21, 2028
Granted March 20, 2018 (1 person) ⁽⁷⁾	500,000	\$0.20	N/A	March 20, 2018
Current and past employees and Consultants of the Company and its subsidiaries				
Granted May 16, 2016 (3 persons) ⁽¹⁾	225,000	\$0.08	N/A	May 16, 2026
Granted April 6, 2017 (4 persons) ⁽³⁾	500,000	\$0.10	N/A	April 6, 2027
Granted September 22, 2017 (6 persons) ⁽⁴⁾	1,100,000	\$0.11	N/A	September 22, 2027
Granted December 14, 2017 (1 person) ⁽⁵⁾	150,000	\$0.11	N/A	December 14, 2027
Granted February 21, 2018 (8 person) ⁽⁶⁾	925,000	\$0.20	N/A	February 21, 2028

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Notes:

1. These options vest as to one-third on May 16, 2016, one-third on May 16, 2017, and one-third on May 16, 2018.
2. These options vest as to one-third on June 14, 2016, one-third on June 14, 2017, and one-third on June 14, 2018.
3. These options vest as to one-third on April 6, 2017, one-third on April 6, 2018, and one-third on April 6, 2019.
4. These options vest as to one-third on September 22, 2017, one-third on September 22, 2018, and one-third on September 22, 2019.
5. These options vest as to one-third on December 14, 2017, one-third on December 14, 2018, and one-third on December 14, 2019.
6. These options vest as to one-third on February 21, 2018, one-third on February 21, 2019, and one-third on February 21, 2020.
7. These options vest as to one-third on March 20, 2018, one-third on March 20, 2019, and one-third on March 20, 2020.
8. After adjusting for the Share Split.
9. Market value of the Shares under options is not reasonably ascertainable on the issue date or another date given that the Shares are not and have never been publicly traded or listed.

PRIOR SALES

The following table summarizes the issuances by the Company of Shares and securities convertible into Shares during the 12-month period prior to the date of this Prospectus:

Date of Issue	Type of Security Issued	Number of Securities Issued ⁽⁵⁾	Issue or Exercise Price Per Security ⁽⁵⁾ (\$)	Total Consideration (\$)
June 30, 2017	Shares – private placement	4,175,000	\$0.11	\$459,250
June 30, 2017	Issue of broker warrants	292,250	\$0.11	-
July 26, 2017	Shares – private placement	5,961,370	\$0.11	\$655,751
July 26, 2017	Issue of broker warrants	417,295	\$0.11	-
August 18, 2017	Shares – private placement	2,497,535	\$0.11	\$274,729
August 18, 2017	Issue of broker warrants	174,825	\$0.11	-
September 22, 2017	Shares – private placement	2,989,545	\$0.11	\$328,850
September 22, 2017	Shares – for services provided	809,300	\$0.11	\$89,024
September 22, 2017	Options granted ⁽²⁾	3,400,000	\$0.11	-
September 29, 2017	Shares on exercise of warrants ⁽¹⁾	621,180	\$0.11	\$67,088
December 14, 2017	Shares – for services provided	659,920	\$0.11	\$72,593
December 14, 2017	Options granted	700,000	\$0.11	-
December 21, 2017	Shares – exercise of stock options	50,000	\$0.11	\$5,500
December 31, 2017	Shares – for services provided	110,140	\$0.11	\$12,115
January 12, 2018	Shares on exercise of warrants ⁽¹⁾	823,610	\$0.11	\$88,950
February 21, 2018	Shares – for services provided	421,355	\$0.11	\$46,351

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Date of Issue	Type of Security Issued	Number of Securities Issued ⁽⁵⁾	Issue or Exercise Price Per Security ⁽⁵⁾ (\$)	Total Consideration (\$)
February 21, 2018	Shares on exercise of warrants ⁽¹⁾	253,355	\$0.11	\$27,363
February 21, 2018	Options granted	3,225,000	\$0.20	-
February 28, 2018	Shares – for services provided	12,500	\$0.20	\$2,500
February 28, 2018	Shares – private placements	37,750,000	\$0.20	\$7,550,000
February 28, 2018	Shares issued as fees on brokered private placement ⁽³⁾	1,684,050	\$0.20	\$336,810
February 28, 2018	Issue of broker warrants	2,806,750	\$0.30	-
March 20, 2018	Options granted	500,000	\$0.20	-
March 20, 2018	Shares issued as fees on brokered private placement ⁽³⁾	30,000	\$0.20	\$6,000
March 20, 2018	Issue of broker warrants	50,000	\$0.30	-
May 9, 2018	Shares – partial consideration for Mangan ⁽⁴⁾	1,500,000	\$0.20	\$300,000
May 28, 2018	Shares issued for partial settlement of fees to non-executive directors	122,220	\$0.20	\$24,444
May 28, 2018	Shares – for services provided	222,997	\$0.20	\$44,600

Notes:

1. Represents the equity portion of the remuneration payable to an officer in the Company's Shares through the issue and subsequent exercise of warrants having a value equivalent to the services provided. (See "Director and Executive Compensation - Elements of Executive Compensation").
2. Excludes cancelled options to purchase 100,000 Shares, and 50,000 options subsequently exercised on December 21, 2017.
3. Represents Shares issued in settlement of the 6% fee owing on Shares placed by the Australian Agent pursuant to the February 28, 2018 Private Placement.
4. Represents the third tranche of the deferred share consideration relating to the acquisition of Mangan (See "Business of the Company – Acquisition of Mangan" and "Management's Discussion and Analysis – Annual MD&A - The Chvalitice Manganese Project Earn-in Option Agreement and Subsequent Acquisition").
5. After adjusting for the Share Split.

For a description of the current and anticipated number of issued and outstanding securities of the Company, see "Consolidated Capitalization of the Company".

ESCROWED SECURITIES

The figures in this section are based on the number of securities of the Company outstanding as of May 31, 2018.

NP 46-201 Escrow

In accordance with NP 46-201, all shares of an issuer owned or controlled by its principals are required to be placed in escrow at the time of the issuer's initial public offering, unless the shares held by the principal or issuable to the principal upon conversion of convertible securities held by the principal collectively represent less than 1% of the

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voting rights attaching to the total issued and outstanding securities of the issuer after giving effect to the initial public offering.

The following securities of the Company (the “**Escrowed Securities**”) will be subject to the terms of an escrow agreement dated the Listing Date among the Company, the Escrow Agent and the holders of the Escrowed Securities (the “**Escrow Agreement**”).

Designation of Class ⁽¹⁾	Number of Securities	% of Total Outstanding Class of Securities after the Offering
Shares ⁽²⁾	28,968,695	17.96%
Options ⁽²⁾	6,400,000	57.02%

Note:

- (1) Under the terms of the Escrow Agreement, 25% of each escrowed shareholder's shares (an aggregate of 7,242,174 Shares) will be released from escrow on the Listing Date.
- (2) After adjusting for the Share Split.

Upon completion of the Offering and assuming it will be listed as a Tier 1 issuer on the TSXV, the Company will be classified as an “established issuer” for the purposes of NP 46-201. In that instance, the following automatic timed releases will apply to the Shares that are held by the principals of the Company who are subject to escrow.

On the Listing Date	-	1/4 of the Escrowed Securities
6 months After the Listing Date	-	1/3 of the remaining Escrowed Securities
12 months after the Listing Date	-	1/2 of the remaining Escrowed Securities
18 months after the Listing Date	-	The remaining Escrowed Securities

Assuming there are no changes to the Escrowed Securities initially deposited and no additional securities are deposited into escrow, this will result in a 25% release on the Listing Date, with the remaining Escrowed Securities being released in 25% tranches every six months thereafter.

Under NP 46-201, a “principal” is: (a) a person who has acted as a promoter of the Company within two years of the date of this Prospectus; (b) a director or senior officer of the Company at the time of this Prospectus; (c) a person that holds securities carrying more than 20% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Company's initial public offering; and (d) a person that: (i) holds securities carrying more than 10% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Company's initial public offering; and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company. A principal's spouse and their relatives that live at the same address as the principal will be deemed principals and any securities of the Company held by such a person will be subject to the escrow requirements.

Under the terms of the Escrow Agreement, Escrowed Securities cannot be transferred by the holder unless permitted under the Escrow Agreement. Notwithstanding this restriction on transfer, a holder of Escrowed Securities may (a) pledge, mortgage or charge the Escrowed Securities to a financial institution as collateral for a loan provided that no Escrow Securities will be delivered by the Escrow Agent to the financial institution; (b) exercise any voting rights attached to the Escrowed Securities; (c) receive dividends or other distributions on the Escrowed Securities; and (d) exercise any rights to exchange or convert the Escrowed Securities in accordance with the Escrow Agreement.

The securities of the Company held in escrow may be transferred within escrow to: (a) subject to approval of the Board of Directors, an individual who is an existing or newly appointed director or senior officer of the Company or of a material operating subsidiary of the Company; (b) subject to the approval of the Board, a person that before the proposed transfer holds more than 20% of the voting rights attached to the Company's outstanding securities; (c) subject to the approval of the Board, a person that after the proposed transfer will hold more than 10% of the voting rights attached to the Company's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or any of its material operating subsidiaries; (d) upon the bankruptcy of a

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holder of Escrowed Securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities; (e) upon the death of a holder of Escrowed Securities, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative; (f) a financial institution that the holder pledged, mortgaged or charges to a financial institution as collateral for a loan on realization of such loan; and (g) an RRSP, RRIF or similar registered plan or fund with a trustee, where the annuitant of the RRSP or RRIF, or the beneficiaries of another plan or fund are limited to the holders spouse, children or parents, or if the holder is the trustee of such registered plan or fund, to the annuitant of the RRSP or RRIF, or a beneficiary of the other registered plan or fund or his or her spouse, children or parents.

In addition, tenders of Escrowed Securities pursuant to a business combination, which includes a take-over bid, issuer bid, statutory arrangement, amalgamation, merger or other reorganization similar to an amalgamation or merger, are permitted. Escrowed Securities subject to a business combination will continue to be escrowed if the successor entity is not an "exempt issuer", the holder is a principal of the successor entity and the holder holds more than 1% of the voting rights of the successor entities' outstanding securities.

TSXV Escrow Provisions and Hold Periods

In addition to the foregoing escrow provisions:

(A) the following Shares and Options held by Principals (within the meaning of the TSXV rules) of the Company will be subject to the TSXV Tier 1 Value Escrow restrictions:

Designation of Class ⁽¹⁾	Number of Securities	% of Total Outstanding Class of Securities after the Offering
Shares ⁽²⁾	30,168,903	18.71%
Options ⁽²⁾	8,300,000	73.94%

Note:

(1) Under the terms of the TSXV Tier 1 Value Escrow, securities will be released from escrow over a period of eighteen months from the Listing Date.

(2) After adjusting for the Share Split.

(B) the following Shares, Options and Warrants will be subject to the TSXV Seed Share Resale Restrictions (within the meaning of the TSXV rules):

Designation of Class ⁽¹⁾	Number of Securities	% of Total Outstanding Class of Securities after the Offering
Shares ⁽²⁾	46,132,120	28.92%
Options ⁽²⁾	1,250,000	11.14%
Warrants ⁽²⁾	2,927,265	50.61%

Note:

(1) Under the terms of the TSXV Seed Share Resale Restrictions securities will be released from escrow over a period of four months from the Listing Date (other than with respect to 500,000 Shares which will be released from escrow eighteen months from the Listing Date).

(2) After adjusting for the Share Split.

ASX Escrow Provisions

In addition to the foregoing escrow provisions, under ASX Listing Rules, Shares, Options and Warrants held by certain promoters, related parties, and consultants (other than any Shares acquired by them under the Offering) (collectively, the "ASX Escrowed Securityholders") will be escrowed for a period of up to two years from the Listing Date. Each of the ASX Escrowed Securityholders will enter into an escrow deed in respect of their escrowed Shares, Options and/or Warrants. This deed will prevent them from disposing of their escrowed Shares, Options and/or Warrants for the applicable escrow period.

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In aggregate, Shares, Options and Warrants held by the ASX Escrowed Securityholders will be the subject of these escrow arrangements, as set out in the following table:

Designation of Class	Number of Securities	% of Total Outstanding Class of Securities after the Offering
Shares ⁽¹⁾	52,988,521	32.86%
Options ⁽¹⁾	5,616,000	50.03%
Warrants ⁽¹⁾	5,784,015	100%

Note:

(1) After adjusting for the Share Split.

The restriction on “disposing” is broadly defined under the ASX Listing Rules and includes, among other things, selling, assigning, transferring or otherwise disposing of (or offering to sell, assign, transfer or otherwise dispose of) any interest in the escrowed securities, encumbering or granting a security interest over the escrowed securities, granting or exercising an option over the escrowed securities, doing, or omitting to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or any interest in or economic benefit of, any of the escrowed securities, or agreeing to do any of those things.

All of the ASX Escrowed Securityholders may be released early from these escrow obligations to enable: (a) the ASX Escrowed Securityholders to accept an offer under a takeover bid in relation to their escrowed securities if holders of at least half of the securities the subject of the bid that are not held by the ASX Escrowed Securityholders have accepted the takeover bid; or (b) the escrowed securities held by the ASX Escrowed Securityholders to be transferred or cancelled as part of a merger or arrangement. During the escrow period, the ASX Escrowed Securityholders whose securities are subject to escrow may also: (a) transfer their securities in the event of death, serious disability or incapacity; (b) dispose of their securities to immediate family members and certain other related entities; and (c) deal in any of their securities to the extent the dealing is required by applicable law (including an order of a court of competent jurisdiction). These escrow restrictions are not expected to have an effect on the liquidity of trading Shares on the ASX or the TSXV.

Statutory Hold Periods and Exchange Escrow Provisions

In addition to the foregoing escrow provisions, securities legislation imposes certain resale restrictions on Shares issued within four months prior to an initial public offering. The legislation which imposes and governs these hold periods is NI 45-102.

PRINCIPAL HOLDERS OF SHARES

To the knowledge of Management, no Person is the direct or indirect beneficial owner of, or exercises control or direction over, more than 10% of the Shares.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table sets out the name, province and country of residence, position or offices held with the Company, date appointed, number and percentage of voting securities of the Company that each of the directors and executive officers beneficially owns directly or indirectly, or exercises control over as at the date of this Prospectus:

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Name, Current Position, and Province and Country of Residence	Position Held Since	Common Shares Beneficially Owned or Controlled ⁽¹⁸⁾	Number of Convertible or Exchangeable Securities Outstanding ⁽¹⁸⁾	Total Ownership on an Undiluted Basis ⁽³⁾	Total Ownership on a Fully-diluted Basis ⁽⁴⁾
Roman Shklanka ⁽¹⁾ Non-Executive Chairman, British Columbia, Canada	November 25, 2014	8,483,335 ⁽¹¹⁾	200,000 ⁽⁵⁾ 200,000 ⁽⁶⁾ 300,000 ⁽⁷⁾ 75,000 ⁽⁸⁾ 300,000 ⁽⁹⁾	6.3%	6.3%
Marco A. Romero ⁽²⁾ President & CEO, Director, British Columbia, Canada	November 25, 2014 (Director); September 11, 2015 (President & CEO)	7,625,000 ⁽¹²⁾	200,000 ⁽⁵⁾ 125,000 ⁽⁶⁾ 250,000 ⁽⁷⁾ 75,000 ⁽⁸⁾ 250,000 ⁽⁹⁾	5.7%	5.6%
Pierre F. Massé CFO and Corporate Secretary, British Columbia, Canada	January 15, 2016	5,075,940	200,000 ⁽⁵⁾ 125,000 ⁽⁶⁾ 250,000 ⁽⁷⁾ 250,000 ⁽⁹⁾	3.8%	3.9%
Harvey N. McLeod ⁽²⁾ Director, British Columbia, Canada	September 14, 2015	3,737,500 ⁽¹³⁾	200,000 ⁽⁵⁾ 125,000 ⁽⁶⁾ 250,000 ⁽⁷⁾ 125,000 ⁽⁸⁾ 250,000 ⁽⁹⁾	2.8%	3.1%
John Webster ⁽¹⁾⁽²⁾ Director, British Columbia, Canada	September 14, 2015	904,166 ⁽¹⁴⁾	200,000 ⁽⁵⁾ 125,000 ⁽⁶⁾ 250,000 ⁽⁷⁾ 200,000 ⁽⁸⁾ 250,000 ⁽⁹⁾	0.7%	1.3%
Daniel Rosický Director, Czech Republic	January 11, 2016	2,183,919 ⁽¹⁵⁾	200,000 ⁽⁵⁾ 125,000 ⁽⁶⁾ 250,000 ⁽⁷⁾ 250,000 ⁽⁹⁾	1.6%	2.0%
David B. Dreisinger ⁽¹⁾ Director, British Columbia, Canada	September 14, 2015	720,833	200,000 ⁽⁵⁾ 125,000 ⁽⁶⁾ 250,000 ⁽⁷⁾ 75,000 ⁽⁸⁾ 250,000 ⁽⁹⁾	0.5%	1.1%
Jan Votava Managing Director of Mangan, Director, Czech Republic	September 21, 2017	223,820	250,000 ⁽⁷⁾ 250,000 ⁽⁹⁾	0.2%	0.5%
Gregory P. Martyr Director, New South Wales, Australia	March 20, 2018	255,555 ⁽¹⁶⁾	500,000 ⁽¹⁰⁾	0.2%	0.5%

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Name, Current Position, and Province and Country of Residence	Position Held Since	Common Shares Beneficially Owned or Controlled ⁽¹⁸⁾	Number of Convertible or Exchangeable Securities Outstanding ⁽¹⁸⁾	Total Ownership on an Undiluted Basis ⁽³⁾	Total Ownership on a Fully-diluted Basis ⁽⁴⁾
Thomas Glück Vice President, Development, British Columbia, Canada	January 1, 2018	958,835 ⁽¹⁷⁾	75,000 ⁽⁵⁾ 225,000 ⁽⁶⁾ 250,000 ⁽⁷⁾ 250,000 ⁽⁹⁾	0.7%	1.2%

Notes:

1. Member of Audit Committee, of which John Webster is the Chair.
2. Member of Governance, Compensation, Nominating and Sustainability Committee, of which Harvey McLeod is the Chair.
3. Based on 134,051,757 issued and outstanding Shares.
4. Based on 151,060,772 issued and outstanding Shares, assuming exercise of all outstanding options and warrants.
5. Represents options to purchase Shares at an exercise price of \$0.08 per Share until May 16, 2026 (ten years from the date of grant) pursuant to the Stock Option Plan, which options vest one-third on May 16, 2016, one-third on May 16, 2017, and one-third on May 16, 2018.
6. Represents options to purchase Shares at an exercise price of \$0.10 per Share until April 6, 2027 (ten years from the date of grant) pursuant to the Stock Option Plan, which options vest one-third on April 6, 2017, one-third on April 6, 2018, and one-third on April 6, 2019.
7. Represents options to purchase Shares at an exercise price of \$0.11 per Share until September 22, 2027 (ten years from the date of grant) pursuant to the Stock Option Plan, which options vest one-third on September 22, 2017, one-third on September 22, 2018, and one-third on September 22, 2019.
8. Represents options to purchase Shares at an exercise price of \$0.11 per Share until December 14, 2027 (ten years from the date of grant) pursuant to the Stock Option Plan, which options vest one-third on December 14, 2017, one-third on December 14, 2018, and one-third on December 14, 2019.
9. Represents options to purchase Shares at an exercise price of \$0.20 per Share until February 21, 2028 (ten years from the date of grant) pursuant to the Stock Option Plan, which options vest one-third on February 21, 2018, one-third on February 21, 2019, and one-third on February 21, 2020.
10. Represents options to purchase Shares at an exercise price of \$0.20 per Share until March 20, 2028 (ten years from the date of grant) pursuant to the Stock Option Plan, which options vest one-third on March 20, 2018, one-third on March 20, 2019, and one-third on March 20, 2020.
11. Includes Shares held by Shklanka Holdings Ltd., a company controlled by Roman Shklanka.
12. Includes Shares held by Navigator Management Ltd., a company controlled by Marco A. Romero.
13. Includes Shares held by 0743761 B.C. Ltd., a company controlled by Harvey N. McLeod.
14. Includes Shares held by JJW Investments Ltd., a company controlled by John Webster.
15. Includes 1,143,435 Shares issued for services rendered by PRK Raft a.s., a law firm in which Daniel Rosický is a senior partner.
16. Includes Shares held by Hogan's Bluff Pty Ltd., a company controlled by Gregory Martyr.
17. Includes Shares held by 0963395 B.C. Ltd., a company controlled by Thomas Glück.
18. After adjusting for the Share Split.

Biographies

Below is a brief description of each of the directors and executive officers of the Company including: names, ages, positions and responsibilities, relevant educational background, principal occupations or employment during the five years preceding the date of this Prospectus and relevant experience in the mining industry.

Executive Officers & Management Biographies

Marco A. Romero, President and Chief Executive Officer, Director

Mr. Romero, age 56, co-founded the Company and has served as a director of the Company since November 2014 and as its the President and CEO since September 2015. In the five years preceding the date of this Prospectus, Mr. Romero also served as the President and CEO and as a director of Delta Gold Corp. from January 2009 to July 2015.

Mr. Romero is an entrepreneur with over 35 years of diversified experience in mining and construction materials. Has held leadership roles in exploration, mine planning, permitting, finance as well as project and corporate development within the industry. He is also co-founder of several Canadian companies including Eldorado Gold Corporation (TSX, NYSE), Polaris Materials Corp., and Delta Gold Corp., as well as the Company. Mr. Romero is

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also the recipient of international, national and regional awards for achievements in corporate social responsibility and environmental excellence.

Mr. Romero also serves on the Company's governance, compensation, nominating and sustainability committee and will dedicate substantially all of his professional time to the affairs of the Company. Mr. Romero is party to an employment agreement with the Company which contains, among other things, non-competition and confidentiality clauses.

Pierre F. Massé, Chief Financial Officer and Corporate Secretary

Mr. Massé, age 68, has served as the Company's CFO and Corporate Secretary since January 2016. In the five years preceding the date of this Prospectus, Mr. Massé was employed by Global Mining Inc. (part of the Ivanhoe Capital group of companies), acting in the capacity as CFO to its related companies, Kaizen Discovery Inc. (TSX-V) (from January 2014 to May 2015) and GoviEx Uranium Inc. (TSX-V) (from January 2011 to May 2015).

In the years prior to the five-year period preceding the date of this Prospectus For the last 35 years, Mr. Massé has also held senior financial positions as a controller, Vice President Finance or CFO with several other Canadian private and public exploration mining companies, including Equinox Resources Ltd. (TSX-V), Pan American Silver Corp. (TSX, NASDAQ) and Eldorado Gold Corporation (TSX, NYSE). As part of the Ivanhoe Capital group of companies, he was also Vice President Finance for Turquoise Hill Resources Ltd. (TSX), formerly known as Ivanhoe Mines Ltd., for thirteen years. Mr. Massé earned a mining engineering degree from McGill University in 1973 and qualified as a Chartered Financial Analyst in 1995.

Mr. Massé will dedicate substantially all of his professional time to the affairs of the Company. Mr. Massé is party to an employment agreement with the Company which contains, among other things, non-competition and confidentiality clauses.

Jan Votava, Managing Director of Mangan Chvaletice s.r.o., and Director

Jan Votava, age 50, has served as a director since September 21, 2017 and as the Managing Director of Mangan, effective October 1, 2017. He is responsible for leading the Company's activities in the Czech Republic, for its organizational and reputational development, as well as for permitting and development of the Chvaletice Manganese Project. Since 2006, he has held the different managerial roles including Head of Transformation Team for Europe, Technical Director for Central Europe, as well as Executive Chairman and Managing Director for the Czech Republic for LafargeHolcim, where he oversaw, among other activities, quarrying and cement production. He also recently played a leadership role with the team that constructed a €250 million (approximately \$400 million) cement plant in Hungary for Lafarge, using Chinese technology, equipment, engineering and construction companies and led the team optimizing and developing the operation. Mr. Votava obtained his doctorate in mechanical engineering from the Czech Technical University, Prague.

Mr. Votava will dedicate substantially all of his professional time to the affairs of the Company. Mr. Votava is party to an employment agreement with the Company which contains, among other things, non-competition and confidentiality clauses.

Thomas Glück – Vice President, Development

Thomas Glück, age 59, has served as Vice President, Development of the Company since January 1, 2018. In the five years preceding the date of this Prospectus, he provided numerous clients, including the Company, with metallurgical consulting services, as Thomas Glück Consulting, and from May 2008 to February 2013 was Director, Process Technology for Baja Mining Corporation (now Camrova Resources Inc. (TSX)). Prior to 2008, he held various management roles for Manganese Metal Company Pty Ltd., the world's leading producer of high purity, selenium-free EMM. Mr. Glück obtained his PhD in Chemical Engineering from the University of the Witwatersrand, South Africa, in 2002, and is Fellow of the South African Institute Mining and Metallurgy, a Professional Engineer with the Engineering Council of South Africa and a Fellow of the South African Institute of Chemical Engineers. He is also a member of the Canadian Institute of Mining Metallurgy Petroleum and is eligible for registration as a Professional Engineer with the Association of Professional Engineers and Geoscientists of British Columbia.

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Mr. Glück will dedicate substantially all of his professional time to the affairs of the Company. Mr. Glück is party to an employment agreement with the Company which contains, among other things, non-competition and confidentiality clauses.

Director Biographies

Roman Shklanka, Chairman and Director

Dr. Shklanka, age 85, co-founded the Company and has served as the Non-Executive Chairman and as a director of the Company since November 2014. From September 2004, Dr. Shklanka has served also as a director of Pacific Imperial Mines Ltd. (TSX-V) and serves as its Executive Chairman. From January 2009 to July 2015, Dr. Shklanka served as a director of Delta Gold Inc. (TSX) and from October 2010 to May 2013, he served as Chairman and director of Kobex Minerals Corp. (TSX-V).

Dr. Shklanka's experience also includes co-founding several other mining companies, including Canico Resource Corp. (acquired by Vale S.A. in 2005), Polaris Materials Corp. (TSX), and International Barytex (TSX-V). He also held various senior exploration positions with Placer Dome (acquired by Barrick Gold in 2006) over more than 20 years, including VP Exploration. Dr. Shklanka obtained a B.Comm. from the University of Saskatchewan, a M.A. (Geology) from the University of Saskatchewan, and a Ph.D. (Geology) from Stanford University, Palo Alto, California. He was inducted into the Canadian Mining Hall of Fame in 2009.

Dr. Shklanka also serves on the Company's audit committee and will dedicate approximately 7% of his professional time to the affairs of the Company.

Marco A. Romero, President and Chief Executive Officer, Director

Refer to "Executive Officers and Management Biographies" for a biography of Mr. Romero.

David B. Dreisinger, Director

Dr. Dreisinger, age 60, has served as a director of the Company since September 2015. Dr. Dreisinger holds the position of Professor and Industrial Research Chair in Hydrometallurgy at the University of British Columbia ("UBC"). He has been a professor at UBC since 1984. He has published over 300 papers and has participated in 21 U.S. patents in the field of hydrometallurgical research. Dr. Dreisinger is also President of Dreisinger Consulting, through which he has provided consulting services on many major hydrometallurgical projects and plants. He has been a director of Polymet Mining Corp. (TSX, NYSE) since October 2003, Search Minerals Inc. (TSX-V) since July 2009, and LeadFX Inc. (TSX) since June 2017, and has been Vice President Metallurgy of Camrova Resources Inc. (TSX) since July 2004 and Vice President Metallurgy of Search Minerals Inc. from July 2009. From May 2009 to Until January 2018, Dr. Dreisinger also held an officer position of Vice President Metallurgy with TriMetals Mining Inc. (TSX) and from September 2012 to December 2014, held the position of Vice President Metallurgy with Clifton Star Resources Inc. (TSX-V). Dr. Dreisinger obtained a Ph.D. (Metallurgical Engineering) from Queen's University, Kingston, Ontario. He is also a member of the Association of Professional Engineers and Geoscientists of British Columbia and became a Professional Engineer in June 1987.

Mr. Dreisinger also serves on the Company's audit committee and will dedicate approximately 6% of his professional time to the affairs of the Company.

Daniel J. Rosický, Director

Mr. Rosický, age 52, has served as a director of the Company since January 2016. Mr. Rosický has practiced law with PRK Partners s.r.o., a leading Czech corporate law firm, since October 1998 and is a founding and senior partner of the firm. He specializes in real estate and inbound foreign investment law, including resource development. Mr. Rosický was born in the Czech Republic and educated in Canada. He has been practicing law for 24 years and is fluent in English and Czech. He was admitted to the Czech Bar Association in 1997 and was admitted to the Ontario Bar Association, Ontario, Canada. Mr. Rosický obtained his Bachelor of Laws from the University of Western Ontario, Kingston, Ontario.

Mr. Rosický will dedicate approximately 5% of his professional time to the affairs of the Company.

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Harvey N. McLeod, Director

Mr. McLeod, age 67, has served as a director of the Company since September 2015. Since 1976, Mr. McLeod has served in various engineering and management roles and is currently Vice President Marketing and Principal in, Klohn Crippen Berger, in Vancouver, British Columbia.

Mr. McLeod is a member of the Association of Professional Engineers and Geoscientists of British Columbia and became a Professional Engineer in June 1976 and a Professional Geoscientist in August 1993. Mr. McLeod obtained his Masters of Science from the University of London – Imperial College of Science and Technology, London England, in 1980. He is a leader in the evolution and development of mine tailings management over a 40-year career, with work on over 150 tailings dams in over 20 countries. He serves as Chairman of the International Commission of Large Dams subcommittee on tailings dams, and is active in the Canadian Dam Association. In April 2017, he was inducted as a Fellow of the Engineering Institute of Canada.

Mr. McLeod also serves as Chairman of the Company's governance, compensation, nominating and sustainability committee and will dedicate approximately 6% of his professional time to the affairs of the Company.

John Webster, Director

Mr. Webster, age 63, was appointed as a director of the Company in September 2015. Mr. Webster spent over 30 years with PricewaterhouseCoopers LLP (PWC) until his retirement in June 2014. His roles included eight years as Managing Partner in British Columbia, three years as Assurance Leader in Romania and Southeast Europe and as leader of the firm's Mining Practice in Canada. He has extensive experience as an audit partner and has provided advice to both venture capital and listed clients on large, complex transactions. Mr. Webster holds a BA (Hons) Degree in Economic and Social History from the University of Kent, United Kingdom. Mr. Webster is a Member of the Institute of Chartered Accountants in England and Wales, and is both a Fellow and a Member of the Chartered Professional Accountants of British Columbia. He has also earned his ICD.D designation from the Institute of Corporate Directors of Canada and his Accredited Director designation from the Institute of Chartered Secretaries and Administrators. Mr. Webster also serves as a director of Eldorado Gold Corporation (TSX, NYSE).

Mr. Webster also serves as Chairman of the Company's audit committee, a member of the governance, compensation, nominating and sustainability committee, and will dedicate approximately 7% of his professional time to the affairs of the Company.

Jan Votava, Director

Refer to "Executive Officers and Management Biographies" for a biography of Mr. Votava.

Gregory P. Martyr, Director

Mr. Martyr, age 53, became a director of the Company in March 2018. He is an experienced resource industry banker, advisor and corporate executive. Mr. Martyr has over 30 years' experience in resources investment banking and corporate finance, as well as the management of international mining companies. Since 2017, he has served as Executive Director of Carbon Fibre Development Technologies Pty Ltd., a company manufacturing carbon fibre industrial scale products using mass production robotics. From 2011 to 2016, Mr. Martyr was a Managing Director with Standard Chartered Bank ultimately as the Global Head of Advisory, Mining and Metals. From 2005 until its 2011 acquisition by Standard Chartered Bank, he was a partner with Gryphon Partners, a boutique resource advisory firm. From 1994 to 2003, he was employed in several executive roles by Normandy Mining Ltd., including President, Americas. Prior to that he held positions with Deutsche Bank and Morgan Grenfell. Mr. Martyr obtained a Bachelor of Economics and a Bachelor of Laws from the University of Sydney, Australia.

Mr. Martyr will dedicate approximately 5% of his professional time to the affairs of the Company.

Term of Office of Directors

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the executive officers expires at the discretion of the Board.

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Security Holding by Directors and Officers

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercise control over 30,168,903 Shares collectively, representing 22.5% of the 134,051,757 issued and outstanding Shares.

Cease Trade Orders

Other than as disclosed herein, to the knowledge of Management no director or executive officer as at the date hereof, is or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, “order” means (a) a cease trade order, (b) an order similar to a cease trade order, or (c) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

Dr. Roman Shklanka was a director of the Pacific Imperial Mines Ltd. when it was the subject of a Cease Trade Order issued by the British Columbia Securities Commission on November 8, 2008 (the “**British Columbia Cease Trade Order**”) and the Alberta Securities Commission on February 9, 2009 for failure to file financial statements and management’s discussion and analysis for the year ended June 30, 2008 (the “**Alberta Cease Trade Order**”). The financial statements have since been filed and, as a result, the British Columbia Cease Trade Order was revoked on June 25, 2010 and the Alberta Cease Trade Order was revoked on September 8, 2010.

Bankruptcies

Other than as disclosed herein, to the knowledge of Management no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the company to affect materially the control of the Company (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the knowledge of Management no director, executive officer or shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

As of the date of this Prospectus, there are no known conflicts of interest to which the directors and officers of the Company are subject to in connection with the operations of the Company.

In accordance with the applicable corporate and securities legislation, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Company. Certain of the directors and each of the executive officers of the Company have either other

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employment or other business or time restrictions placed on them and accordingly, these directors and officers of the Company will only be able to devote part of their time to the affairs of the Company. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable corporate law.

Insurance Coverage and Indemnification

The Articles provide for the indemnification of each director and officer against all costs, charges and expenses reasonably incurred by him or her in respect of any action or proceeding to which he or she is made a party by reason of being a director or officer of the Company, subject to the limitations contained in the Articles and in the BCBCA.

On August 16, 2017, the Company obtained directors' and officers' liability insurance policies for the period from August 16, 2017 to August 16, 2018, with coverage in the amount of up to US\$5 million, with an additional US\$1 million reserved for insured directors and officers when the Company is unable to indemnify the same, at an annual premium of US\$11,500, the full amount of which was paid by the Company. There is a deductible of US\$15,000 per claim in the case of directors and officers, for indemnifiable losses and entity claims, but no deductible for non-indemnifiable losses, crisis losses, and derivative investigations. For claims against the Company, there is a deductible of US\$15,000 per claim. The policies contain standard industry exclusions and no claims have been made to date. The policies currently reflect the Company's risk profile as a private entity and will be revised accordingly following the Offering. Such revisions will involve a review of limits to ensure adequacy for the Company's risk profile as a public entity, and may involve increases in premium and retention amounts, with such increases yet to be determined as at the date of this Prospectus.

DIRECTOR AND EXECUTIVE COMPENSATION

The following section describes the significant elements of the Company's executive and director compensation programs, with particular emphasis on the compensation payable to the President and Chief Executive Officer and Chief Financial Officer and Corporate Secretary who were determined to be "Named Executive Officers" or "NEOs." "Named Executive Officer" means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

During the financial year ended September 30, 2017, the Company had the following two NEOs: Marco A. Romero, President and Chief Executive Officer and Pierre F. Massé, Chief Financial Officer and Corporate Secretary.

Compensation Governance

Responsibilities of the Governance, Compensation, Nominating and Sustainability Committee (the "GCNS Committee")

Effective December 14, 2017, the Board established the GCNS Committee to assist it in fulfilling its responsibilities pertaining to compensation matters including the Company's compensation policies and practices. Prior to this date, all compensation matters were the responsibility of the Board as a whole. As they relate to compensation matters, the GCNS Committee, under the supervision of the Board, has responsibility for:

- ensuring levels of executive compensation that are competitive and motivating in order to attract, hire, hold and inspire the Company's President and CEO, CFO, other officers and certain key employees and for recommending compensation for directors;
- reviewing and approving corporate goals and objectives relevant to the President and CEO's and CFO's compensation;
- periodically reviewing the terms of the Company's executive compensation programs to determine if they are properly coordinated and achieving their desired purpose;

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- evaluating executive officer performance in light of such corporate goals and objectives, and making recommendations to the Board with respect to their compensation levels based on such evaluation;
- reviewing recommendations from the President and CEO regarding the appointment, compensation and other terms of employment of the CFO, and other officers, and making recommendations to the Board regarding the same; and
- administering and interpreting the Company's security-based compensation arrangements and its policies respecting the grant of Options and or other security-based compensation arrangements, and reviewing and recommending to the Board grants of such security-based compensation and terms thereof.

The GCNS Committee also has the responsibility for approving compensation for executive officers of the Company who are also members of the Board.

The GCNS Committee is composed of a minimum of three directors, the majority of whom shall be independent directors. Current members of the GCNS Committee include Harvey N. McLeod, John Webster, and Marco Romero, with Messrs. McLeod and Webster being independent directors within the meaning of NI 52-110. Harvey N. McLeod is the current chair of the committee. Pursuant to the mandate and terms of reference of the GCNS Committee, meetings are to take place at least twice per year and at such other times as the Chair of the GCNS Committee may determine. Each of the members of the GCNS Committee has business and other experience which is relevant to their work on the GCNS Committee and, in the case of Mr. Marco Romero, has served on a compensation committee of another public Canadian company. By virtue of their differing professional backgrounds, business experience, knowledge of the Company's industry, knowledge of corporate governance practices and, where appropriate, service on compensation committees of other reporting issuers and experience interacting with external consultants and advisors, the members of the GCNS Committee are able to make decisions on the suitability of the Company's compensation policies and practices.

Compensation Consultants

Pursuant to its mandate, the GCNS Committee has the authority to retain external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities, including a compensation consultant, at the expense of the Company. Any other work or services performed by such compensation consultant at the request of management must, however, be pre-approved by the GCNS Committee.

Prior to the establishment of the GCNS Committee in December 2017, the Company retained Roger Gurr & Associates in early November 2017 to provide advice relating to compensation of a new officer position. Further, on May 7, 2018, the Company engaged Roger Gurr & Associates to review the Company's non-executive director compensation and provide recommendations thereon in anticipation of listing the Shares on the TSXV and ASX and to ensure compliance with applicable rules of both jurisdictions.

For the two most recently completed financial years ended September 30, 2017, no fees were billed to the Company by any consultant or advisor, or any of its affiliates, for services related to determining compensation for any of the Company's directors and executive officers or for any other services. Fees billed to the Company by Roger Gurr & Associates subsequent to its financial year ended September 30, 2017 and relating to the work described above, amounted to \$16,100.

Executive Compensation Discussion and Analysis

Compensation Philosophy

In assessing the compensation of its directors and executive officers, including the NEOs, the Company does not currently have in place any formal objectives, criteria or analysis. Compensation payable to executive officers and directors is currently reviewed and recommended by the Company's GCNS Committee, and ultimately approved by the Board, on an annual basis. The Company has not established any specific performance criteria or goals to which total compensation or any significant element of total compensation to be paid to any NEO is dependent. NEOs' performance is reviewed in light of the Company's objectives from time to time and such officers' compensation is also compared to that of executive officers of companies of similar size and stage of development in the mineral exploration industry. Though the Company does not have pre-existing performance criteria, objectives or goals, it is

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anticipated that, once the Company becomes a reporting issuer, the Company's GCNS Committee will review all compensation policies in place and consider recommending to the Board the adoption of formal compensation guidelines based on a "pay for performance" approach which aims to design compensation elements with the following objectives:

- develop compensation programs that facilitate the attraction, retention and motivation of experienced and talented executives;
- align overall compensation with the overall performance of the Company; and encourage a long-term view to shareholder value creation, with a portion of each executive's variable pay will being equity-based, and encourage executives to have a significant personal financial interest in the Company.

Accordingly, salaries will generally be targeted near market median levels, while variable compensation opportunities (short and long-term incentives) will be structured to provide above-market total compensation for high levels of corporate performance, and will include bonuses awarded by the Board and stock option granted by the Board, both in its sole discretion, to executive officers, including NEOs, after consultation with the Company's GCNS Committee. See "*Share-based and Option-based Awards*" below.

Elements of Executive Compensation

During the financial year ended September 30, 2017, each of the two NEOs were party to employment agreements which outlined the terms of their employment. However, as detailed below under "*New Elements of Executive Compensation*", both employment agreements were superseded with new employment agreements, effective January 1, 2018.

Mr. Marco Romero is party to an employment agreement, dated February 1, 2016 with the Company, which sets out the terms of Mr. Romero's employment as President and CEO of the Company. Mr. Romero did not receive any remuneration for his services, either as a consultant or employee from November 24, 2014 to January 31, 2016. Under the terms and conditions of the February 1, 2016 agreement, Mr. Romero was to provide services as CEO, at a rate of \$21,000 per month commencing on that date, and for the year ended September 30, 2016, an amount of \$168,000 was accrued but remained unpaid at year end. For the year ended September 30, 2017, an amount of \$252,000 was accrued and paid, along with the \$168,000 owing from the prior year. Mr. Romero's employment agreement could be terminated, by either party, by providing written notice of no less than one month before the effective date of termination, and contained no provision for change of control or severance.

Mr. Pierre F. Massé is party to an employment agreement, dated January 5, 2016, with the Company, which sets out the terms of Mr. Massé's employment as CFO of the Company. Under the terms and conditions of the agreement, Mr. Massé was to provide services as part-time CFO, at a rate of \$150 per hour for as long as the Company remained a private company. The remuneration is split into a minimum base salary of \$1,000 per month less applicable deductions, and an equity portion payable in the Shares through the issue of warrants at one-fifth of \$0.01 per Share (as adjusted to reflect the Share Split), with the number of warrants being equal to a) the difference between the value of services rendered during each quarter and the cumulative monthly base salary for the quarter, divided by b) the difference between the Company's most recent Share issue price less the warrant's exercise price of one-fifth of \$0.01 per Share (as adjusted to reflect the Share Split). Upon the Company raising a cumulative of \$3 million in equity, the agreement permitted Mr. Massé the right to request a cash payment for all his services, a right which he never exercised. Mr. Massé's employment agreement could be terminated, by either party, by providing written notice of no less than one month before the effective date of termination, and contained no provision for change of control or severance.

During the last fiscal year ended September 30, 2017, Messrs. Romero and Massé were each granted the following: stock options granted April 6, 2017 to purchase 125,000 Shares of the Company at an exercise price of \$0.10 per Share; and stock options granted September 22, 2017 to purchase 250,000 Shares of the Company at an exercise price of \$0.11 per Share. Each grant had an expiry of ten years, and each vested one-third upon the date of grant, one-third upon the first anniversary of the date of grant, and one-third upon the second anniversary of the date of grant.

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New Elements of Executive Compensation

Effective January 1, 2018, Mr. Marco Romero entered into a new employment agreement with the Company, setting out the terms of Mr. Romero's employment as President and CEO of the Company. Under the terms and conditions of the new employment agreement, Mr. Romero is paid an annual salary of \$300,000 commencing January 1, 2018. Any additional remuneration paid to Mr. Romero may be paid by way a combination of cash bonuses, Stock Options, or Shares of the Company, at the Board's sole discretion. Upon the Company's termination of the agreement for cause, Mr. Romero shall not be entitled to reasonable written notice of termination or pay in lieu of notice of termination, or any other compensation or damages for severance. The Company may terminate Mr. Romero's employment without cause at any time by providing Mr. Romero with twelve months written notice of termination or pay in lieu of notice of termination equivalent to twelve months based on his base salary. Additionally, upon a termination without cause, all unvested stock options become vested. Mr. Romero may terminate the employment agreement by providing not less than six weeks written advance notice of the effective date of his intended resignation, which the Company may waive or reduce this notice requirement at its sole and absolute discretion. Upon a change of control, as it is defined in the employment agreement, the Company will pay Mr. Romero a lump sum amount equal to twenty-four months of his base salary, plus the immediate and accelerated vesting of all unvested stock options, provided that the Company or any successor corporation or person terminates the Mr. Romero's employment within twelve months of the change of control, or Mr. Romero's job duties are fundamentally and unilaterally changed by the Company within twelve months of the change of control and Mr. Romero resigns and terminates the agreement as a result of such change in writing within twelve months of the change of control.

Effective January 1, 2018, Pierre F. Massé entered into a new employment agreement with the Company, setting out the terms of Mr. Massé's employment as CFO of the Company. Under the terms and conditions of the new employment agreement, Mr. Massé is paid an annual salary of \$240,000 commencing January 1, 2018. Any additional remuneration paid to Mr. Massé may be paid by way a combination of cash bonuses, Stock Options, or Shares of the Company, at the Board's sole discretion. Upon the Company's termination of the agreement for cause, Mr. Massé shall not be entitled to reasonable written notice of termination or pay in lieu of notice of termination, or any other compensation or damages for severance. The Company may terminate Mr. Massé's employment without cause at any time by providing Mr. Massé with twelve months written notice of termination or pay in lieu of notice of termination equivalent to twelve months based on his base salary. Additionally, upon a termination without cause, all unvested stock options become vested. Mr. Massé may terminate the employment agreement by providing not less than six weeks written advance notice of the effective date of his intended resignation, which the Company may waive or reduce this notice requirement at its sole and absolute discretion. Upon a change of control, as it is defined in the employment agreement, the Company will pay Mr. Massé a lump sum amount equal to twenty-four months of his base salary, plus the immediate and accelerated vesting of all unvested stock options, provided that the Company or any successor corporation or person terminates the Mr. Massé's employment within twelve months of the change of control, or Mr. Massé's job duties are fundamentally and unilaterally changed by the Company within twelve months of the change of control and Mr. Massé resigns and terminates the agreement as a result of such change in writing within twelve months of the change of control.

Mr. Jan Votava is party to an employment agreement, dated October 1, 2017, with the Company, which sets out the terms of Mr. Votava's employment as Managing Director of Mangan, the Company's sole subsidiary. Under the terms and conditions of the agreement, Mr. Votava is paid a base annual salary of 4,467,912 Czech Republic Koruna (\$267,684), and a quarterly amount of €8,022 (\$12,480) payable by the issuance of the Shares, based on a price per share determined based on: the last arm's length financing at which the Shares were issued; or the volume weighted average price for the 20 trading days prior to the date of issuance, if the Shares are traded on an exchange or quotation system. Additionally, Mr. Votava is entitled to an amount of €86,000 (\$133,790) payable by the issuance of the Shares (on the same basis as described above) and a cash bonus of €129,000 (\$200,685) upon the achievement of each of the following milestones:

- acquisition or long-term leasing of all land required for the Chvaletice Manganese Project;
- issuance of an Environmental Impact Assessment permit and all ancillary permits required to construct the Chvaletice Manganese Project production and processing facilities;
- acceptance and approval of the Chvaletice Manganese Project feasibility study by the Company's board; and

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- achievement of commercial production.

Any additional remuneration paid to Mr. Votava, including Stock Options, is at the Board's sole discretion. Mr. Votava may terminate the employment agreement by providing not less than two months written advance notice of the effective date of his intended resignation. Upon the Company's termination of the agreement for cause, Mr. Votava shall not be entitled to reasonable written notice of termination or pay in lieu of notice of termination, or any other compensation or damages for severance. The Company may terminate Mr. Votava's employment without cause at any time by providing Mr. Votava with severance equivalent to twelve months. Additionally, upon a termination without cause, all unvested stock options become vested. Upon a change of control, the Company will pay Mr. Votava a lump sum amount equal to twenty-four months of his base salary, plus the immediate and accelerated vesting of all unvested stock options. Change in control under Mr. Votava's employment agreement is defined as a merger, change in the ownership structure or similar organizational change of the Company which leads to a substantial change in Mr. Votava's duties and responsibilities. Until October 1, 2018, the Company has the option to repurchase any Shares issued to Mr. Votava pursuant to his employment agreement, at a price equal to the greater of the original issue price, or the current value of the Shares on the date the option is exercised.

Effective January 1, 2018, Thomas Glück entered into an employment agreement with the Company, setting out the terms of Mr. Glück's employment as Vice President, Development of the Company of the Company. Under the terms and conditions of the new employment agreement, Mr. Glück is paid an annual salary of \$215,000 commencing January 1, 2018. Additionally, upon the achievement of each of specified milestones, Mr. Glück shall be entitled to the following bonuses, payable by way of a combination of cash, Stock Options or Shares of the Company, at the Company's sole discretion:

- a one-time bonus equivalent to 20% of his base salary, upon completion of a PEA on the Chvaletice Manganese Project by August 31, 2018 and without exceeding the PEA budget by more than 5%;
- a one-time bonus equivalent to 50% of his base salary, upon acceptance and approval of the Chvaletice Manganese Project feasibility study by the Company's board by December 31, 2019; and
- a one-time bonus equivalent to 50% of his base salary, upon achievement of commercial production, as defined in the employment agreement, by December 31, 2021.

Any additional remuneration paid to Mr. Glück may be paid by way of a combination of cash bonuses, Stock Options, or Shares of the Company, at the Board's sole discretion. Upon the Company's termination of the agreement for cause, Mr. Glück shall not be entitled to reasonable written notice of termination or pay in lieu of notice of termination, or any other compensation or damages for severance. The Company may terminate Mr. Glück's employment without cause at any time by providing Mr. Glück with: three months written notice of termination or pay in lieu of notice of termination equivalent to three months based on his base salary, if terminated within the first year of employment; six months written notice of termination or pay in lieu of notice of termination equivalent to six months based on his base salary, if terminated within the second year of employment; and twelve months written notice of termination or pay in lieu of notice of termination equivalent to twelve months based on his base salary, if terminated within or after the third year of employment. Mr. Glück may terminate the employment agreement by providing not less than six weeks written advance notice of the effective date of his intended resignation, which the Company may waive or reduce this notice requirement at its sole and absolute discretion. Upon a change of control, as it is defined in the employment agreement, the Company will pay Mr. Glück a lump sum amount equal to eighteen months of his base salary, plus the immediate and accelerated vesting of all unvested stock options, provided that the Company or any successor corporation or person terminates the Mr. Glück's employment within six months of the change of control, or Mr. Glück's job duties are fundamentally and unilaterally changed by the Company within six months of the change of control and Mr. Glück resigns and terminates the agreement as a result of such change in writing within six months of the change of control.

Compensation Benchmarking

The Company does not have a compensation peer group against which to benchmark market-competitive levels of executive compensation. Given the small number of executive officers as at the date of this Prospectus, the GCNS Committee has not mandated the development of a peer group for compensation benchmarking purposes at this time.

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Managing Compensation Risk

At this time, the Company does not use any specific practices to identify and mitigate compensation policies and practices that could encourage an NEO or individual at a principal business unit or division to take inappropriate or excessive risks. The Board believes that the Company's compensation program for its existing executive officers are designed to provide executive incentives for the achievement of near-term and long-term objectives, without motivating such individuals to take inappropriate or excessive risk. The Board will provide regular oversight of the Company's risk management practices and may delegate to the GCNS Committee the responsibility to provide risk oversight of compensation policies and practices and to identify and mitigate compensation policies and practices that could encourage inappropriate or excessive risk taking by the executive team.

At this time, the Company does not have any specific policies pertaining to a formal anti-hedging prohibition whereby neither the Company's directors nor its NEOs are permitted to purchase financial instruments (which, for greater certainty, include prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities granted by the Company to such individuals as compensation or Shares held, directly or indirectly, by the director or NEO.

Share-based and Option-based Awards

The Company has in effect a 10% rolling stock option plan (the "Stock Option Plan") approved by the shareholders of the Company at its annual general meeting held on March 20, 2018, and subsequently amended at a special meeting held on June 11, 2018. For additional information regarding the Stock Option Plan, please see "*Options to Purchase Securities – Stock Option Plan*".

Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders.

Summary Compensation Table

The following table contains information about the compensation to, or earned by, individuals who were, as at the end of the financial year ended September 30, 2017 NEOs within the meaning of NI 51-102. The NEOs of the Company as at September 30, 2017 were Marco A. Romero, President and CEO of the Company and Pierre F. Massé, CFO and Corporate Secretary of the Company.

Name and Principal Position	Year	Salary (CAD\$)	Share-based Awards (CAD\$)	Option-based Awards (CAD\$)	Non-equity Incentive Plan Compensation (CAD\$)		Pension Value (CAD\$)	All Other Compensation (CAD\$)	Total Compensation (CAD\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Marco Romero ⁽¹⁾ <i>President and CEO</i>	2017	\$252,000 ⁽²⁾	Nil	\$26,123 ⁽³⁾	Nil	Nil	Nil	Nil	\$278,123
	2016	\$168,000 ⁽²⁾	Nil	\$14,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	\$182,000
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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Name and Principal Position	Year	Salary (CAD\$)	Share-based Awards (CAD\$)	Option-based Awards (CAD\$)	Non-equity Incentive Plan Compensation (CAD\$)		Pension Value (CAD\$)	All Other Compensation (CAD\$)	Total Compensation (CAD\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Pierre Massé <i>CFO and Corporate Secretary</i>	2017	\$238,687 ⁽⁵⁾	Nil	\$26,123 ⁽³⁾	Nil	Nil	Nil	Nil	\$264,810
	2016	\$136,837 ⁽⁵⁾	Nil	\$14,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	\$150,837
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Harry Sutherland ⁽⁶⁾ <i>CFO</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	N/A
	2016	\$14,625	Nil	Nil	Nil	Nil	Nil	Nil	\$14,625
	2015	\$6,225	Nil	Nil	Nil	Nil	Nil	Nil	\$6,225

Notes:

- Mr. Romero is also a director of the Company. He does not receive any additional remuneration from the Company pertaining specifically to his role as a director.
- Mr. Romero did not receive any compensation prior to the beginning of February 2016. Commencing February 1, 2016, Mr. Romero was entitled to a monthly remuneration of \$21,000. The amount accrued during the year ended September 30, 2016 remained unpaid as at that date, and was paid to Mr. Romero, along with his regular monthly remuneration, in the year ended September 30, 2017.
- For the year ended September 30, 2017, the "grant date fair value" of options granted to NEO's during the year was determined by using the Black-Scholes model for valuing options, as determined by the Company to be the most appropriate valuation method. The following weighted average assumptions were used for the purposes of valuing options granted to NEOs: (i) expected life of 9 years; (ii) risk-free rate of 1.45%; (iii) annualized volatility of share price of 60%; and (iv) a dividend rate of 0%.
- For the year ended September 30, 2016, the "grant date fair value" of options granted to NEO's during the year was determined by using the Black-Scholes model for valuing options, as determined by the Company to be the most appropriate valuation method. The following weighted average assumptions were used for the purposes of valuing options granted to NEOs: (i) expected life of 9 years; (ii) risk-free rate of 0.46%; (iii) annualized volatility of share price of 100%; and (iv) a dividend rate of 0%.
- Mr. Massé was appointed CFO and Corporate Secretary of the Company on January 5, 2016, with remuneration of \$150 per hour, payable in a combination of a fixed \$1,000 per month with the balance payable in Shares through the exercise of warrants to purchase Shares at one-fifth of \$0.01 per Share. The remuneration for Fiscal 2017 is a combination of \$12,000 in cash and the remaining \$226,687 paid by way of issuing a total of 2,172,045 warrants valued at prices ranging from \$0.10 to \$0.11 per share. The remuneration for Fiscal 2016 is a combination of \$9,000 in cash and the remaining \$127,837 paid by way of issuing a total of 1,532,945 warrants valued at prices ranging from \$0.08 to \$0.10 per share.
- Mr. Sutherland was appointed CFO and Secretary of the Company on November 25, 2014. Mr. Sutherland's services were provided on a consulting and part-time basis at a rate of \$150 per hour, to be paid in Shares. Mr. Sutherland's consulting agreement was terminated on January 5th, 2016 and, on January 11, 2016, the Company issued 347,500 Shares at \$0.06 per share as consideration for Mr. Sutherland's services.

Incentive Plan Awards

The following table sets out, for each NEO, all outstanding option-based awards and Share-based Awards as at the end of the financial year ended September 30, 2017. For additional information regarding the Stock Option Plan, see "Options to Purchase Securities – Stock Option Plan".

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options ⁽⁷⁾	Option exercise price ⁽⁷⁾ (CAD\$)	Option-expiry date	Value of unexercised in-the-money options ⁽⁵⁾⁽⁶⁾ (CAD\$)	Number of shares or units of shares that have not vested #	Market or payout value of Share-based Awards that have not vested (CAD\$)	Market or payout value of vested Share-based Awards not paid out or distributed (CAD\$)
Marco Romero, ⁽⁴⁾ <i>President and CEO</i>	200,000 ⁽¹⁾	\$0.08	May 16, 2026	\$6,000	Nil	Nil	Nil
	125,000 ⁽²⁾	\$0.10	April 6, 2027	\$1,250			
	250,000 ⁽³⁾	\$0.11	Sept. 22, 2027	Nil			

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Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options ⁽⁷⁾ #	Option exercise price ⁽⁷⁾ (CAD\$)	Option-expiry date	Value of unexercised in-the-money options ⁽⁵⁾⁽⁶⁾ (CAD\$)	Number of shares or units of shares that have not vested #	Market or payout value of Share-based Awards that have not vested (CAD\$)	Market or payout value of vested Share-based Awards not paid out or distributed (CAD\$)
Pierre Massé, <i>CFO and Corporate Secretary</i>	200,000 ⁽¹⁾ 125,000 ⁽²⁾ 250,000 ⁽³⁾	\$0.08 \$0.10 \$0.11	May 16, 2026 April 6, 2027 Sept. 22, 2027	\$6,000 \$1,250 Nil	Nil	Nil	Nil

Notes:

1. Vest as to one-third on grant date of May 16, 2016, one-third on May 16, 2017, and one-third on May 16, 2018.
2. Vest as to one-third on grant date of April 6, 2017, one-third on April 6, 2018, and one-third on April 6, 2019.
3. Vest as to one-third on grant date of September 22, 2017, one-third on September 22, 2018, and one-third on September 22, 2019.
4. Market value of Shares for purposes of determining the value of unexercised in-the-money options is \$0.11 per Share, based on the Share price of the most recent private placement financing prior to that date.
5. Excludes options granted to Mr. Romero on December 14, 2017 to purchase 75,000 Shares at an exercise price of \$0.11 per Share until December 14, 2027 (ten years from the date of grant), which options vest one-third on December 14, 2017, one-third on December 14, 2017, 2018, and one-third on December 14, 2019.
6. Excludes options granted to Messrs Romero and Massé on February 21, 2018 to purchase 250,000 Shares each at an exercise price of \$0.20 per Share until February 21, 2028 (ten years from the date of grant), which options vest one-third on February 21, 2018, one-third on February 21, 2019, and one-third on February 21, 2020.
7. After adjusting for the Share Split.

The following table sets out, for each NEO, the value vested or earned from incentive plan awards during the financial year ended September 30, 2017. For additional information regarding the Stock Option Plan, see “Options to Purchase Securities – Stock Option Plan”.

Name	Option-based awards – Value vested during the year ⁽²⁾ (CAD\$)	Share-based Awards – Value vested during the year (CAD\$)	Non-equity incentive plan compensation – Value earned during the year (CAD\$)
Marco Romero ⁽¹⁾ <i>President and CEO</i>	\$2,000	Nil	Nil
Pierre Massé ⁽¹⁾ <i>CFO and Corporate Secretary</i>	\$2,000	Nil	Nil

Notes:

1. Options vested during the year for each of Messrs. Romero and Massé include 66,665 Options to purchase shares at \$0.08 per Share which vested on May 16, 2017, 41,665 Options to purchase shares at \$0.10 per Share which vested on April 6, 2017 and 83,330 Options to purchase shares at \$0.11 per Share which vested on September 21, 2017.
2. Market value of Shares for purposes of determining the value of option-based awards for options vested is \$0.11 per Share, based on the Share price of the most recent private placement financing prior to vesting of the options.

Pension Plan Benefits

The Company does not have a defined benefit or a defined contribution pension plan that provide for payments or benefits to the NEOs or directors at, following, or in connection with retirement.

Deferred Compensation Plans

The Company does not have a deferred compensation plan.

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Termination and Change of Control Benefits

Effective January 1, 2018, the Company entered into the employment agreements with each of its NEOs. Such employment agreements include termination provisions for several scenarios, including a “Change of Control” (as defined in each respective employment agreement). See “*Executive Compensation Discussion and Analysis - New Elements of Executive Compensation*”. The following table summarizes the compensation that would be payable to each such NEO should their employment with the Company be terminated.

Termination Type	Severance	Bonus	Share Awards	Benefits
Termination for Cause	None	None	All Share-based Awards expire on the termination date	None
Death	None	None	Unvested Options continue to vest in accordance with any vesting schedule to which such Options are subject. Vested stock options become exercisable on or before the date which is the earlier of one year following the date of death and the applicable expiry date.	None
Disability	None	None	Unvested Options continue to vest in accordance with any vesting schedule to which such Options are subject. Vested stock options become exercisable on or before the date which is the earlier of one year following the termination of employment due to disability and the applicable expiry date.	None
Termination without Cause	Company to provide 12 months written notice of termination or pay in lieu of notice of termination equivalent to 12 months based on his base salary applicable statutory deductions	None	All unvested stock options become immediately vested and exercisable. Executives have 30 days to exercise vested Options.	None
Termination Subsequent to Change of Control or Resignation for Good Reason ⁽¹⁾ within 12 Months of a Change in Control	Payment equal to 24 months' salary	None	Unvested Options vest immediately. Options are exchanged for new incentive stock options of another corporation, or are terminated. If terminated, executives have 10 days to exercise vested options prior to termination of Options. ⁽²⁾	None

Notes:

1. Resignation for good reason defined as the NEOs job duties being fundamentally and unilaterally changed by the Company.
2. Upon a change of control, the GCNS Committee or the Board may cause all or a portion of the Options granted to holders to be terminated, or may cause such Options to be exchanged for incentive stock options of another corporation in such ratio and at such exercise price as the GCNS Committee or Board deems appropriate, acting reasonably. In the event that the GCNS Committee or Board wishes to cause all or a portion of the Options to terminate on the occurrence of a change of control, or any other Triggering Event as defined under the Stock Option Plan, it must give 10 days' written notice prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the vested portion of the Options prior to such termination.

Each of the employment agreements for the NEOs also contain non-solicitation, non-competition, non-disparagement and confidentiality provisions which will apply on a termination of employment with the Company. Non-competition and non-solicitation restrictions apply for a period of one year from the date the executive's employment with the Company ceases, and the confidentiality provisions apply, subject to certain exceptions, for an indefinite period of time following the termination of employment of an executive.

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Estimated Incremental Payments

Employment agreements for the two NEOs in place as of the Company's year ended September 30, 2017 contained no provisions for change of control or severance. Accordingly, the estimated incremental payment, assuming a triggering event occurred on September 30, 2017, is \$7,250 for each of Marco Romero and Pierre Massé and only include the value of option-based awards received to that date.

Had the new employment agreements for the two NEOs (which became effective January 1, 2018), and the employment agreements with Jan Votava and Thomas Glück (which became effective October 1, 2017 and January 1, 2018, respectively), been in place as of the Company's year ended September 30, 2017, the estimated amounts payable under various termination scenarios are outlined in the table below:

Name	Disability/Death (CAD\$)	Resignation (CAD\$)	Termination with Cause (CAD\$)	Termination without Cause (CAD\$)	Change of Control with Termination (CAD\$)
Marco A. Romero	Nil	Nil	Nil	300,000	600,000
Pierre F. Massé	Nil	Nil	Nil	240,000	480,000
Jan Votava ⁽¹⁾	Nil	Nil	Nil	251,713	503,426
Thomas Glück	Nil	Nil	Nil	53,750 ⁽²⁾	322,500

Note:

1. Amounts are payable in Czech Republic Koruna, converted to Canadian dollars at September 30, 2017 at the rate of 17.75 Czech Koruna to one Canadian dollar.
2. Based on a termination within the first year of Mr. Glück's employment.

Director Compensation

The following table contains information about the compensation provided to directors of the Company for the financial year ended September 30, 2017:

Name	Fees earned (CAD\$)	Share-based Awards (CAD\$)	Option-based Awards ⁽¹⁾ (CAD\$)	Non-equity Incentive Plan Compensation (CAD\$)	Pension Value (CAD\$)	All Other Compensation (CAD\$)	Total Compensation (CAD\$)
Roman Shklanka, Non-Executive Chairman	Nil	Nil	\$34,615	Nil	Nil	Nil	\$34,615
Harvey N. McLeod	Nil	Nil	\$26,124	Nil	Nil	Nil	\$26,124
John Webster	Nil	Nil	\$26,124	Nil	Nil	Nil	\$26,124
Daniel Rosický	Nil	Nil	\$26,124	Nil	Nil	Nil	\$26,124
David B. Dreisinger	Nil	Nil	\$26,124	Nil	Nil	Nil	\$26,124
Pavel Reichl ⁽²⁾	Nil	Nil	\$26,124	Nil	Nil	Nil	\$26,124
Jan Votava ⁽³⁾	Nil	Nil	\$17,957	Nil	Nil	Nil	\$17,957

Notes:

1. For the year ended September 30, 2017, the "grant date fair value" of options granted to Directors during the year was determined by using the Black-Scholes model for valuing options, as determined by the Company to be the most appropriate valuation method. The following weighted average assumptions were used for the purposes of valuing options granted: (i) expected life of 9 years; (ii) risk-free rate of 1.45%; (iii) annualized volatility of share price of 60%; and (iv) a dividend rate of 0%.
2. Mr. Pavel Reichl resigned from the Board on September 22, 2017.
3. Mr. Jan Votava was appointed to the Board on September 21, 2017.

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During the financial year ended September 30, 2017, no base annual retainer or fees for attendance at Board and Board committee meetings were awarded to, earned by, paid to, or payable to the directors. However, the GCNS Committee recommended, and the Board approved, the following interim compensation for non-executive directors of the Company commencing January 1, 2018, pending receipt of the Company's compensation consultant's review and recommendations: an annual retainer of \$20,000; \$5,000 per annum to be paid to the Chairman of the Board and the Chairman of each sub-committee of the Board; and an additional \$5,000 per annum to any member of a sub-committee of the Board; with such fees to be paid two-thirds in equity and one-third in cash. In May 2018, the Company engaged a compensation consultant to review non-executive director compensation and provide recommendations thereon in anticipation of listing the Shares on the TSXV and ASX and to ensure compliance with applicable rules of both jurisdictions. However, as of the date of this prospectus, the consultant's recommendations have not yet been approved by the GCNS Committee and board of directors.

As senior officers of the Company and its subsidiary, Messrs. Romero and Votava did not and will not receive compensation for their service as directors. Compensation information for Mr. Romero is presented in the section relating to executive compensation above. Effective September 22, 2017, Mr. Votava was appointed a Director of the Company, but was not appointed to the executive position of Managing Director of Mangan until October 1, 2017. Accordingly, compensation information for Mr. Votava is presented in director compensation table above.

The following table sets out, for each director, all outstanding option-based awards and Share-based Awards as at the end of the financial year ended September 30, 2017, save for those held by Mr. Pavel Reichel, who resigned from the Board prior to that date. For additional information regarding the Stock Option Plan, see "*Options to Purchase Securities – Stock Option Plan*".

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options ⁽⁸⁾ #	Option exercise price ⁽⁷⁾ (CAD\$)	Option-expiry date	Value of unexercised in-the-money options ^{(5) (6)} (CAD\$)	Number of shares or units of shares that have not vested #	Market or payout value of Share-based Awards that have not vested (CAD\$)	Market or payout value of vested Share-based Awards not paid out or distributed (CAD\$)
Roman Shklanka, Non-Executive Chairman	200,000 ⁽¹⁾	\$0.08	May 16, 2026	\$6,000	Nil	Nil	Nil
	200,000 ⁽²⁾	\$0.10	April 6, 2027	\$2,000			
	300,000 ⁽³⁾	\$0.11	Sept. 22, 2027	Nil			
Harvey N. McLeod	200,000 ⁽¹⁾	\$0.08	May 16, 2026	\$6,000	Nil	Nil	Nil
	125,000 ⁽²⁾	\$0.10	April 6, 2027	\$1,250			
	250,000 ⁽³⁾	\$0.11	Sept. 22, 2027	Nil			
John Webster	200,000 ⁽¹⁾	\$0.08	May 16, 2026	\$6,000	Nil	Nil	Nil
	125,000 ⁽²⁾	\$0.10	April 6, 2027	\$1,250			
	250,000 ⁽³⁾	\$0.11	Sept. 22, 2027	Nil			
Daniel Rosický	200,000 ⁽¹⁾	\$0.08	May 16, 2026	\$6,000	Nil	Nil	Nil
	125,000 ⁽²⁾	\$0.10	April 6, 2027	\$1,250			
	250,000 ⁽³⁾	\$0.11	Sept. 22, 2027	Nil			
David B. Dreisinger	200,000 ⁽¹⁾	\$0.08	May 16, 2026	\$6,000	Nil	Nil	Nil
	125,000 ⁽²⁾	\$0.10	April 6, 2027	\$1,250			
	250,000 ⁽³⁾	\$0.11	Sept. 22, 2027	Nil			
Jan Votava	250,000 ⁽³⁾	\$0.11	Sept. 22, 2027	Nil	Nil	Nil	Nil

Notes:

1. Vest as to one-third on grant date of May 16, 2016, one-third on May 16, 2017, and one-third on May 16, 2018.
2. Vest as to one-third on grant date of April 6, 2017, one-third on April 6, 2018, and one-third on April 6, 2019.
3. Vest as to one-third on grant date of September 22, 2017, one-third on September 22, 2018, and one-third on September 22, 2019.
4. Market value of Shares for purposes of determining the value of unexercised in-the-money options is \$0.11 per Share, based on the Share price of the most recent private placement financing prior to that date.
5. Excludes options granted on December 14, 2017 to Messrs. Shklanka, McLeod, Webster, Rosický, and Dreisinger, to purchase 75,000, 125,000, 200,000 and 75,000 Shares, respectively, at an exercise price of \$0.11 per Share until December 14, 2027 (ten years

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- from the date of grant), which options vest one-third on December 14, 2017, one-third on December 14, 2018, and one-third on December 14, 2019.
6. Excludes options granted to Dr. Shklanka to purchase 300,000 Shares and to Messrs. McLeod, Webster, Rosický, Dreisinger and Votava on February 21, 2018 to purchase 250,000 Shares each at an exercise price of \$0.20 per Share until February 21, 2028 (ten years from the date of grant), which options vest one-third on February 21, 2018, one-third on February 21, 2019, and one-third on February 21, 2020.
 7. After adjusting for the Share Split.

The following table sets out, for each Director, the value vested or earned from incentive plan awards during the financial year ended September 30, 2017. For additional information regarding the Stock Option Plan, see “Options to Purchase Securities – Stock Option Plan”.

Name	Option-based awards – Value vested during the year ⁽⁵⁾ (CAD\$)	Share-based Awards – Value vested during the year (CAD\$)	Non-equity incentive plan compensation – Value earned during the year (CAD\$)
Roman Shklanka ⁽¹⁾ Non-Executive Chairman	\$2,000	Nil	Nil
Harvey N. McLeod ⁽¹⁾	\$2,000	Nil	Nil
John Webster ⁽¹⁾	\$2,000	Nil	Nil
Daniel Rosický ⁽¹⁾	\$2,000	Nil	Nil
David B. Dreisinger ⁽¹⁾	\$2,000	Nil	Nil
Pavel Reichl ⁽¹⁾⁽²⁾⁽³⁾	\$667	Nil	Nil
Jan Votava ⁽⁴⁾	Nil	Nil	Nil

Notes:

1. Options vested during Fiscal 2017 for each of Messrs. Shklanka, McLeod, Webster, Rosický and Dreisinger include 13,333 Options to purchase shares at \$0.08 per Share which vested on May 16, 2017, 41,665 Options to purchase shares at \$0.10 per Share which vested on April 6, 2017 and 83,330 Options to purchase shares at \$0.11 per Share which vested on September 21, 2017.
2. Options vested during Fiscal 2017 for Mr. Reichl include 65,333 Options to purchase shares at \$0.10 per Share which vested on June 16, 2017, 41,665 Options to purchase shares at \$0.10 per Share which vested on April 6, 2017 and 83,330 Options to purchase shares at \$0.11 per Share which vested on September 21, 2017.
3. Mr. Pavel Reichl resigned from the Board on September 22, 2017.
4. Mr. Jan Votava was appointed to the Board on September 21, 2017.
5. Market value of Shares for purposes of determining the value of option-based awards for options vested is \$0.11 per Share, based on the Share price of the most recent private placement financing prior to vesting of the options.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

Except for: (i) indebtedness that has been entirely repaid on or before the date of this Prospectus, and (ii) “routine indebtedness” (as defined in Form 51-102F5 of the Canadian Securities Administrators), the Company is not aware of any individuals who are, or who at any time since inception were, a director or executive officer of the Company, a proposed nominee for election as a director or an associate of any of those directors, executive officers or proposed nominees who are, or have been since the beginning of the most recently completed financial year indebted to the Company or any of its subsidiaries, or whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

AUDIT COMMITTEE

The Audit Committee provides assistance to the Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Company. The external auditors of the Company report directly to the Audit Committee. The Audit Committee’s primary duties and responsibilities include: (i) reviewing and reporting to the Board on the annual audited financial statements (including the auditor’s report thereon) and unaudited interim financial statements and any related management’s discussion and analysis, if any, and other financial disclosure related thereto that may be required to be reviewed by the Audit Committee pursuant to applicable legal and regulatory requirements; (ii) reviewing material changes in accounting policies and significant

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changes in accounting practices and their impact on the financial statements; (iii) overseeing the audit function, including engaging in required discussions with the Company's external auditor and reviewing a summary of the annual audit plan at least annually, overseeing the independence of the Company's external auditor, overseeing the Company's internal auditor, and pre-approving any non-audit services to the Company; (iv) reviewing at least annually, the Company's policies for risk assessment and risk management; (V) reviewing with management and the Company's external auditors, at least annually, the integrity of the internal controls over financial reporting and disclosure; (vi) reviewing management reports related to legal or compliance matters that may have a material impact on the Company and the effectiveness of the Company's compliance policies; and (vii) establishing whistleblowing procedures and investigating any complaints or concerns it deems necessary. The full text of the Audit Committee charter is attached to this Prospectus as Appendix "B".

Composition of the Audit Committee

The Audit Committee is composed of three directors, being John Webster, David B. Dreisinger, and Roman Shklanka, each of whom are "independent" directors within the meaning of National Instrument 52-110 - *Audit Committees* ("NI 52-110"). John Webster is the current chair of the Audit Committee.

Each proposed member of the Audit Committee has a good command of IFRS and has the ability to understand a set of financial statements that presents a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements and the internal controls and procedures for financial reporting. See "*Directors and Officers*" for a brief summary of the education and experience of each proposed Audit Committee member that will be relevant to his performance as a member of the Audit Committee.

Relevant Education and Experience

See "*Directors and Officers*" for information concerning the education and experience of each member of the Audit Committee relevant to the performance of their duties as a member of the Audit Committee.

Audit Committee Oversight

At no time has a recommendation of the Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110; or
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of NI 52-110; or
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee charter requires that the Audit Committee pre-approve any services and fees to be provided by the auditor of the Company for the performance of any non-audit services that the Company deems advisable in accordance with applicable legal and regulatory requirements. The pre-approval requirement is waived with respect to the provision of such non-audit services if: the aggregate amount of all such non-audit services provided to the Company constitutes not more than twenty percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided; such services were not recognized by

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the Company at the time of the engagement to be non-audit services; and such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. The Audit Committee is permitted to delegate pre-approval authority to one or more of its members; however, the decision of any member of the Audit Committee to whom such authority has been delegated must be presented to the full Audit Committee at its next scheduled meeting.

External Auditor Service Fees

For the fiscal years ended September 30, 2016 and 2017, audit fees of \$25,200 and \$32,235, respectively, were billed by, paid to or became payable to, PricewaterhouseCoopers LLP, the Company's external auditor. There were no audit-related fees, tax fees or any other fees billed by, paid to or became payable to the Company's external auditor during either of the fiscal years ended September 30, 2016 or 2017.

CORPORATE GOVERNANCE

Corporate governance refers to the way the business and affairs of a reporting issuer are managed and relates to the activities of the Board of the Company, the members of whom are elected by and are accountable to the shareholders. Corporate governance takes into account the role of the individual members of Management who are appointed by the Board and who are charged with the day to day management of the Company. The Board of Directors is committed to sound corporate governance practices that are both in the interest of its shareholders and contribute to effective and efficient decision-making.

The Company's approach to issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or at meetings held as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The directors are kept informed of the Company's business and affairs at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

Board of Directors

The Board of Directors currently consists of eight members as noted above under "*Directors and Officers*", a majority of whom are independent. Mr. Marco A. Romero is not independent as he is the President and CEO of the Company, and Mr. Jan Votava is not independent as he is Managing Director of Mangan, the Company's wholly-owned subsidiary. Messrs. Roman Shklanka, David B. Dreisinger, Daniel J. Rosický, Harvey N. McLeod, Gregory Martyr and John Webster are independent for the purposes of NI 58-101.

Roman Shklanka is non-Executive Chairman of the Board and is independent. In accordance with the mandate of the Chairman, the Chairman presides at all meetings of the Board and, unless otherwise determined, and at all meetings of shareholders. Among other things, the Chairman is to endeavour to fulfill his Board responsibilities in a manner that will ensure that the Board is able to function independently of Management and is to consider and allow for, when appropriate, a meeting of independent directors, so that Board meetings can take place without Management being present. The Chairman is responsible in ensuring that reasonable procedures are in place to allow directors to engage outside advisors at the expense of the Company in appropriate circumstances.

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The following directors of the Company currently hold directorships in the following reporting issuers (or equivalent in a foreign jurisdiction) as noted below:

Name	Name of Reporting Issuer
Roman Shklanka	Pacific Imperial Mines Ltd. (TSX-V)
John Webster	Eldorado Gold Corporation (TSX, NYSE)
David B. Dreisinger	Search Minerals Inc. (TSX-V) Polymet Mining Corp. (TSX, NYSE) LeadFX Inc. (TSX)

The Board has determined that these inter-locking directorships do not adversely impact the effectiveness of these directors on the Board or create any potential for conflicts of interest.

Board Meetings

The non-Executive Chairman is primarily responsible for the agenda and for supervising the conduct of each meeting of the Board. Any director may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for the meeting. Materials for each meeting are distributed to the Board in advance of the meeting. The following table sets out the summary of the attendance record of each director for all Board and subcommittee meetings held since the beginning of in the financial year ended September 30, 2017. During the fiscal year ended September 30, 2017, the Board did not establish any committees.

Name of Director	Board Meetings Attended	Audit Committee Meetings Attended ⁽¹⁾	Governance, Compensation, Nominating and Sustainability Committee Meetings Attended ⁽²⁾
Roman Shklanka	6 of 7	1 of 2	N/A
Marco Romero	7 of 7	N/A	2 of 2
Harvey McLeod	7 of 7	N/A	2 of 2
John Webster	7 of 7	2 of 2	2 of 2
Daniel Rosický	7 of 7	N/A	N/A
David B. Dreisinger	7 of 7	2 of 2	N/A
Pavel Reichl ⁽³⁾	7 of 7	N/A	N/A
Jan Votava ⁽³⁾	3 of 3	N/A	N/A

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Gregory Martyr ⁽⁴⁾	1 of 1	N/A	N/A

Notes:

1. The Audit Committee was constituted by the Board at its meeting of December 31, 2017 and is comprised of Messrs. Webster (Chair), Shklanka and Dreisinger.
2. The Governance, Compensation, Nominating and Sustainability Committee was constituted by the Board at its meeting of December 31, 2017 and is comprised of Messrs. McLeod (Chair), Webster and Romero.
3. Mr. Reichl resigned from the Board on September 22, 2017 and Mr. Votava was appointed on September 21, 2017.
4. Mr. Martyr was appointed on March 20, 2018.

Meetings of Independent Directors

The independent directors do not hold regularly scheduled meetings, however, the Board Mandate permits the independent directors to hold a separate meeting of the independent directors if and when the need arises. The Board ensures open and candid discussion among its independent directors by continuously monitoring situations where a conflict of interest or perceived conflict of interest with respect to a director may exist. In cases where such a conflict of interest or perceived conflict of interest is identified, it is addressed in accordance with the BCBCA and the Board Mandate. The Board may determine that it is appropriate to hold an in-camera session excluding a director with a conflict of interest or perceived conflict of interest or such director may consider that it is appropriate to recuse himself from considering and voting with respect to the matter under consideration.

Board Mandate

The Board has adopted a written mandate (the “**Board Mandate**”) in which it assumes responsibility for the stewardship of the Company. The Board Mandate provides that the principal mandate is to oversee the management of the business and affairs of the Company, and monitor the performance of Management. The Board discharges its responsibilities directly and through its committees, currently consisting of the Audit Committee, and the Governance, Compensation, Nominating and Sustainability Committee (the “**GCNS Committee**”). The Board Mandate is attached to this Prospectus as Appendix “C”.

The Board Mandate charges the Board with responsibility for, among other things: (i) overseeing the development and approval of the mission of the Company, its goals and objectives, and the strategy by which these objectives will be reached; (ii) bringing objectivity and a breadth of judgment to the strategic planning process and ultimately approving the strategy developed by Management as it evolves; (iii) monitoring Management’s success in implementing strategies and monitoring the Company’s progress towards achieving its goals; revising and altering direction in light of changing circumstances; (iv) reviewing and approving transactions that are either material or not in the ordinary course of business; (v) understanding and overseeing the principal risks associated with the Company’s business and regularly monitoring the systems in place to manage those risks effectively; (vi) overseeing Management; (vii) reviewing a succession plan on a regular basis addressing the policies and principles for selecting a successor to the Chief Executive Officer and other key senior management positions; (viii) determining compensation; (ix) ensuring that the Company has policies in place to ensure effective and timely communication and disclosure to the shareholders of the Company, other stakeholders and the public in general; (x) monitoring the Company’s compliance with applicable laws and corporate governance regulations; (xi) establishing the Company’s Code of Conduct and Business Ethics and monitoring compliance thereof with the objective of promoting a culture of integrity throughout the Company; (xii) ensuring that the Company has in place effective control and information systems so that it can track those criteria needed to monitor the implementation of the Company’s strategy; and (xiii) reviewing and approving financial information.

The Board Mandate sets forth procedures relating to the Board’s operations such as director qualifications, director nomination, evaluations, and delegation to committees of the Board. The Board Mandate also sets forth expectations of Directors including: attendance at meetings; preparedness for meetings; being current and knowledgeable of the Company’s operations, activities, and industry; confidentiality; the requirement to disclose any conflict of interest to the Chairman of the Board or the Chair of the GCNS Committee, should one arise; and refraining from voting on any issue when a conflict of interest exists.

The Board may at any time retain and terminate external legal counsel, consultants or other advisors at the expense of the Company to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors.

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Position Descriptions

The Board has not developed written position descriptions for the Chairman of the Board, the Chair of the Audit Committee, or the Chair of the GCNS Committee. The role of the Chairman of the Board, the Chair of the Audit Committee, and the Chair of the GCNS Committee is well understood by each individual and is based on customary practices for such a position.

Chief Executive Officer

The Board has developed and adopted a written position description for the CEO whose primary responsibility is to provide effective leadership and vision for the Company to grow value responsibly, and in a profitable and sustainable manner.

The CEO's position description sets forth specific duties including, but not limited to: (i) providing leadership and vision to manage the Company, motivating employees and advisors to achieve optimum performance, while maintaining a healthy, productive and supportive environment; (ii) supporting and assisting the Board so it can best discharge its duties; (iii) providing full, plain and timely disclosure of all materials matters affecting the Company to the Board; (iv) ensuring compliance and implementation of the strategies, policies, and objectives approved by the Board; (v) striving to create shareholder value, while ensuring the Company and its employees maintain high ethical, moral, environmental, social, technical, and professional standards; (vi) ensuring that the Company and its employees and contractors treat local residents and communities in which it operates with respect, and ensuring that the Company contributes to the well-being and improvement of the communities in which it operates; (vii) building, preserving and protecting the Company's reputation and assets; (viii) serving as the Company's principal external spokesperson; and (ix) providing general supervision and management of the day-to-day affairs of the Company.

Audit Committee

See "Audit Committee" for further details.

Governance, Compensation, Nominating and Sustainability Committee

The GCNS Committee is composed of a minimum of three directors, the majority of whom shall be independent directors. Current members of the GCNS Committee include Harvey N. McLeod, John Webster, and Marco Romero, with Messrs. McLeod and Webster being independent directors. Harvey N. McLeod is the current chair of the committee.

Pursuant to the mandate and terms of reference of the GCNS Committee, meetings are to take place at least twice per year and at such other times as the Chair of the GCNS Committee may determine. The GCNS Committee, under the supervision of the Board, has responsibility for:

1. monitoring and assessing the functioning of the Board, committees of the Board, and the individual members of the Board;
2. ensuring the Board, directors and management adopt and observe good corporate governance practices;
3. establishing a process for identifying, recruiting, appointing, and providing ongoing development for directors;
4. ensuring levels of executive compensation that are competitive and motivating in order to attract, hire, hold and inspire the Company's President and CEO, CFO and other executive officers and certain key employees, and for recommending compensation for directors;
5. establishing, monitoring, managing and coordinating the sustainable development strategy of the Company and its implementation based on very high ethical and moral standards, as approved by the Board of Directors; and
6. monitoring, managing and coordinating sustainability matters, including environmental, health and safety and social matters, policies and programs, and overseeing performance in such areas based on very high standards, as approved by the Board of Directors.

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As they relate to compensation, the GCNS Committee's responsibilities include, among other things, reviewing and recommending to the Board all compensation arrangements for the executive officers and directors of the Company, including stock option grants. The GCNS Committee also has the responsibility for approving compensation for executive officers of the Company who are also members of the Board.

To determine the recommended compensation levels, the GCNS Committee will review compensation paid to directors and executive officers of companies of similar size and stage of development in the mineral exploration industry and determine compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and executive officers while taking into account the financial and other resources of the Company. In setting the compensation, the GCNS Committee will annually review the performance of the executive officers in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives. For further information regarding the how the Company determines compensation for its directors and executive officers, see "*Executive Compensation*".

Responsibilities of the GCNS Committee, as they relate to orientation and continuing education, nominations of directors, and Director assessments, are further outlined below in "*Orientation and Continuing Education*," "*Nomination of Directors*," and "*Director Assessments*," respectively.

Orientation and Continuing Education

In conjunction with the GCNS Committee, the Board oversees the establishment of suitable orientation programs for new Directors and continuing education opportunities for all Directors. New directors are provided with corporate policies, historical information about the Company, management reports, Chvalitice Manganese Project site visits, as well as information on the Company's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. Each Director will have access to an electronic Board Manual, updated annually, containing relevant management information, historical public information and the Terms of References for the Directors and for the Committees of the Board. The Board believes that these procedures will prove to be a practical and effective approach in light of the Company's particular circumstances, including the size of the Company, anticipated limited turnover of the directors and the experience and expertise of the members of the Board.

The Company also encourages Directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters and has agreed to pay the cost of such courses and seminars. Each director of the Company has the responsibility for ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director.

Ethical Business Conduct

The Board has adopted a Code of Ethics and Business Conduct (the "**Code**") for the directors, officers, employees and consultants of the Company and its subsidiary. The Company makes the Code available to all such individuals who are required to read the Code and acknowledge that they will abide by the Code.

In accordance with the Code, directors, officers, employees and consultants of the Company and its subsidiary are encouraged to raise questions regarding the application of any requirement under the Code with their immediate supervisor or the Chairman of the Audit Committee. All violations of a law or the Code are to be promptly reported to Chairman of the Audit Committee and reporting by an individual of a violation will be kept confidential unless required by law. Individuals who breach the Code may be subject to disciplinary action, including dismissal. The Board monitors compliance with the Code by, among other things, obtaining reports from the Chair of the Audit Committee, and reviews and approves changes to the Code it considers appropriate, at least annually.

The Board takes steps to ensure that directors, officers and other employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or other employee of the Company has a material interest, which include ensuring that directors, officers and other employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from their superior or manager or the Chair of the Audit Committee regarding any potential conflicts of interest.

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The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to directors, officers and other employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

The Company has adopted a written “Whistleblower Policy” wherein employees and consultants of the Company are provided with the mechanics by which they may raise concerns with respect to falsification of financial records, unethical conduct, harassment, theft, and violation of the Code, or any other “wrong-doing” in a confidential, anonymous process. The Whistleblower Policy provides employees and contractors with information regarding who to contact with a complaint, how the Company will respond to a complaint, and timeframes for the Company to respond. The Company will respect the confidentiality of any whistle blowing complaint received by the Company where the complainant requests that confidentiality.

The Company has adopted an insider trading policy to summarize the insider trading restrictions to which directors, officers and certain employees are subject under applicable securities legislation, and to set forth a policy governing investing in shares of the Company and the reporting thereof which is consistent with the applicable legislation (the “**Insider Trading Policy**”). All directors, officers and employees of the Company will be subject to certain trading prohibitions relating to investments in the Company’s securities. The Company may impose black-out periods during which certain persons will be prohibited from buying, selling or otherwise effecting transactions in any securities of the Company, even though the trading window would otherwise be open. The Insider Trading and Reporting Policy also summarizes the applicable legislation on insider reporting obligations.

The Company has also adopted a disclosure policy to complement the Insider Trading Policy (the “**Disclosure Policy**”). The Disclosure Policy outlines the Company’s approach to disclosure of material information and maintaining the confidentiality of information. The objective of the Disclosure Policy is to ensure that communications to the investing public about the Company are timely, factual and accurate and broadly disseminated in accordance with all applicable legal and regulatory requirements. Its goal is to raise awareness of the Company’s approach to disclosure among the Board, senior management, employees and consultants.

Nomination of Directors

The GCNS Committee is responsible for recruiting and identifying individuals qualified to become new Board members and making recommendations to the Board regarding new director nominees. In making such recommendations, the GCNS Committee considers the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, for each existing director to possess, the competencies and skills which each new nominee to the Board is expected to bring; and whether the proposed nominee to the Board will be able to devote sufficient time and resources to the Company.

The GCNS Committee may also recommend for approval by the Board the removal of a director from the Board or a committee thereof if he or she is no longer qualified or able to serve as a director or for any other appropriate reason. The size of the Board will be reviewed on a regular basis. The Board will take into account the number of directors required to carry out the Board’s duties effectively, and to maintain a diversity of views and experience.

In addition, the GCNS Committee has been delegated the responsibility of, among other things: (i) making recommendations to the Board regarding director remuneration; (ii) evaluating the effectiveness of the Board as a whole as well as its committees; (iii) monitoring conflicts of interest of both the Board and management; (iv) conducting periodic reviews of the Company’s corporate governance policies and making policy recommendations aimed at enhancing Board and committee effectiveness; (v) annually reviewing the Board and committee mandates and position descriptions of the Chairman and the CEO, and recommending to the Board any necessary changes; (vi) reviewing and recommending to the Board the appropriate structure, size, composition, mandate and members for Board committees, and the procedures to ensure that the Board and its committees function independently of management; (vii) providing the Board with updates on developments in corporate governance; (viii) conducting periodic reviews of the relationship between management and the Board; and (ix) reviewing monitoring and making recommendations regarding new director orientation and ongoing development of existing directors.

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Director Assessments

Through the GCNS Committee, the Board assesses the overall effectiveness of (i) the Board as a whole, (ii) individual directors (including the Chairman, and any Lead Director, if appointed) and (iii) each of the committees (other than the GCNS Committee which shall be evaluated by the full Board) from a corporate governance perspective and compliance with the relevant mandate, charter or terms of reference as applicable. In connection with such evaluations, each director will be required to provide his or her assessment of the effectiveness of the Board and each committee as well as the performance of the individual directors, annually. Such evaluations take into account the competencies and skills each director is expected to bring to his or her particular role on the Board or on a committee, as well as any other relevant facts.

The Audit Committee must also assess, on an annual basis, its effectiveness.

Term Limits

The Company has not implemented a policy mandating term limits for directors, which the Board believes is in the best interest of the Company. The Company values the comprehensive knowledge of the Company and its operations that long serving directors possess and the contribution that this makes to the Board as a whole. Tenure will be determined on the basis of contribution and continued evidence of the exercise of independent judgment.

Diversity

The Board has adopted a Diversity Policy in which it sets forth its goal of striving to create an inclusive culture in which diversity is valued and sought after. The Board recognizes that having diversity, including gender diversity, throughout the organization, including on the executive team and the Board, gives the Company access to a far a wider and deeper talent pool, enhances and improves decision making, enables the Company to attract and retain the best talent to build a highly engaged workforce, better positions the Company to deliver on its business objectives, and assists the Company in adapting to and understanding the communities in which it does business.

The Board and executive team believe that diversity is important for both board and organizational effectiveness. The Board believes that experiential, demographic and personal attributes are essential attributes with regard to creating an appropriate balance of skills, experience, independence and knowledge on the Board and the executive team. These attributes, which specifically include gender diversity, are factored into the recruitment and decision-making process when new Board and executive appointments are made.

The Company does not believe that it is in the best interests of the Company or its shareholders to set any specific targets or quotas for recruiting Board members based on diversity criteria as such targets or quotas may have the effect of unduly restricting the Company's commitment to the selection of the most capable nominee. Diversity criteria should be considered as one important aspect of the identification and selection process but should not be considered paramount to other important criteria.

Currently, the Board is comprised of male directors; however, the Board will seek out female nominees for future Board vacancies, provided that any such nominee meets the needs of the Company in relation to her attributes and skills.

Consistent with the Company's approach to diversity at the Board level, the Company's hiring practices of executive officers include consideration of diversity across a number of areas, including gender. Currently, other than the Company's Strategic Director for China, no other executive officer positions are held by women. The Company does not have a target number of women executive officers. Given the small size of its executive team, the Company believes that implementing targets would not be appropriate. However, in its hiring practices, the Company considers the number of women in executive officer positions and the desirability of achieving an appropriate level of representation.

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PLAN OF DISTRIBUTION

This Prospectus qualifies the distribution of the Shares pursuant to the Offering at the Offering Price for gross proceeds to the Company of \$1,500,000. In this regard, the Company and the Agent will enter into the Agency Agreement wherein the Agent will agree to obtain subscriptions for the Shares on a reasonable commercial efforts basis at the Offering Price, subject to the conditions described in the Agency Agreement. The Agent has no obligation to purchase any of the Shares. All subscription funds received by the Agent will be held by the Agent pending closing of the Offering. If the minimum Offering amount has not been subscribed for within 90 days of the issuance of a receipt for this Prospectus, the Agent shall promptly return the proceeds of subscriptions to the subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

The Offering Price of the Shares was determined by negotiation between the Company and the Agent.

In consideration of the services provided by the Agent in connection with the Offering, the Company has agreed to pay the Agent the Corporate Finance Fee, plus applicable taxes. The Agent will also be reimbursed for all of the Agent's Expenses.

The Company, has agreed, subject to certain limited exceptions, not to directly or indirectly issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any additional Shares or any securities convertible or exchangeable into Shares, other than: (i) the issue of the Australian Agent's Warrant Shares pursuant to the exercise of the Australian Agent's Warrants; (ii) the grant or exercise of Options and other similar issuances pursuant to the Stock Option Plan or similar share compensation arrangements in place at or prior to the Closing Date; (iii) the issue of Shares upon exercise of convertible securities, warrants or Options outstanding prior to the Closing Date (iv) obligations of the Company in respect of existing mineral property agreements and (v) in order to accept a bona fide take-over bid made to all shareholders or similar business combination transaction, for a period of 120 days from the Closing Date (the "**Lock-Up Period**"), without the prior written consent of the Agent, such consent not to be unreasonably withheld.

The obligations of the Agent may be terminated by the Agent at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Agent is not obligated, directly or indirectly, to advance their own funds to purchase any of the Shares.

The Shares will be offered in each of the Provinces of British Columbia, Alberta and Ontario through the Agent or their affiliates who are registered to offer the Shares for sale in such provinces and such other registered dealers as may be designated by the Agent. Subject to applicable laws, the Agent may offer the Shares outside of Canada.

All subscription funds received by the Agent will be held by the Agent pending closing of the Offering. If the Offering has not been subscribed for within 90 days of the issuance of a receipt for this Prospectus, the Agent shall promptly return the proceeds of subscriptions to the subscribers without interest or deduction unless the subscribers have otherwise instructed the Agent. All funds received from subscriptions for the Shares will be held by the Agent pursuant to the terms of the Agency Agreement.

Prior to the Offering, there has been no public market for the Shares. The sale of a substantial number of the Shares in the public market after the Offering, or the perception that such sales may occur, could adversely affect the prevailing market price of the Shares. See "*Risk Factors – No Prior Public Market for the Shares*". Furthermore, because the Company has agreed that it will not offer or sell any equity securities of the Company (or other securities convertible into, or exchangeable or exercisable for, equity securities of the Company) during the Lock-Up Period, the sale of a substantial number of Shares in the public market after these restrictions lapse could adversely affect the prevailing market price of the Shares.

The Shares offered hereby have not been and will not be registered under the U.S. Securities Act or any state securities laws and accordingly may not be offered or sold in the United States except in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. Except as permitted in the Agency Agreement and as expressly permitted by applicable laws of the United States, the Agent will not offer the Shares within the United States. This Prospectus does not constitute an offer to sell or a solicitation or an offer to buy the Shares in the United States.

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The Company has agreed to indemnify the Agent and its respective affiliates, directors, officers, employees and partners (the “**Indemnified Parties**”) against certain claims with which the Indemnified Parties may become involved in any capacity in so far as the claims relate to performance of the professional services of the Agent pursuant to the Agency Agreement.

Subscriptions for the Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Shares held by Canadian Shareholders will be settled through the system operated by CDS, the registration name for The Canadian Depository for Securities Limited. Other than Shares sold in the United States which may be represented by individual certificates, a purchaser of Shares will receive only a customer confirmation from the registered dealer which is a CDS participant and from or through which the Shares are purchased.

The Company has applied to list the Shares distributed under this Prospectus on the TSXV. Listing will be subject to the Company fulfilling all the listing requirements of the TSXV.

RISK FACTORS

The following information describes certain significant risks and uncertainties inherent in the Company’s business and the Offering. Prospective investors should take these risks into account in evaluating the Company and in deciding whether to purchase Shares. This section does not describe all risks applicable to the Company, its industry or its business, and it is intended only as a summary of certain material risks. Prospective investors should carefully consider such risks and uncertainties together with the other information contained in this Prospectus. If any of such risks or uncertainties actually occur, the Company’s business, financial condition or operating results could be harmed substantially and could differ materially from the plans and other forward-looking statements discussed under “*Management’s Discussion and Analysis*” and “*Business of the Company*” and elsewhere in this Prospectus.

An investment in the Shares is highly speculative and involves a high degree of risk. Before making any investment decision, prospective investors should carefully consider all the information contained in this document including, in particular, the risk factors described below. The directors of the Company believe that the following risk factors should be considered. Some risk factors relate principally to the Offering. This list is not exhaustive and there are additional risks and uncertainties which are not currently known to the directors or the directors may currently deem certain risks immaterial. Any of these unknown or immaterial risks may cause the price of the Shares to decline and may have an adverse effect on the Company’s business, financial condition and the results of the Company’s operations.

In the event that any of the risks outlined below materialize, the Company’s business, financial condition and results of operations may suffer significantly, the trading price of the Shares could decline and a purchaser may lose all or most of his or her investment.

When used in this Prospectus, the words “anticipate,” “believe,” and “estimate” and similar expressions, as they relate to the Company or Management, are intended to identify forward-looking statements. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions, including the risk factors described herein. Should one or more of these risks or uncertainties materialize, or should such assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed or estimated. There is no assurance that the projected results will occur, that the Company’s judgments or assumptions will prove correct, or that unforeseen developments will not occur requiring adjustments to the Company’s anticipated future activities.

Risks Relating to the Business of the Company and Industry-related Risks

Mineral Exploration and Development is a Highly Speculative Business and most Exploration Projects do not Result in the Discovery of Commercially Mineable Deposits

Exploration for minerals is a highly speculative venture necessarily involving substantial risk. The expenditures made by the Company described herein may not result in discoveries of commercial quantities of minerals. The failure to find an economic mineral deposit on the Chvalteice Manganese Project will have a negative effect on the Company.

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The Company's Chvalětice Manganese Project is primarily at the exploration stage and thus, has no known commercial quantities of minerals. Development of mineral properties involves a high degree of risk and few properties that are explored are ultimately developed into commercially operating projects. The commercial viability of a mineral deposit is dependent upon a number of factors which are beyond the Company's control, including the attributes of the deposit, commodity prices, government policies and regulation and environmental protection. Fluctuations in the market prices of minerals may render resources and deposits containing relatively lower grades of mineralization uneconomic. Further exploration or delineation will be required before a final evaluation as to the economic and legal feasibility of any of the Company's properties is determined. Even if the Company completes its exploration programs and is successful in identifying mineral deposits, it will have to spend substantial funds on further drilling and engineering studies before it will know if it has a commercially viable mineral deposit. Most exploration projects do not result in the discovery of commercially mineable mineral deposits.

Estimates of reserves and resources, mineral deposits and production costs can be affected by such factors as environmental permit regulations and requirements, indigenous communities' rights, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. As a result, there is a risk such estimates are inaccurate. For example, the Chvalětice Technical Report includes a resource estimate prepared by Tetra Tech in accordance with NI 43-101. The grade of metals ultimately discovered may differ from the indicated drilling results. If the grade of the resource was lower, there would be a negative impact on the economics of the Chvalětice Manganese Project. There can be no assurance that precious metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. If a property does not contain any reserves, any funds spent on exploration of that property will be lost. The failure of the Company to find an economic mineral deposit on any of its exploration concessions will have a negative effect on the Company.

None of the Properties in which the Company has an Interest has any Mineral Reserves

Currently, there are no mineral reserves (within the meaning of NI 43-101) on the Company's Chvalětice Manganese Project. See "*Business of the Company – The Chvalětice Manganese Project Resource*" and Appendix "A" – Disclosure regarding the Chvalětice Manganese Project. Only those mineral deposits that the Company can economically and legally extract or produce, based on a comprehensive evaluation of cost, grade, recovery and other factors, are considered mineral reserves. The resource estimates contained in the Company's technical reports are indicated and inferred resource estimates only and no assurance can be given that any particular level of recovery of manganese or other minerals from mineralized material will in fact be realized or that an identified mineralized deposit will ever qualify as a commercially mineable mineral deposit. In particular, inferred mineral resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Further, substantial additional work would be required in order to determine if any economic deposits exist on the Company's properties and substantial expenditures would be required to establish mineral reserves through drilling and metallurgical and other testing techniques. The costs, timing and complexities of upgrading the mineralized material to proven or probable reserves may be greater than the value of the Company's reserves on a mineral property and may require the Company to write-off the costs capitalized for that property in its financial statements. The Company cannot provide any assurance that future feasibility studies will establish mineral reserves at its properties. The failure to establish mineral reserves could restrict the Company's ability to successfully implement its strategies for long-term growth.

Estimates of Mineral Resources are based on Interpretation and Assumptions and are Inherently Imprecise

The mineral resource figures referred to in the Chvalětice Technical Report and this Prospectus have been determined and valued based on assumed future prices, cut-off grades and operating costs. However, until mineral deposits are actually extracted and processed, any mineral resources must be considered as estimates only. Estimates can be imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. In addition, the grade and/or quantity of metals ultimately recovered may differ from that indicated by drilling results. There can be no assurance that metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The grade of the reported mineral resource estimates is uncertain in nature and it is uncertain whether further technical studies will result in an upgrade to them. Any material change in the quantity of mineralization, grade or mineralization to waste ratio or extended declines in market prices for manganese may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of

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mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition.

The Company's Rights and Title to its Mineral Properties may be Challenged

The granting and transfer, by the Czech authorities, of the original Chvaletice Manganese Project's exploration license to Mangan and its predecessor holders was reviewed by the Company prior to the acquisition of Mangan. The Company was granted a second exploration license on May 4, 2018 covering the slopes on the perimeter of the tailings piles, and was granted a Preliminary Mining Permit on April 17, 2018 covering the areas included in the exploration licenses. Although the Company believes the Preliminary Mining Permit along with the Licenses secure Mangan's rights for the entire deposit, there still may be undetected title defects affecting such mineral rights. Third parties may have known or unknown valid claims underlying portions of the Company's interests, including claims from prior holders of mineral interests in the same area or technical defects in the granting or approval of mineral interests or in the transfers of any mineral interest. Title may be affected by, among other things, undetected defects, including legal defects, which could have a material adverse effect on the Company's results of operations or financial condition.

Rights to use the Surface of the Company's Mineral Properties are not Guaranteed

The Company does not control the surface rights over the claims which comprise its Chvaletice Manganese Project. Some surface rights are owned by local communities, some surface rights are owned by private residential interests, and there are potential overlapping surface usage issues in some areas. The Company may be required to negotiate the acquisition of surface rights, leases, rights of way, or other arrangements in those areas where it may wish to develop its operations. There is no guarantee that areas needed for extractive activities, including potential waste disposal, infrastructure, or areas for processing plants and related facilities, will be available. The Company's interest in the Chvaletice Manganese Project could be adversely affected by delays or an inability to obtain surface access rights, or by challenges, regardless of merit, to existing surface access agreements.

No Guarantee that Licenses and Permits required by the Company will be Obtained or Renewed

The original Chvaletice Manganese Project exploration license expires September 30, 2019. A second exploration license, issued May 4, 2018, covering the slopes on the perimeter of the tailings piles expires May 31, 2023. Should additional exploration and evaluation work be anticipated after these dates, the Company will be required to renew or extend the Licenses prior to their expiration. Further, the Company's Preliminary Mining Permit which was issued on April 17, 2018, expires April 30, 2023. Although the Company considers this permit to a key step towards final permitting for the project, it will still require additional approvals and permits from various governmental authorities relating to, among others, the following (i) mineral extraction and exploitation rights; (ii) water use rights; (iii) maintenance of title; (iv) employees; (v) health and safety; (vi) repatriation of capital and exchange controls; and (vii) permits relating to the construction of infrastructure required for the project. Material delays or failure to receive these additional permits may result in the expiration, loss or cancellation of the Company's rights.

Companies engaged in mineral extraction and operation of related processing facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all future permits which the Company may require for the construction of the Chvaletice Manganese Project facilities and conduct of processing operations will be obtainable on reasonable terms, if at all, or that such laws and regulations would not have an adverse effect on any mineral project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, care and maintenance, installation of additional equipment or remedial actions. Parties engaged in the extraction of minerals may be required to compensate those suffering loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

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Amendments to current laws, regulations and permits governing operations and activities of companies in the recovery of minerals, or more stringent implementation thereof, could have a material impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Substantial Capital Expenditures Required

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any chosen site. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis or on terms acceptable to the Company.

The discovery of mineral deposits is dependent upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Most of these factors are beyond the Company's control. In addition, because of these risks, there is no certainty that the expenditures to be made by the Company on the exploration of the Company's mineral properties as described herein will result in the discovery of commercial quantities of ore.

Access to Infrastructure, Critical Supplies, and Utilities, Including Power and Water

The exploration, extraction, processing and development of mineral projects depend, to one degree or another, on adequate infrastructure. Reliable roads, power sources and particularly water supply are important determinants that affect capital and operating costs. Process reagents, as well as critical infrastructure equipment, may need to be imported. An inability to create or access such infrastructure due to weather phenomena, sabotage, government or other interference could adversely affect the operations, profitability, financial condition, results of operations and prospects of the Company. The Company will need to ascertain whether the power and ground water and/or surface water currently present on or near its current projects will be available and sufficient to support future mineral processing operations.

Fluctuations in the prices and availability of commodities consumed in connection with exploration activities or used as part of development and processing activities, such as natural gas, diesel, oil, electricity, sulphuric acid and other reagents can significantly impact the operating cost of exploration and mineral extraction activities. These price fluctuations can be unpredictable, can occur over short periods of time and may have a materially adverse impact on operating costs or the timing of future costs.

Management Experience and Dependence on Key Personnel and Employees

The Company's success is currently largely dependent on the performance of the Company's directors and officers. The Company's management team has experience in the resource exploration and development business. The experience of these individuals is a factor which will contribute to the Company's continued success and growth. The Company will initially be relying on the Company's employees, board members, as well as independent consultants, for certain aspects of the Company's business. The amount of time and expertise expended on the Company's affairs by each of the Company's management team and the Company's directors will vary according to the Company's needs. The Company does not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any member of management, the Company's board, or any key employee or consultant, could have a material adverse effect on the Company's future. Investors who are not prepared to rely on the Company's management team should not invest in the Company's securities.

Uncertainty of Additional Funding

Sufficient funding may not be available to the Company for further exploration and development of its property interests. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties. Accordingly, additional financing will be required to

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operate its business and to continue with exploration on its properties, and additional capital may not be available when needed, if at all, or be available on terms favourable to the Company. Any unexpected costs, problems or delays could severely impact the Company's ability to continue exploration and development activities, and obtain additional financing.

Negative Cash Flow, No History of Production and No Revenue from Operations

The Company has a limited history of operations, with no revenues and no history of earnings, cash flow or profitability. The Company has had negative operating cash flow since the Company's inception, and the Company will continue to have negative operating cash flow for the foreseeable future given that The Company's Chvaletice Manganese Project is still at the exploration and evaluation stage. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The Company has no source of operating cash flow and no assurance that additional funding will be available for further exploration and development of the Chvaletice Manganese Project when required. No assurance can be given that the Company will ever attain positive cash flow or profitability.

The Company relies on International Advisors and Consultants

The Company conducts its exploration activities in the Czech Republic. The legal and regulatory requirements in this country with respect to conducting mineral exploration and mining activities, banking system and controls, as well as local business culture and practices are different from those in Canada and the United States. The officers and directors of the Company must rely, to a large extent, on the Company's local legal counsel and local consultants retained by the Company in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Company's business operations, and to assist the Company with its governmental relations. The Company must rely, to some extent, on those members of management and the Company's board of directors who have previous experience working and conducting business in the Czech Republic in order to enhance its understanding of and appreciation for the local business culture and practices. The Company also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing, labour, litigation and tax matters in this jurisdiction. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the control of the Company. The impact of any such changes may adversely affect the business of the Company.

Operating Hazards and Risks

Mineral exploration and development involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage.

The Company currently carries a US\$5 million general liability policy to insure against such risks, and also ensures that its contractors have adequate insurance coverage. However, the nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable or the Company might not elect to insure ourselves against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon the Company's financial condition.

Competition

The mineral exploration and extraction industry is intensely competitive. The Company competes with other mining companies, many of which have greater financial resources and technical expertise. Competition in the mining industry is primarily for: (i) properties which can be developed and can produce economically; (ii) the technical expertise to find, develop, and operate such properties; (iii) labour to operate such properties; and (iv) capital to fund such properties. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees and consultants or to acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources could have a

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material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Many competitors not only explore for and mine minerals, but conduct refining and marketing operations on a worldwide basis. In the future, the Company may also compete with such mining companies in refining and marketing its products to international markets. Any inability to compete with established competitors could also have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Country Risks

The Chvalatice Manganese Project is located in the Czech Republic and therefore its activities are subject to the risks normally associated with the conduct of business in foreign countries. Investors should note that the Czech Republic is not a country with a rich mining history and projects in other nearby Eastern European countries have encountered substantial resistance from local communities at the time of development. The occurrence of one or more of these risks could have a material and adverse effect on the Company's profitability or the viability of its affected foreign operations, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

The Company's ability to carry on its business in the normal course in the Czech Republic may be adversely affected by political and economic considerations such as civil unrest, war (including in neighbouring states), terrorist actions, labour disputes, fraud, theft, corruption, sovereign risk, political instability, the failure of foreign parties or governments to honour contractual relations, consents, rejections or waivers granted, changing (or arbitrary) government regulations with respect to mineral processing including environmental requirements, the declaration of high-purity manganese products as strategic commodities, taxation, land tenure, foreign investments, income repatriation and capital recovery, fluctuations in currency exchange and inflation rates, import and export restrictions, challenges to the Company's title to properties, problems renewing licenses and permits, opposition to mineral extraction and processing from environmental or other nongovernmental organizations, increased financing costs, instability due to economic under-development, inadequate infrastructure, and the expropriation of property interests. In addition, the Czech Republic government, or its court system, may not recognize, protect or enforce the Company's legal rights. The Government may take action which is arbitrary or illegal under Czech, European Union or International Law. Any of these events could result in conditions that delay or prevent the Company from exploring, developing, or ultimately operating its mineral projects.

In October 2017, a new Prime Minister was elected, and in January 2018, the President was re-elected. While the Company believes that the political climate in the Czech Republic provide a suitable environment for its proposed operations, there is no guarantee against the possibility that the current, or a future, government may adopt substantially different policies or take arbitrary action which might halt exploration, involve the re-nationalization of private assets or the cancellation of contracts, the cancellation of mineral exploration, extraction and processing rights and/or changes in taxation treatment cannot be ruled out, any of which could result in a material and adverse effect on the Company's business, results of operations, financial condition and prospects.

The Company may be subject to Legal or Illegal Opposition and Legal Proceedings

The Company may be subject to regulatory investigations, civil claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in regulatory actions and litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. Defense and settlement costs of legal disputes can be substantial, even with claims that have no merit. Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes. However, if the Company is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Company's business, rights, financial condition, results of operations, cash flows or prospects.

Additionally, the Czech legal system is relatively young and continues to evolve at a rapid pace. Accordingly, there is often limited jurisprudence and authoritative opinion on commercial issues, which in turn makes legal outcomes less predictable. It may also be noted that European Union law continues to evolve in terms of interpretation and application to local laws and contracts governed thereunder. Furthermore, the legal system in the Czech Republic,

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like any country, has inherent uncertainties that could limit the legal protections available to the Company, which include: (i) inconsistencies between and within laws; (ii) limited judicial and administrative guidance on interpreting legislation, particularly that relating to business, corporate, mineral extraction, and securities laws; (iii) substantial gaps in the regulatory structure due to a delay or absence of enabling regulations; (iv) a lack of judicial independence from political, social and commercial forces; (v) corruption; and (vi) bankruptcy procedures that are subject to abuse, any of which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. Furthermore, it may be difficult to obtain swift and equitable enforcement of a judgement in the Czech Republic, or to obtain enforcement of a judgement by a court of another jurisdiction, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Global Economic Uncertainty

Changes in the global economic environment have created market uncertainty and volatility in recent years. The market and demand for metal commodities and related products has in recent years been adversely affected by global economic uncertainty, reduced confidence in financial markets, bank failures and credit availability concerns. These macro-economic events negatively affected the mining and minerals sectors in general. Global financial conditions remain subject to sudden and rapid destabilizations in response to economic shocks. A slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and profitability. Future economic shocks may be precipitated by a number of causes, including the ongoing European debt situation, a continued rise in the price of oil and other commodities, the volatility of metal prices, geopolitical instability, terrorism, the devaluation and volatility of global stock markets and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favorable to the Company or at all. In such an event, the Company's operations and financial condition could be adversely impacted.

The Company assesses on a quarterly basis the carrying values of its mineral properties. Should market conditions and commodity prices worsen and persist in a worsened state for a prolonged period of time, an impairment of the Company's mineral properties may be required.

Fluctuating Mineral Prices

HPEMM and or HPMSM, high-purity manganese products, are the products intended to be produced at the Chvaletice Manganese Project. The profitability of the Chvaletice Manganese Project will be significantly affected by changes in the market prices of these products. Prices of HPEMM and HPMSM, as well as certain metals or products in the production of which HPEMM and HPMSM are consumed, such as steel and aluminum alloys, as well as lithium ion battery precursor materials, fluctuate and historically have been subject to significant annual price fluctuations and are affected by numerous factors beyond the control of the Company such as the level of interest rates, the rate of inflation, central bank transactions, world supply and demand of steel and other metals, foreign currency exchange rates, international investments, monetary systems, speculative activities, international economic conditions, political developments and the production levels and production costs in key mineral producing countries. As a result, there is no assurance that, even if commercial quantities of mineral resources are discovered, that mineral prices will be such that the Company's will be profitable.

Fluctuations in the prices of HPEMM and HPMSM could adversely affect the Company's financial performance and results of operations. Further, if the market price of these metals falls or remains depressed, the Company may experience losses or asset write-downs and may curtail or suspend some or all of the Company's exploration, development and mining activities.

Inadequate Insurance, and Uninsured or Uninsurable Risks

The Company's business is subject to a number of risks and hazards (as further described in this Prospectus). Although the Company maintains insurance and intends, upon completion of the Offering, to obtain certain additional insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its activities, including current and any future mining operations.

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The Company may also be unable to obtain or maintain insurance to cover its risks at economically feasible premiums, or at all. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development or production may not be available to the Company on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it is not currently insured against and/or in the future may not insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Compliance with Environmental Regulations can be Costly

The Company's exploration on the Chvaletic Manganese Project, as well as the planned development of the Chvaletic Manganese Project, are all subject to environmental regulation. Regulations cover, among other things, water quality standards, land reclamation, the generation, transportation, storage and disposal of hazardous waste, the construction and operation of tailings dams, and general health and safety matters. There is no assurance that the Company has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental and health and safety approvals and permits. The potential costs and delays associated with compliance with such laws, regulations, approvals and permits could prevent the Company from economically operating or proceeding with the further development and exploration of the Chvaletic Manganese Project, and any non-compliance with such laws, regulations, approvals and permits at the Chvaletic Manganese Project could result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Environmental approvals and permits are currently, and may in the future be, required in connection with the Company's current and planned operations. To the extent such environmental approvals and permits are required and not obtained, the Company's plans and the operation of mines may be curtailed or it may be prohibited from proceeding with planned exploration or development of additional mineral properties. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

There is no assurance that any future changes in environmental regulation will not adversely affect the Company's operations. Changes in government regulations have the potential to significantly increase compliance costs and thus reduce the profitability of current or future operations.

Environmental hazards may also exist on the Chvaletic Manganese Project that are unknown to the Company at present and that have been caused by previous or existing owners or operators of the property and for which the Company may be liable for remediation. Parties engaged in the extraction of minerals, including the Company, may be required to compensate those suffering loss or damage by reason of their activities and may have civil or criminal fines or penalties imposed for violations of applicable environmental laws or regulations, regardless of whether the Company actually caused the loss or damage. The costs of such compensation, fines or penalties could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Changes in climate conditions may affect the Company's operations

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, this may result in increased costs at the Company's operations. In addition, the physical risks of climate change may also have an adverse effect on the Company's operations. These risks include the following:

- changes in sea levels could affect ocean transportation and shipping facilities that are used to transport supplies, equipment and workforce and products from the Company's operations to world markets;

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- extreme weather events (such as prolonged drought) have the potential to disrupt operations at the Company's operations and may require the Company to make additional expenditures to mitigate the impact of such events; and
- the Company's facilities depend on regular supplies of consumables (diesel, tires, reagents, etc.) to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, production levels at the Company's operations may be reduced.

There can be no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have an adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Social and Environmental Activism can Negatively Impact Exploration, Development and Mining Activities

There is an increasing level of public concern relating to the effects of resource extraction on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the resource extraction industries. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company may be Responsible for Corruption and Anti-bribery law Violations

The Company's business is subject to the Canada's *Corruption of Foreign Public Officials Act* ("CFPOA"), which generally prohibits companies and company employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. Since all of the Company's presently held interests are located in the Czech Republic, there is a risk of potential CFPOA violations, whether intentional or not, by any of the Company's employees, representatives or contractors. In addition, the Company is subject to the anti-bribery laws of the Czech Republic. The Company's employees or other agents may, without its knowledge and despite its efforts, engage in prohibited conduct under the Company's policies and procedures and the CFPOA or other anti-bribery laws for which the Company may be held responsible. The Code mandates compliance with these anti-corruption and anti-bribery laws. However, there can be no assurance that the Company's policies and procedures will always protect it from recklessness, fraudulent behavior, dishonesty or other inappropriate acts committed by its affiliates, employees, contractors or agents. If the Company's employees or other agents are found to have engaged in such practices, the Company could suffer severe penalties and other consequences that may have a material adverse effect on its business, financial condition and results of operations.

The Company is Exposed to the Possibility that Applicable Taxing Authorities could take Actions that Result in Increased Tax

The Company pays or will pay upon the commencement of future operations in the future, a variety of taxes, fees and other governmental charges in connection with the operation of its business, including income taxes, mining royalties, ad valorem property taxes, sales and use taxes, social security contributions and various assessments. These taxes, fees and other charges are assessed by a variety of taxing authorities pursuant to applicable laws, regulations and rules. From time to time, the Company may also enter into specific agreements with such taxing authorities that provide for the reduction, abatement or deferral of such taxes, fees or charges in exchange for certain payments or undertakings on the Company's part. If the Company enters into any such arrangements, the Company can give no assurance that any such reduction, abatement or deferral arrangements will be honored or that the applicable taxing authorities will not take actions that materially increase the amount of such taxes, fees or other

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governmental charges that the Company is required to pay. Additionally, the Company may incur additional and unanticipated costs and expenses in connection with the Company's efforts to resist any proposed increases in such taxes, fees or other charges or in connection with the Company's efforts to enforce any reduction, abatement or deferral arrangements that the Company has previously put in place.

The Czech Republic government may implement changes to the tax regime that may affect the Company. These changes could include changes in prevailing tax rates and the imposition of new or temporary taxes, the proceeds of which are earmarked for designated government purposes. Some of these changes may result in increases in the Company's tax payments, which could have an adverse effect on the Company's operations or profitability. The Company cannot provide assurance that it will be able to be profitable following any increases in taxes applicable to the Company and the Company's operations.

Future Acquisitions

As part of the Company's business strategy, the Company may seek to grow by acquiring companies and/or assets or establishing joint ventures that the Company believes will complement the Company's current or future business. The Company may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for the Company's business. The Company cannot guarantee that the Company can complete any acquisition the Company pursues on favourable terms, or that any acquisitions completed will ultimately benefit the Company's business.

Reliability of Historical Information

The Company has relied on, and the disclosure from the Chvaletice Technical Report, is based, in part, upon historical data compiled by previous parties involved with the Chvaletice Manganese Project. To the extent that any of such historical data is inaccurate or incomplete, the Company's exploration plans may be adversely affected.

Risks Relating to the Shares

Speculative Nature of Investment Risk

An investment in the Shares carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future.

Liquidity and Future Financing Risk

The Company is in the early stages of its business and has no source of operating revenue. The Company will likely operate at a loss until the Company puts the Chvaletice Manganese Project into production. The Company's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on satisfactory terms, if at all. If additional financing is raised by issuance of additional Shares from treasury, control may change and shareholders may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its current business plan or cease operating.

Going-Concern Risk

The Company's Financial Statements have been prepared on a going-concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations and the recoverability of the carrying values of the Company's assets are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. While the Company has been successful in securing financing to date, there can be no assurances that the Company will be successful in completing equity or debt financing on terms acceptable to the Company, if at all, or in achieving profitability. This could, in turn have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects. The Financial Statements

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do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Currency Fluctuations can result in Unanticipated Losses

The Company maintains its accounting records and reports its financial position and results in Canadian dollars, but a portion of the Company's operating and capital expenses are or will be incurred in Czech Republic Koruna and U.S. dollars, and manganese will be sold based principally on a US dollar price. Exchange rate fluctuations in these currencies are beyond the Company's control and such fluctuations could have an adverse effect on the Company's business, financial condition and results of operations.

Absence of Operating History as a Public Company

To operate effectively, the Company will be required to continue to implement changes in certain aspects of its business, improve its information systems and develop, manage and train management level and other employees to comply with ongoing public company requirements. Failure to take such actions, or delay in implementation thereof, could adversely affect the Company's business, financial condition, liquidity and results of operations and, more specifically, could result in regulatory penalties, market criticism or the imposition of cease trade orders in respect of the Shares.

No Prior Public Market for the Shares

Prior to the Closing of the Offering, there has been no public market for the Shares. The price to the public and the number of Shares to be issued have been determined by negotiation by the Company and the Agent. The price paid for each Share may bear no relation to the price at which the Shares will trade in the public market subsequent to the Offering. The Company cannot predict at what price the Shares will trade and there can be no assurance that an active trading market in the Shares will develop or be sustained.

Discretion in the Use of Proceeds

Management will have broad discretion concerning the use of the proceeds of the Offering, as well as the timing of their expenditure. As a result, purchasers will be relying on the judgment of Management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that purchasers may not consider desirable. The results and the effectiveness of the application of the net proceeds are uncertain. If the proceeds are not applied effectively, the results of the Company's operations may suffer.

Share Price Fluctuations

In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to the operating performance of these companies. The market price of the Shares could similarly be subject to wide fluctuations in response to a number of factors, most of which the Company cannot control, including, but not limited to:

- (a) fluctuations in the market price of mineral resources;
- (b) the public's reaction to the Company's press releases, announcements and filings with Canadian securities regulatory authorities and those of its competitors;
- (c) fluctuations in broader stock market prices and volumes;
- (d) changes in market valuations of similar companies;
- (e) investor perception of the Company's industry or prospects;
- (f) additions or departures of key personnel;
- (g) commencement of or involvement in litigation;

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- (h) changes in environmental and other governmental regulations;
- (i) announcements by the Company or its competitors of strategic alliances, significant contracts, new technologies, acquisitions, commercial relationships, joint ventures or capital commitments;
- (j) variations in the Company's quarterly results of operations or cash flows or those of other comparable companies;
- (k) revenues and operating results failing to meet the expectations of securities analysts or investors in a particular quarter;
- (l) the expiration of lock-up or other transfer restrictions on outstanding Shares;
- (m) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related industry and market issues affecting the mining sector;
- (n) future issuances and sales of Shares, or of debt securities of the Company;
- (o) demand for and trading volume of Shares;
- (p) changes in securities analysts' recommendations and their estimates of the Company's financial performance; and
- (q) changes in general conditions in the domestic and worldwide economies or financial markets.

The realization of any of these risks and other factors beyond the Company's control could cause the market price of the Shares to decline significantly.

Additionally, as the Shares will be traded on the TSXV and the CDIs will be traded on the ASX, there is a possibility that there will be substantial price and volume disparities between the two markets.

Dividends to Shareholders

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its Shares. The Company does not anticipate paying cash dividends on the Shares in the foreseeable future. The Company currently intends to retain all future earnings to fund the development and growth of its business. Any payment of future dividends will be at the discretion of the directors and will depend on, among other things, the Company's earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends, and other considerations that the directors deem relevant. Investors must rely on sales of their Shares after price appreciation, which may never occur, as the only way to realize a return on their investment.

Increased Cost as a Result of Becoming a Reporting Issuer

Prior to this Offering, the Company has not been subject to the continuous and timely disclosure requirements of Canadian Securities Laws or other rules, regulations and policies of the TSXV. The Company is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to the Company's financial management control systems to manage the Company's obligations as a public company. These areas include corporate governance, corporate controls, internal audit, disclosure controls and procedures and financial reporting and accounting systems. The Company has made, and will continue to make, changes in these and other areas, including the Company's internal controls over financial reporting. However, the Company cannot provide any assurance that these measures the Company may take will be sufficient to allow the Company to satisfy its obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies will create additional costs for the Company and will require the time and attention of Management. The Company cannot predict the amount of the additional costs it may incur, the timing of such costs or the impact that Management's attention to these matters will have on the Company's business.

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Impact of Future Sales by Existing Shareholders

If the Company's shareholders sell substantial amounts of the Company's securities in the public market, the market price of the Company's securities could fall. The perception among investors that these sales will occur could also produce this effect. All of the Shares the Company will issue in this Offering and all currently outstanding Shares other than those subject to escrow restrictions or to lock-up agreements executed by existing shareholders will, subject to applicable securities laws, generally be immediately available for resale in the public markets.

It is anticipated that certain of the Shares issued and outstanding prior to completion of the Offering will be subject to post-Closing resale restrictions. See "*Plan of Distribution*" and "*Escrowed Securities*" for descriptions of these resale restrictions. Upon expiration of the resale restrictions to which they are subject, such Shares will be freely tradable in the public market, subject to the provisions of applicable securities laws.

Securities or Industry Analysts

The trading market for Shares could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or competitors. The Company does not have any control over these analysts and cannot assure that analysts will cover it or provide favourable coverage. If any of the analysts who may cover the Company's business change their recommendation regarding the Company's stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analyst who may cover the Company's business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

Immediate Dilution, and Dilution from Future Equity Financings

The Offering Price of the Shares will significantly exceed the net tangible book value per share of the Shares. Accordingly, a purchaser of Shares in the Offering will incur immediate and substantial dilution of his, her or its investment. If the outstanding options and warrants to purchase the Shares are exercised or securities convertible into Shares are converted, additional dilution will occur.

Further, in order to execute the Company's growth strategy, the Company may from time to time raise funds through the issuance of Shares or the issuance of debt instruments or other securities convertible into Shares. The Company cannot predict the size or price of future issuances of Shares or the size or terms of future issuances of debt instruments or other securities convertible into Shares, or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Shares. Sales or issuances of substantial numbers of Shares, or the perception that such sales or issuances could occur, may adversely affect prevailing market prices of the Shares. With any additional sale or issuance of Shares, or securities convertible into Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

Public Companies are Subject to Securities Class Action Litigation Risk

In the past, securities class action litigation has often been brought against a Company following a decline in the market price of its securities. If the Company faces such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could materially harm its business.

It may be Difficult to Enforce Judgements and effect Service of Process on Directors and Officers

Some of the directors and officers of the Company reside outside of Canada, and some or all of the assets of those persons may be located outside of Canada. Therefore, it may not be possible for investors to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian Securities Laws against such persons. Moreover, it may not be possible for investors to effect service of process within Canada upon such persons.

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Failures of Information Systems or Information Security threats can be Costly

The Company has entered into agreements with third parties for hardware, software, telecommunications and other information technology (“IT”) services in connection with its operations. Such operations depend, in part, on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company’s operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company’s reputation, results of operations, cash flows and financial condition.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Company’s risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Any of these factors could have a material adverse effect on the Company’s results of operations, cash flows and financial position.

Global Financial Conditions can Reduce the Price of the Shares

Following the onset of the credit crisis in 2008, global financial conditions were characterized by extreme volatility and several major financial institutions either went into bankruptcy or were rescued by governmental authorities. While global financial conditions subsequently stabilized, there remains considerable risk in the system given the extraordinary measures adopted by government authorities to achieve that stability. Global financial conditions could suddenly and rapidly destabilize in response to future economic shocks, as government authorities may have limited resources to respond to future crises. Future economic shocks may be precipitated by a number of causes, including a rise in the price of oil, geopolitical instability and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company’s ability to obtain equity or debt financing in the future on terms favourable to the Company. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Further, in such an event, the Company’s operations and financial condition could be adversely impacted.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the global mining industry, global supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Company’s operating environment and its operating costs, profit margins and share price. Any negative events in the global economy could have a material adverse effect on the Company’s business, financial condition, results of operations, cash flows or prospects.

Conflict of Interest

Certain of the Company’s directors and officers are, and may continue to be, involved in the mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with the Company’s interests. Directors and officers of the Company with conflicts of interest will be subject to and must follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies. Notwithstanding this, there may be corporate opportunities which the Company is not able to procure due to a conflict of interest of one or more of the Company’s directors or officers.

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The TSXV may delist the Company's Securities

If the Company fails to list the Shares, the liquidity for its Shares would be significantly impaired, which may substantially decrease the trading price of the Shares.

In addition, in the future, the Company's securities may fail to meet the continued listing requirements to be listed on the TSXV. If the TSXV delists the Shares from trading on its exchange, the Company could face significant material adverse consequences, including:

- (a) a limited availability of market quotations for the Shares;
- (b) a determination that the Shares is a "penny stock" which will require brokers trading in the Shares to adhere to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary trading market for the Shares;
- (c) a limited amount of news and analyst coverage for the Company; and
- (d) a decreased ability to issue additional securities or obtain additional financing in the future.

PROMOTERS

Each of Marco Romero and Roman Shklanka took the initiative in founding the Company and arranging for its organization and, accordingly, may be considered to be the promoters of the Company within the meaning of applicable securities legislation in British Columbia. The following table sets out their shareholdings in the Company before and after giving effect to the Offering and the Australian Offering:

Name of Promoter	Shares Held Directly or Indirectly Immediately prior to Completion of the Offering and Australian Offering ⁽³⁾	Shares Held Directly or Indirectly After Completion of the Offering and Australian Offering ^{(1), (3)}	Percentage of Outstanding Shares After Giving Effect to the Offering and Australian Offering ⁽¹⁾
Marco A. Romero	7,625,000 ⁽²⁾	7,625,000	4.73%
Roman Shklanka	8,483,335	8,483,335	5.26%

Notes:

1. Assumes no Shares and no CDIs are purchased by either Mr. Romero or Mr. Shklanka as part of the Offering or Australian Offering, respectively.
2. Includes Shares held by Navigator Management Ltd., a company controlled by Marco A. Romero and owned jointly with his spouse.
3. After adjusting for the Share Split.

Mr. Romero has, pursuant to the Stock Option Plan, been granted incentive stock options to purchase: 200,000 Shares at an exercise price of \$0.08 per Share until May 16, 2026; 125,000 Shares at an exercise price of \$0.10 per Share until April 6, 2027; 250,000 Shares at an exercise price of \$0.11 per Share until September 22, 2027; 75,000 Shares at an exercise price of \$0.11 per Share until December 14, 2027; and 250,000 Shares at an exercise price of \$0.20 per Share until February 21, 2028.

Dr. Shklanka has, pursuant to the Stock Option Plan, been granted incentive stock options to purchase: 200,000 Shares at an exercise price of \$0.08 per Share until May 16, 2026; 200,000 Shares at an exercise price of \$0.10 per Share until April 6, 2027; 300,000 Shares at an exercise price of \$0.11 per Share until September 22, 2027; 75,000 Shares at an exercise price of \$0.11 per Share until December 14, 2027; and 300,000 Shares at an exercise price of \$0.20 per Share until February 21, 2028.

Dr. Roman Shklanka was a director of the Pacific Imperial Mines Ltd. when it was the subject of the British Columbia Cease Trade Order issued on November 8, 2008 and the Alberta Cease Trade Order issued on February 9, 2009 for failure to file financial statements and management's discussion and analysis for the year ended June 30,

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2008. The financial statements have since been filed and, as a result, the British Columbia Cease Trade Order was revoked on June 25, 2010 and the Alberta Cease Trade Order was revoked on September 8, 2010.

See “*Options to Purchase Securities*”; “*Directors and Officers*”; “*Executive Compensation*” and “*Interests of Management and Others in Material Transactions*” for disclosure regarding the Company’s promoters.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than as described herein, to the Company’s knowledge, there are no legal proceedings or regulatory actions material to the Company to which it is a party, or has been a party to, or of which any of its property is the subject matter of, or was the subject matter of, since the beginning of the financial year ended September 30, 2017, and no such proceedings or actions are known by the Company to be contemplated.

There have been no penalties or sanctions imposed against the Company by a court or regulatory authority, and the Company has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, since its incorporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this Prospectus, no director, executive officer or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Shares, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction within the three years before the date of this Prospectus which has materially affected or is reasonably expected to materially affect the Company or a subsidiary of the Company.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The Company’s auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, having an address at PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada, V6C 3S7. The transfer agent and registrar for the Shares is Computershare Investor Services Inc., at its principal office in Vancouver, British Columbia.

MATERIAL CONTRACTS

Other than the Mangan Acquisition Agreement discussed in “*Acquisition of Mangan*”, and the engagement letter with the Agent dated March 9, 2018 in connection with the Offering, the Company does not have any material contracts, other than those contracts entered into in the ordinary course of business.

EXPERTS

Certain legal matters relating to the Offering under Canadian law will be passed upon by Stikeman Elliott LLP on behalf of the Company and by Bennett Jones LLP on behalf of the Agent. As at the date hereof, the partners and associates of each of Stikeman Elliott LLP and Bennett Jones LLP, as respective groups, beneficially own, directly or indirectly, none of the outstanding Shares.

No person or Company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or Company and who is named in this Prospectus as having prepared or certified a part of this Prospectus, or a report, valuation, statement or opinion described in this Prospectus, has received or shall receive a direct or indirect interest in any securities or other property of the Company or any associate or affiliate of the Company.

Mr. James Barr, P.Geol, and Mr. Jianhui (John) Huang, Ph.D., P.Eng., the authors of the Chvaletice Technical Report, are independent from the Company within the meaning of NI 43-101. Mr. Gary Nordin is a consultant to the Company, and it’s Chief Geologist, and is the Company’s designated Qualified Person for this Prospectus within the meaning of NI 43-101. Mr. Nordin has reviewed and approved the technical information contained in this

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Prospectus. Each of Mr. Huang and Mr. Barr beneficially own, directly or indirectly, none of the outstanding Shares. Mr. Gary Nordin beneficially owns, directly or indirectly, less than 1% of the outstanding Shares.

PricewaterhouseCoopers LLP, auditor to the Company, have advised they are independent with respect to the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a Prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

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APPENDIX FS

FINANCIAL STATEMENTS

1. Audited Financial Statements for Euro Manganese Inc. as of September 30, 2017 and for the year ended September 30, 2017, and related notes thereto.....	FS-2
2. Audited Financial Statements for Euro Manganese Inc. as of September 30, 2016 and for the year ended September 30, 2016, and related notes thereto.....	FS-26
3. Unaudited condensed consolidated financial statements of the Company as at and for the three and six months ended March 31, 2018, and related notes thereto.....	FS-49

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EURO MANGANESE INC.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

SEPTEMBER 30, 2017

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Euro Manganese Inc.

Audited Financial Statements for Euro Manganese Inc. as of September 30, 2017 and for the year ended September 30, 2017, and related notes thereto

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December 15, 2017

Independent Auditor's Report

To the Shareholders of Euro Manganese Inc.

We have audited the accompanying consolidated financial statements of Euro Manganese Inc. and its subsidiary, which comprise the consolidated statements of financial position as at September 30, 2017 and September 30, 2016 and the consolidated statements of loss and comprehensive loss, cash flows, and changes in equity for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Euro Manganese Inc. and its subsidiary as at September 30, 2017 and September 30, 2016 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which discloses conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the ability of Euro Manganese Inc. to continue as a going concern.

(signed) “PricewaterhouseCoopers LLP”

Chartered Professional Accountants

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EURO MANGANESE INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at September 30, 2017 and 2016

(Expressed in Canadian Dollars)

AS AT		September 30, 2017	September 30, 2016
	Note	\$	\$
ASSETS			
Current Assets			
Cash		2,860,994	117,393
Prepaid		129,228	-
Receivable		73,010	9,084
		3,063,232	126,477
Non-current assets			
Exploration and evaluation assets	4 & 5	1,249,086	1,249,086
Property and Equipment	6	8,693	2,951
		4,321,011	1,378,514
LIABILITIES			
Current Liabilities			
Accounts payable		339,527	39,233
Due to related parties	8	116,731	187,696
Deferred consideration - current portion	5	273,921	272,233
		730,179	499,162
Non-current liabilities			
Deferred consideration	5	450,456	621,571
		1,180,635	1,120,733
EQUITY			
Share Capital	7 (a)	7,183,542	1,166,353
Equity Reserve		381,086	102,324
Deficit		(4,424,252)	(1,010,896)
		3,140,376	257,781
Total liabilities and shareholders' equity		4,321,011	1,378,514

Nature of Operations and Going Concern (note 1)

Events after the reporting period (note 13)

Approved on behalf of the Board on December 14, 2017

"Marco Romero"

Director

"John Webster"

Director

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

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

For the years ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

	Year Ended September 30,	
	2017	2016
	\$	\$
Project Evaluation Expenses		
Drilling, sampling and surveys	346,025	5,887
Engineering	1,141,129	123,632
Environmental	26,524	17,856
Geophysical	43,229	-
Geological	96,358	3,890
Legal and professional fees	52,385	-
Market studies	28,043	46,758
Metallurgical	194,593	50,498
Option provision	76,064	16,719
Project management	112,625	26,459
Remuneration and overhead allocation	-	279,930
Supplies and rentals	43,196	-
Taxes	22,416	13,269
Travel	215,955	39,332
	2,398,542	624,230
Other Expenses		
Remuneration	321,675	216,452
Stock-based compensation	235,688	145,662
Option provision	134,753	57,368
Less: allocation to project evaluation	-	(279,930)
Net Remuneration	692,116	139,552
Legal and professional fees	67,679	14,832
Conferences	3,174	14,509
Investor relations	1,254	32,878
Depreciation	2,101	794
Insurance	6,938	875
Office, general and administrative	34,890	21,995
Office rent	18,000	13,600
Accretion expense	130,573	37,310
Travel	58,089	45,375
	1,014,814	321,720
Loss & comprehensive loss for the year	(3,413,356)	(945,950)
Loss per share		
Loss & comprehensive loss for the year	(3,413,356)	(945,950)
Basic and diluted loss per share	(0.35)	(0.23)
Weighted average number of shares outstanding	9,772,984	4,190,160

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

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

	Note	2017	2016
		\$	\$
Operating Activities			
Net loss for the period		(3,413,356)	(945,950)
Less non-cash transactions:			
Share-based payments			
Options		210,817	74,087
Shares and warrants for services		402,923	224,600
		613,740	298,687
Depreciation		2,101	794
Accretion expense	5	130,573	37,310
		(2,666,942)	(609,159)
Changes in non-cash working capital items:			
Accounts payable		300,294	23,327
Accounts receivable		(63,926)	(5,892)
Prepaid expenses		(129,228)	-
Related parties		(70,965)	183,871
		36,175	201,306
Net Operating activities		(2,630,767)	(407,853)
Financing Activities			
Common shares and warrants issued for cash	7 (a)	5,382,211	565,990
Common shares repurchased and cancelled		-	(800)
Loan from shareholders		-	90,000
Loan repayment to shareholder		-	(50,000)
		5,382,211	605,190
Investing Activities			
Cash acquired on acquisition		-	14,728
Mineral property acquisition payment		-	(96,306)
Property & equipment - purchases		(7,843)	(3,215)
		(7,843)	(84,793)
Increase in Cash & Cash Equivalents		2,743,601	112,544
Cash & Cash Equivalents - beginning of year		117,393	4,849
Cash & Cash Equivalents - end of year		2,860,994	117,393
Non-cash transactions excluded from above:			
Mineral property acquisition - net discounted value		-	(1,156,494)
Deferred consideration's discount		-	(343,506)
		-	(1,500,000)
Deferred share payment commitment		(300,000)	1,200,000
Share issue in relation to the acquisition of the mineral property		300,000	300,000
		-	(1,500,000)
Issue of broker's warrants			
Equity Reserve		96,182	-
Share Capital		(96,182)	-
Exercise of warrants outstanding at September 30, 2016			
Share Capital		(28,237)	-
Equity Reserve		28,237	-

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

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

	Attributable to equity shareholders of the Company				
	Share Capital	Share Capital	Equity Reserves	Deficit	Shareholders' Equity (Deficit)
	#	\$	\$	\$	\$
Balance at September 30, 2016	6,007,345	1,166,353	102,324	(1,010,896)	257,781
Shares and warrants issued for cash, net of expenses	10,703,545	5,286,029	96,182	-	5,382,211
Shares issued as payment of services	825,977	431,160	(28,237)	-	402,923
Shares issued as deferred consideration repayment	545,455	300,000	-	-	300,000
Share-based compensation	-	-	210,817	-	210,817
Loss and comprehensive loss for the year	-	-	-	(3,413,356)	(3,413,356)
	12,074,977	6,017,189	278,762	(3,413,356)	2,882,595
Balance at September 30, 2017	18,082,322	7,183,542	381,086	(4,424,252)	3,140,376
Balance at September 30, 2015	2,480,000	24,800	-	(64,946)	(40,146)
Shares issued for cash	2,220,000	563,500	-	-	563,500
Shares repurchased and cancelled	(80,000)	(800)	-	-	(800)
Shares issued as repayment of debt	266,667	80,000	-	-	80,000
Shares issued as payment of services	271,716	96,763	-	-	96,763
Warrants issued as payment of services	248,962	102,090	(99,600)	-	2,490
Shares issued as part of acquisition	600,000	300,000	-	-	300,000
Share-based compensation	-	-	201,924	-	201,924
Loss and comprehensive loss for the year	-	-	-	(945,950)	(945,950)
	3,527,345	1,141,553	102,324	(945,950)	297,927
Balance at September 30, 2016	6,007,345	1,166,353	102,324	(1,010,896)	257,781

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

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.
(An Exploration Stage Company)
Notes to the consolidated financial statements
(Expressed in Canadian Dollars)
September 30, 2017

1. Nature of Operations and Going Concern

Euro Manganese Inc. (the “Company”) was incorporated as a private company under the British Columbia Business Corporations Act on November 24, 2014. The Company is focused on the exploration and reclamation of mineral projects in Europe and is currently evaluating the potential development of the Chvaletice deposit, located in the Czech Republic, into an electrolytic manganese metal (“EMM”) project (the “Project”).

The Company’s corporate and registered offices are located at 1040 West Georgia Street, Suite 1500, Vancouver, B.C.

These consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”), which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Several conditions discussed below cast significant doubt on this assumption.

As an early exploration stage corporation, the Company’s Chvaletice project only has established resources but no proven reserve estimates. It has no operating revenues and is unable to self-finance its operations. There is no assurance that the evaluation and acquisition activities executed or planned by the Company for the Chvaletice Project will result in the development of a profitable commercial operation. At September 30, 2017, the Company’s equity totaled \$3,140,376 and working capital totaled \$2,333,053 including cash and cash equivalents of \$2,860,994.

The Company’s ability to continue as a going concern is dependent on its ability to raise funds. The only source of future funds presently available to the Company is through the issuance of share capital. Management is currently pursuing this option. The ability of the Company to arrange such financings in the future will depend principally upon prevailing market conditions and the business performance of the Company. If additional financing is raised through the issuance of shares, control of the Company may change, and shareholders may suffer dilution. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate, and these adjustments could be material.

Based on management’s current estimates, the Company does not currently have sufficient working capital to fund its corporate and Project costs through the next twelve months. The Company’s ability to continue as a going concern is substantially dependent on its ability to raise funds through the issuance of shares. If the Company is unable to obtain adequate additional financing, it will be required to curtail or terminate its activities.

2. Basis of Preparation

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. The accounting policies presented in Note 3 were consistently applied to all periods presented.

These consolidated financial statements were prepared by management and approved by the Board of Directors of the Company (the “Board”) on December 14, 2017.

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.
(An Exploration Stage Company)
Notes to the consolidated financial statements
(Expressed in Canadian Dollars)
September 30, 2017

2. Basis of Preparation (continued)

2.2 Basis of measurement

These consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. In addition, these consolidated financial statements have been prepared on the historical cost basis.

2.3 Basis of consolidation

These consolidated financial statements incorporate the accounts of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operational policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date of control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

The Company acquired control of Mangan Chvaletice s.r.o. effective May 13, 2016 (note 5).

3. Summary of Significant Accounting Policies and Estimates

3.1 Foreign currency translation

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange prevailing at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

3.2 Mineral exploration and evaluation costs

Mineral exploration and evaluation costs include costs to acquire the rights to explore, geological studies, exploratory drilling and sampling, and directly attributable management costs.

Exploration and evaluation costs that are incurred prior to the Company obtaining a material legal interest in a property, are expensed in the period incurred. In addition, exploration and evaluation costs, other than direct acquisition costs, incurred prior to management identifying that the mineral resource of a property has economic potential, are expensed in the period incurred.

Exploration and evaluation costs are capitalized as mineral interests when a mineral resource of a property is identified as having economic potential. A mineral resource is considered to have economic potential when it is expected that documented resources can be legally and economically developed considering long-term metal prices.

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.
(An Exploration Stage Company)
Notes to the consolidated financial statements
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3. Summary of Significant Accounting Policies and Estimates (continued)

Therefore, prior to capitalizing such costs, management determines that the following conditions have been met:

- a) There is a probable future benefit that will contribute to future cash inflows,
- b) The Company can obtain the benefit and control access to it, and
- c) The transaction or event giving rise to the benefit has already occurred.

Once the technical and commercial viability of a property has been determined, the exploration and evaluation assets are first tested for impairment, and then reclassified as mineral project and carried at cost until it is placed into commercial production, sold, abandoned or determined by management to be impaired.

The capitalized costs of a producing mineral project are amortized on a unit-of-production basis over the estimated ore reserves of the project. Costs incurred after a project is placed into production that increase production volumes or extend the life of the project are capitalized.

Proceeds from the sale of properties or projects, or cash proceeds received from option payments, are recorded as a reduction of the cost of the related mineral interest.

3.3 Impairment of long-lived assets

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs of disposal and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arms-length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the prevailing market assessment of the time-value of money and the risks specific to the asset. Future cash flows are based on forecast estimates of production, product prices, and operating, capital, and reclamation costs. Assumptions underlying future cash flow estimates are subject to risks and uncertainties. Any differences between assumptions used and actual market conditions and the Company's performance, could have a material effect on the Company's financial position and results of operations.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of comprehensive loss for the period.

When an impairment loss reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, provided such revised estimate may not exceed the carrying amount of the asset prior to the recognition of impairment losses recorded in previous periods. A reversal of an impairment loss is recognized immediately in the statement of comprehensive loss.

3.4 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The carrying amount of a replaced asset is derecognized when replaced. IT hardware and software, and equipment and furniture are amortized on a declining balance basis at an annual rate of 30%.

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.
(An Exploration Stage Company)
Notes to the consolidated financial statements
(Expressed in Canadian Dollars)
September 30, 2017

3. Summary of Significant Accounting Policies and Estimates (continued)

The Company allocates the amount initially recognized in respect of an item of property and equipment to its significant parts and separately depreciates each such part. Residual values, method of amortization, and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the statement of loss.

3.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. There were no cash equivalents at September 30, 2017 and 2016.

3.6 Stock and warrant based compensation

- a) **Options** - Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of equity instruments issued, if it is determined the fair value of the goods and services cannot be reliably measured, and are recorded at the date of the goods or services are received. The corresponding amount is recorded to the option reserves. The fair value of the options is determined using the Black-Scholes Option Pricing Model or when they are issued in settlement of compensation, measured at the fair value of the services rendered. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest (note 7(b)).
- b) **Warrants** - Warrant-issued payments to employees or as part of financing efforts are measured, at the time of issue, at the fair value of the services rendered, or, if the value of the services rendered is not determinable, using the Black-Scholes Option Pricing Model.

3.7 Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable or recoverable on the taxable income for the period, using tax rates enacted or substantially enacted at the end of the reporting period.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantially enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets will be recovered.

Deferred tax assets and liabilities where recognized are presented as non-current.

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EURO MANGANESE INC.
(An Exploration Stage Company)
Notes to the consolidated financial statements
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September 30, 2017

3. Summary of Significant Accounting Policies and Estimates (continued)

3.8 Financial instruments

The Company's financial instruments consist of cash, receivables, due from related parties, accounts payable, deferred consideration and due to related parties. Cash, receivables, and due from related parties are designated as loans and receivables. Accounts payable, due to related parties and deferred consideration are classified as other financial liabilities.

All financial assets are initially recorded at fair value and designated upon inception into one of the following three categories:

Fair value through profit or loss ("FVTPL") is measured at fair value with gains and losses recognized through profit or loss. Available for sale is measured at fair value and loans and receivables are measured at amortized cost.

Financial assets classified as available for sale are measured at fair value with gains and losses recognized in other comprehensive income or loss, except for impairment losses. Interest calculated using the effective interest method and foreign exchange gains and losses on monetary items are recognized in profit and loss.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating the accretion charge over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability.

3.09 Related party transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

3.10 Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. If the Company incurs a net loss in a fiscal period, basic and diluted loss per share are the same.

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EURO MANGANESE INC.
(An Exploration Stage Company)
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3. Summary of Significant Accounting Policies and Estimates (continued)

3.11 Asset Retirement Obligation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development and ongoing production of a mineral interest by or on behalf of the Company. Costs for restoration of site damage which is created on an ongoing basis during exploration and evaluation are provided for at their net present values and charged against profits in the period such exploration and evaluation occurs. Discount rates using a risk-free rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. As at September 30, 2017 and 2016 the Company does not have any decommissioning obligations.

3.12 Recent accounting pronouncements

The Company has not applied the following pronouncements that have been issued but are not yet effective:

IFRS 9 - *Financial Instruments* - The standard is effective for annual reporting periods beginning January 1, 2018 for entities. The Company is assessing the impact of this standard.

IFRS 15 - *Revenue from Contracts with Customers* - The standard is effective for annual reporting periods beginning January 1, 2018. Entities have the option of using either a full retrospective or a modified retrospective approach to adopt the guidance. The Company is not expecting this standard to impact the financial statements.

IFRS 16 - *Leases* - The new standard on lease accounting was issued on January 13, 2016 and replaces the current guidance in IAS 17. The new standard results in substantially all lessee leases being recorded on the consolidated statement of financial position. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The Company is currently evaluating the impact of this new standard on the Company's financial statement measurements and disclosures. The Company does not anticipate early adoption of this standard.

3.13 Critical Judgments and Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The estimates and the underlying assumptions are based on the judgement of management, including historical experience and other factors that management believes to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. A revision to an accounting estimate is recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- a) Management is required to assess impairment in respect of exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.
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September 30, 2017

3. Summary of Significant Accounting Policies and Estimates (continued)

judgments on the status of each project, future plans towards finding commercial reserves and whether future economic benefits are likely either from exploitation or future sale or whether activities have

not reached a stage that permits a reasonable assessment of the existence of reserves. The nature of exploration and evaluation activity is such that only a small proportion of projects are ultimately successful, and some assets are likely to become impaired in future periods.

Management has determined that there were no triggering events present as defined in IFRS 6 for the exploration and evaluation assets and as such, no impairment test was performed.

- b) As part of the acquisition of Mangan, the Company discounted the \$1.2 million future deferred consideration at an annual rate of 15%. The discount rate represents an estimate of the Company's borrowing rate at the time of the acquisition. The deferred consideration balance will be accreted at an annual rate of 15% over the remaining repayment period and the resulting increase will be recorded as an annual accretion charge.
- c) Significant estimation is involved in determining the fair value of shares issued by the Company given that the Company is not publicly traded. Reference is made to the most recent share price negotiated with arms-length third parties when estimating the fair value of shares.
- d) Significant judgement is involved in determining the fair value of the penalty shares to be issued to certain shareholders if specific future conditions are not met (Note 7). Management considered the Company's previous record of raising financing in making this judgement.

4. Exploration and evaluation assets

The Chvaletice Project is a manganese deposit hosted in historic mine tailings located in the Czech Republic, a European Union member country. The Chvaletice Project has mineral exploration rights (the "License") expiring on September 30, 2019. If geological works have been implemented in line with the terms of the License, subject to receiving the approval from the Czech Republic's Ministry of Environment, at expiration the terms of the License may be extended or converted to a mining license.

The Company was formed with the objective of evaluating, acquiring, developing and operating the Chvaletice Project as electrolytic manganese metal project.

- a) Initially in 2014 the Company negotiated an option to purchase an 80% interest in the Chvaletice Project (the "Option Agreement"). An initial option payment of \$10,000 was made in June 2015.
- b) In 2016, following the acquisition by the Company of a 100% equity interest in Mangan, the Option Agreement was cancelled (note 5).

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EURO MANGANESE INC.
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5. Mangan's Acquisition

On May 13, 2016 (the "Acquisition Date"), the Company acquired a 100% interest in Mangan from Mangan's shareholders (the "Shareholders"). The transaction did not meet the definition of a business combination, and was therefore accounted for as an acquisition of an asset.

The Option Agreement was cancelled and in exchange for receiving from the Shareholders a 100% equity interest in Mangan, the Company agreed to the following consideration:

- a) A cash payment of \$10,590 equivalent to Czech koruna CZK200,000, paid to Mangan's Founding Shareholders (the "Founding Shareholders") in early June 2016.
- b) The issuance, to the Founding Shareholders, of common shares of the Company in five equal tranches, each tranche valued at \$300,000. The first tranche, issued on June 16, 2016, consisted of 600,000 common shares at an estimated fair value of \$0.50 per share, based on the Company's most recent arm's length equity financing share price. The second tranche issued on May 13, 2017, consisted of 545,455 common shares at an estimated fair value of \$0.55 per share, based on the Company's most recent arm's length equity financing share price. Future tranches will be issued annually on the anniversary of the Acquisition Date.

The future number of shares to be issued will be based on the estimated value of the Company's common shares at the time of each issue. If traded on a stock exchange, the value of the Company shares will equal to the market value of the Company shares or, if the Company's shares are not traded on a stock exchange, the share value will equal the Company's most recent arm's length equity financing share price. As the future number of shares to be issued is undetermined, accounting standards require the Company to record the estimated value of future share issues as a liability rather than equity.

On each anniversary of the Acquisition Date, the total number of shares to be issued is restricted to an amount that when combined with other shares held by Founding Shareholders is a maximum of 20% of the Company's outstanding shares following the issue. If necessary, the unit price of the Company's shares used in the calculation will be adjusted accordingly at the time of issue. At inception, the Company estimated that the fair value of the related future share issuances will total \$1.2 million, so the maximum 20% limitation factor was assigned a nil value.

- c) The issue of a 1.2% net smelter royalty interest in the Project to the three Founding Shareholders of Mangan. A summary of the total remuneration issued and the balance of Mangan's net assets acquired at May 13, 2016 are as follows:

	\$		\$
Net Consideration value		Net assets acquired	
1) Paid on the Closing Date:		Cash	14,728
Cash payment	10,590	Receivable	3,192
600,000 shares issued @ \$0.50/share	300,000	Accounts payable	(4,206)
	310,590	Mineral property interest	1,239,086
2) Deferred future consideration:			
Value of common shares to be issued over			
four years	1,200,000		
less discounted future obligation	(343,506) ⁽¹⁾		
	856,494		
3) Capitalized acquisition costs	85,716		
Total consideration value	1,252,800	Total net assets acquired	1,252,800

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EURO MANGANESE INC.
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September 30, 2017

5. Mangan's Acquisition (continued)

⁽ⁱ⁾At May 13, 2016, a deemed interest percentage of 15% based on comparative companies was used to discount the \$1.2 million nominal future deferred consideration balance to \$856,494. Over the next four-year period, the Company expects to accrue cumulative accretion charges totaling \$343,506.

During the year ended September 30, 2017, the Company issued a \$300,000 partial repayment consisting in 545,455 shares at a price of \$0.55 per share and the Company accrued an accretion charge of \$130,573 (2016 - \$37,310) resulting in a balance of \$724,377 (2016 - \$893,804) in deferred consideration at September 30, 2017.

6. Property and Equipment

IT hardware and software

	Opening cost	Additions	Disposals	Closing cost	Accumulated depreciation	Closing carrying value
	\$	\$	\$	\$	\$	\$
At September 30, 2016	3,745	-	-	3,745	(794)	2,951
Additions	-	7,843	-	7,843	(2,101)	5,742
At September 30, 2017	3,745	7,843	-	11,588	(2,895)	8,693
At September 30, 2015	530	-	-	530	-	530
Additions	-	3,215	-	3,215	(794)	2,421
At September 31, 2016	530	3,215	-	3,745	(794)	2,951

7. Equity

a) Common shares:

Authorized: Unlimited common shares without par value

Issued and outstanding: Total number of shares issued and outstanding at September 30, 2017:

	Share price	Number of common shares	Share capital CAD\$
Balance at September 30, 2016		6,007,345	1,166,353
Share issuance in year ended September 30, 2017			
i) Shares and warrants issued for cash			
- Private placements	\$0.50	1,442,000	721,000
	\$0.55	897,909	493,850
- Warrants issued for cash	\$0.01	-	4,308
- Brokered placement, net of expenses	\$0.55	8,363,636	4,066,870
		10,703,545	5,286,028
ii) Shares issued for services rendered			
	\$0.50	376,438	186,064
	\$0.55	449,539	245,096
		825,977	431,160
iii) Shares issued as repayment of deferred consideration	\$0.55	545,455	300,000
		12,074,977	6,017,189
Balance at September 30, 2017		18,082,322	7,183,542

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EURO MANGANESE INC.
(An Exploration Stage Company)
Notes to the consolidated financial statements
(Expressed in Canadian Dollars)
September 30, 2017

7. Equity (continued)

The Company received \$4,308 from the exercise of 430,833 warrants at \$0.01 per share.

In four separate tranches of a brokered private placement (the “Brokered Placement”), on June 16th, June 30th, July 31st and August 18th, 2017, the Company issued a total 8,363,636 common shares at \$0.55 per share for total gross proceeds of \$4,600,000 less \$436,947 in expenses related to the share issue and \$96,182 in value assigned to the issue of 585,453 two-year broker warrants, exercisable at \$0.55 per share (note 7 (c)).

As part of the Brokered Placement, the Company agreed to the following conditions:

Reporting issuer - The Company will use commercially reasonable efforts to become a reporting issuer in Canada and obtain a listing either through an initial public offering, reverse takeover, or qualifying transaction on a recognized stock exchange in Canada or Australia.

Penalties for failing to obtain listing - The Company also agreed to the following penalties if it fails to meet the following listing requirements:

- Issue for no consideration a total of 1,254,545 shares to the Brokered Placement’s investors if the Company fails, by March 31, 2018, to file a preliminary prospectus or the required listing documents with a applicable regulatory authorities and,
- Issue for no consideration an additional 1,254,545 shares to the Brokered Placement’s investors if the Company fails, within 18 months from August 18, 2017, to become publicly listed in Canada or Australia.
- At the time of closing the first tranche of the Brokered Placement on June 16, 2017, the Company estimated that it would be able to meet the listing requirements and avoid the penalties. Therefore, a nil probability and no value was assigned to the possibility of the Company having to issue such additional penalty shares.

First right of refusal to act as agent for a twelve-month period - As part of the Brokered Placement, the Company also granted the broker a right of first refusal, for a period of twelve months following the closing of the Brokered Placement, to act as agent in any offering of Company’s securities to be issued and sold to the public in Canada by private placement or public offering or to provide professional, sponsorship or advisory services performed by a broker or investment dealer.

Extension of penalties to other shareholders - When negotiating share issuances with the Company’s other investors that had invested at \$0.50 and \$0.55 per share, the Company agreed that the terms would be at least as favorable as any terms agreed to in the Brokered Placements. Therefore, on September 15, 2017 the Company formalized terms applicable to all share subscription agreements previously priced at \$0.50 and \$0.55 per share, for the penalty terms identical to the ones granted to the Brokered Placement’s investors to extend to those shareholders.

ii) Shares issued for services rendered

During the year ended September 30, 2017, the Company issued a total of 376,438 common shares at \$0.50 per share and 449,539 common shares at \$0.55 per share as payment for services

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EURO MANGANESE INC.
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September 30, 2017

7. Equity (continued)

rendered for a total value of \$431,160. The issued shares were priced based on the latest share issue price at the time the services were rendered.

iii) Shares issued for repayment of deferred consideration

On May 13, 2017, the Company issued a total of 545,455 common shares at \$0.55 per share as a partial repayment of the outstanding deferred consideration (note 5 (c)).

b) Stock options

The Company has a rolling stock-based compensation plan (the “Plan”) allowing for the reservation of a maximum 10% of the common shares issued and outstanding at any given time for issuance under the Plan. Under the Plan, all stock options are granted at the discretion of the Board. The term of any option granted may not exceed ten years and the exercise price may not be less than the market value of the Company shares or, if the Company’s shares are not traded on a stock exchange, the share price equal to the Company’s most recent arm’s length equity financing share price.

Current outstanding options have an expiry date of ten years and vest over a period of 24 months. In the year ended September 30, 2017, the Company granted a total of 1,055,000 options to directors, officers and consultants. A total of 345,000 options were granted at \$0.50 on April 6, 2017 and 710,000 options were granted at \$0.55 on September 21, 2017.

A continuity summary of the stock options granted and outstanding under the Plan is presented below:

	Year ended September 30, 2017		Year ended September 30, 2016	
	Number of share options	Weighted average exercise price (\$/per share)	Number of share options	Weighted average exercise price (\$/per share)
		\$		\$
Balance, beginning of year	395,000	0.41	-	-
Options granted during the year	1,055,000	0.53	395,000	0.41
Balance, end of year	1,450,000	0.50	395,000	0.41

The balance of options outstanding and exercisable at September 30, 2017 is as follows:

Options outstanding & exercisable			Options exercisable	
Exercise price (per share)	Number of share options	Weighted average remaining contractual life	Number of share options outstanding	Weighted average remaining contractual life
\$				
0.40	355,000	8.6	236,662	8.6
0.50	385,000	9.4	141,661	9.4
0.55	710,000	10.0	236,660	10.0
	1,450,000	9.5	614,983	9.4

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EURO MANGANESE INC.
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7. Equity (continued)

The Company applied the fair value based method of accounting to determine the value of stock options granted to employees, including directors, and non-employees on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	From	To	Weighted average
Option exercise price range	\$0.50	\$0.55	\$0.54
Risk free rate	1.24%	1.78%	1.45%
Expected life (years)	9.0	9.0	9.0
Annualized volatility	60%	60%	60%
Dividend rate	0%	0%	0%
Forfeiture rate	0%	0%	0%
Share price	\$0.50	\$0.55	\$0.53

During the year ended September 30, 2017, the Company recorded a stock-based compensation expense of \$210,817 (2016 - \$74,087) of which \$76,064 (2016 - \$16,719) was allocated to project expenses and \$134,753 (2016 - \$57,368) to administrative expenses.

c) Warrants

- i) During the year ended September 30, 2017, in lieu of a cash payment for services from an officer of \$221,875 (2016 - \$127,837) the Company issued warrants exercisable at \$0.01 per share totaling 430,833 shares (2016 - 306,589). At September 30, 2017, no warrants relating to these payments (2016 - 57,627) were outstanding.
- ii) Between June and August 2017, as part of separate tranches of a Brokered Placement, the Company issued a total of 585,453 two-year warrants exercisable at \$0.55 per share expiring in the period between June 16, 2019 and August 18, 2019.

Using the Black-Scholes option pricing model with the following weighted-average assumptions the warrants were assigned a value of \$96,182.

Option exercise price range	CAD\$0.55
Risk free rate	0.76%
Expected life (years)	2.0
Annualized volatility	60%
Dividend rate	0%
Share price	CAD\$0.55

d) Deferred consideration

At September 30, 2017, the Company has a commitment to issue a cumulative total of \$900,000 in common shares of the Company. A total of \$300,000 in shares is due on May 13, 2018 and a similar amount on the following two anniversary dates. The number of shares issuable will be based on the value of the Company's shares at the time of each issue (note 5).

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September 30, 2017

7. Equity (continued)

e) The total balance of current services to be repaid by the Company through the future issuance of shares or warrants was as follows:

	Year ended September 30, 2017		Year ended September 30, 2016	
	Share price	Number of common shares	Share price	Number of common shares
Shares to be issued to employees and consultants	\$0.55	41,878	\$0.50	17,857
Warrants to be issued to an employee	\$0.55	61,203	-	-
		<u>103,081</u>		<u>17,857</u>

8. Related Party Transactions

Related parties and related party transactions impacting the accompanying consolidated financial statements are summarized below and include transactions with the following individuals and entities:

a) Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board and corporate officers.

b) Related party transactions during the year

During the year ended September 30, 2017 and 2016, the Company incurred the following expenses to officers or directors of the Company or companies with common directors:

	Year ended September 30,	
	2017	2016
	\$	\$
Salaries and consulting fees payable to officers of the Company	645,928	177,000
Fees provided by a legal firm associated with a director of the Company	43,171	93,564
	<u>689,099</u>	<u>270,564</u>
Stock-based compensation	158,932	202,669
	<u>848,031</u>	<u>473,233</u>

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8. Related Party Transactions (continued)

c) Balances payable to related parties at the end of the year:

	September 30, 2017	September 30, 2016
	\$	\$
Salaries and consulting fees from officers of the Company	64,576	176,515
Fees provided by a legal firm associated with a director of the Company	11,161	9,418
Outstanding payable due to officers and directors of the Company	40,994	1,763
	116,731	187,696

These transactions were incurred in the normal course of operations.

9. Financial Instruments and Risk Management

a) Fair value

The carrying value of the Company's financial assets and liabilities approximates their estimated fair value.

b) 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.

The Company's maximum exposure to credit risk is comprised of the following:

	September 30, 2017	September 30, 2016
	\$	\$
Cash	2,860,994	117,393
	2,860,994	117,393

c) Liquidity risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation (note 1).

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EURO MANGANESE INC.
(An Exploration Stage Company)
Notes to the consolidated financial statements
(Expressed in Canadian Dollars)
September 30, 2017

10. Segmented information

The Company's operations are all conducted in one segment, the exploration and development of exploration and evaluation assets. The Company's exploration and evaluation assets are in the Czech Republic.

11. Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to pursue suitable business opportunities and to maintain flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration and evaluation stage and has not achieved commercial operations from its projects, its principal source of funds is from the issuance of common shares. Further information related to liquidity risk is disclosed in note 1 and 9.

In the management of capital, the Company includes the components of equity. The Company manages and adjusts its capital structure considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain and adjust the capital structure, the Company may attempt to issue new shares, enter joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

To facilitate the management of its capital requirements, the Company prepares monthly and annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities or three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company is uncertain as to whether its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operating period and, accordingly, management is reviewing the timing and scope of current exploration plans and is also pursuing other financing alternatives to fund the Company's operations.

The Company is not currently subject to externally imposed capital requirements. There are no changes in the Company's approach to capital management.

12. Income taxes

A reconciliation of the income tax recoveries at the statutory tax rate of 26% (2015 – 26%) is as follows:

	September 30, 2017	September 30, 2016
	\$	\$
Loss for the year	(3,413,356)	(945,950)
Expected income tax recovery	(887,472)	(245,947)
Non-deductible expenses and other	145,262	150,790
Non-capital losses expired	-	-
Effect of foreign tax rates and tax rate changes	167,898	(255)
Effect of deductible temporary difference not recognized	574,312	95,412
Income tax recovery	-	-

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EURO MANGANESE INC.
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 Notes to the consolidated financial statements
 (Expressed in Canadian Dollars)
 September 30, 2017

12. Income taxes (continued)

The Company has not recognized any deferred tax assets as realization is not probable.

The significant components of the Company's deferred tax assets are as follows:

	September 30, 2017	September 30, 2016
	\$	\$
Equipment	3,013	836
Exploration and evaluation assets	84,315	84,315
	87,328	85,151
Unrecognized deferred income tax assets	(87,328)	(85,151)
Deferred income tax assets	-	-

13. Events after the reporting period

- a) As part of its Project's land planning efforts, the Company acquired at the beginning of November 2017, a land parcel and some building and equipment for approximately \$326,000.
- b) On December 14, 2017, the Company granted, to directors and employees of the Company, a total of 140,000 ten-year options with an exercise price of \$0.55 per option.

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EURO MANGANESE INC.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

SEPTEMBER 30, 2016

A. Annexure A – Canadian Prospectus

Euro Manganese Inc.

Audited Financial Statements for Euro Manganese Inc. as of September 30, 2016 and for the year ended September 30, 2016, and related notes thereto

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A. Annexure A – Canadian Prospectus



December 23, 2016

Independent Auditor's Report

To the Shareholders of Euro Manganese Inc.

We have audited the accompanying consolidated financial statements of Euro Manganese Inc. and its subsidiary, which comprise the consolidated statements of financial position as at September 30, 2016 and September 30, 2015 and the consolidated statements of loss and comprehensive loss, cash flows, and changes in equity for the year ended September 30, 2016, and the period from November 24, 2014 to September 30, 2015, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

*PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca*

*"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

A. Annexure A – Canadian Prospectus

**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Euro Manganese Inc. and its subsidiary as at September 30, 2016 and September 30, 2015 and their financial performance and their cash flows for the year ended September 30, 2016 and the period from November 24, 2014 to September 30, 2015 in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which discloses conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the ability of Euro Manganese Inc. to continue as a going concern.

(signed) “PricewaterhouseCoopers LLP”

Chartered Professional Accountants

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at September 30, 2016 and 2015

(Expressed in Canadian Dollars)

AS AT		September 30,	September 30,
	Note	2016	2015
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		117,393	4,849
Receivable		9,084	-
Due from related parties	8	-	2,400
		126,477	7,249
Non-current assets			
Exploration and evaluation assets	4	1,249,086	10,000
Property and Equipment	6	2,951	530
		1,378,514	17,779
LIABILITIES			
Current Liabilities			
Accounts payable		39,233	3,869
Due to related parties	8	187,696	54,056
Deferred consideration - current portion		272,233	-
		499,162	57,925
Non-current liabilities			
Deferred consideration	5	621,571	-
		1,120,733	57,925
EQUITY			
Share Capital	7 (a)	1,166,353	24,800
Equity Reserve	7 (b)(c)	102,324	-
Deficit		(1,010,896)	(64,946)
		257,781	(40,146)
Total liabilities and shareholders' equity (deficit)		1,378,514	17,779

Nature of Operations and Going Concern (note 1)

Events after the reporting period (note 13)

Approved on behalf of the Board on December 23, 2016

"Marco Romero"

Director

"John Webster"

Director

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

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS**For the year ended September 30, 2016 and the period ended September 30, 2015**

(Expressed in Canadian Dollars)

	Year ended September 30,	
	2016	2015
	\$	\$
Project Evaluation Expenses		
Drilling, sampling and surveys	5,887	-
Engineering	123,632	10,858
Environmental	17,856	4,690
Geological	3,890	-
Market studies	46,758	7,100
Metallurgical	50,498	6,908
Other	4,724	1,820
Project management	25,379	-
Taxes	8,948	-
Travel	39,332	-
Remuneration and overhead allocation	229,403	6,162
Overhead allocation	50,527	-
Stock-based compensation	16,719	-
	623,553	37,538
Other Expenses		
Remuneration	235,885	9,788
Stock-based compensation	185,205	-
Less: allocation to project evaluation	(279,930)	(6,162)
Net Remuneration	141,160	3,626
Legal	14,832	-
Conferences	14,509	2,415
Investor relations	32,878	468
Depreciation	794	-
Insurance	875	875
Office, general and administrative	21,063	7,771
Office rent	13,600	2,000
Interest expense	37,310	-
Travel	45,376	10,253
	322,397	27,408
Loss & comprehensive loss for the year	(945,950)	(64,946)
Loss per share		
Loss & comprehensive loss for the year	(945,950)	(64,946)
Basic and diluted loss per share	(0.23)	(0.03)
Weighted average number of shares outstanding	4,190,160	2,139,742

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

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended September 30, 2016 and the period ended September 30, 2015

(Expressed in Canadian Dollars)

	Note	Year ended September 30, 2016	2015
		\$	\$
Operating Activities			
Net loss for the period		(945,950)	(64,946)
Less non-cash transactions:			
Share-based payments			
Options		74,087	-
Warrants		127,837	-
Share for services		96,763	-
	7 (b)(c)	298,687	-
Depreciation		794	-
Interest expense	5	37,310	-
		(609,159)	(64,946)
Changes in non-cash working capital items:			
Accounts payable		23,327	3,869
Accounts receivable		(5,892)	-
Related parties		183,871	14,056
		201,306	17,925
Net Operating activities		(407,853)	(47,021)
Financing Activities			
Common shares issued for cash		565,990	22,400
Common shares repurchased and cancelled		(800)	-
Loan from shareholders		90,000	-
Loan repayment to shareholder		(50,000)	40,000
		605,190	62,400
Investing Activities			
Cash acquired on acquisition		14,728	-
Mineral property acquisition payment		(96,306)	(10,000)
Property & equipment - purchases		(3,215)	(530)
		(84,793)	(10,530)
Increase in Cash & Cash Equivalents		112,544	4,849
Cash & Cash Equivalents - beginning of period		4,849	-
Cash & Cash Equivalents - end of period		117,393	4,849
Non-cash transactions excluded from above:			
Mineral property acquisition - net discounted value		(1,156,494)	-
Deferred consideration's discount		(343,506)	-
		(1,500,000)	-
Deferred share payment commitment		1,200,000	-
First share issue on June 16, 2016 related to the acquisition of the mineral property		300,000	-
		-	-

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

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**For the year ended September 30, 2016 and the period ended September 30, 2015**

(Expressed in Canadian Dollars)

	Attributable to equity shareholders of the Company				Shareholders' Equity (Deficit)
	Share Capital	Share Capital	Equity Reserves	Deficit	
	#	\$	\$	\$	\$
Balance at September 30, 2015	2,480,000	24,800	-	(64,946)	(40,146)
Shares issued for cash	2,220,000	563,500	-	-	563,500
Shares repurchased and cancelled	(80,000)	(800)	-	-	(800)
Shares issued as repayment of debt	266,667	80,000	-	-	80,000
Shares issued as repayment of services	271,716	96,763	-	-	96,763
Shares issued as part of acquisition	600,000	300,000	-	-	300,000
Shares issued on exercise of warrants	248,962	102,090	(99,600)	-	2,490
Share-based compensation	-	-	201,924	-	201,924
Loss and comprehensive loss for the year	-	-	-	(945,950)	(945,950)
	3,527,345	1,141,553	102,324	(945,950)	297,927
Balance at September 30, 2016	6,007,345	1,166,353	102,324	(1,010,896)	257,781
Balance, November 24, 2014 (incorporation date)	-	-	-	-	-
Shares issued for cash at \$0.01 per share	2,480,000	24,800	-	-	24,800
Loss and comprehensive loss for the period	-	-	-	(64,946)	(64,946)
Balance at September 30, 2015	2,480,000	24,800	-	(64,946)	(40,146)

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

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

Notes to the consolidated financial statements

(Expressed in Canadian Dollars)

September 30, 2016

1. Nature of Operations and Going Concern

Euro Manganese Inc. (the “Company”) was incorporated as a private company under the British Columbia Business Corporations Act on November 24, 2014, and accordingly the year ended September 30, 2015 includes a period of approximately ten months. The Company is focused on the exploration and reclamation of mineral projects in Europe and is currently evaluating the potential development of the Chvaletice deposit, located in the Czech Republic, into an electrolytic manganese metal (“EMM”) project (the “Project”).

The Company’s corporate and registered offices are located at 1040 West Georgia Street, Suite 1500, Vancouver, B.C. The Company commenced activities in the fourth quarter of calendar 2014.

These consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”), which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Several conditions discussed below cast significant doubt on this assumption.

As an early exploration stage corporation, the Company does not own any properties or projects with established resources or reserves. It has no operating revenues and is unable to self-finance its operations. There is no assurance that the evaluation and acquisition activities executed or planned by the Company for the Chvaletice Project will result in the development of a profitable commercial operation. At September 30, 2016, the Company’s equity totaled \$257,781 and working capital deficit totaled \$372,685, including cash and cash equivalents of \$117,393.

The Company’s ability to continue as a going concern is dependent on its ability to raise funds. The only source of future funds presently available to the Company is through the issuance of share capital. Management is currently pursuing this option. The ability of the Company to arrange such financings in the future will depend principally upon prevailing market conditions and the business performance of the Company. If additional financing is raised through the issuance of shares, control of the Company may change and shareholders may suffer dilution. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate, and these adjustments could be material.

Based on management’s current estimates, the Company does not currently have sufficient working capital to fund its corporate and Project costs through the next twelve months. The Company’s ability to continue as a going concern is substantially dependent on its ability to raise funds through the issuance of shares. If the Company is unable to obtain adequate additional financing, it will be required to curtail or terminate its activities.

2. Basis of Preparation

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards (“IASB”) as set out in the Chartered Professional Accountants of Canada Handbook – Accounting – Part 1 (“CPA Handbook”). The accounting policies presented in Note 3 were consistently applied to all periods presented.

These consolidated financial statements were prepared by management and approved by the Board of Directors of the Company (the “Board”) on December 23, 2016.

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

Notes to the consolidated financial statements

(Expressed in Canadian Dollars)

September 30, 2016

2. Basis of Preparation (continued)

2.2 Basis of measurement

These consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. In addition, these consolidated financial statements have been prepared on the historical cost basis.

2.3 Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operation policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date of control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

The Company acquired control of Mangan Chvaletice s.r.o. effective June 16, 2016 (note 5).

3. Summary of Significant Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The estimates and the underlying assumptions are based on the judgement of management, including historical experience and other factors that management believes to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. A revision to an accounting estimate is recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

3.1 Foreign currency translation

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange prevailing at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

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3. Summary of Significant Accounting Policies and Estimates (continued)

3.2 Mineral exploration and evaluation costs

Mineral exploration and evaluation costs include costs to acquire the rights to explore, geological studies, exploratory drilling and sampling, and directly attributable management costs.

Exploration and evaluation costs that are incurred prior to the Company obtaining a material legal interest in a property, are expensed in the period incurred. In addition, exploration and evaluation costs, other than direct acquisition costs, incurred prior to management identifying that the mineral resource of a property has economic potential, are expensed in the period incurred.

Exploration and evaluation costs are capitalized as mineral interests when a mineral resource of a property is identified as having economic potential. A mineral resource is considered to have economic potential when it is expected that documented resources can be legally and economically developed considering long-term metal prices.

Therefore, prior to capitalizing such costs, management determines that the following conditions have been met:

- a) There is a probable future benefit that will contribute to future cash inflows;
- b) The Company can obtain the benefit and control access to it; and
- c) The transaction or event giving rise to the benefit has already occurred.

Once the technical and commercial viability of a property has been determined, it is classified as mineral project and carried at cost until it is placed into commercial production, sold, abandoned or determined by management to be impaired.

The capitalized costs of a producing mineral project are amortized on a unit-of-production basis over the estimated ore reserves of the project. Costs incurred after a project is placed into production that increase production volumes or extend the life of the project are capitalized.

Proceeds from the sale of properties or projects, or cash proceeds received from option payments, are recorded as a reduction of the cost of the related mineral interest.

3.3 Impairment of long-lived assets

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arms-length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the prevailing market assessment of the time-value of money and the risks specific to the asset. Future cash flows are based on forecast estimates of production, product prices, and operating, capital, and reclamation costs. Assumptions underlying future cash flow estimates are subject to risks and uncertainties. Any differences between assumptions used and actual market conditions and the Company's performance, could have a material effect on the Company's financial position and results of operations.

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3. Summary of Significant Accounting Policies and Estimates (continued)

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

When an impairment loss reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, provided such revised estimate may not exceed the carrying amount of the asset prior to the recognition of impairment losses recorded in previous periods. A reversal of an impairment loss is recognized immediately in the statement of comprehensive loss.

3.4 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The carrying amount of a replaced asset is derecognized when replaced. IT hardware and software, and equipment and furniture are amortized on a declining balance basis at an annual rate of 30%.

The Company allocates the amount initially recognized in respect of an item of property and equipment to its significant parts and separately depreciates each such part. Residual values, method of amortization, and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the statement of loss.

3.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change value. There were no cash equivalents at September 30, 2016 and 2015.

3.6 Stock and warrant based compensation

- a) **Options** - Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of equity instruments issued, if it is determined the fair value of the goods and services cannot be reliably measured, and are recorded at the date of the goods or services are received. The corresponding amount is recorded to the option reserves. The fair value of the options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest (note 7(b)).
- b) **Warrants** - Warrant-based payments to employees are measured, at the time of issue, at the fair value of the services rendered.

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3. Summary of Significant Accounting Policies and Estimates (continued)

3.7 Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable or recoverable on the taxable income for the period, using tax rates enacted or substantially enacted at the end of the reporting period.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantially enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets will be recovered.

Deferred tax assets and liabilities where recognized are presented as non-current.

3.8 Financial instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, due from related parties, accounts payable, deferred consideration and due to related parties. Cash and cash equivalents, receivables, and due from related parties are designated as loans and receivables. Accounts payable, due to related parties and deferred consideration are classified as other financial liabilities.

All financial assets are initially recorded at fair value and designated upon inception into one of the following three categories:

Fair value through profit or loss ("FVTPL") is measured at fair value with gains and losses recognized through profit or loss.

- a) Available for sale is measured at fair value.
- b) Loans and receivables are measured at amortized cost.

Financial assets classified as available for sale are measured at fair value with gains and losses recognized in other comprehensive income or loss, except for impairment losses. Interest calculated using the effective interest method and foreign exchange gains and losses on monetary items are recognized in profit and loss.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are *subsequently* measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability.

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3. Summary of Significant Accounting Policies and Estimates (continued)

3.09 Related party transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

3.10 Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. If the Company incurs a net loss in a fiscal period, basic and diluted loss per share are the same.

3.11 Asset Retirement Obligation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development and ongoing production of a mineral interest by or on behalf of the Company. Costs for restoration of site damage which is created on an ongoing basis during exploration and evaluation are provided for at their net present values and charged against profits in the period such exploration and evaluation occurs. Discount rates using a risk-free rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. As at September 30, 2016 and 2015 the Company does not have any decommissioning obligations.

3.12 Recent accounting pronouncements

The Company has adopted amendments to IFRS 8 *Operating Segments* effective January 1, 2015 for the year commencing October 1, 2015. This standard requires a description of the segments in which aggregated based on similar economic indicators. These amendments did not materially impact the Company's disclosures.

The Company has not applied the following pronouncements that have been issued but are not yet effective:

IFRS 9 - *Financial Instruments* - The standard is effective for annual reporting periods beginning January 1, 2018 for entities. The Company is assessing the impact of this standard.

IFRS 15 - *Revenue from Contracts with Customers* - The standard is effective for annual reporting periods beginning January 1, 2018 for entities with early adoption permitted. Entities have the option of using either a full retrospective or a modified retrospective approach to adopt the guidance. The Company is not expecting this standard to impact the financial statements.

IFRS 16 - *Leases* - The new standard on lease accounting was issued on January 13, 2016 and replaces the current guidance in IAS 17. The new standard results in substantially all lessee leases being recorded on the consolidated statement of financial position. IFRS 16 is effective for annual periods beginning on or after

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3. Summary of Significant Accounting Policies and Estimates (continued)

January 1, 2019, with early adoption permitted. The Company is currently evaluating the impact of this new standard on the Company's financial statement measurements and disclosures. The Company does not anticipate early adoption of this standard.

3.13 Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- a) Management is required to assess impairment in respect of intangible exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a small proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

Management has determined that there were no triggering events present as defined in IFRS 6 for the exploration and evaluation assets and as such, no impairment test was performed.

- b) As part of the acquisition of Mangan, the Company discounted the \$1.2 million future deferred consideration at an annual rate of 15%. The discount rate represents an estimate of the Company's borrowing rate at the time of the acquisition. The deferred consideration balance will be accreted at an annual rate of 15% over the remaining repayment period and the resulting increase will be recorded as an annual interest expense charge.
- c) Significant estimation is involved in determining the fair value of shares issued by the Company given that the Company is not publicly traded.

4. Exploration and evaluation assets

The Chvaletice Project is a manganese deposit hosted in historic mine tailings located in the Czech Republic, a European Union member country. The Chvaletice Project owns mineral exploration rights (the "License") expiring on September 30, 2019. If geological works have been implemented in line with the terms of the License, subject to receiving the approval from the Czech Republic's Ministry of Environment, at expiration the terms of the Licence may a) be extended or b) converted to a mining license.

The Company was formed with the objective of evaluating, acquiring, developing and operating the Chvaletice Project as electrolytic manganese metal project.

- a) *Initial 2014 option to earn an 80% interest* - In December 2014, the Company negotiated an option (the "Option") to acquire an indirect interest in an exploration-stage Project from Mangan Chvaletice s.r.o. ("Mangan"), a company based in the Czech Republic owning a one hundred percent interest in the Project.

In June 2015, the Company exercised its right to acquire the Option and made a payment of \$10,000 to the founding shareholders of Mangan (the "Founding Shareholders") to secure the Option.

The Option gave the Company the right to acquire a) 51% equity interest in Mangan, by incurring, by November 30, 2016, \$500,000 in expenditures on Mangan and its' Project (the "Phase One Expenditure Program") and following the exercise of Phase One, b) a further 29% equity interest in Mangan by incurring the following: i) an additional \$2.0 million in expenditures (the "Phase Two Expenditure

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4. Exploration and evaluation assets (continued)

Program”) by May 31, 2019 and ii) issuing to the Founding Shareholders, at the end of Phase Two, common shares of the Company with a fair value of \$1.5 million at the time of issue.

Following the acquisition of the 80% equity interest in Mangan, future funding of Mangan and its Chvaletice Project was to consist in equity contributions by Mangan’s shareholders in proportion to their existing equity interest.

At the end of Phase Two Expenditure Program, the Founding Shareholders had the right to collectively elect to convert their 20% interest in Mangan to a 1.2% net smelter royalty interest in the Project (the “NSR”). If such election was not made at that time, the Shareholders’ equity interest would have been converted to the NSR if their collective equity interest fell below 5%.

- b) *2016 acquisition of a 100% interest* - On June 16, 2016, the Company acquired a 100% equity interest in Mangan resulting in termination of the Option (note 5).

5. Mangan’s Acquisition

On June 16, 2016 (the “Closing Date”), the Company completed the acquisition, from Mangan’s shareholders (the “Shareholders”), of a 100% interest in Mangan.

The transaction did not meet the definition of a business combination, and was therefore accounted for as an acquisition of an asset.

The December 2014 Option agreement was cancelled and in exchange for receiving from the Shareholders a 100% equity interest in Mangan, the Company agreed to the following consideration:

- i) A cash payment of \$10,590 equivalent to Czech koruna CZK200,000, paid to Mangan’s Founding Shareholders on Closing Date.
- ii) The issuance, to the Founding Shareholders, of common shares of the Company in five equal tranches, each tranche valued at \$300,000. The first tranche, issued on the Closing Date, consisted of 600,000 common shares at an estimated fair value of \$0.50 per share, based on the Company’s most recent arm’s length equity financing share price. Future tranches will be issued annually on the anniversary of the Closing Date.

The future number of shares to be issued will be based on the estimated value of the Company’s common shares at the time of each issue. If traded on a stock exchange, the value of the Company shares will equal to the market value of the Company shares or, if the Company’s shares are not traded on a stock exchange, the share value will equal the Company’s most recent arm’s length equity financing share price. As the future number of shares to be issued is undetermined, accounting standards require the Company to record the estimated value of future shares issues as a liability rather than equity.

On each anniversary date, the total number of shares to be issued is restricted to an amount that when combined with other shares held by Founding Shareholders is a maximum of 20% of the Company’s outstanding shares following the issue. If necessary, the unit price of the Company’s shares used in the calculation will be adjusted accordingly at the time of issue. The Company estimated that the fair value of the related future share issuances will total \$1.2 million, so the maximum 20% limitation factor was assigned a nil value.

- iii) The issue of a 1.2% net smelter royalty interest in the Project to the three Founding Shareholders of Mangan.

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5. Mangan's Acquisition (continued)

A summary of the total remuneration issued and the balance of Mangan's net assets acquired at June 16, 2016 are as follows:

	\$		\$
Net Consideration value		Net assets acquired	
1) Paid on the Closing Date:		Cash	14,728
Cash payment	10,590	Receivable	3,192
600,000 shares issued @ \$0.50/share	300,000	Accounts payable	(4,206)
	310,590	Mineral property interest	1,239,086
2) Deferred future consideration:			
Value of common shares to be issued			
over four years	1,200,000		
less discounted future obligation	(343,506) ⁽¹⁾		
	856,494		
3) Capitalized acquisition costs	85,716		
Total consideration value	1,252,800	Total net assets acquired	1,252,800

⁽¹⁾ At June 16, 2016, a deemed interest percentage of 15% based on comparative companies was used to discount the \$1.2 million nominal future deferred consideration balance to \$856,494. Over the next four-year period, the Company expects to accrue cumulative interest charges totaling \$343,506. During the year ended September 30, 2016, the Company accrued an interest charge of \$37,310 increasing the deferred consideration balance to \$893,804 at September 30, 2016.

6. Property and Equipment

IT hardware and software

	Opening cost	Additions	Disposals	Closing cost	Accumulated depreciation	Closing carrying value
	\$	\$	\$	\$	\$	\$
At September 30, 2015	530	-	-	530	-	530
Additions	-	3,215	-	3,215	(794)	2,421
At September 30, 2016	530	3,215	-	3,745	(794)	2,951

7. Equity

a) Common shares:

Authorized: Unlimited common shares without par value

Issued and outstanding:

	September 30,	
	2016	2015
Shares	6,007,345	2,480,000
Amount	\$1,166,353	\$24,800

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September 30, 2016**7. Equity (continued)**

The following is a summary of the total number of shares issued during the year ended September 30, 2016:

	Share price	Number of common shares	Share capital CAD\$
Balance at September 30, 2015			
i) Founders shares issued	\$0.01	2,480,000	24,800
Share issuance in year ended September 30, 2016			
i) Founders shares			
Shares issued	\$0.01	950,000	9,500
Shares repurchased and cancelled	\$0.01	(80,000)	(800)
		870,000	8,700
ii) Shares issued as repayment of debt	\$0.30	266,667	80,000
iii) Private placements			
	\$0.40	810,000	324,000
	\$0.50	460,000	230,000
		1,270,000	554,000
iv) Shares issued for services rendered			
	\$0.30	120,581	36,174
	\$0.40	149,794	59,918
	\$0.50	1,341	671
		271,716	96,763
v) Warrants exercised	\$0.41	248,962	102,090
vi) Shares issued for mineral property acquisition	\$0.50	600,000	300,000
		3,527,345	1,141,553
Balance at September 30, 2016		6,007,345	1,166,353

The following is a summary of share issues since inception:

i) Founders shares issued for cash:

Founders shares - To incentivize its directors and senior personnel, these shares were first issued by the Company at \$0.01 per share. At September 30, 2016, a total of 3.35 million Founders shares had been issued consisting of 2.248 million shares at September 30, 2015 and an additional 950,000 shares in January 2016.

The Founders shares are subject to a vesting restriction entitling the owner to vest one third of the purchased shares at the date of issue and, if the shareholder is still an officer or director of the Company, the remaining share balance will vest in equal amount over the remaining two years on the anniversary date of the first issue. Following the departure in January and February 2016 of two officers, the Company cancelled and repurchased for \$800 a total of 80,000 shares.

ii) shares issued as repayment of cash advances.

In January 2016, the Company issued 266,667 shares at \$0.30 per share as repayment of \$80,000 cash advance from a director.

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7. Equity (continued)

iii) Private placements:

During the year ended September 30, 2016, the Company issued 810,000 shares at \$0.40 per share and an additional 460,000 shares at \$0.50 per share for cumulative total proceeds of \$554,000.

iv) shares issued for services.

During the year ended September 30, 2016, the Company issued a total of 271,716 shares as repayment of services rendered for a total value of \$96,763. The shares were issued at prices ranging from \$0.30 to \$0.50 per share, based on the latest share issue price at the time the services were rendered.

v) shares issued following the exercise of warrants.

During the year ended September 30, 2016 warrants were exercised resulting in a total of 248,962 shares of the Company being issued for \$102,090 in services rendered by an officer of the Company.

vi) shares issued following a property acquisition.

On June 16, 2016, as part of the Mangan acquisition, the Company issued a total of 600,000 shares at a price of \$0.50 per share (note 5).

b) Stock options

The Company has a rolling stock-based compensation plan (the “Plan”) allowing for the reservation of a maximum 10% of the common shares issued and outstanding at any given time for issuance under the Plan. Under the Plan, all stock options are granted at the discretion of the Company’s board of directors. The term of any option granted may not exceed ten years and the exercise price may not be less than the market value of the Company shares or, if the Company’s shares are not traded on a stock exchange, the share value equaled to the Company’s most recent arm’s length equity financing share price.

Current outstanding options have an expiry date of ten years and vest over a period of 24 months. A continuity summary of the stock options granted and outstanding under the Plan is presented below:

	Year ended September 30, 2016		Year ended September 30, 2015	
	Number of share options	Weighted average exercise price (\$/per share)	Number of share options	Weighted average exercise price (\$/per share)
		CAD\$		CAD\$
Balance, beginning of year	-	-	-	-
Options granted	395,000	\$0.41	-	-
Balance, end of year	395,000	\$0.41	-	-

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September 30, 2016**7. Equity (continued)**

Options outstanding & exercisable			Options exercisable	
Exercise price (per share)	Number of share options	Weighted average remaining contractual life (years)	Number of share options outstanding	Weighted average remaining contractual life (years)
CAD\$				
\$0.40	355,000	9.6	118,331	9.6
\$0.50	40,000	9.7	13,333	9.7
	395,000	9.6	131,664	9.6

The fair value based method of accounting was applied to stock options granted to employees, including directors, and non-employees on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	From	To	Weighted average
Option exercise price range	CAD\$0.40	CAD\$0.50	CAD\$0.41
Risk free rate	0.46%	0.52%	0.50%
Expected life (years)	9.0	9.0	9.0
Annualized volatility	100%	100%	100%
Dividend rate	0%	0%	0%
Forfeiture rate	0%	0%	0%
Share price	CAD\$0.40	CAD\$0.50	CAD\$0.41

During the year ended September 30, 2016, the Company recorded stock-based compensation expense of \$74,087 (2015 – Nil) of which \$16,719 has been allocated to project expenses and \$57,368 to administrative expenses.

c) Warrants

During the year ended September 30, 2016, in lieu of a \$127,837 cash compensation to an officer of the Company, a total of 306,589 warrants were granted, exercisable at \$0.01 per share.

At September 30, 2016, a balance of 57,627 warrants remained outstanding. The balance of warrants outstanding at September 30, 2016 was exercised on October 7, 2016 (note 13).

d) Deferred consideration

At September 30, 2016, the Company has a commitment to issue a cumulative total of \$1.2 million in common shares of the Company. A total of \$300,000 in shares is issuable starting on June 16, 2017 and on each of subsequent three anniversary dates. The number of shares issuable will be based on the value of the Company's shares at the time of each issue (note 5).

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8. Related Party Transactions

Related parties and related party transactions impacting the accompanying consolidated financial statements are summarized below and include transactions with the following individuals and entities:

a) *Key management personnel*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board and corporate officers.

b) *Related party transactions during the year*

During the year ended September 30, 2016 and 2015, the Company incurred the following expenses to officers or directors of the Company or companies with common directors:

	Year ended September 30,	
	2016	2015
	\$	\$
Consulting fees remuneration payable to officers of the Company	177,000	6,225
Fees provided by a legal firm associated to a Company's director	93,564	-
	270,564	6,225
Stock-based compensation	202,669	-
	473,233	6,225

c) *Related party balances at the end of the year:*

i) Balance receivable from related parties:

	September 30,	September 30,
	2016	2015
	\$	\$
Share subscription receivable from the founders of the Company	-	2,400

ii) Balances payable to related parties:

	September 30,	September 30,
	2016	2015
	\$	\$
Remuneration and consulting fees provided by officers of the Company	176,515	6,225
Fees provided by a legal firm associated to a Company's director	9,418	-
Outstanding payable to Company's officers	1,763	7,831
Loans from directors	-	40,000
	187,696	54,056

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8. Related Party Transactions (continued)

These transactions were incurred in the normal course of operations.

9. Financial Instruments and Risk Management

Fair value

The carrying value of the Company's financial assets and liabilities approximates their estimated fair value.

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.

The Company's maximum exposure to credit risk is comprised of the following:

	September 30, 2016	September 30, 2015
	\$	\$
Cash and cash equivalents	117,393	4,849
Receivable	9,084	-
	126,477	4,849

Liquidity risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation (note 1).

10. Segmented information

The Company's operations are all conducted in one segment, the exploration and development of exploration and evaluation assets. The Company's exploration and evaluation assets are in the Czech Republic.

11. Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to pursue suitable business opportunities and to maintain flexible capital structure for its projects for the benefit of its stakeholders. As the company is in the exploration and evaluation stage and has not achieved commercial operations from its projects, its principal source of funds is from the issuance of common shares. Further information related to liquidity risk is disclosed in note 1 and 9.

In the management of capital, the Company includes the components of equity. The Company manages and adjusts its capital structure considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain and adjust the capital structure, the Company may attempt to issue new shares, enter joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

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September 30, 2016

11. Management of Capital (continued)

To facilitate the management of its capital requirements, the Company prepares monthly and annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities or three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The Company is uncertain as to whether its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operating period and, accordingly, management is reviewing the timing and scope of current exploration plans and is also pursuing other financing alternatives to fund the Company's operations.

The Company is not currently subject to externally imposed capital requirements. There are no changes in the Company's approach to capital management.

12. Income taxes

A reconciliation of the income tax recoveries at the statutory tax rate of 26% (2015 – 26%) is as follows:

	September 30, 2016	September 30, 2015
	\$	\$
Loss for the year	(945,950)	(64,946)
Expected income tax recovery	(245,947)	(16,886)
Non-deductible expenses and other	150,790	8,303
Effect of foreign tax rates and tax rate changes	(229)	-
Effect of deductible temporary difference not recognized	95,386	8,583
Income tax recovery	-	-

The Company has not recognized any deferred tax assets as realization is not probable.

The significant components of the Company's deferred tax assets are as follows:

	September 30, 2016	September 30, 2015
	\$	\$
Equipment	836	138
Exploration and evaluation assets	84,315	10,757
	85,151	10,895
Unrecognized deferred income tax assets	(85,151)	(10,895)
Deferred income tax assets	-	-

13. Events after the reporting period

In October and November 2016, the Company issued a total of 395,484 shares including a) 320,000 shares at \$0.50 per share for cash proceeds of \$160,000 b) 17,857 shares at \$0.50 per share as repayment of services totaling \$8,929 and c) 57,627 shares following the exercise of the balance of warrants outstanding at September 30, 2016.

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

**FOR THE THREE AND SIX-MONTH PERIODS ENDED
MARCH 31, 2018
(unaudited)**

A. Annexure A – Canadian Prospectus

Euro Manganese Inc.

Unaudited condensed consolidated financial statements of the Company as at and for the three and six-month periods ended March 31, 2018, and related notes thereto

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A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**As at March 31, 2018 and September 30, 2017**

(Expressed in Canadian Dollars)

(Unaudited)

AS AT		March 31, 2018	September 30, 2017
	Note	\$	\$
ASSETS			
Current Assets			
Cash		7,648,144	2,860,994
Prepaid		94,846	129,228
Receivable		55,338	73,010
		7,798,328	3,063,232
Non-current assets			
Exploration and evaluation assets	4 & 5	1,249,086	1,249,086
Property and Equipment	6	333,310	8,693
		9,380,724	4,321,011
LIABILITIES			
Current Liabilities			
Accounts payable		366,069	339,527
Due to related parties	8	163,974	116,731
Deferred consideration - current portion	7 (e)	295,101	273,921
		825,144	730,179
Non-current liabilities			
Deferred consideration	7 (e)	480,508	450,456
		1,305,652	1,180,635
EQUITY			
Share Capital	7 (a)	14,591,788	7,183,542
Equity Reserve		858,974	381,086
Deficit		(7,375,690)	(4,424,252)
		8,075,072	3,140,376
Total liabilities and shareholders' equity		9,380,724	4,321,011

Nature of Operations and Liquidity (note 1)

Commitments (note 10)

Events after the reporting period (note 11)

Approved on behalf of the Board on June 25, 2018

"Marco Romero"
Director

"John Webster"
Director

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

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**For the three and six-month periods ended March 31, 2018 and 2017**

(Expressed in Canadian Dollars, except per share amounts)

(Unaudited)

	Three-month period ended March 31,		Six-month period ended March 31,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Project Evaluation Expenses				
Engineering	516,219	130,214	1,168,024	188,413
Remuneration	174,660	-	322,362	-
Market studies	66,617	12,168	158,356	13,371
Travel	63,495	44,439	110,224	58,844
Share-based compensation	79,918	4,027	97,323	8,144
Geological	13,075	-	79,070	-
Legal and professional fees	18,634	-	54,099	56
Project management	24,819	7,050	52,938	12,166
Supplies and rentals	11,738	-	32,387	-
Metallurgical	-	14,415	13,612	14,519
Drilling, sampling and surveys	-	7,256	-	12,500
Taxes	-	4,816	-	7,935
Environmental	-	1,954	-	2,643
	969,175	226,339	2,088,395	318,591
Other Expenses				
Remuneration	211,932	80,228	303,660	161,174
Share-based compensation	164,927	50,262	298,810	104,156
Total remuneration	376,859	130,490	602,470	265,330
Legal and professional fees	23,496	14,589	57,793	36,224
Travel	41,523	7,987	53,992	14,920
Accretion expense	25,334	31,679	51,232	64,061
Office, general and administrative	13,898	4,866	36,170	9,136
Insurance	13,773	-	27,546	-
Office rent	7,500	4,500	13,000	9,000
Conferences	10,132	-	12,390	3,174
Investor relations	1,830	480	6,395	720
Depreciation	1,082	355	2,055	669
	515,427	194,946	863,043	403,234
Loss & comprehensive loss for the period	(1,484,602)	(421,285)	(2,951,438)	(721,825)
Loss per share				
Basic and diluted loss per share	(0.01)	(0.01)	(0.03)	(0.02)
Weighted average number of shares outstanding	105,800,565	34,112,900	98,085,922	32,749,365

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

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**For the three and six-month periods ended March 31, 2018 and 2017**

(Expressed in Canadian Dollars)

(Unaudited)

	Note	Six-month period ended March 31, 2018	2017
		\$	\$
<u>Operating Activities</u>			
Net loss for the period		(2,951,438)	(721,825)
Less non-cash transactions:			
Share-based payments			
Options		312,870	34,937
Shares and warrants for services		201,363	146,954
		514,233	181,891
Depreciation		2,055	669
Accretion expense		51,232	64,061
		(2,383,918)	(475,204)
Changes in non-cash working capital items:			
Accounts payable		63,726	(17,670)
Accounts receivable		17,672	4,050
Prepaid expenses		34,382	-
Due to related parties		47,243	10,974
		163,023	(2,646)
Net Operating activities		(2,220,895)	(477,850)
<u>Financing Activities</u>			
Common shares issued for cash, net of expenses		7,327,063	542,119
Exercise of warrants		2,154	-
Exercise of stock options	7(a)	5,500	-
		7,334,717	542,119
<u>Investing Activities</u>			
Property, plant and equipment's acquisition		(326,672)	(1,596)
		(326,672)	(1,596)
Decrease in Cash & Cash Equivalents		4,787,150	62,673
Cash & Cash Equivalents - beginning of the period		2,860,994	117,393
Cash & Cash Equivalents - end of the period		7,648,144	180,066
Non-cash transactions excluded from above:			
Common shares issued as payment of financing services		(354,135)	-
Share issue cost		354,135	-
Issue of employee warrants			
Equity Reserve		116,313	-
Share Capital		(116,313)	-

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

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the three and six-month periods ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

(Unaudited)

	Attributable to equity shareholders of the Company				
	Share Capital	Share Capital	Equity Reserves	Deficit	Shareholders' Equity (Deficit)
	#	\$	\$	\$	\$
Balance at September 30, 2017	90,411,610	7,183,542	381,086	(4,424,252)	3,140,376
Shares issued for cash, net of expenses	37,750,000	6,804,160	168,768	-	6,972,928
Options exercised	50,000	9,250	(3,750)	-	5,500
Warrants exercised for cash	-	2,154	-	-	2,154
Shares issued as payment for broker fees	1,714,050	342,810	-	-	342,810
Shares issued as payment of services	2,280,880	249,872	-	-	249,872
Share-based compensation	-	-	312,870	-	312,870
Loss and comprehensive loss for the period	-	-	-	(2,951,438)	(2,951,438)
	41,794,930	7,408,246	477,888	(2,951,438)	4,934,696
Balance at March 31, 2018	132,206,540	14,591,788	858,974	(7,375,690)	8,075,072
Balance at September 30, 2016	30,036,725	1,166,353	102,324	(1,010,896)	257,781
Shares issued for cash	1,600,000	542,119	-	-	542,119
Shares issued as payment of services	217,085	21,708	-	-	21,708
Warrants issued as payment of services	559,305	54,812	(28,237)	-	26,575
Share-based compensation	-	-	34,937	-	34,937
Loss and comprehensive loss for the period	-	-	-	(721,825)	(721,825)
	2,376,390	618,639	6,700	(721,825)	(96,486)
Balance at March 31, 2017	32,413,115	1,784,992	109,024	(1,732,721)	161,295

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

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

Notes to the condensed consolidated interim financial statements

(Expressed in Canadian Dollars)

March 31, 2018

(Unaudited)

1. Nature of Operations and Liquidity

Euro Manganese Inc. (the “**Company**”) was incorporated as a private company under the British Columbia Business Corporations Act on November 24, 2014. The Company is focused on the exploration and reclamation of mineral projects in Europe and is currently evaluating the potential development of the Chvaletice deposit, located in the Czech Republic, into an electrolytic manganese metal (“**EMM**”) project (the “**Project**”).

The Company’s corporate offices are located at 1040 West Georgia Street, Suite 1500, Vancouver, B.C. and its and registered offices are located at Suite 1700, 666 Burrard Street, Vancouver, B.C.

These condensed consolidated interim financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“**IFRS**”), which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

As an early exploration stage corporation, the Company does not own any properties with established reserves, has no operating revenues and is unable to self-finance its operations. Further, there is no assurance that the evaluation and acquisition activities executed or planned by the Company for the Chvaletice Project will result in the development of a profitable commercial operation. As a result, the Company will likely operate at a loss until the Company puts the Chvaletice Project into production.

At March 31, 2018, the Company’s equity totaled \$8,075,072 and working capital totaled \$6,973,184, including cash and cash equivalents of \$7,648,144. These capital resources, combined with the net proceeds from a planned \$6.5 million Initial Public Offering (“**IPO**”) of its shares in Australia and Canada which the Company expects to complete in 2018, are expected to provide sufficient working capital to fund its corporate and project development costs for at least 18 months from the date of these financial statements. This will allow the Company to complete the preliminary economic assessment (the “**PEA**”) and move forward with the Chvaletice Project.

Additional funding will be required for further exploration and development work including the completion of feasibility studies, environmental studies, permitting, as well as the potential future construction of infrastructure and facilities for the Chvaletice Project. The ability of the Company to arrange such equity or other financing in the future will depend principally upon prevailing market conditions and the performance of the Company. Such additional funding and may not be available when needed, if at all, or be available on terms favorable to the Company. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company’s principal property and could result in material adjustments to the carrying values of assets.

2. Basis of Presentation

2.1 Stock Split – Subdivision of shares on a one-for-five basis

On March 20, 2018, at the Company’s Annual General and Special Meeting, the shareholders approved the modification to the Company’s authorized share structure and the number of issued common shares without par value. All fully paid and issued common shares were subdivided on a basis of one old for five new shares. As a result, a total of 26,441,308 outstanding common shares of the Company were converted to 132,206,540 new common shares.

To reflect the subdivision of shares on a one-for-five, all shares, options and warrants balances presented in these statements have been increased, where applicable, by a factor of five and their respective unit share price has been reduced by the same ratio.

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

Notes to the condensed consolidated interim financial statements

(Expressed in Canadian Dollars)

March 31, 2018

(Unaudited)

2. Basis of Presentation (continued)

2.2 Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting* (“IAS 34”). The accounting policies applied in these condensed consolidated interim financial statements are consistent with those disclosed in the Company’s audited financial statements for the year ended September 30, 2017.

These condensed consolidated interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended September 30, 2017.

These condensed consolidated interim financial statements were prepared by management and approved by the Board of Directors on June 25, 2018.

2.3 Basis of measurement

These condensed consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. In addition, these condensed consolidated financial statements have been prepared on the historical cost basis.

2.4 Basis of consolidation

These condensed consolidated financial statements incorporate the accounts of the Company and the entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operational policies of an entity to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date of control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

The Company acquired control of Mangan Chvaletice s.r.o. effective May 13, 2016 (note 5).

3. Summary of Significant Accounting Policies and Estimates

3.1 Recent accounting pronouncements

The Company has not applied the following pronouncements that have been issued but are not yet effective:

IFRS 9 - Financial Instruments - The standard is effective for annual reporting periods beginning January 1, 2018. The Company is assessing the impact of this standard.

IFRS 16 - Leases – The new standard on lease accounting was issued on January 13, 2016 and replaces the current guidance in IAS 17. The new standard results in substantially all lessee leases being recorded on the consolidated statement of financial position. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The Company is currently evaluating the impact of this new standard on the Company’s financial statement measurements and disclosures. The Company does not anticipate early adoption of this standard.

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

Notes to the condensed consolidated interim financial statements

(Expressed in Canadian Dollars)

March 31, 2018

(Unaudited)

3. Summary of Significant Accounting Policies and Estimates (continued)

3.2 Critical Judgments and Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The estimates and the underlying assumptions are based on the judgement of management, including historical experience and other factors that management believes to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. A revision to an accounting estimate is recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements.

4. Exploration and Evaluation Assets

The Chvaletice Project is a manganese deposit hosted in historic mine tailings located in the Czech Republic, a European Union member country. At March 31, 2018, the Chvaletice Project held mineral exploration rights (the "License") expiring on September 30, 2019. On April 17, 2018, the Czech Ministry of Environment granted to the Company a Preliminary Mining Permit (see note 11 (a)), which provides the Company until April 30, 2023, to prepare and submit a definitive Mining Permit application. Additionally, on May 4, 2018, the Czech Ministry of Environment issued Mangan an additional exploration licence allowing it to drill the slopes on the perimeter of the tailings piles. This additional license area, which is also covered by the Preliminary Mining Permit, now secures Mangan's rights for the entire deposit. The additional license expires May 31, 2023. The Company was formed with the objective of evaluating, acquiring, developing and operating the Chvaletice Project as an electrolytic manganese metal project.

Initially in 2014 the Company negotiated an option to purchase an 80% interest in the Chvaletice Project (the "Option Agreement"). An initial option payment of \$10,000 was made in June 2015. In 2016, following the acquisition by the Company of a 100% equity interest in Mangan, the Option Agreement was cancelled (note 5).

5. Mangan's Acquisition

On May 13, 2016 (the "Acquisition Date"), the Company acquired a 100% interest in Mangan from Mangan's shareholders.

The acquisition of Mangan included granting a 1.2% net smelter royalty interest and the issue, over a four-year period, of common shares of the Company in five equal tranches, each tranche valued at \$300,000. The first two \$300,000 tranches were issued on June 16, 2016 and May 13, 2017 at an estimated fair value of \$0.10 and \$0.11 per share respectively (see note 7(e) and 11(b)). At the time of each issuance, the estimated share price was based on the Company's most recent arm's length equity financing share price. Future tranches will be issued annually on the anniversary of the Acquisition Date.

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

Notes to the condensed consolidated interim financial statements

(Expressed in Canadian Dollars)

March 31, 2018

(Unaudited)

5. Mangan's Acquisition (continued)

The future number of shares to be issued was to be based on the estimated value of the Company's common shares at the time of each issue. If traded on a stock exchange, the value of the Company shares will equal to the market value of the Company shares or, if the Company's shares are not traded on a stock exchange, the share value will equal the Company's most recent arm's length equity financing share price. As the future number of shares to be issued is not fixed, accounting standards require the Company to record the estimated value of future share issues as a liability rather than equity.

On June 15, 2018, the Company and Mangan's founding shareholders amended the terms of the acquisition agreements to indicate that the minimum deemed value of the common shares to be issued in the future will not be less than \$0.05 per share and to allow the Company an option to settle the remaining obligations in cash, in its sole discretion, provided that in the event either of the remaining two share issuances result in the deemed value of the shares being below \$0.05 per share, the Company agrees to settle such payment in cash.

6. Property and Equipment

	IT Hardware and software	Land, property, plant and equipment	Total
Cost	\$	\$	\$
September 30, 2017	11,588	-	11,588
Additions	7,939	318,733 ^(a)	326,672
March 31, 2018	19,527	318,733	338,260
Accumulated Amortization			
September 30, 2017	2,895	-	2,895
Additions	2,055	-	2,055
March 31, 2018	4,950	-	4,950
Net Book Value			
September 30, 2017	8,693	-	8,693
March 31, 2018	14,577	318,733	333,310

^(a) In November 2017, the Company acquired approximately 1.7 hectares of land and associated equipment located near the Project area. No depreciation is being recorded as the plant and equipment assets are not being used.

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

Notes to the condensed consolidated interim financial statements

(Expressed in Canadian Dollars)

March 31, 2018**(Unaudited)****7. Equity**

- a) Authorized Common shares: Unlimited common shares without par value

	Share price	Number of common shares	Share capital
			\$
Balance at September 30, 2017		90,411,610	7,183,542
Share issuance during the six-month period ended March 31, 2018			
i) Shares and warrants issued for cash			
- Shares issued for cash, net of expenses	\$0.20	37,750,000	6,804,160
- Stock option exercised	\$0.11	50,000	9,250
- Warrants exercised for cash	\$0.002	-	2,154
		37,800,000	6,815,564
ii) Shares issued for broker fees	\$0.20	1,714,050	342,810
iii) Shares issued for services rendered	\$0.11	2,268,380	247,372
	\$0.20	12,500	2,500
		2,280,880	249,872
Sub-total for the six-month period		41,794,930	7,408,246
Balance at March 31, 2018		132,206,540	14,591,788

- b) Share issues: The following is a summary of share issues in the three-month period ended March 31, 2018:

i) Shares issued for cash:

- On January 24, 2018, the Company signed an engagement letter with Canaccord Genuity (Australia) Limited (“**Canaccord Australia**”) to act as lead agent and sole bookrunner in connection with a proposed pre-IPO private placement and a proposed IPO.
 - On February 28, 2018, for gross cash proceeds of \$7,550,000 (the “February 2018 Private Placement”), the Company completed the February 2018 Private Placement by issuing a total of 37,750,000 common shares of the Company at a price of \$0.20 per share and granting to the agent 2,856,750 three-year warrants exercisable at \$0.30 per share at a deemed value of \$168,768. The commission, totaling \$342,810, was paid to the agent through the issuance of 1,714,050 shares at \$0.20 per share.
 - Share issuance expenses related to the February 2018 Private Placement and ongoing IPO efforts included the \$342,810 commission above and \$234,262 in legal and other financing expenditures.

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

Notes to the condensed consolidated interim financial statements

(Expressed in Canadian Dollars)

March 31, 2018

(Unaudited)

7. Equity (continued)

i) Shares issued for cash (continued):

- The intent of the IPO is to issue 20,000,000 fully-paid CHESS Depositary Interests (“CDIs”) in respect of fully paid common shares to raise no less than \$5 million in Australia, plus a \$1.5 million President’s List issuance in Canada at a price of no less than \$0.25 per share. In connection with the IPO, application is expected to be made for the Company’s shares to be concurrently listed on the Australia Stock Exchange (“ASX”) and the TSX Venture Exchange.
- On March 9, 2018, the Company signed an engagement letter with Canaccord Genuity Corp (“**Canaccord Corp**”) to act as lead agent for the offering of 6,000,000 shares in Canada at a price of no less than \$0.25 per share for total gross proceeds of \$1,500,000. This offering is intended to be in place of the President’s List issuance of CDIs contemplated under the January 24, 2018 engagement letter between the Company and Canaccord Australia, at financial terms identical to those agreed to with Canaccord Australia.
- In December 2017, a total of 50,000 options were exercised at \$0.11 per share for total cash proceeds of \$5,500 and a \$3,750 allocation for the vested value of exercised options.
- The Company received \$2,154 following the exercise of 1,076,965 warrants at \$0.002 per share.

ii) Shares issued for services:

- The Company issued a total of 1,710,500 shares as repayment of \$342,810 broker fees related to the pre-IPO private placement completed on February 28, 2018.
- The Company issued a total of 1,203,915 shares as repayment of \$133,559 in rendered services. The shares were issued at \$0.11 and \$0.20 per share, based on the latest share issue price at the time the services were rendered. A balance of \$11,325 was allocated to share issuance costs.
- A total of 1,076,965 shares were issued following the exercise of warrants granted in lieu of \$116,313 in services rendered by an officer of the Company (note 7(d)(ii)).

iii) Penalties for failing to obtain listing:

As part of the brokered placement in mid-2017 (the “Brokered Placement”), the Company agreed to the following conditions:

Reporting issuer - The Company will use commercially reasonable efforts to become a reporting issuer in Canada and obtain a listing either through an initial public offering, reverse takeover, or qualifying transaction on a recognized stock exchange in Canada or Australia.

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

Notes to the condensed consolidated interim financial statements

(Expressed in Canadian Dollars)

March 31, 2018

(Unaudited)

7. Equity (continued)

iii) Penalties for failing to obtain listing (continued):

Penalties for failing to obtain listing - The Company also agreed to the following penalties if it fails to meet the following listing requirements:

- First penalty - Issue for no consideration a total of 6,272,725 shares to the 2017 Brokered Placement's investors if the Company failed, by March 31, 2018, to file a preliminary prospectus or the required listing documents with applicable regulatory authorities. The Company satisfied this requirement by filing a preliminary prospectus with certain securities commissions in Canada on March 29, 2018 and is no longer subject to this penalty.
- Second penalty - Issue for no consideration an additional 6,272,725 shares to the 2017 Brokered Placement's investors if the Company fails, within 18 months from August 18, 2017, to become publicly listed in Canada or Australia.

At the time of closing the first tranche of the 2017 Brokered Placement on June 16, 2017, the Company estimated that it would be able to meet the listing requirements and avoid the penalties. Consequently, a nil probability and no value was assigned to the possibility of the Company having to issue such additional penalty shares.

Extension of penalties to other shareholders - When negotiating share issuances with the Company's other investors that had invested at \$0.10 and \$0.11 per share, the Company agreed that the terms would be at least as favorable as any terms agreed to in the 2017 Brokered Placement. Therefore, on September 15, 2017 the Company formalized terms applicable to all share subscription agreements previously priced at \$0.10 and \$0.11 per share, for the penalty terms identical to the ones granted to the 2017 Brokered Placement's investors to extend to those shareholders. In the event the second penalty is triggered, the Company will have to issue a total of 3,946,055 additional shares to other shareholders.

c) Stock options

The Company has a rolling stock-based compensation plan (the "**Plan**") allowing for the reservation of a maximum 10% of the common shares issued and outstanding at any given time for issuance under the Plan. Under the Plan, all stock options are granted at the discretion of the Company's board of directors. The term of any option granted may not exceed ten years and the exercise price may not be less than the market value of the Company shares or, if the Company's shares are not traded on a stock exchange, the share value equaled to the Company's most recent arm's length equity financing share price.

Current outstanding options have an expiry date of ten years and vest over a period of 24 months. A continuity summary of the stock options granted and outstanding under the Plan is presented below:

A. Annexure A – Canadian Prospectus

EURO MANGANESE INC.

(An Exploration Stage Company)

Notes to the condensed consolidated interim financial statements

(Expressed in Canadian Dollars)

March 31, 2018

(Unaudited)

7. Equity (continued)

	Six-month period ended March 31, 2018		Year ended September 30, 2017	
	Number of share options	Weighted average exercise price (\$/per share)	Number of share options	Weighted average exercise price (\$/per share)
Balance, beginning of the period	7,250,000	0.10	1,975,000	0.08
Options granted during the period	4,425,000	0.19	5,275,000	0.11
Options exercised during the period	(50,000)	0.11	-	-
Options expired	(149,995)	0.09	-	-
Options forfeited	(250,005)	0.10	-	-
Balance, end of the period	11,225,000	0.13	7,250,000	0.10

During the six-month period ended March 31, 2018:

- the Company granted, to directors and employees a total of 700,000 ten-year options with an exercise price of \$0.11 per share and 3,725,000 ten-year options with an exercise price of \$0.20 per share.
- A total of 50,000 options were exercised at \$0.11 per share.
- On January 9, 2018, a total of 400,000 options, with an average exercise price of \$0.10 per share, expired or were forfeited by employees or consultants that were no longer providing services to the Company.
- The Company recorded stock-based compensation expense of \$312,870 (2017 – \$34,937) of which \$97,323 has been allocated to project expenses (2017 - \$8,144) and \$215,547 to administrative expenses (2017 - \$26,793).

The balance of options outstanding and exercisable at March 31, 2018 is as follows:

Options outstanding & exercisable			Options exercisable	
Exercise price (\$/Share)	Number of share options	Weighted average remaining contractual life	Number of share options outstanding	Weighted average remaining contractual life
0.08	1,625,000	8.1	1,083,310	8.1
0.10	1,775,000	8.9	658,310	8.9
0.11	4,100,000	9.5	1,366,630	9.5
0.20	3,725,000	9.9	1,241,620	9.9
	11,225,000	9.3	4,349,870	9.2

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EURO MANGANESE INC.

(An Exploration Stage Company)

Notes to the condensed consolidated interim financial statements

(Expressed in Canadian Dollars)

March 31, 2018**(Unaudited)****7. Equity (continued)**

The Company applied the fair value-based method of accounting to determine the value of stock options granted to employees, including directors, and non-employees on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	From	To	Weighted average
Option exercise price range	\$0.11	\$0.20	\$0.19
Risk free rate	1.82%	2.38%	2.24%
Expected life (years)	9.0	9.0	9.0
Annualized volatility	60%	60%	60%
Dividend rate	0%	0%	0%
Forfeiture rate	0%	0%	0%
Share price	\$0.11	\$0.20	\$0.19

d) Warrants

i) The balance of broker warrants outstanding and exercisable at March 31, 2018 is as follows:

	Expiry date	Weighted- average exercise price	Number of warrants	Value
				\$
Balance at September 30, 2016				
Warrants issued during the year ended				
September 30, 2017	June 16 to August 18, 2019	\$0.11	2,927,265	96,182
Balance at September 30, 2017		\$0.11	2,927,265	96,182
Warrants issued during the six-month				
period ended March 31, 2018	February 28, 2021	\$0.30	2,856,750	168,768
Balance at March 31, 2018		\$0.20	5,784,015	264,950

On February 28, 2018, as part of the February 2018 Private Placement, the Company issued a total of 2,856,750 three-year broker warrants exercisable at \$0.30 per share.

ii) During six-month period ended March 31, 2018, the Company issued a total of 1,076,965 warrants, exercisable at \$0.002 per share as compensation for \$116,313 in services rendered by an officer of the Company. The warrants were exercised, and no warrants were outstanding at March 31, 2018.

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Notes to the condensed consolidated interim financial statements

(Expressed in Canadian Dollars)

March 31, 2018

(Unaudited)

7. Equity (continued)

e) Deferred consideration

At March 31, 2018, the Company has a commitment to issue common shares of the Company for a cumulative total value of \$900,000. On May 9, 2018, the Company issued a total of 1,500,000 shares at \$0.20 per share as repayment of \$300,000 in deferred consideration (note 11 (b)). The remaining two \$300,000 payment obligations are due on May 13, 2019 and 2020. The number of shares to be issued will be based on value of the Company's shares at the time of each issuance, or pursuant to an amending agreement between the Company and Mangan's founding shareholders dated June 15, 2018, in cash, at the Company's sole discretion. The amending agreement also indicates that the minimum deemed value of the common shares will not be less than \$0.05 per share, and that that in the event either of the remaining two share issuances result in the deemed value of the shares being below \$0.05 per share, the Company agrees to settle such payment in cash (note 5).

8. Related Party Transactions

Transactions between the Company and its subsidiary have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below. Related parties include the board of directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

a) Key management personnel

Key management personnel include the board of directors and the Chief Executive Officer, Chief Financial Officer, the Managing Director of the Company's Czech subsidiary, and the Vice President, Project Development.

The following is a summary of key management compensation incurred in the six-month periods ended March 31, 2018 and 2017:

	Three-month period ended March 31,		Six-month period ended March 31,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Salaries and consulting fees payable to officers and directors of the Company ⁽¹⁾	342,353	103,012	650,498	209,362
Directors and officers' stock-based compensation	189,401	14,071	242,302	28,455
Total remuneration	531,754	117,083	892,800	237,817

⁽¹⁾ The remuneration of directors and key executives is determined by the Board having regard to the performance of individuals and market trends.

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Notes to the condensed consolidated interim financial statements

(Expressed in Canadian Dollars)

March 31, 2018**(Unaudited)****8. Related Party Transactions (continued)**

b) *Related party transactions during the six-month periods ended March 31, 2018 and 2017:*

A Company's director is associated with PRK Partners s.r.o. ("PRK"), a legal firm based in the Czech Republic. During the three and six-month periods, PRK's legal fees charged to the Company totaled \$16,307 (2017 – \$2,275) and \$38,182 (2017 – \$8,160), respectively.

c) *The balances payable to related parties as of the following dates are as follows:*

	March 31, 2018	September 30, 2017
	\$	\$
Salaries and consulting fees due to officers and directors of the Company	89,319	64,576
Legal fees payable to PRK	12,410	11,161
Travel and other expenses due to officers and directors of the Company	62,245	40,994
	163,974	116,731

These transactions were incurred in the normal course of operations.

9. Financial Instruments and Risk Management*Fair value*

The carrying value of the Company's financial assets and liabilities approximates their estimated fair value.

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 cash. The Company's maximum exposure to credit risk is comprised of the cash balance.

Liquidity risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation (note 1).

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EURO MANGANESE INC.

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Notes to the condensed consolidated interim financial statements

(Expressed in Canadian Dollars)

March 31, 2018

(Unaudited)

10. Commitments

- a) At March 31, 2018, the Company has a commitment to issue common shares in satisfaction of the deferred consideration relating to Mangan's Acquisition (notes 5 and 7(e)). After quarter end, the Company issued 1,500,000 shares at \$0.20 per share as partial settlement of \$300,000 in deferred consideration (note 11). The remaining two \$300,000 payment obligations are due on May 13, 2019 and 2020, and pursuant to an amending agreement between the Company and Mangan's founding shareholders dated June 15, 2018, the terms of these obligations were amended to permit, or require, the Company to pay such obligations in cash, dependent upon deemed value of the shares on the above settlement dates (notes 5 & 7(e)).
- b) The Company has agreed to issue for no consideration 6,272,725 shares to the 2017 Brokered Placement's investors and 3,946,055 additional shares to certain other investors if the Company fails, within 18 months from August 18, 2017, to become publicly listed in Canada or Australia (note 7(b)(iii)).
- c) The Company has entered into employment agreements with its executive officers in which the individuals are entitled to a combination of base salary; extended benefits; specified milestones payments; and may be eligible for annual performance-based bonus as determined by the Board in its sole discretion. Following termination without cause, executive officers are also entitled to 12-month written notice or, in one case, a severance equivalent of one year's salary. Further, upon a change of control, as defined in their employment agreements, certain executives are entitled to lump sum payments of between eighteen and twenty-four months of their base salaries.
- d) Subsequent to quarter-end, the Company entered into an agreement for the office rental in Vancouver, for the period June 1, 2018 to April 30, 2021, requiring it to make minimum annual cash payments as follows:

For the 12 months ending March 31, 2019	\$48,860
For the 12 months ending March 31, 2020	\$61,000
For the 12 months ending March 31, 2021	\$61,200
For the 12 months ending March 31, 2022	\$5,100

11. Events after the Reporting Period

- a) On April 17, 2018, the Czech Ministry of Environment granted the Company a Preliminary Mining Permit. The receipt of this permit, valid until April 30, 2023, enables Mangan to commence work on the Environmental Impact Assessment, a key step towards final permitting for the Chvaletice Project.
- b) On May 9, 2018, the Company issued 1,500,000 shares at a price of \$0.20 per share as repayment of \$300,000 in deferred consideration (note 7(e)), and on June 15, 2018, the Company and Mangan's founding shareholders amended the payment terms of the remaining share issuances due on May 13, 2019 and May 13, 2020 (notes 5 & 10(a)).
- c) On May 28, 2018, the Company issued 222,997 shares at a price of \$0.20 per share as payment for \$44,600 in services and issued 122,220 shares at a price of \$0.20 per share in connection with \$24,444 in directors' fees incurred during the quarter ended March 31, 2018.
- d) Subsequent to quarter end, the Company committed to expenditures aggregating approximately \$1.1 million in connection with various studies related to the completion of the PEA, the final phase of infill drilling to convert Indicated resources to Measured resources, and drilling and sampling the slopes and embankments of the tailings piles to upgrade the Inferred resources thereon.

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APPENDIX A

DISCLOSURE REGARDING THE CHVALETICE MANGANESE PROJECT

Please see attached

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Chvaletice Technical Report

Information of a scientific or technical nature in respect of the Chvaletice Manganese Project in this Schedule "A" is derived from, and in some instances is a direct extract from, of the independent NI 43-101 technical report dated April 27, 2018 (Release date of June 21, 2018) entitled " Technical Report on Mineral Resource Estimation for the Chvaletice Manganese Project Chvaletice, Czech Republic " prepared by Mr. James Barr, P.Geo, and Mr. Jianhui (John) Huang, Ph.D., P.Eng., (the " Chvaletice Technical Report").

For readers to fully understand the technical information in this Prospectus, they should read the Chvaletice Technical Report (available on SEDAR at www.sedar.com under the Company's profile) in its entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this Prospectus. The Chvaletice Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The technical information in the Chvaletice Technical Report is subject to the assumptions and qualifications contained in the report.

Acronyms/Abbreviations	Definition
ABA	Acid-base accounting
Bpv	Baltic Vertical Datum
Ca	calcium
CCD	count-current decanter
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
CINF	CINF Engineering Co.
CMP	Chvaletice Manganese Project
CRIMM	Changsha Research Institute of Mining and Metallurgy Co.
CRMs	certified reference materials
DEM	digital elevation model
EIA	environmental impact assessment
EMD	electrolytic manganese dioxide
EMM	electrolytic manganese metal
EMMP	Environmental Monitoring and Management Plan
ERT	electric resistivity tomography
Fe	iron
GPS	global positioning system
HIMS	high intensity magnetic separation
HPMSM	high purity manganese sulphate monohydrate
ICP	inductively coupled plasma
ICP-MS	inductively coupled plasma-mass spectrometry
ISO	International Organization for Standardization
masl	metres above sea level
Mg	magnesium

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Acronyms/Abbreviations	Definition
Mn	manganese
MW	megawatt
NPR	neutralization potential ratios
NSR	net smelter royalty
PRC	People's Republic of China
PSA	particle size analysis
QA	quality assurance
QC	quality control
QP	Qualified Person
SGS	SGS Mineral Services
sMn	soluble manganese
SWOT	strength-weakness-opportunities-threats
T	tesla
tMn	total manganese
UTM	Universal Transverse Mercator
WGS	World Geodetic System
XRD	x-ray diffraction
XRF	x-ray fluorescence

1.0 PROPERTY LOCATION AND DESCRIPTION

The Chvalětice Manganese Project ("CMP" or the "Property") is located in the western area of the Pardubice region of the Czech Republic at approximate latitude-longitude coordinates 15.444279°E and 50.038069°N. Communities within the immediate vicinity of the Project include *Trnávka*, *Chvalětice* and *Řečany nad Labem*. Prague is located approximately 75 km due west (Figure 1-1).

The tailings are deposited in three separate facilities, referred to as cells, which were built upon and are elevated with respect to the natural ground elevation in the region. Cell 1, the oldest deposit, covers a total surface area of 657,100 m², and has an average thickness of approximately 25 m. Cell 2 covers a total surface area of 787,600 m² and has an average thickness of approximately 26 m. Cell 3 covers a total surface area of 615,400 m² and has an average thickness of approximately 11 m. A plan map of the Property is shown in Figure 1-2.

1.1 Mineral Tenure

Governing authorities that regulate Mineral Resources and mining activities in the Czech Republic include the Czech Mining Authority, District Mining Authorities, the Ministry of the Industry and Trade, and the Ministry of Environment of the Czech Republic. The Chvalětice Manganese Project lies within the Hradec Králové and Pardubice Region District Mining Authority. These authorities administer the Mining Act (44/1988), Mineral tenure is regulated under the Geological Act (62/1988) and administered by the Ministry of Environment in consultation with the Ministry of the Industry and Trade and with the Czech Mining Authority.

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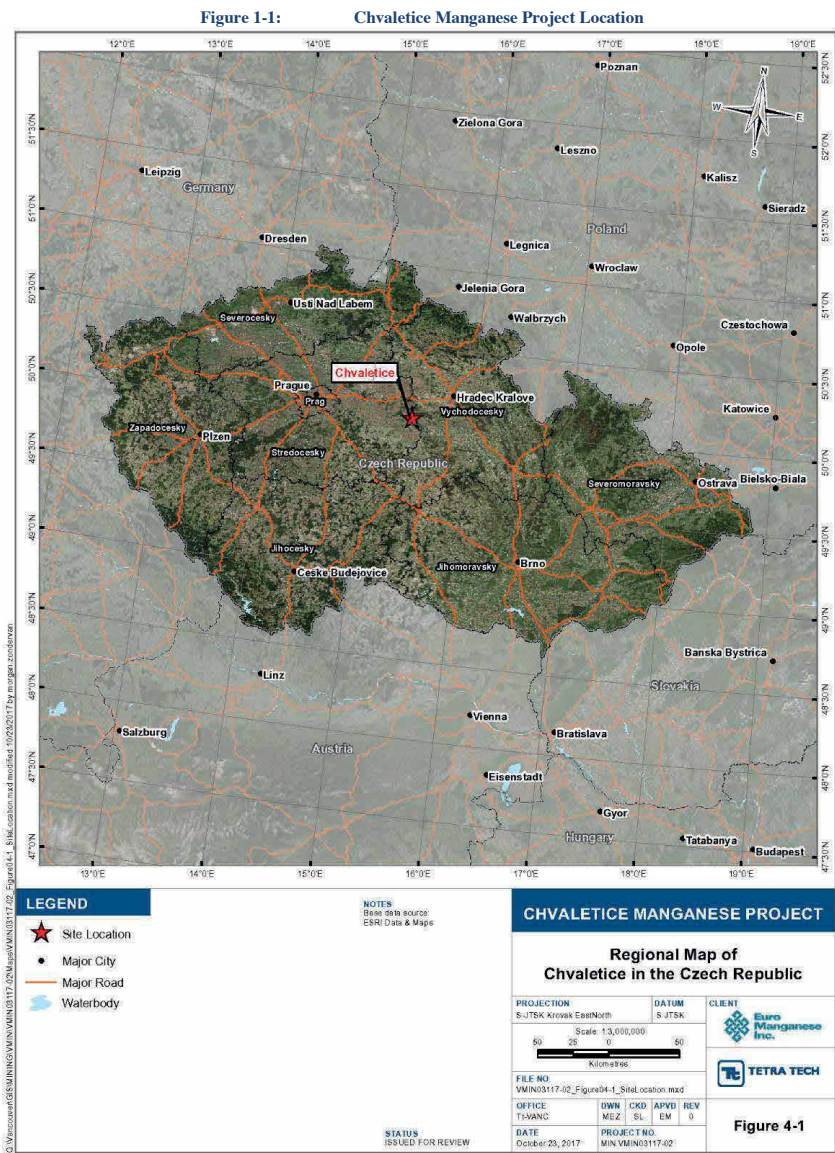
Application for the mineral tenure of the “Trnávka Exploration Area” was made by GET s.r.o (“GET”) in April, 2014. The area of interest was considered to have been discovered by State Resource which allowed for competing bids. Following the Ministry of Environment’s review of competing bids, exploration license 631/550/14-Hd which encompasses the “Řečany - Tailings Pond 3” and “Chvaletice - Tailings Ponds 1, 2” was awarded to GET.

Mangan is a private company established in the Czech Republic in 1997. Mangan was used as the corporate vehicle for an incorporated partnership between GET (33%), Geomin (33%), and Orex (34%). On December 15, 2014, an Earn-in Option Agreement was signed between the Company, Mangan, and its affiliates, granting the Company the right to earn an 80% equity interest in Mangan. In May 2016, the Option Agreement was amended and the Company purchased 100% ownership of Mangan from the Mangan shareholders, for an aggregate share value (the Company’s Shares) of CAD\$1,500,000 and future prorated NSR payments of 1.2% to the original Mangan partners. Conditions precedent to the Company-Mangan purchase agreement included transfer of the exploration licence number 631/550/14-Hd from GET to Mangan.

Exploration licence number 631/550/14-Hd is registered to include mineral rights on a total area of 0.98 km² (98 ha), of which 0.82 km² is located within the Municipality of Trnávka, and 0.16 km² is located within the Municipality of Chvaletice. Exploration licence number 631/550/14-Hd expires September 30, 2019. On May 4, 2018, the Czech Ministry of Environment issued Mangan an additional exploration licence number MZP/2018/550/386-Hd allowing it to drill the slopes on the perimeter of the tailings piles. Exploration Licence MZP/2018/550/386-Hd became effective May 23, 2018 and is valid until May 31, 2023. On April 17, 2018, with effect from April 28, 2018, Mangan was issued a Preliminary Mining Permit by the Ministry of Environment, numbered MZP/2018/550/387-HD and referred to by the Ministry of Environment as the prior consent with the establishment of the Mining Lease District (the “Preliminary Mining Permit”). The Preliminary Mining Permit, valid until April 30, 2023, covers the areas included in the Exploration Licences and secures Mangan’s rights for the entire deposit area.

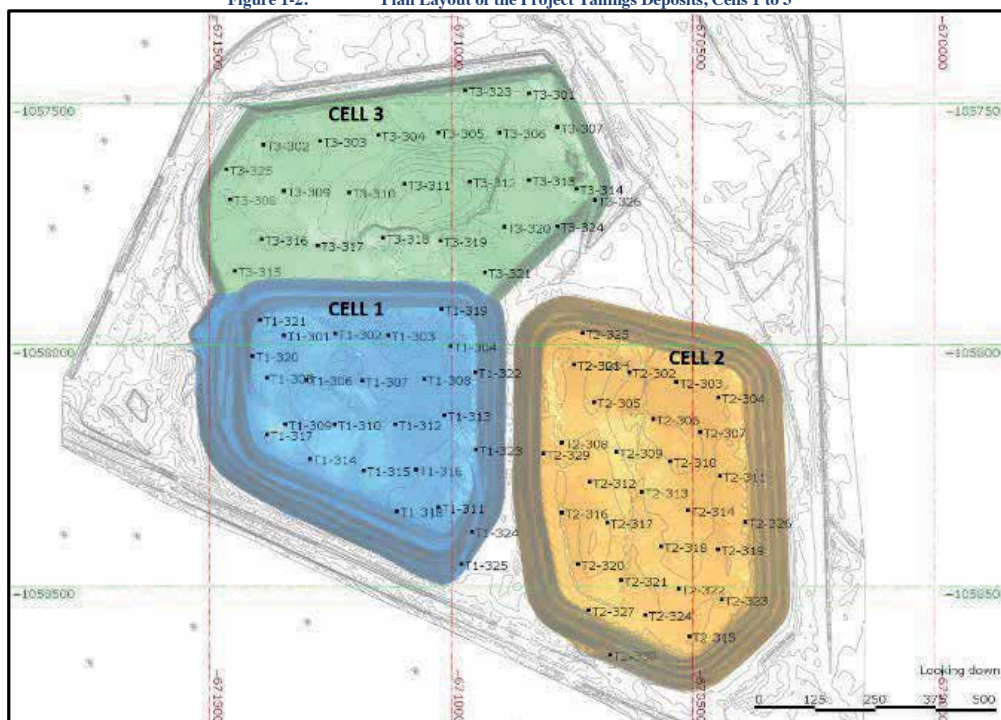
The Preliminary Mining Permit forms one of the prerequisites for the application for the establishment of the Mining Lease District and represents one of the key steps towards final permitting for the project. Based on the Preliminary Mining Permit and other documents, including the Environmental Impact Assessment (which may commence after the Preliminary Mining Permit has been issued), Mangan has until April 30, 2023 to apply for the establishment of the Mining Lease District covering the areas included in the Exploration Licences. The establishment of the Mining Lease District, the application for the final Mining Permit, and applications for permits relating to the construction of infrastructure required for the project, are required prior to mining at the CMP. The Preliminary Mining Permit bounds are shown in Figure 1–3.

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Figure 1-2: Plan Layout of the Project Tailings Deposits, Cells 1 to 3



1.2 Surface Ownership and Land Access Agreements

At present, Mangan does not hold surface rights to the Chvaletice Manganese Project area, which are considered as those lands of original ground elevation surrounding and immediately underlying the protected area that contains tailings Cells 1, 2, and 3. The area of interest for the Chvaletice Manganese Project overlies and adjoins 18 privately owned land parcels with surface rights described as (Petru 2015), (Figure 1–3):

- the principal plots of land parcels 1170/1, 1170/4, 1170/7, 1217/1, and 1490/2 in the cadastral area of Chvaletice
- the principal plots of land parcels 349/2, 481/1, 613/1, 660/1, 661/1, 661/2, 662/1, 666/4, 1050, 1017/1, 1017/3, 1065, and 1180/30 in the cadastral area of Trnávka.

Land access agreements and permissions were obtained by Mangan from landowners as well as the Trnavka and Chvaletice Municipalities for sampling, surveys, studies, road-building and drilling that were conducted in 2016 and 2017.

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2.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

2.1 Climate

The climate in the western Pardubice region of central Czech Republic is seasonally variable and typical of European continental conditions with warm dry summers and cold winters. It is one of the driest and warmest regions in the Czech Republic. Annual average temperatures are around 8°, and total annual precipitation between 700 to 800 mm (Czech Hydrometeorological Institute). The area experiences a net negative precipitation, after factoring in evaporation. Monthly average temperatures vary from -3.1°C in January to 16.6°C in July.

2.2 Physiography

The physiography of Chvaletice region is described as flat lying with some rolling hills. The Property lies immediately south of the Labe River (German: Elbe) which is a regional hydrographic drainage merging with the Vltava River north of Prague. The property is within the Upper and Middle Elbe river Basin which is administered by the Elbe River Board under the Ministry of Agriculture.

Forests in the region are classified as boreal. Well-established vegetation growth on the tailings cells is comprised of grasses and small shrubs on the upper plateau, and juvenile to semi-mature birch trees along the side slopes.

The gentle landscape and moderate climate promotes a healthy agricultural industry, with arable lands that produce corn, barley, sugar beet, canola and other crops, which occupy the majority of the rural landscape.

2.3 Local Resources

The Chvaletice Manganese Project deposit is located immediately adjacent to both an 820 MW lignite coal-fired power station operated by Severní Energetická a.s., and a pre-cast concrete plant operated by Eurobeton.

A rail line is located immediately to the south of the property which acts as main transportation line from Prague to communities of Eastern Czech Republic. Spur lines are used to transport and unload coal to the power station, and to service an adjacent industrial park which is the site of the former processing facilities that produced the deposits.

2.3.1 Water

Groundwater supplies the agriculture, urban and industrial water requirements in the region. Water resources in the Czech Republic are jointly managed at the national level by the Ministry of Agriculture (policies and regulates services), the Ministry of Environment (regulates wastewater discharge), National Institute of Public Health (controls drinking water quality) and the Ministry of Finance (regulates tariffs), all in conjunction with local municipalities.

Currently, exploration on the Property has minimal to no water demand.

2.3.2 Power

Local electrical power is generated by the Chvaletice power station, a key node in the Czech electrical grid, and which provides the regional power supply to many local communities.

2.3.3 Infrastructure

No infrastructure exists on the Property.

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2.3.4 Community Services

A significant labour workforce is accessible in the nearby communities, including the villages of Chvaletice (population 3200) and Trnávka (250), as well as the towns and cities of Kutná Hora (21,000), Kolin (31,000), Pardubice (89,000), Hradec Králové (93,000), and Prague (1,200,000).

Mining supplies, services and technical expertise can be found mainly in Prague and Pardubice.

2.4 Property Access

The Property is located along paved Highway #322 which connects to Prague, approximately 89 km by road, via Kolin and Highway #12. The Property is accessed by a short gravel road and locked gate, which is maintained by Severní Energetická.

2.5 Topographic Reference

Spatial survey in Czech Republic is conducted using the S-JTSK (Krovak East North) coordinate system and the Bpv, a system designed for the Czech Republic. Czech transformation key has an average positional error of 0.2 m and height error 0.3 m. The Chvaletice Manganese Project is located with midpoint at approximately -670,860 E, -1,057,920 N and 206 masl (S-JTSK), which would have a Universal Transverse Mercator (UTM) (World Geodetic System (WGS)84) equivalent coordinate of approximately 531,840 E, 5543000 N and 250 masl.

Topography for the Chvaletice Manganese Project was provided by GET using the DEM 5G model developed by the Land Survey Office in Prague. A map was provided by GET in MicroStation software format (.dgn file type) using the S-JTSK Bpv coordinate system, which included topographic contours extracted from the DEM 5G model to represent the site. After adjustment, the surface generated from the survey has total standard error of 0.18 m of height in the bare terrain and 0.3 m in forested terrain.

Tetra Tech transformed the topographic contours (i.e., DEM) provided by GET from S-JTSK into UTM; however, this transformation did include a modification to the relative elevation. It was observed that the drill collars have a relative difference in elevation of 44.25 m when projected using the S-JTSK system compared to the UTM system. It was decided to maintain spatial reference in the S-JTSK (Bpv) system for this project and geological model due to consistency with local surveying.

2.6 Environmental Studies and Liabilities

The area covered by the Chvaletice tailings has been significantly impacted by past mining and other heavy industrial activities. Czech law exempts land owners and developers from impacts prior to 1989, when communism ended in then Czechoslovakia. Mining activity at Chvaletice predates 1975.

Environmental baseline studies have been in progress since the summer of 2016. These include hydrological sampling and monitoring, as well fauna and flora surveys.

In September 2017, GET (author: Ing. Mario Petru) produced a report resulting from an environmental baseline study titled 'Chvaletice – Trnávka Tailing Pond Project' for the client, MANGAN Chvaletice, sro (Petru 2017). The purpose of GET's study was to document the characteristics of the Chvaletice Manganese Project's location according to land registrars and land use plans for the municipalities of both Chvaletice and Trnávka. Environmental interests that are significant are included in the report, such as landscape ecological stability, protected areas and trees, landscape elements, and areas or sites with historical, cultural, archaeological or geological significance. Climate, air, water, soil, geological and natural resources, fauna, flora and ecosystems, landscape and population of the area are environmental characteristics outlined in the report. The baseline study provides an overall assessment of the environment in the area of interest, Chvaletice and Trnávka.

On March, 23, 2017, Tebodin Czech Republic, s.r.o. (author: Martin Vavron), provided a report, "Localization Services for Scoping Study (Czech Republic)" (Vavron 2017) for Euro Manganese Inc. that identified local requirements and permits

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required for the project. The study reports on the local operating and construction costs, such as reagent and logistic costs, operation consumables, duties and taxes, bulk construction material rates, labour surveys and the supply of electrical energy (tariff structure and quality) for the Chvaletice Manganese Project. Local regulatory requirements discuss the permitting process and Czech environmental regulations, standards and best practices for an Environmental Monitoring and Management Plan (EMMP), including waste water, waste and tailings storage, air, noise and other environmental regulations. A time schedule for the process of an environmental impact assessment (EIA), environmental permits and building permits was provided, which suggests that permitting could take approximately 16 months from the time an Environmental Impact Assessment report and permit application is filed.

The Company has initiated pro-active and regular consultation with community stakeholders, which are expected to intensify as the Chvaletice Manganese Project evaluation and planning advances. Mangan plans to open a Project Information Center in November 2017 in the Town of Chvaletice's Municipal Culture House to provide local residents with opportunities to learn about the Project and to provide feedback and suggestions to Mangan.

Due to the location of the Chvaletice Manganese Project on the shore of the Labe River, there is potential for environmental sensitivities related to run-off and potential impacts to local groundwater. Currently, the Company has knowledge of impacted groundwater due to the historical industrial activity in the area and is being monitored by groundwater wells. Adequate baseline environmental data collection and planning will be required to ensure the effects to the receiving environment of a disturbed project site would be minimized. This baseline work has been initiated, as discussed above, and is ongoing.

3.0 HISTORY

Historically, from 1915 to 1945, several small underground mining operations near Chvaletice produced manganese raw ore and concentrates that were principally shipped to German steel mills. Thereafter, from 1951 to 1975, open pit mining and milling operations occurred for the recovery of pyrite to produce sulphuric acid for the chemical plants in nearby Pardubice which produced the three adjacent tailings deposits.

The following recount was extracted from the Bateria Slany report compiled for the property in 1989. References to Mineral Resources, Reserves or "ore" in this section are historical, have not been directly verified by the QP and cannot be relied upon.

3.1 Mining of Iron Ores

The first mention of iron mining at Chvaletice dates to the year 677. The medieval production of iron in the surrounding area can be linked to the origin of the name of Železné hory (Iron Mountains), whose northwest tip includes the Chvaletice mining district. Mining took place intermittently until the early 17th century. Mining ceased after the Thirty Years' War (1618 to 1648) and resumed at the end of the 18th century.

In the mid-19th century the Česká Montánní Společnost (Böhmische Montangesellschaft) came into the region and was the leading manufacturer of pig iron, the owner of a foundry and rolling mill and the iron mines in the Czech Lands. Zones of iron and manganese deposits at Chvaletice were found to extend over a length of about 12 km, and were relatively well explored. In 1885, mining produced about 400 t of oxide from iron cap containing 20% each of iron and manganese.

3.2 Mining of Manganese Mineralization

Mining was managed by the Pražská železářská společnost (Prager Eisenindustrie-Gesellschaft), which in 1909 took over the mines. Systematic extraction of metal at Chvaletice began in 1915. After mining out the minor gossan occurrences, mining focused on the West side of Chvaletice, where the No. IX underground mine was built. The annual production of manganese ranged between 10,000 and 50,000 t. After World War II, the Pražská železářská společnost was nationalized, and on January 1, 1946, was incorporated into the state enterprise Středočeské uhelné a železnorudné doly (Central Bohemian Coal and Iron Ore Mines). Small-scale, intermittent surface mining of manganese mineralization continued in Chvaletice until 1952.

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3.3 Mining of Pyrite 1951-1975

From 1951 onwards, pyrite mined by open pit methods at Chvaletice became the basic raw material for the production of sulphuric acid. Pyrite in Czechoslovakia had been imported mainly from Rio Tinto in Spain and Boliden in Sweden, and from Yugoslavia after the war. After the Communist putsch in February 1948, the shipments of pyrite iron raw material from Western European countries stopped. Since heavy chemical industry and other downstream industries would be jeopardized, alternative sources were then obtained from pyrite shales from the Chvaletice deposit. In 1949, the No. IX mine was re-organized into a separate national enterprise called Manganorudné a Kyzové Závody Chvaletice (Manganese and Pyrite Enterprise (MKZ)). In the following year, a new processing plant and housing for employees was built. Its operation was officially launched on the occasion of the anniversary of the so-called Victorious February on 25. 2. 1951. Exploration work showed that the processing plant was inappropriately located and obstructed the mining of part of the deposit. The concept of underground mining was abandoned and the mining method changed to open pit mining.

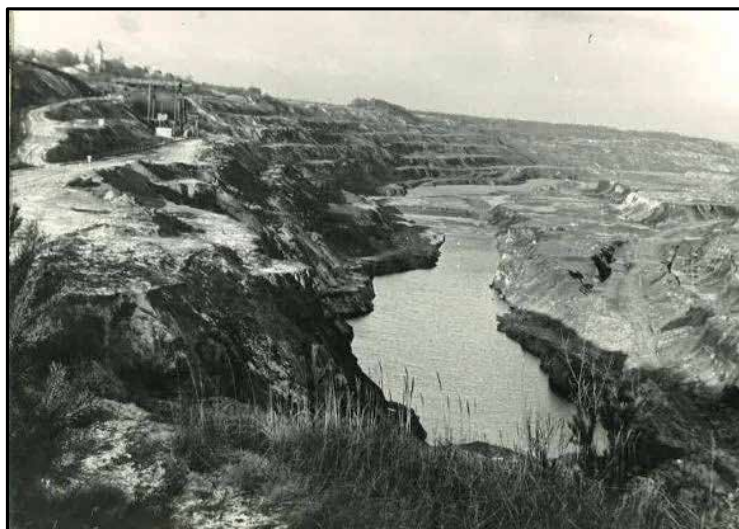
In the years 1958 to 1960 the Czechoslovak chemical industry began to phase-out Chvaletice pyrite for the production of sulphuric acid, preferring imported sulphur from Poland. The economic production of manganese ore could never be achieved, given the low grade of the open pit ore and the metallurgical challenges of producing a concentrate.

In 1975, the production of pyrite concentrate was terminated. The Manganorudné a kyzové závody changed its name to Energostroj and started manufacturing machinery and equipment for the power industry.

During the entire period 1951 to 1975 the open pit reached 2 km long, 700 m wide, and 150 m deep. Over 32 Mt of pyrite was mined and this produced 7,467,000 tonnes of concentrate containing 38.3% of sulphur.

The mining lease for Chvaletice was canceled in 1981. The primary deposit is still recorded as having 108,805 kt potentially economic “Reserves” (according to the current Czech classification) containing 12.86% of total manganese. The residual “Mineral Resource” of pyrite, estimated to be 39,573 kt, with an average of 12.99% sulphur, is not kept in the State's balance sheet.

Photo 3-1: Photo of Original Chvaletice Iron and Manganese Mine, circa 1978



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Photo 3-2: Photo of Original Chvaletice Iron and Manganese Mine, circa 1974



3.4 24BElektrárna Chvaletice (Power Station)

After the closure of the mine, the plant site was used for the construction of a power plant. The site was chosen so that the minimum of agricultural land was used and it was possible to store fly ash in the mined-out pit area. The construction of the power plant was carried out in the years 1973 to 1979. The power plant provided employment opportunities not only for the former employees of the MKZ, but also expanded the population and 172 housing units were built. The waste heat from the power plant continues to be supplied as steam to Chvaletice, Trnávka and the adjacent industrial areas.

To supply the power plant with thermal coal, the river Labe from Mělník was made navigable and the Chvaletice port was built. Regular shipping of approximately 3.5 million tonnes of coal from mines in northern Czech Republic took place from 1977 until 1996, when it was completely transferred to rail.

Chvaletice power station has four generating units with a total installed capacity of 820 MW. The power station stack reaches a height of 303 m, and its cooling towers are approximately 120 m high.

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Photo 3-3: Current Power Plant



Note: The Chvaletice Manganese Project tailings are to the left in the photo and the historical open pit mine is behind the plant (looking southeast).

3.5 Use of Tailings Ponds as a Source of Manganese

The flotation waste was deposited into Cell 1 until 1961, then between 1962 and 1970 into Cell 2, and from 1971 until 1975 into Cell 3. The cessation of the production of pyrite concentrate occurred in 1975.

The waste tailings slurry suspension was placed into the ponds so that the coarser tailings accumulated on the edge, the fine sludge accumulated in the central part of the pond, and water was pumped back into the process plant. The tailings pond has a volume of over 16 Mm³ registered with the State as potentially economic “Reserves” “Chvaletice – tailing ponds No. 1,2” and “Rečany – tailing pond No. 3” with estimated Mineral Resources of 29,996 kt (note: current estimates by Tetra Tech, as documented in Section 11, indicate the volume of tailings exceeds 17 Mm³).

A geological evaluation and technological investigation of the three tailings ponds took place in the years 1985 to 1989 to confirm that the raw materials were available for the manufacture of EMD. The client was the former state-owned manufacturer of batteries, Bateria Slany. An extensive evaluation of the tailings material conducted between April 1986 and July 1988 resulted from their investigation including a “reserve calculation”. Raw data has not been sourced by the Company; however, reporting has been recovered and translated into English for reference. The work was stopped due to the collapse of the communist regime in 1989.

In September 2014, the Ministry of the Environment issued an exploration license over the area, following a public tender, which entitles the holder to carry out further exploration and to possess the mineral rights. The rights to the territory called Trnávka was obtained by GET who then they transferred the rights to Mangan in 2015.

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3.6 Construction of Tailings Facility

Construction of the tailings facilities is believed to have commenced in 1950. Cell 1 was the first facility to have been constructed. Historical documentation has indicated that the cell's foundation is built from local native soils, which were also excavated and compacted to form the original perimeter starter dam. The dimensions of the starter dam are reported to have a trapezoidal cross section being approximately 20 m wide at the base, 5 m wide at the top surface, and with overall height of approximately 3 m. This approach is assumed to be the same for construction of Cells 2 and 3. It is also assumed that the dam raises were constructed in an upstream direction using dried and compacted tailings material. Four drillholes were completed by EMI in the summer of 2017 to test for these historical structures but were not successful in intersecting them.

Perforated decantation towers (approximately 30 m high), were constructed to channel water into a pit at the tailing pond's edge following the sedimentation of the tailings. The tailings were put in place hydraulically. Pipes or gutters transported tailings along the tailing pond perimeter to fill one-half of the pond while the other half dried. Dam lifts were built by bulldozers that scraped dewatered material away from the center of the tailing cells to the edge, after a pond was filled to the brim with tailings.

The elevation of the Labe River and the base of the tailing ponds are similar, around 202 masl (Bpv datum). The perimeter of Cell 1 (26.6 m depth by 500 m by 500 m) and Cell 2 (28.7 m depth by 700 m by 550 m) are irregularly shaped polygons and measurements are approximate. Waste crusher fines from a granite aggregate quarry located near Chvaletice was used to cap, stabilize and reclaim the surfaces of Cell 1 (averaging 1.32 m depth with topsoil) and Cell 2 (averaging 1.23 m depth with topsoil). Cells 1 and 2 are mostly vegetated with grasses, and their embankments were planted with trees and grasses.

Construction of Cell 3 did not reach full capacity and reclamation was not fully completed; however, stands of young birch and aspen trees are most prevalent on Cell 3. This cell abuts the northern toe of Cell 1 and is covered with approximately 0.2 m of overburden material. An exception is in the southern area of Cell 3 where there is some old municipal waste and partial backfills of tailings from iron and manganese mineral extraction in Chvaletice.

Evaluation of the location and size of these historical starter dams is recommended for future drilling campaigns.

3.7 History in Dates

Table 3-1 sets a chronological order of events related to mineral resource extraction near the Chvaletice region.

Table 3-1: Chronology of Mineral Resource Extraction in the Chvaletice Region

est. 677	▪ According to the legend in the Hájek Chronicle dated 1541, iron was discovered at Chvaletice in 677
1143	▪ The founding of the Sedlec Monastery, which includes the village of Telčice (a part of today's Chvaletice) in addition to other possessions
1393	▪ The first written mention of the fortress Chvaletice
1845	▪ Start of the railway Prague - Pardubice
1858	▪ The Mining Court in Kutná Hora vested to Count Kinsky a mine area at Chvaletice consisting of four mineral claims
1886	▪ Česká montánní společnost (Böhmische Montangesellschaft = Bohemian Mining Company) asks for the conferring of the mining areas Karel (Charles) and Nadeje (Hope)
1909	▪ Pražská železářská společnost (Prager Eisenindustrie-Gesellschaft = Prague Iron Company) takes over the mines in Chvaletice mining district
1915	▪ Ferro manganese mining by Pražská železářská společnost until 1945

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1946	▪ Pražská železářská společnost was nationalized and incorporated into n. p. Středočeské uhelné a železnorudné doly (Central Bohemian Coal and Iron Ore Mines)
1949	▪ Founded n. p. Manganorudné a kyzové závody Chvaletice (MKZ, Manganese and Pyrite Enterprise)
1951	▪ The ceremonial opening of the secondary mining school – because underground mining actually never started, the school never served its purpose, and today is a secondary school of agriculture
1951	▪ The new MKZ pyrite mining and processing plant started
1952	▪ Manganese mining was discontinued
1973	▪ The new Power Plant Chvaletice construction began
1975	▪ Pyrite mining ended and the reorganization of the MKZ to Energostroj Chvaletice
1977	▪ Start of transport of thermal coal on the Elbe water way
1977	▪ Start of trial operations at Chvaletice power plant
1979	▪ Full operations at Chvaletice power plant
1981	▪ Chvaletice obtained Town status
1981	▪ Chvaletice mining lease expired
1989	▪ The end of three years of studies by Bateria Slany
1996	▪ All transport of coal to the power plant was switched to rail
2013	▪ The state controlled power company CEZ sells Chvaletice power plant to Severní Energetická Společnost for 4.12 billion crowns
2014	▪ GET granted the exploration license Trnávka for the exploration survey of manganese deposit in the tailing ponds Nos. 1 to 3
2015	▪ License transferred to Mangan
2015	▪ The Company initiates preliminary studies of the Chvaletice Manganese Project, whose goal is to recycle the Chvaletice tailings to produce EMM.
2016	▪ The Company acquires Mangan

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4.0 GEOLOGICAL SETTING AND MINERALIZATION

The following discussion is included for context of the geological setting of the original bedrock material that was mined and processed to form the tailings material that is the subject of this report. Due to grinding and flotation processes, none of the original textures that would have characterized the in situ rocks will have been preserved in the tailings material.

Mineralogy, specific to the tailings material, is discussed in Section 4.2.

4.1 Regional Geology

The original Chvaletice bedrock deposit is situated to the south of the CMP by approximately 1 km. Fly ash and other waste products have been used to backfill the original open pit which covers the majority of exposed bedrock. Here, the bedrock is Proterozoic in age and is comprised of deformed granitic crystalline and overlain meta-sedimentary rocks of the Bohemian Massif, in the marginal area of the Central Bohemian Region.

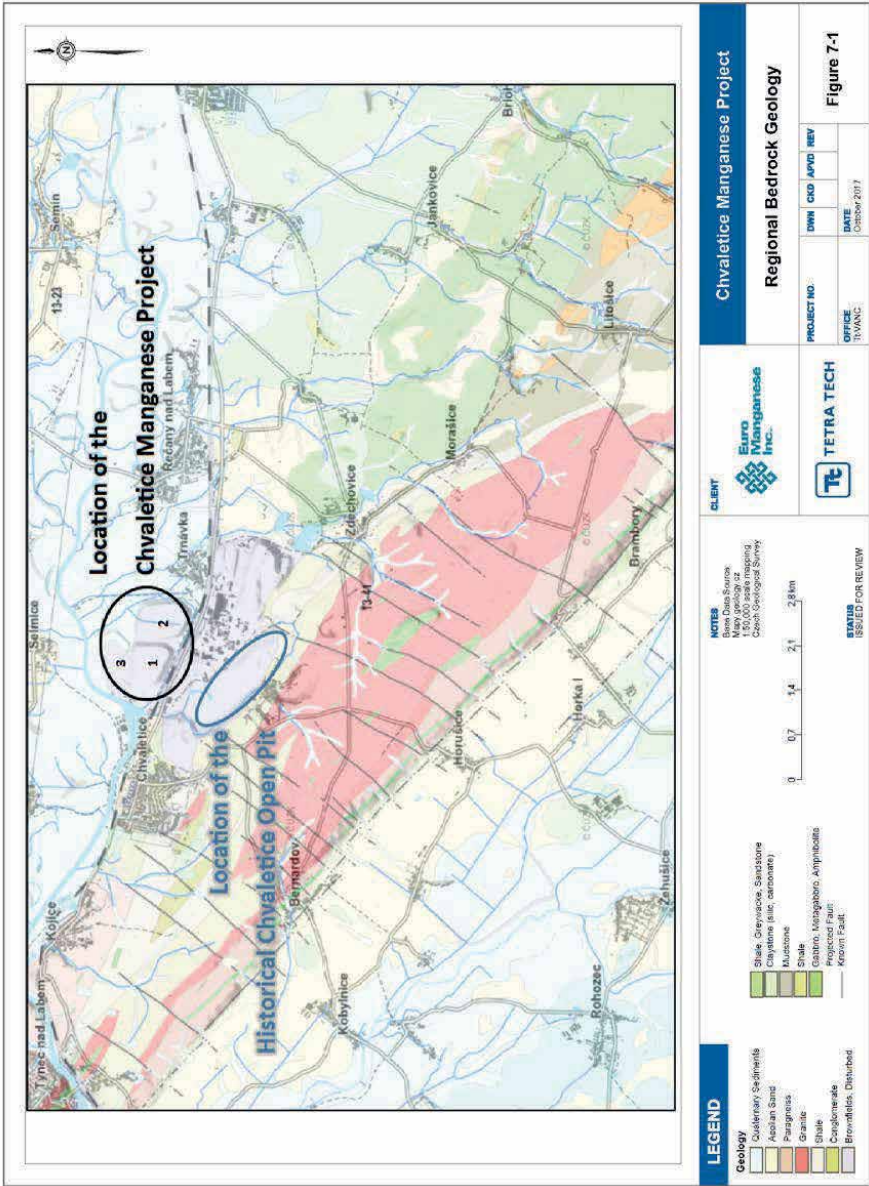
In the Proterozoic, basement rocks were overlain by the seafloor turbidite sequence off from the continent of Gondwana. Here, the thick layers of fine sediments were deposited in deeper areas of the sea, periodically redeposited by huge subaquatic slumps. At the same time, subaquatic volcanic activity was taking place, associated with extrusions of lavas and ascent of hot geothermal fluids. These fluids enriched the host rocks with sulphur, iron and manganese.

At the end of the Proterozoic, rearrangement of lithospheric plates resulted from the Cadomian Orogeny, with related deformation and development of deep tectonic fracture zones. Magma and hydrothermal fluid ascent through fractures thermally affected the ambient rock domains forming weak to moderately metamorphosed phyllitic shales and greywackes. Intense folding and faulting of the sediments was developed during the orogeny as shown in the historical cross section schematic in Figure 4-1. The meta-sedimentary rocks were cut by dykes and sills which are preserved along the northeastern slopes of Zelezne Hory (Iron Mountains) between Týnec nad Labem Chvaletice and Zdechovice. Locally, a lens-shaped body locally called the Chvaletice Massif is composed of this Proterozoic granite and underlies the area south of Chvaletice and Zdechovice. The granite contains brittle deformation zones, altered to a variable degree. The rock is extracted in two quarries and is utilized as aggregate.

Other pyritic and manganiferous mineralized bodies are aligned along a trend that extends from the western edge of the municipality of Chvaletice to the nearby village of Sovolusky forming a 12 km long belt. In the western part, it creates a synclinalorium, while towards the east it has developed into irregular zones that are intruded with porphyries. The maximum thickness of the pyritic schist in the western part is about 90 m, while the minimum is approximately 30 m, thereby with an overall average of thickness of some 60 m.

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Figure 4-1: Regional Bedrock Geology

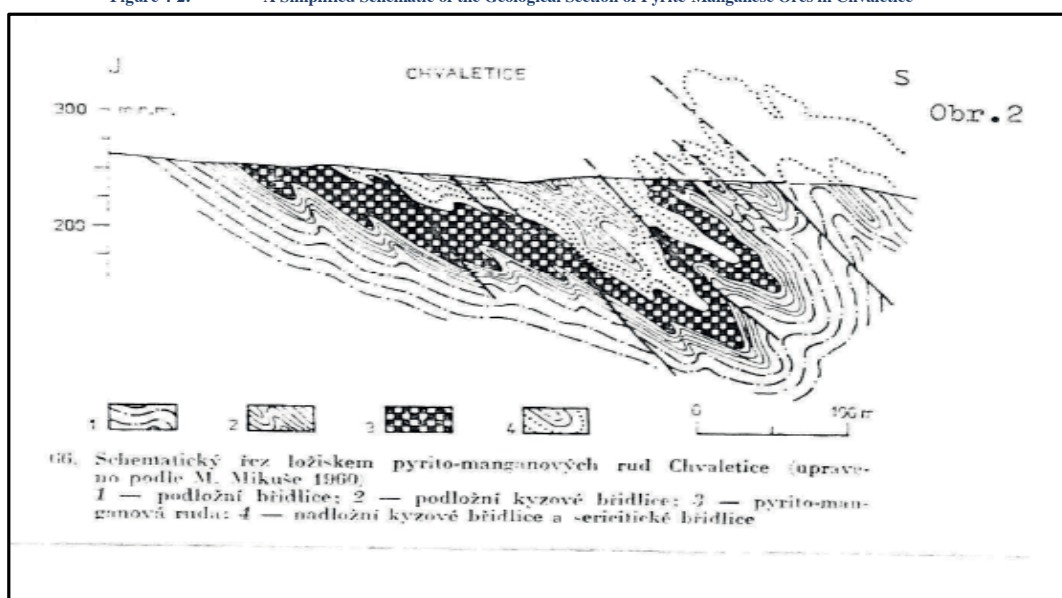


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The syngenetic Chvaletice deposit of pyrite-manganese mineralization is hosted by the intensely southwesterly directed folded and moderately metamorphosed Neoproterozoic sediments located to the north of the southeasterly trending contact with granite. To the northeast, the sediments are overlain by younger Palaeozoic and Cretaceous strata.

Terrestrial fresh-water to marine claystones, siltstones, sandstones, and conglomerates of the Upper Cretaceous immediately underlie the CMP tailings deposits.

Figure 4-2: A Simplified Schematic of the Geological Section of Pyrite-Manganese Ores in Chvaletice



Notes: The 1) underlying schist; 2) underlying pyrite schist; 3) pyrite-manganese "ore" (black hatch pattern); and 4) overlying pyrite schist and sericite schist.

Source: Mikuš (1960)

4.2 Local Geology

The Chvaletice bedrock deposits of iron and manganese mineralization constitutes one horizon in the meta-sedimentary stratigraphy with variable mineralogy laterally from west to east with variable proportions of carbonate and silicate minerals. Through mineral processing during historical mining operations, these minerals have been reduced in size and partially blended by grinding and flotation processes.

Through depositional processes, these mineral particles were distributed throughout the tailings facilities by sedimentation from suspension in a tailings slurry. Thin beds of sediment will have been deposited laterally with a gradation from coarse to fine particles away from the point of deposition. It is then interpreted that grain size and moisture content may have more similarity with materials in a vertical sense and have more variability in a lateral sense. Whereas, mineral and grade distribution, being related more to the process rather than deposition, is interpreted to have more similarity with materials in a lateral sense and less direct similarity with materials in a vertical sense.

XRD and SEM-EDS analyses was completed by Met-Solve on behalf of the Company in 2016 using the samples collected from test pits in 2015. The analysis identified the main manganese bearing minerals were rhodochrosite (MnCO_3), and kutnohorite ($\text{Ca}(\text{Mn}^{2+}, \text{Mg}, \text{Fe}^{2+})(\text{CO}_3)_2$) which forms a series with dolomite and ankerite. These were

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classified as the principle Mn-carbonate minerals. Additionally, the presence of trace quantities of Mn-silicates such as sursassite (a manganese bearing sorosilicate), and oxides such as pyrolusite (a manganese dioxide (MnO₂) and kurchatovite (calcium-magnesium-manganese-iron borate (Ca(Mg,Mn,Fe²⁺))B₂O₅) were identified. Pyrite was noted to be the primary form of sulphide mineral, with concentrations in the samples between 5-9%. Gangue mineralogy consists of primarily quartz with moderate amounts of plagioclase, feldspars, micas, and apatite. Low concentrations (less than 5%) of kaolinite clay mineral was identified

From recent whole rock lithogeochemical analysis conducted on the 2017 drilling samples, total sulphur concentration in the tailings averages approximately 3.1% which is sourced from sulphide, sulphate and organic origin. Total carbon concentrations averages approximately 3.4%, which includes contributions from graphite, organic and carbonate origins.

5.0 DEPOSIT TYPES

On the world scale, the most important manganese minerals are oxides, including pyrolusite, a manganese (IV) oxide (MnO₂). Other economically important manganese ores usually show a close relationship to the iron ores. Land-based resources are large but irregularly distributed. About 80% of the known world manganese resources are in South Africa, with other important manganese deposits found in Ukraine, Australia, India, China, Gabon and Brazil. Deposits in China are known to be numerous, with low manganese content, but generally are relatively small.

On a purely descriptive basis, manganese ores can be classed as sediment-hosted, volcanic-hosted, or karst-hosted. Chemical distinctions among these types include:

- much higher silicon dioxide (SiO₂) in volcanic rock-hosted deposits, which likely reflects a more oceanic setting with important contributions from pelagic radiolaria and diatoms
- higher phosphorus pentoxide (P₂O₅) in sediment-hosted deposits, which may be related to upwelling
- strong enrichment of barium (Ba) and lead in karstic deposits, enabled by the open tunnels in the structure of cryptomelane-group minerals.

The mineralization found in tailings at the CMP deposited by manmade processes following grinding and flotation processes of black pyritic shale and is therefore not characteristic of a traditional manganese deposit. The material can be physically characterized as a compacted soil, with varying degrees of particle sizes from clay to coarse sand.

There is sorting of the flotation waste by grain size and weight, resulting from the sedimentation from the edge to the center of the tailing pond (based on other tailing pond borehole sludge studies (Novotny et al. 1972). Subsequently, three zones of grain sizes in the tailing pond can result with:

- an outer zone of fine-grained sand and silty sand
- a central zone of alternating sandy laminae with the outer and inner zone types, and
- an inner zone comprised of silt to slightly clayey silt (finest material of all zones).

This typical zoning results from an aquatic environment in the inner zone, fluctuation of water level during sluicing operations within the central zone, and a gentle slope (1.5%) with no water during sluicing at the outer zone (Bateria Slany, Chapter 2, 1989).

6.0 EXPLORATION

The Company has been conducting exploration and investigation on the Property since 2014, during which time multiple investigations have been conducted to sample and characterize the chemical and physical subsurface

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conditions of the tailings materials and surrounding ground. A summary of exploration work by year is included in the following subsections, and as shown in Figure 10-1.

6.1 Hand Auger Sampling, 2014

Four shallow (2.0 to 2.5 m) hand auger drillings were collected for assay and grain size test work from the periphery of the tailings deposits on November 7, 2014. The samples were identified as T1 to T4.

Results of the program indicated that total and soluble manganese assay results were comparable to those results reported historically by Bateria Slany (1989), but the sampling was considered to be indicative and not representative of the entire deposit with respect to grade and particle size distribution (AMEC, 2016).

6.2 Test Pit Sampling, 2015

In 2015, two test pitting programs were conducted using an excavator to collect samples at greater depth, and with more volume than the previous hand auger program. Four pits, identified as T5 to T8, were dug down between 1.8 and 3.1 m deep at the periphery of the cells on November 11, 2015, and three additional pits, identified as T9 to T11, were dug to between 2.5 and 3.8 m deep at the center of each of the cells on December 14, 2015.

Again, results of the program indicated that total and soluble manganese assay results were comparable to those results reported historically by Bateria Slany (1989). With deeper sampling, the small particle size of the tailings in the center of the tailings was identified to be a potential issue for dewatering and further work was recommend (AMEC 2016).

6.3 AMEC Foster Wheeler Scoping Study, 2016

With results from the 2014 and 2015 sampling programs, a process evaluation report was completed by AMEC in September 2016, which considered a potential flowsheet for processing of the tailings with production of high purity, selenium-free EMM. The results of the study were positive and were used to develop a strength-weakness-opportunities-threats (SWOT) analysis. A list of detailed recommendations were presented for further material characterization and metallurgical test work to de-risk and refine the processing flowsheet.

6.4 Seismic and Resistivity Geophysical Survey, 2017

In July of 2017, the Company commissioned a geophysical survey over the tailings. A total of 6.6 km lines of high-resolution electric resistivity tomography (ERT) and seismic refraction was conducted by Glmpuls Praha spol. s.r.o.

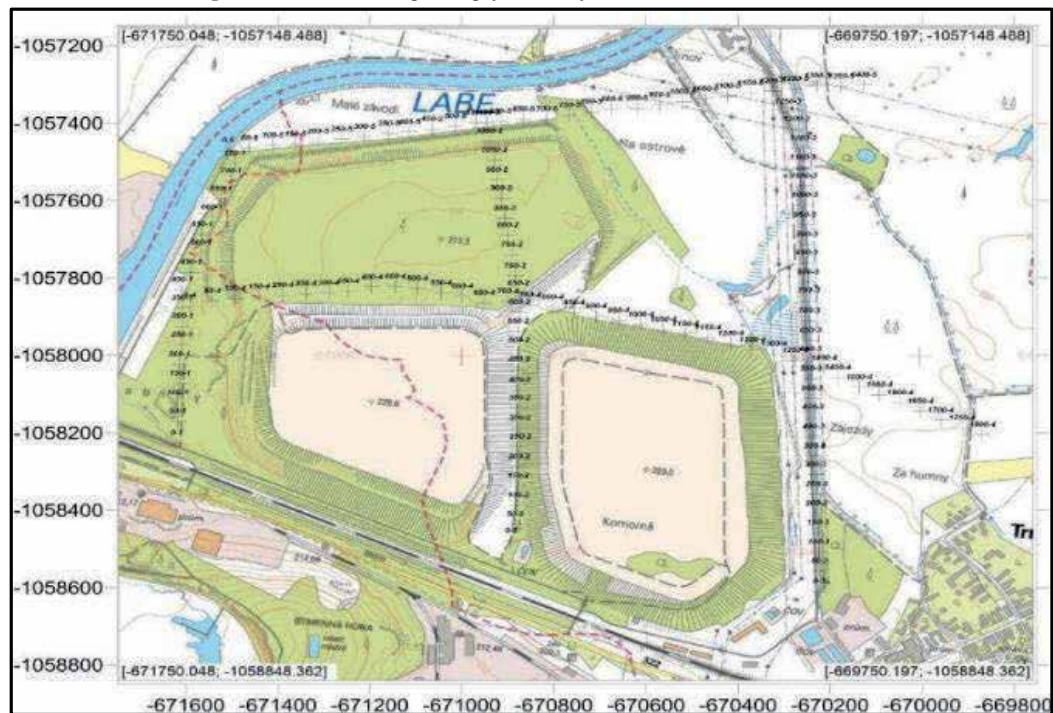
The purpose of the survey was to enhance the geological knowledge of the area with response from sub-horizontal geological components underlying the surface and to evaluate structures down to a maximum depth of the first tens of metres.

Initial results from ERT measurements show mostly very low resistivity with a maximum of 10 Ω m. According to typical geological ERT results, this may indicate the presence of electrically conductive clay in the rocks (in this case, sandstones with conductive glauconite).

Alternatively, or additionally, the lower measured resistivity values can be attributed to a massive presence of groundwater in the rocks, which, combined with the presence of the chemical infusions from the tailings, could cause low resistivity values. This theory is supported by the results of the seismic refraction that detected bedrock at depths of roughly 5 to 10 m with velocities of approximately 2,000 to 3,000 m/s.

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Figure 6-1: Plan Map of Geophysical Survey Lines and Measurement Stations



6.5 Bulk Sample, 2017

A highly-representative bulk sample weighing approximately fifteen tonnes was collected using a Sonic drill rig from tailings materials during the 2017 drilling investigation. The material was the 75% split of the core samples collected, as discussed in Section 8. The samples were packed individually in plastic sample bags and steel barrels, and shipped via rail to the CRIMM laboratory in China. Further description of the bulk sample analyses is discussed in Section 10.

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7.0 DRILLING

The drilling and sampling program was carried out between June 12, 2017 and July 19, 2017 utilizing advanced sonic rig technology provided by Eijkelkamp SonicSampDrill B.V. and crews from Giesbeek, the Netherlands. The program was supervised in the field by Chris Baldys, P.Geo. (BC), a non-independent QP at the time of the investigation.

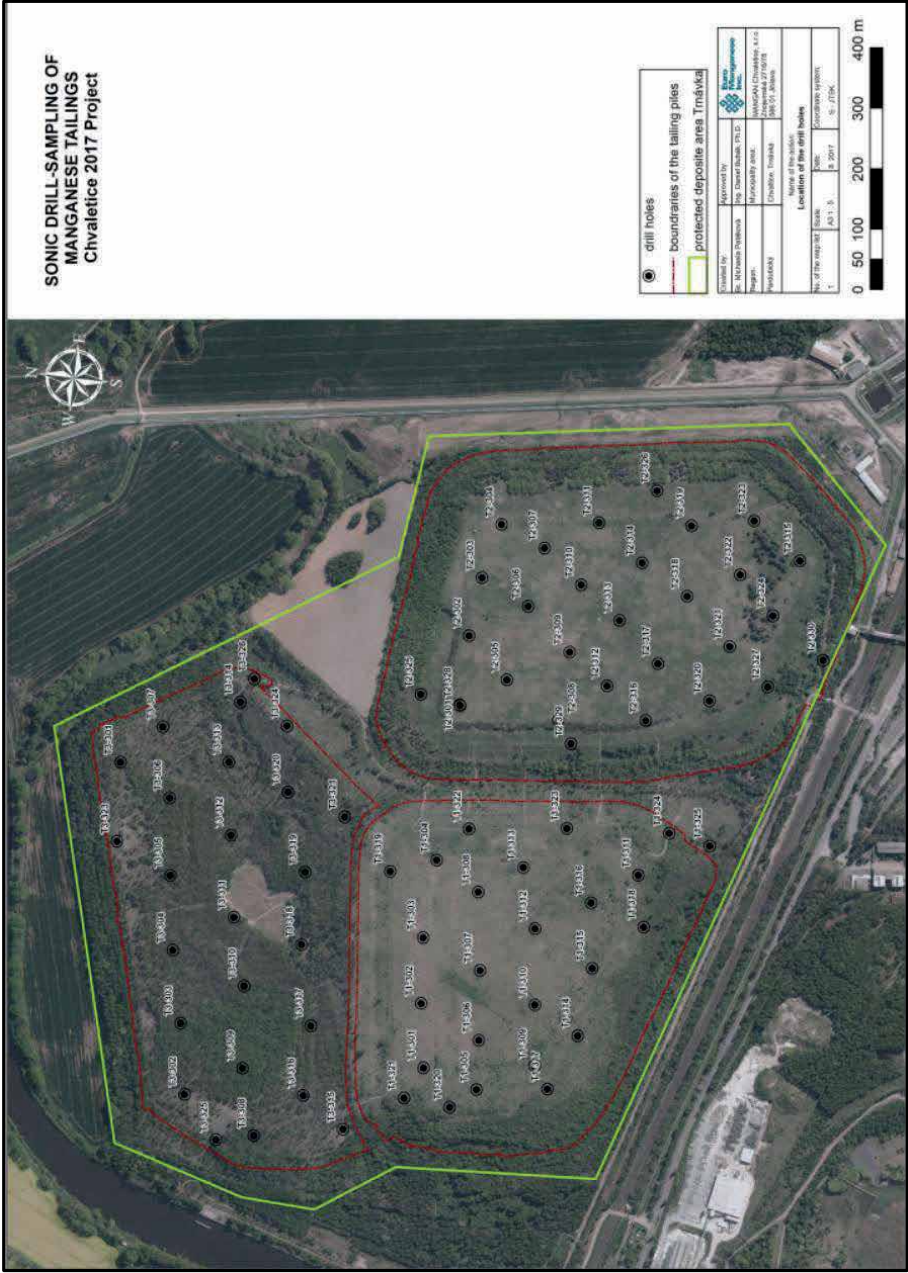
A total of 1,679.3 m was drilled in 80 holes, using 100 mm diameter size rods and sonic core barrel advance (Figure 7-1). Twenty-five holes totaling 629 m were completed on Cell 1, 30 holes totaling 755.3 m were completed on Cell 2 and 25 holes totaling 295 m was completed on Cell 3. All holes were drilled vertically; no downhole surveying was completed. Figure 7-2 shows the drill hole layout. Drill holes were spaced evenly at approximately 100 m centers throughout the upper bench of each cell, encompassing a combined area of 1.2 km x 1.2 km (Figure 7-1).

Coring progressed using 2 m core runs. No casing was installed and drill rods were pulled for each core run. Minor caving and pooling of water is assumed to have occurred on re-entry; however, this material accumulated in the hollow core rods above the core barrel and is believed to have had minimal effect on the integrity of the recovered sample. This material was dumped on surface adjacent the borehole and has been collected by Mangan for future evaluation if required.

Access to the embankment slopes around the perimeter of the tailings was limited due to safety and not included in this phase of investigation. To verify the composition of the embankments, four additional drill holes (T1-324, T1-325, T2-330 and T3-326) were collared on access ramps. Each hole intersected a layer of topsoil with average thickness of approximately 1 m, manganese bearing tailings material, and terminated in native basal soils at an elevation consistent with surrounding drillholes. Based on these drill results, the presence of manganiferous tailings material was confirmed within the perimeter embankment, and based on the elevation of the basal soil contact, the historical starter dyke was not identified at these locations.

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Figure 7-1: Plan View of Drill Collar Layout, 80 Holes Totalling 1,679.3 m at Chvalatice Manganese Project



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8.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

The sample preparation and analysis program described in this section was developed by the Company for the 2017 drilling campaign, with input from Tetra Tech, and implemented in the field by technical personnel employed by the Company. The program was designed to evaluate chemical and physical characteristics of the tailings material for the purposes of mineralogy; Mineral Resource estimation; and hydrogeological, geotechnical, metallurgical, and process engineering.

Samples were analyzed and tested for manganese and elemental assay, lithogeochemistry, particle size distribution, mass, moisture content, paste pH and EC and specific gravity. Wet and dry in situ bulk density was calculated based on core recovery measured in the field, along with the sample mass and moisture data measured at the lab.

The program is summarized in the following bullet points and details of the analysis are included in the subsequent sections.

- 755 core samples were recovered and recorded for analyses and material characterization
- 108 control samples were generated internally by the Company to monitor commercial lab performances
- 21 laboratory duplicates were generated by the primary lab (SGS) for review and analysis
- Sample wet mass, recovery, moisture, magnetic susceptibility and geological data were logged at the drill sites by a qualified team of geologists
- Photographs of each core sample were taken for additional reference
- Shipment to analytical labs was done in accordance with chain of custody
- Analysis for multi-element assay with aqua regia and four acid digestion (inductively coupled plasma (ICP) and AAS) and fusion-XRF
- Particle size distribution test work with laser diffraction, and sieve/hydrometer
- Wet and dry mass, and moisture measurements were collected in field and lab (used for bulk density calculation)
- Specific gravity by pycnometer measured in the laboratory.

The primary lab selected for sample analysis was SGS with facilities in Lakefield, Canada, and Bor, Serbia. The lab, formerly Société Générale de Surveillance, is a multinational company headquartered in Geneva, Switzerland which provides inspection, verification, testing and certification services.

Comparative particle size analysis by sieve and hydrometer methods was completed at GeoTest located in Brno, Czech Republic.

The analytical program is summarized in Figure 8-1, which shows the sample handling and analysis flowsheet. Photos 8-1 and 8-2 show core recovered from holes T1-318 and T-312 representing unsaturated materials near the edge of the deposits and saturated materials near the core of the tailings deposits, respectively.

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Photo 8-1: Core Photos from Drill Hole T1-318, from Depths 1-2 m, 19-20 m and 24-25 m

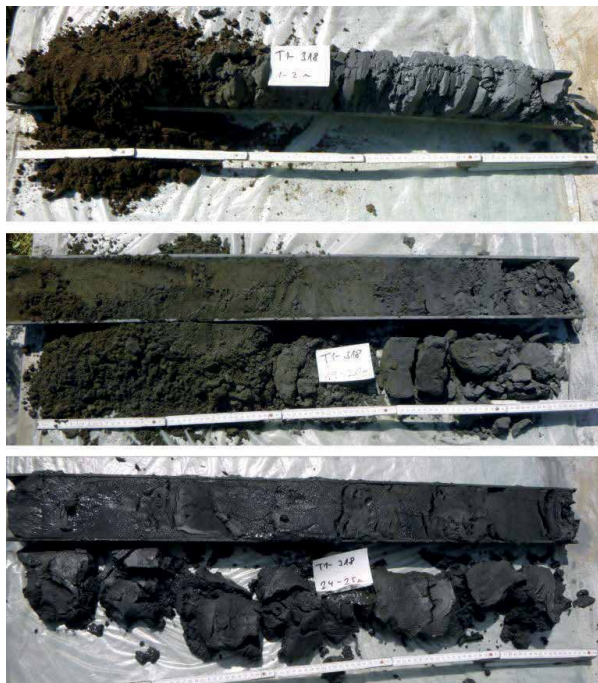


Photo 8-2: Core Photos from Drill Hole T1-312, from Depths 3-4 m, 9-10 m and 23-25 m



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8.1 Sample Collection

Cores samples were collected continuously from the lower topsoil contact to the base of the tailings material at the subsoil contact. Sampling included only tailings material and excluded the upper topsoil and lower subsoil materials. A total of 755 samples with a combined wet weight of 23,521 kg were collected, representing 1,497.8 m of cross stratigraphy tailings material.

The drilling was advanced on 2 m core runs. The core was extracted from the core tube in 1 m intervals into half cylinder core trays. These sub-samples were logged geologically and field measurements were collected. Field measurements included sample wet mass, recovery, moisture and magnetic susceptibility. Core logs and field measurements were recorded on-site and later merged into a digital database.

Core recovery was measured on one metre sub-samples and ranged from 45 to 110%. Some loss of material was encountered during flushing of drill pipes and likewise some elongation of core resulted due to plasticity if the material at certain locations in the deposit.

Each one metre sub-sample was then quarter split (25:75) using a cutter along the length of the core axis (Photo 8-3) to preserve the in situ material distribution; the samples were not homogenized in the field. The 25% split was bagged and recombined with the corresponding quarter split from the other remaining one metre core run sub-sample. The 75% split was also bagged and recombined with the corresponding 75% core run sub-sample. Identification tags were included with each sample before the bags were sealed.

Photo 8-3: Sample Collection



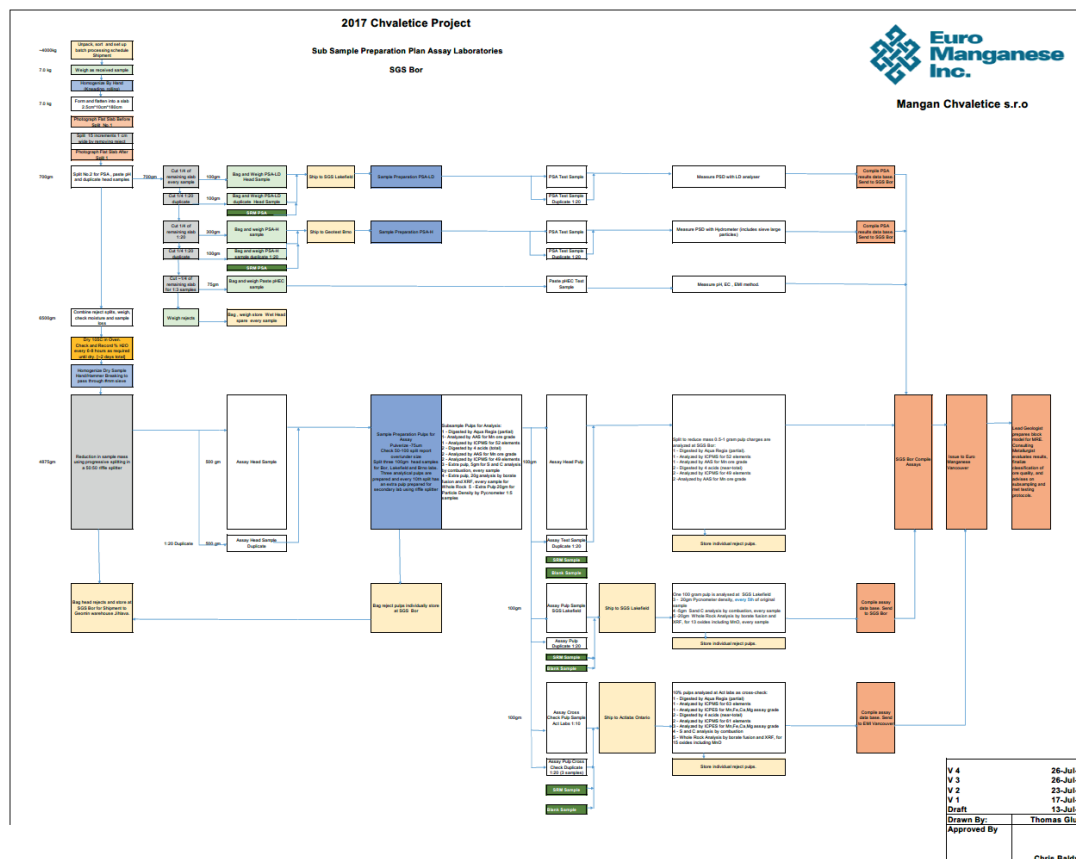
Notes: a) 1 m core run sub-sample, b) and c) half and quarter splitting of core in field, d) sealed sample bags (bulk samples)

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The 25% split samples were assembled for assay and particle size analysis (“assay samples”). The samples were delivered to SGS located in Bor, Serbia, in two shipments, then divided into 19 analytical batches at the lab (7 and 12 batches per shipment respectively). The samples remained in custody of the Company personnel until being delivered by a commercial logistic company to SGS.

The 75% split samples were collected for the purposes of a bulk sample and advanced metallurgical testwork (“metallurgical samples”). These samples were collected at a field warehouse which is managed by Geomin in Jihlava, inventoried, placed into 54 sealed steel drums strapped to pallets which loaded into a 40 ft. shipping container at the shipping warehouse in Hamburg.

Figure 8-1 - Subsampling and Analysis Flowsheet Developed by EMI for 2017 Drill Investigation



8.2 Laboratory Preparation and Sample Splitting

Assay samples received at SGS Bor were weighed (wet) and homogenized by hand using the “Japanese slab cake method” of kneading and rolling the sample. The homogenized sample was rolled out into a slab approximately 10cm by 180 cm and 2.5 cm thick, as shown in Photo 8-4.

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Photo 8-4: Example of Sample Splitting by the Wet Japanese Slab Cake Homogenization Method



A first split was achieved by forming fifteen smaller slabs from the original sample volume by cutting and removing the reject from around the perimeter of the slabs.

A quarter of each of the small slabs was cut from one to make about 100 g of head sample. This split was not dried and was sent for laser diffraction particle size analysis (PSA-LD) at SGS in Lakefield, Canada. 1:20 duplicates were sent to Geotest Brno for comparative hydrometer particle size analysis (PSA-H). Approximately 75 g of materials as extracted for pH and electrical conductivity (EC) measurement using a paste pH method.

The remaining slab material was dried at 105°C and homogenized using standard lab methods.

The wet cut method was selected to preserve the in situ state of the particles for PSA-LD. The total mass of material extracted from the PSA-LD, PSA-H, paste pH and electrical conductivity (EC) splits was approximately 500 g.

Duplicate splits which are master head assay duplicates were again taken 1:20 for heterogeneity/sampling error monitoring. These are identified as “lab duplicates” in the QA/QC assessment in Section 8.9.3.

All reject materials from the PSA splits were recombined, weighed and dried. Moisture content of the sample was determined from the moisture loss measured at this stage of preparation. The sample was again homogenized and approximately 1 kg of material was extracted for assaying. These samples were pulverized to -75 µm.

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The remaining head rejects were bagged, inventoried and shipped for storage at the Geomin field warehouse in Jihlava.

8.3 Assay

A total of 863 assay samples, of approximately one kilogram each (except for 50g certified reference standards), were delivered to SGS in Bor, Serbia, for assay. The samples were submitted for the analyses listed in Table 8-1. The assay methods were selected to measure total elemental concentration in addition to measuring partial digestion concentrations of manganese as a proxy for “soluble manganese”. Total manganese refers to the results of the four acid digestion methods, and soluble manganese refers to the results of the aqua regia digestion.

A tailings material samples exceeding 10,000 ppm manganese, which is the upper detection limit of the inductively coupled plasma-mass spectrometry (ICP-MS) equipment and were submitted for ore grade analysis.

Table 8-1: Tabulated Description of Analytical Methods used for Assay of Tailings Sample

Digestion	Finish	SGS Method	Description
Aqua Regia	ICP-MS, AAS	IMS14B, AAS15Q	52 elements, analysis for “soluble” manganese
Four acid	ICP-MS, AAS	IMS40B, AAS42S	49 elements, analysis for “total” manganese
Borate fusion	XRF	GO_XRF76V	Total digestion lithogeochemistry
Combustion	LECO or SC632	GE_CSA06V	Inorganic carbon and sulphur assay

8.4 Particle Size Analysis

Particle size distribution throughout the deposit varies significantly due to the processed nature of tailings slurry material and the dynamics during deposition and particle settlement. Grain size may significantly influence the engineering process that is developed for the Chvalětice Manganese Project. As regrinding of the tailings is not envisaged, understanding of particle size distribution is considered a critical variable for the deposit.

The primary method for particle size distribution analysis was by laser diffraction technology (PSA-LD) in a Malvern Mastersizer located at SGS in Lakefield, Canada (SGS method ME-LR-MIN-MET-SC-A03) using wet material. This equipment is able to analyze particle sizes from 0.02 to 2,000 µm, which is ideal for very fine materials such as silt and clays. A total of 830 PSA-LD results were received, which included 720 primary tailings samples. An additional 76 sample duplicates were submitted by the Company, 5 sample duplicates prepared internally by SGS, and 31 internal QC standards.

Particle size distribution analysis was also conducted through sieve and hydrometer methods, using the European standard International Organization for Standardization (ISO) TS 17892-4, at GeoTest located in Brno, Czech Republic. The method includes passing dried material through standard screens, with the smallest screen size at 0.063 mm. Fractions passing this screen are classified as silt and clay and subjected to hydrometer testing. A total of 93 samples were submitted for hydrometer tests.

Grain sizing used for the Chvalětice Manganese Project incorporates both North American standard ASTM D-422 and the European standard ISO14688-1 / -2.

8.5 Lithogeochemistry

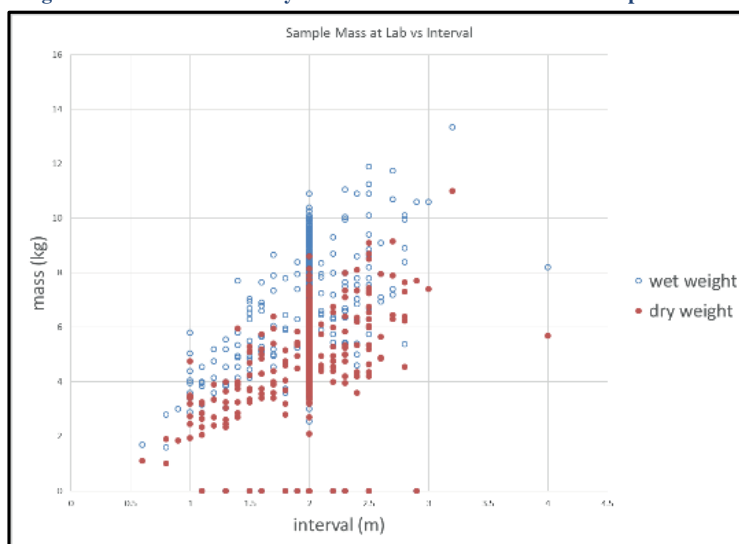
Lithogeochemistry was conducted at SGS in Lakefield Bor using lithium borate fusion with XRF detection of 12 major oxides. A total of 714 samples, excluding certified reference standards, were submitted for analysis.

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8.6 Moisture and Mass

Mass was measured in the field as wet mass on one metre core run sub-samples, and also as wet and dry mass at the SGS laboratory in Bor in Serbia on the 25% split samples which represented the full 2 m core run sample size. Figure 8-1 depicts the relationship between wet and dry mass measured at SGS in Bor with the total represented sample interval length.

Figure 8-1: Wet and Dry Mass Measured at SGS Bor vs. Sample Interval



Approximate moisture content was measured in the field using a Delta-T MT3 soil moisture sensor, and at SGS in Bor from the assay samples that were received. The field moisture measurement approximated values ranged from 4% to 33%, with average value of 17.9%. Comparatively, laboratory moisture was calculated from the mass lost after wet samples were dried with values ranging from 5.6% to 27.4%, with average value of 17.4%.

8.7 Specific Gravity

Specific gravity analysis was conducted at SGS Bor on splits from the assay sample using method ME-LR-MIN-MET-DS-A01. The pycnometer tests results are directly proportional to the individual densities of the mineral grains in the sample and are only weakly indicative of in situ bulk density. The pycnometer specific gravity results ranged from 2.90 to 3.28 with average value of 3.05.

8.8 Bulk Density

Calculation of in situ dry bulk density was based on core recovery estimated in the field and the dry mass weights measured at SGS Bor. Further description of in situ bulk density calculation is included in Section 11.3.6.

8.9 Quality Control of Laboratory Analysis

A systematic QA/QC program was designed in connection with the drill-sampling and analytical work. The program consists of the following:

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- insertion of additional 15.7% control samples (CRMs, duplicates, and blanks) inserted into the analytical stream to monitor the performance of the labs
- access to internal QC data generated by the labs
- re-analysis or repeat of the test work on batches and samples that fail the QC criteria.

A total of 755 samples were shipped to SGS for elemental analysis. This included 695 assays, 3 CRMs (33 analyses), 35 blanks and 41 field duplicates. The laboratory included 21 additional lab duplicates. This resulted in a total of 884 assay results reported to EMI.

8.9.1 Certified Reference Materials

A total of three CRMs were inserted in sequence with the samples that were shipped to SGS in Bor. The name of the samples was recorded on the sample tag and was delivered to the lab as a blind sample with composition unknown to the lab. CRM insertions assess the accuracy of the analysis being performed and are intended to be present at a rate of at least one CRM per sample batch. Batch sizes at SGS included approximately 45 samples per batch, including field and laboratory QC sample insertions.

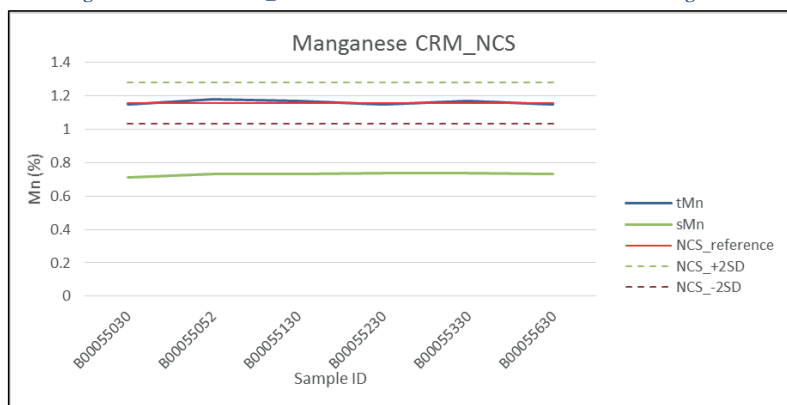
Three reference materials were selected by EMI at the onset of the program to be used as standards: as described in the following sections.

8.9.1.1 Certified Reference Material – NCS

The NCS reference was supplied by China National Analysis Center for Iron and Steel. The source material is not disclosed in the material datasheet. The expected mean manganese (II) oxide grade of 1.49% (1.154% manganese) and standard deviation of 0.08%.

This sample accounted for seven analyses. Figure 8-3 shows the performance of the standard, where total manganese grade falls within the confidence interval of ± 2 standard deviations. Soluble manganese values falls below the confidence interval, as expected, with good correlation to the total manganese values.

Figure 8-2: CRM_NCS Performance Plot for Total and Soluble Manganese



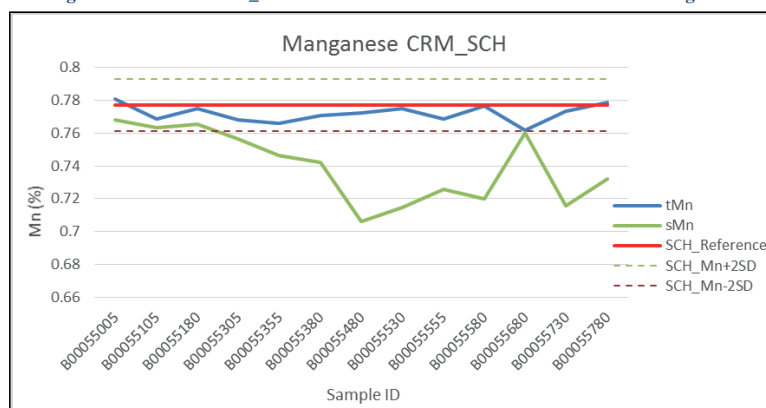
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8.9.1.2 Certified Reference Material – SCH

The SCH-1 reference was supplied by the National Research Council of Canada CANMET and was prepared from iron ore as hematite with various hydrous oxides of iron from the Schefferville Mine in Quebec, Canada. The expected mean manganese grade is 0.777% with standard deviation of 0.008%.

This sample accounted for thirteen analyses. Figure 8.4 shows the performance of the standard, where total manganese grade falls within the confidence interval of ± 2 standard deviations. Soluble manganese values falls below the confidence interval, as expected, with somewhat variable correlation to the total manganese values.

Figure 8-3: CRM_SCH-1 Performance Plot for Total and Soluble Manganese

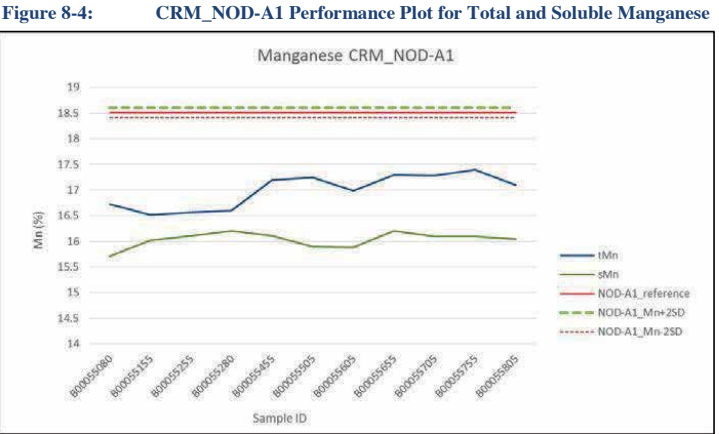


8.9.1.3 Certified Reference Material – NOD-A1

The NOD-A1 reference was supplied by the United States Geological Survey and was prepared from Atlantic Ocean seamount manganese nodules from the Blake Plateau. The expected mean manganese (II) oxide grade is 23.9% (18.51% manganese) with standard deviation of 0.065%.

This sample accounted for eleven analyses. Figure 8-5 shows the performance of the standard, where total manganese grade falls below the confidence interval of standard deviations and soluble manganese values falls further below with good correlation to the total values. This performance failure has been identified by others (Cullen et al. 2013) whereby it was concluded that “the primary meta-borate fusion and ME-ICP06 analytical package did not provide sufficient extraction of manganese and iron to match reference material results that were based on XRF analysis”. This CRM is not believed to be a suitable reference standard for control of exploration data as the results of this control measure are considered highly susceptible to analytical method. The materials do not assess, with validity, the digestion and equipment calibration used in this program’s analysis.

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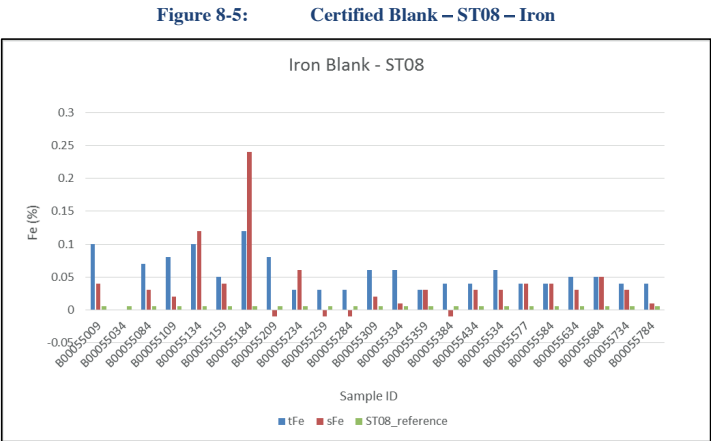


8.9.2 Blank Analyses

8.9.2.1 Certified Blank – ST08

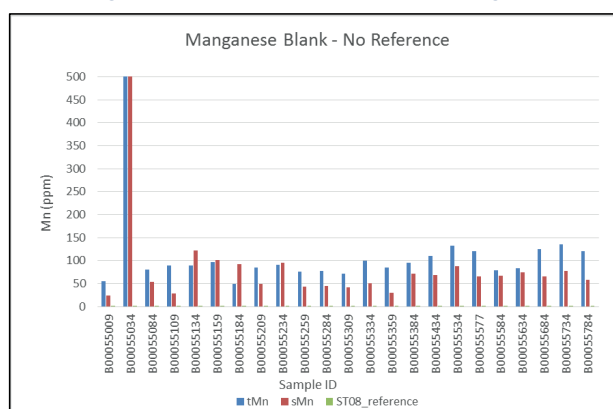
The ST-08 Certified Blank was supplied by Sklopisek Strelec, Czech Republic, as a high purity silica sand with low impurity concentration. The standard was manufactured for grain size distribution analysis and reports an expected manganese concentration; however, this is expected to be negligible.

This sample accounted for twenty-three analyses. Figures 8-6 and 8-7 show the performance of the standard for iron and manganese concentrations. One sample failure (B00055034) was observed for manganese with a concentration of 0.77%. The remaining concentrations were below 150 ppm. This ambient concentration may be due to residual manganese within the grinding equipment, but it was determined to be insignificant. Overall sample failure is less than 5% which is interpreted by the QP as acceptable.



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Figure 8-6: Certified Blank – ST08 – Manganese

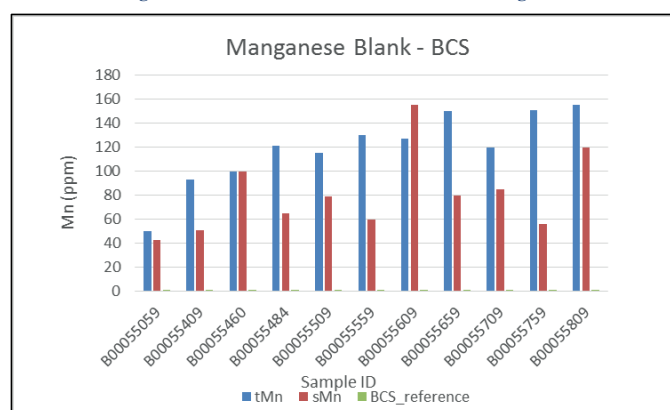


8.9.2.2 Certified Blank – BCS

The BCS certified blank was supplied by Bureau of Analysed Samples Ltd, based in England, prepared as low iron sand that passes a nominal 250 µm aperture. The standard has a “certified value” of 0.00014 MnO% with 95% confidence interval of 0.0003%.

This sample accounted for eleven analyses. Figures 8–8 and 8-9 show the performance of the blank for manganese and iron concentrations. The manganese concentrations were below 150 ppm. This ambient concentration may be due to residual manganese within the grinding equipment, but it was determined to be insignificant.

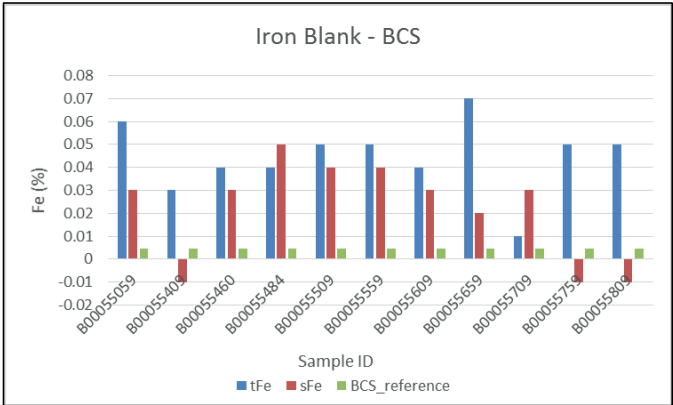
Figure 8-7: Certified Blank – BCS – Manganese



The certified blank, BCS, (green) is consistently shown as having less Mn% than the total manganese, tMn, (blue) or soluble manganese, sMn, (red).

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Figure 8-8: Certified Blank – BCS – Iron



8.9.3 Lab Duplicates

Lab duplicates represent those samples analyzed in duplicate internally by the lab as a blind duplicate. The results of the lab duplicate assays allow for pairwise assessment of analytical reproducibility, or precision.

A total of 20 pairs of lab duplicates were collected, with 16 result pairs for soluble manganese and 18 result pairs for total manganese. In the assay database, each pair was identified with the same sample number with one labelled with DUP as suffix and the second with no suffix. The duplicate sets were evaluated using simple linear regression and the Pearson’s coefficient, and also for relative percent difference (RPD) as a measure of precision. An RPD of less than 10% within 90% confidence interval is considered to be a reasonable variation for evaluation of the quality of the data.

Figure 8-10 shows the duplicate regression for soluble manganese (sMn) and Figure 8-11 shows the regression for total manganese (tMn) against a 1:1 unity line in red. The soluble manganese regression indicated a slope of 1.0049 with Pearson’s coefficient of 0.83, mainly due to one outlier. Total manganese indicated a slope of 0.9423 with Pearson’s coefficient of 0.97.

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Figure 8-9: Linear Regression of Soluble Manganese Assay Lab Duplicate Results

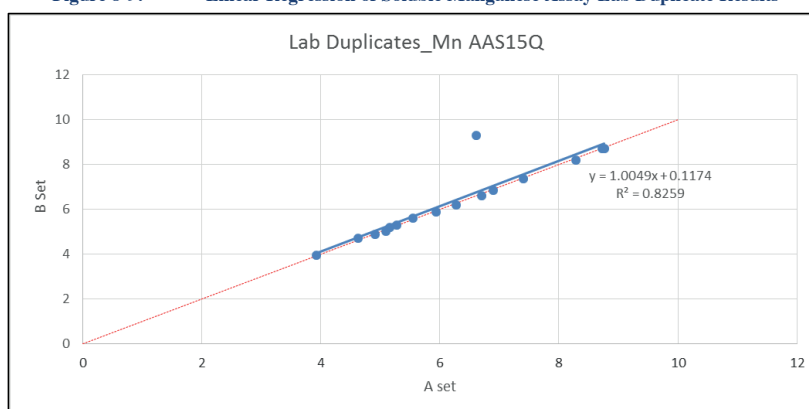
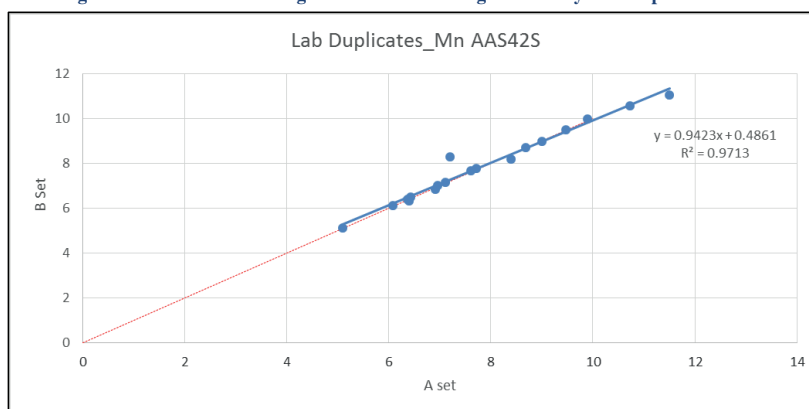


Figure 8-10: Linear Regression of Total Manganese Assay Lab Duplicate Results



RPD analysis of the field duplicates results for soluble manganese shows 15 of 16 pairs with a value of less than 1.72% and one sample pair with value of 33.82%. RPD analysis of the lab duplicates results for total manganese show 17 of 18 pairs with a value of less than 3.99% and one sample pair with value of 14.19%. A greater precision was observed for the total manganese assays.

8.9.4 Field Duplicates

Field duplicates represent those samples collected by EMI field staff at the drill and delivered to the lab as a blind duplicate. The results of the field duplicate assays allow for pairwise assessment of analytical reproducibility, or precision.

A total of 41 pairs of field duplicates were collected with reportable results. In the assay database, each pair was identified with the same sample number with one labelled with A as suffix and the second with B as the suffix. The A and B sets were evaluated using simple linear regression and the Pearson's coefficient, and also for RPD as a measure of precision. An RPD

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of less than 10% within 90% confidence interval is considered to be a reasonable variation for evaluation of the quality of the data.

Figure 8-12 shows the duplicate regression for soluble manganese (sMn) and Figure 8-13 shows the regression for total manganese (tMn) against a 1:1 unity line in red. The soluble manganese regression indicated a slope of 0.9174 with Pearson's coefficient of 0.94, and total manganese indicated a slope of 0.9977 with slope of 0.98.

Figure 8-11: Linear Regression of Soluble Manganese Assay Duplicate Results

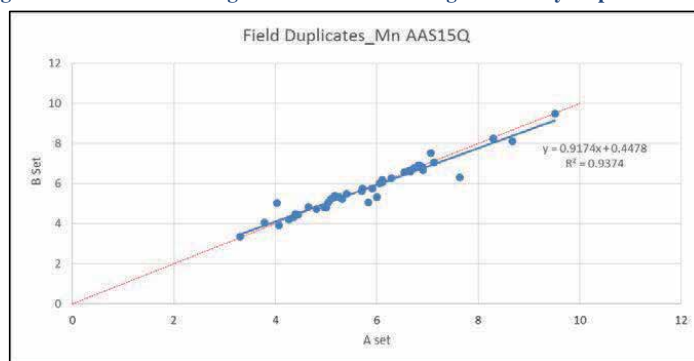
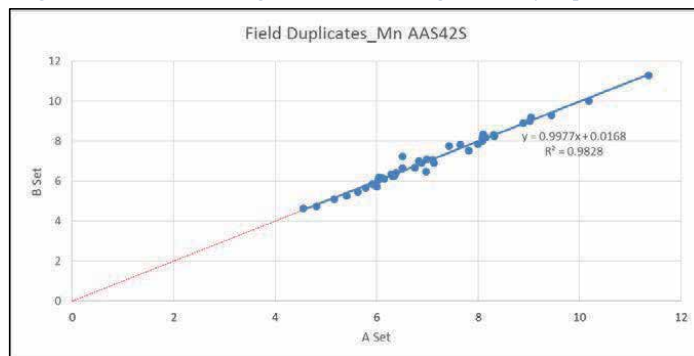


Figure 8-12: Linear Regression of Total Manganese Assay Duplicate Results



RPD analysis of the lab duplicates results for soluble manganese show 37 of 41 pairs with a value of less than 6.90% and four samples pair with values between 11.64% and 22.47%. RPD analysis of the lab duplicates results for total manganese show 40 of 41 pairs with a value of less than 7.43% and one sample pair with value of 10.48%. A greater precision was observed for the total manganese assays.

8.9.5 SGS Re-Analysis

Upon initial receipt of the laboratory data, instances were observed by EMI whereby concentrations of soluble manganese exceeded the reported concentrations of total manganese. As this is technically not possible, re-analysis of three batches was requested by EMI and completed by SGS. The re-runs were comprised of a split of the pulverized and homogenized sample.

Results of the re-analysis reduced the occurrence of soluble manganese exceeding total manganese to two samples, both of which were blank control samples at or below the detection limit.

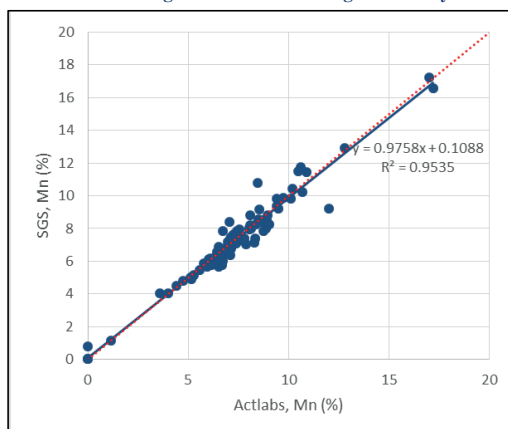
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8.9.6 External Laboratory Assay Verification

An external laboratory was selected by EMI to replicate the assay procedure for verification of assay splits that were prepared at SGS following initial receipt, drying, weighing and pulverizing of the sample. A total of 89 samples were shipped to Actlabs, located in Ancaster, Ontario, Canada. Comparison of total manganese grades from Actlabs with the SGS results are shown in Figure 8-14, and comparison of the soluble manganese grades are shown in Figure 8-15.

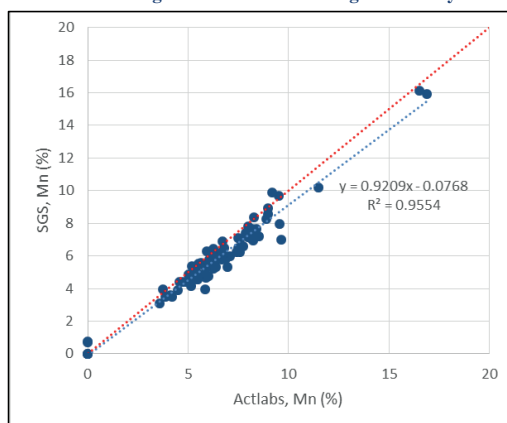
The results of the External Laboratory Verification indicate a reasonable comparison for both the total (4-acid) manganese and soluble (aqua regia) manganese data. Total manganese values show a slight scatter around a linear regression with Pearson's coefficient of 0.95, and slight bias to the Actlabs data with and slope of 0.98. A total of 14 total manganese grades, representing 16% of the data, showed RPD values of greater than 10%. Soluble manganese values show a slight scatter around a linear regression with Pearson's coefficient of 0.95, and slight bias to the Actlabs data with and slope of 0.96. A total of 46 soluble manganese grades, representing 51% of the data, showed RPD values of greater than 10%.

Figure 8-13: Linear Regression of Total Manganese Assay from Umpire Lab



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Figure 8-14: Linear Regression of Soluble Manganese Assay from Umpire Lab



Linear regression of the external laboratory assay verification supports the manganese grades reported from SGS analysis, however, RPD analysis suggests some variability exists between the laboratory analyses. This may be caused by heterogeneity in sampling in the field.

8.10 QP Opinion on Sample Collection, Preparation and Analyses

The methods implemented by the Company for sample collection, preparation and analysis were developed with great detail and with reference to applicable ISO and/or ASTM standards in advance of the drilling investigation. The procedures maximize use of sample volumes to measure physical and chemical parameters relevant to current and future project studies. The labs selected by the Company are recognized accredited laboratories which adhere to recognized ISO, ASTM or internally reproducible Standards. The QP feels the collection, analysis and security is reliable and adequate.

9.0 DATA VERIFICATION

9.1 Audit of the Drill Hole Database

9.1.1 Collar Survey and Topography

The Property topography was provided by GET as a MicroStation software format, dgn file, based on LiDAR imagery. The contours were extracted from these files and converted to a common .dxf file format. The original data was provided in Czech projection S-JTSK using the Bpv datum.

Surveying of drill hole collars was completed on-site by GET using a Trimble model R4 GNSS global positioning system (GPS) receiver equipment. The survey was reported in S-JTSK (Bpv), UTM (WGS84) and Lat-Lon (WGS84). It was observed that the average elevation difference between the Bpv and WGS84 datum equaled approximately 44.25 m. The elevation difference for drill hole T3-319 initially was reported as 46.36 m; however, this was later corrected to accurate Bpv equivalent elevation. The project references the S-JTSK (Bpv) coordinate system

A comparison between the corrected collar elevation surveys with the local topographic digital elevation model was undertaken. Of the 80 drill holes completed on the Property a mean deviation in elevation of 0.049 m was calculated between

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the collars and the DEM, with values ranging from -0.348 to +0.580 m. The site survey correlates well with the drill collar survey and is considered of high quality for spatial modelling.

9.1.2 Downhole Logs and Measurements

A drill hole database was compiled by GET using the field logs and measurements collected on-site. This database was inspected using digital validation tools within Leapfrog Geo modelling software. The validation tools assess the data for common errors such as overlapping intervals, major data gaps, drill hole depths versus sample depths, etc. These errors must be corrected prior to modelling to ensure the data is accurately represented.

Errors that were initially identified in the database were mainly due to the consolidated structure of the database that listed data measurements related to intervals for samples (2 m), core runs (1 m) and lithological intervals (variable lengths) on a single master spreadsheet. For modelling purposes, these various interval classes were parsed into three separate data sheets to represent data on 2 m sample intervals, 1 m field measurements, and the logged lithology sub-intervals.

These three subsets were again inspected in Leapfrog for common errors. This resulted in fewer errors which were corrected in the final database.

9.1.3 Geological Database Compilation

Tetra Tech received the raw data from laboratory testwork and analysis. The data was verified for completeness and was then compiled, processed and assessed for use in mineral resource estimation. The analytical data is saved in digital format as a geological database.

9.1.4 Cross Verification of Certificate of Analysis and Digital Data

Tetra Tech undertook verification of the data transfer and compilation process at SGS through visual comparison of the issued certificates of analysis with the digital assay records. This assessment was approached by first comparing the upper 25th percentile of assays reported for total manganese (n = 175), followed by a random spot check of an additional 10% of the remaining data (n = 55). No significant reporting errors were identified.

9.1.5 Independent Check Assay

Two samples were collected by the Tetra Tech QP geologist during the site visit. The samples were extracted as splits from recovered drill core weighing approximately 3 kg, placed in separate plastic bags, labelled with a generic sample identification and zip tied. One sample was extracted from hole T1-312 between depths of 22 and 23 m (EMI sample B00055404, and the second sample was extracted from hole T1-313 between depths of 22 and 23 m (EMI sample B00055416). Each sample weighed approximately 2 kg.

The samples were then transported by the QP to Prague and delivered to the GET office where shipping via DHL was arranged. Upon receipt of the samples in Canada, the packaging, polyethylene bags, zip ties and labelling was inspected. Evidence of tampering was not observed.

The samples were submitted to ALS Laboratories in North Vancouver, Canada, for a selective leach check analysis. The selective leach analysis progressively dissolved the sample in stages using stronger solvents for digestion. Table 9-1 lists the digestion solvent in successive order, and Table 9-2 shows the cumulative percent of the manganese that is dissolved at each stage along with the total manganese grade for the sample. The samples reported 80% and 74% leaching of the total manganese in the first three stages of the selective leach, with the majority of this being dissolved at the aqua regia digestion stage.

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Table 9-3 compares the total and soluble manganese concentrations between the Tetra Tech sampling and the EMI reported results. RPD analysis shows some variability in the assay comparisons with values of between 3% and 16% for soluble, and 1% to 13% for total. The check assay does repeat the general magnitude of the manganese assay value within the SGS results.

Table 9-1: Tabulated Description of Selective Leach Analytical Methods used for Independent Check Assay

Digestion	Finish	SGS Method	Mn Detection Limits
Aluminum Acetate	ICP-MS	ME-MS04	0.05-5,000 ppm
Cold Hydroxylamine-Hydrochloride	ICP-MS	MS05	0.05-5,000 ppm
Aqua Regia	ICP-MS, ICP-AES	MS42	5-50,000ppm
4-Acid	ICP-MS, ICP-AES	MS62	5-50,000ppm

Table 9-2: Cumulative Leaching Results from Selective Leach Analysis

Sample ID	ME-MS04 (cum_Mn%) (%)	ME-MS05 (cum_Mn%) (%)	MS42 (cum_Mn%) (%)	MS62 (cum_Mn%) (%)	Total Mn% (%)
CT1312 (T1-312, 22-23)	6	9	80	100	10.35
CT1313 (T1-313, 18-19m)	7	11	74	100	6.44

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Table 9-3: Independent Check Assay Comparison with EMI Results

	CT1312 (B00055404)	CT1313 (B00055416)
Tetra Tech tMn(%)	10.35	6.44
EMI tMn(%)	10.42	7.36
RPD (%)	1	13
Tetra Tech sMn (%)	9.54	5.16
EMI sMn (%)	8.14	5.30
RPD (%)	16	3

9.1.5.1 Acid-base Accounting

Acid-base accounting (ABA) tests were also performed to measure total sulphide sulphur concentration using LECO furnace and net neutralization potential ratios of the sample. Total sulphide sulphur values for samples CT1312 and CT1313 were measured at 2.48% and 2.45%, respectively, and NPR values were reported as 3.11 and 1.94 (using Sobek method). In accordance with standard methodologies and as per guidelines set forth in MEND 1.20.1, Prediction Manual for Drainage Chemistry from Sulphidic Geologic Materials (Price 2009), NPR values greater than 2 indicate the material is not potentially acid generating, materials with NPR between 1 and 2 have uncertain potential for net acid generation and materials with NPR less than 1 indicate they have potential for net acid generation. Based on these results, sample CT1312 does not have potential for acid generation, and sample CT1313 has uncertain potential for acid generation.

Summary of previous ARD-ML test work is discussed in Section 10.7. The results of the analysis of two samples identified neutralization potential ratios (NPR) of 0.94 and 0.4 indicating that the material has potential for acid generation.

The tailings materials, and their processed by-product, should be fully characterized for acid generating potential.

9.2 QP Opinion on Data Verification

The QP has audited the field data and drilling logs, compared digital analytical data to laboratory certificates, compiled the geological database and conducted independent sample verification following a site visit. The QP is satisfied that the geological database accurately reflects field observations and laboratory analysis and is adequate to support mineral resource estimation.

10.0 MINERAL PROCESSING AND METALLURGICAL TESTING

The Chvalatice Manganese Project plans to recover manganese by reprocessing three adjacent tailings dumps that originated from pyrite mining conducted from 1951 to 1975. The potential recovery methods include:

- pre-concentration of manganese minerals
- acid dissolution and related solid-liquid separation
- pregnant solution purification
- selenium and chromium -free electrowinning to produce high purity, electrolytic manganese metal (EMM)

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- production of high purity manganese sulphate.

Several metallurgical test programs have been carried out to assess the metallurgical responses of the tailings materials. From 1986 to 1989, Bateria Slany, a Czechoslovak state battery producer, undertook extensive metallurgical studies and process design work, focused on the production of electrolytic manganese dioxide (EMD). The latest test programs were undertaken by the Company from 2015 through 2017. The recent metallurgical testing programs are listed in Table 10-1 and the test results are summarized in the sections that follow.

Table 10-1: Metallurgical Test Work Programs

Year	Program ID	Laboratory	Mineralogy	Pre-concentration	Leaching	Others
2015	-	UBC	√			
2016	100301	Kemetco			√	
2016	Eu Mn J0201	Kemetco				√
2016	-	Kemetco		√		
2016	1656	Met-Solve	√	√		√
2017	-	CRIMM		√	√	
2017	16204-001	SGS			√	

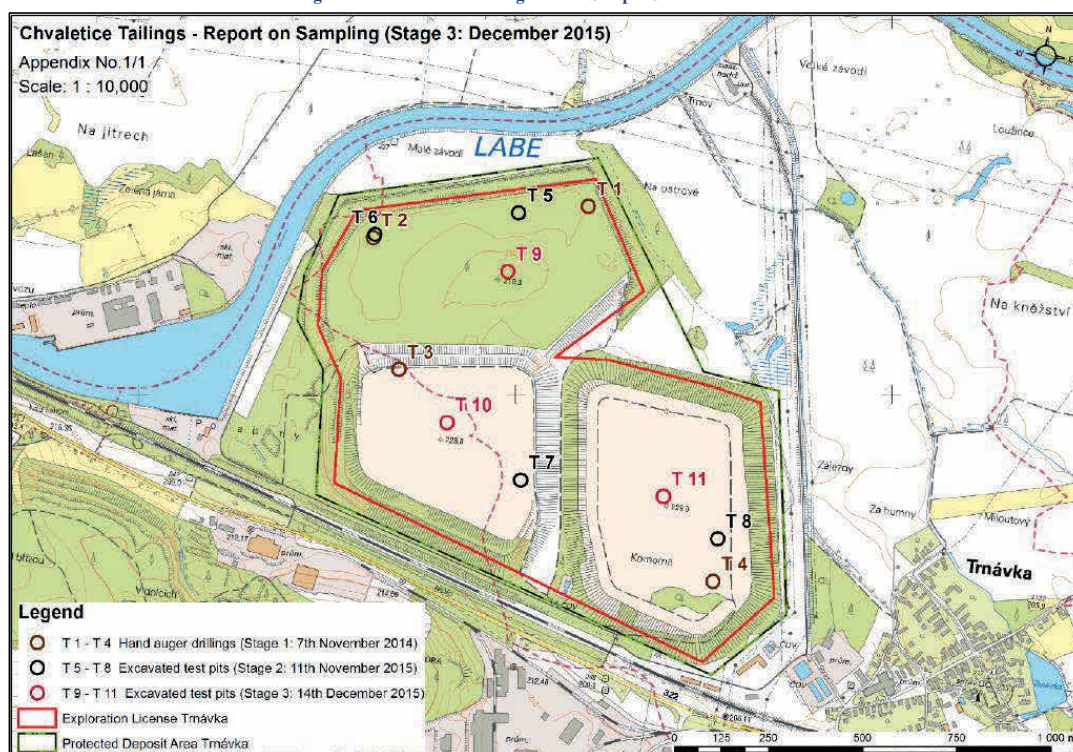
Notes: Global ARD = Global ARD Testing Services Inc.
 Kemetco = Kemetco Research Inc.
 Met-Solve = Met-Solve Laboratories Inc.
 PMC = Process Mineralogical Consulting Ltd.
 UBC = University of British Columbia

10.1 Metallurgical Test Samples

Four phases of sampling have been conducted from the Chvalětice deposit by the Company. A sample collection location map is provided in Figure 10-1.

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Figure 10-1: Metallurgical Test Sample Collection Location



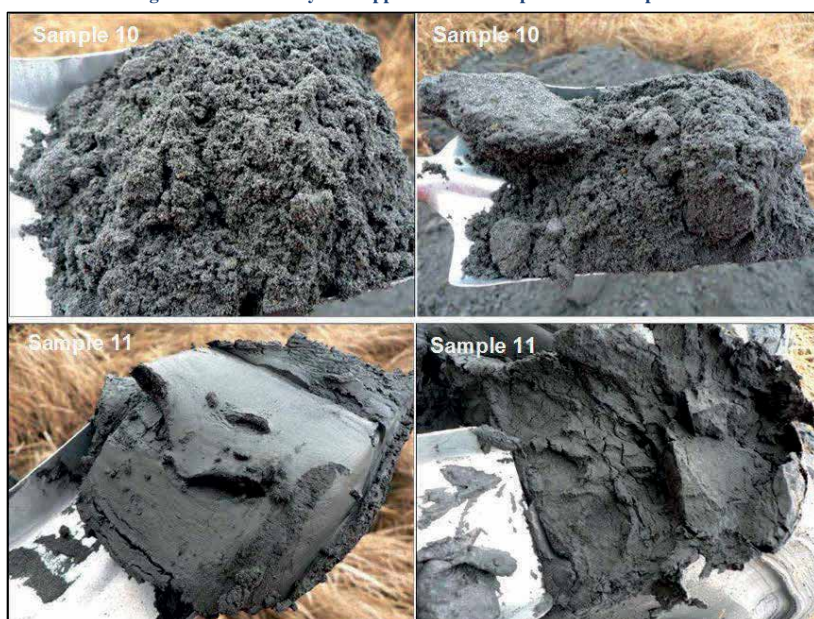
- Samples T1 to T4 (Phase 1) were taken in November 2014 from locations at the periphery of the dumps by hand auger drillings from depths of 2 to 2.5 m
- Samples T5 to T8 (Phase 2) were taken in November 2015 from locations at the periphery of the dumps and from excavated test pits at depths of 1.8 to 3.1 m
- Samples T9 to T11 (Phase 3) were taken in December 2015 from locations at the center of the dumps and from excavated test pits at depths of 2.5 to 3.8 m
- Samples T7a to T10a (Phase 4) were taken in February 2017 from the locations where were labelled as T7 and T10 by the previous sampling program.

All depths reported are inclusive of overburden, typically ranging from 0.3 to 2.0 m in depth.

Figure 10-2 shows physical appearances of the most recent samples recovered from the test pits labelled as Sample 10a and Sample 7a.

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Figure 10-2: Physical Appearance of Sample 10 and Sample 11



10.2 Head Assay and Mineralogy

10.2.1 Phase 1 Samples

The samples collected for the Phase I sampling program were submitted for whole rock assay and multi-element assay. The chemical analysis results are shown in Table 10-2.

Table 10-2: Head Assay Phase I Samples

Sample ID	Assays (%)					
	tMn	sMn	S	SiO ₂	Ca	Fe
T1	9.60	7.69	4.38	41.3	3.81	6.5
T2	7.33	6.14	6.64	44.1	3.48	7.54
T3	10.4	8.71	4.92	38.8	3.49	8.21
T4	5.44	3.59	3.58	47.5	3.34	6.08

Notes: tMn = total manganese; sMn = sulphuric acid soluble manganese

Two tailings samples identified as Sample 3 and Sample 4 were preliminarily analyzed by quantitative phase XRD at UBC. The minerals identified and their contents are presented in Table 10-2.

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Table 10-3: Quantitative Mineral Analysis

Mineral	Ideal Formula	Sample 3 (%)	Sample 4 (%)
Quartz	SiO ₂	30.3	33.6
Clinocllore	(Mg,Fe ²⁺) ₅ Al(Si ₃ Al)O ₁₀ (OH) ₈	1.4	2.4
Kaolinite	Al ₂ Si ₂ O ₅ (OH) ₄	2.7	3.8
Muscovite	KAl ₂ AlSi ₃ O ₁₀ (OH) ₂	4.2	9.8
Plagioclase	NaAlSi ₃ O ₈ – CaAlSi ₂ O ₈	6.0	14.4
K-feldspar	KAlSi ₃ O ₈	1.4	1.8
Gypsum	CaSO ₄ ·2H ₂ O	0.9	2.4
Anhydrite	CaSO ₄	0.5	0.8
Rhodochrosite	Mn ²⁺ CO ₃	29.3	10.2
Spessartine	Mn ³⁺ Al ₂ (SiO ₄) ₃	7.2	7.8
Siderite	Fe ²⁺ CO ₃	-	1.1
Ankerite-Dolomite	Ca(Fe ²⁺ ,Mg,Mn)(CO ₃) ₂ /CaMg(CO ₃) ₂	0.7	1.4
Hydroxylapatite	Ca ₅ (PO ₄) ₃ (OH)	7.0	4.3
Pyrite	FeS ₂	8.4	5.5
Marcasite	FeS ₂	-	0.6
Total	-	100.0	100.0

The analysis shows that rhodochrosite is main manganese bearing mineral; some of the manganese occurs in silicate minerals. The main gangue mineral is quartz. Pyrite is the main sulphide mineral, accounting for approximately 5 to 9% of the total minerals.

10.2.2 Samples Tested at Met-Solve

In late 2015, three manganese bearing tailings samples were received by Met-Solve. The samples were assayed and the main elements are shown in Table 10-4.

Table 10-4: Head Assay Phase II and II Samples

Sample ID	Assays (%)						Particle Size 80 % Passing (µm)
	tMn	sMn	S	SiO ₂	Ca	Fe	
CH*	7.83	-	4.70	43.17	3.81	6.95	147
T5-T8 Composite	6.68	5.88	4.47	47.20	4.15	6.48	151
T9-T11 Composite	7.01	5.88	2.13	45.07	3.77	5.21	47
T9	6.30	5.72	2.04	43.58	3.73	4.88	-
T10	7.20	5.87	1.64	46.93	3.26	5.07	-
T11	7.53	6.04	2.71	44.70	4.32	5.67	-

Note: *CH = Phase I sample

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The head assay shows that the manganese contents range from 6.3 to 7.8%, with approximately 86% of the total manganese as acid soluble form. There is a significant difference in particle size distribution between Composite T5-T8 and Composite T9-T11. Composite T5-T8 with a particle size of 80% passing 151 µm is much coarser than Composite T9-T11 with a particle size of 80% passing 47 µm.

Composites T5-8 and T9-11 were separately submitted to PMC for chemical analysis and mineralogical analysis using the Tescan Integrated Mineral Analyser system, equipped on the Tescan Vega 3 Scanning Electron Microscope with Energy Dispersive X-ray detectors (SEM-EDS). The composites were sized into three size fractions (+38 µm, -38 to +20 µm, and -20 µm). The determination results are shown in the following subsections.

10.2.2.1 Composite T5-T8

The chemical analysis results by size fractions are shown in Table 10-5. Although the finer than 20 µm fraction shows slightly higher manganese content and slightly lower calcium and iron contents, there is no significant variation in metal concentrations among the size fractions.

Table 10-5: Head Assay by Size Fraction Sample T5-T8

Fraction	Mass (%)	Content (%)			Distribution (%)		
		Ca	Fe	tMn	Ca	Fe	tMn
+38 µm	75.0	3.56	6.86	6.70	76.7	77.4	73.5
-38 µm to +20 µm	8.2	3.38	6.79	6.77	8.00	8.41	8.15
-20 µm	16.8	3.17	5.60	7.49	15.3	14.2	18.4
Head (Calc)	100.0	3.48	6.64	6.84	100.0	100.0	100.0
Head (Assay)	-	3.17	5.60	6.65	-	-	-

Mineralogical determination results are shown in Table 10-6 and summarized below:

- Manganese is mainly present as rhodocrosite (MnCO_3) and as kutnohorite $\text{Ca}(\text{Mn,Mg,Fe}^{2+})[\text{CO}_3]_2$ (Mn-carbonates) with lesser amounts as sursassite $((\text{Mn,Ca})_4(\text{Al,Mg,Mn}^{3+}\text{Fe}^{3+})_6(\text{Si,Al})_6(\text{O,OH})_{22}(\text{OH})_6)$, pyrolusite (MnO_2) and kurchatovite ($\text{Ca}(\text{Mg,Mn,Fe}^{2+})\text{B}_2\text{O}_5$) (grouped as Mn-silicate minerals).
- Manganese-carbonates have a grain size of 80% passing approximately 80 µm with significant amounts occurring as liberated and middling grains (approximately 70%), lesser amounts are present as sub-middling and locked grains. The manganese-carbonate liberation data are shown in Table 10-7
- The manganese-carbonates are mainly in complex associations with three or more minerals in a particle. These often include other carbonates, quartz and feldspars, or manganese-silicate minerals.
- Pyrite is the primary sulphide mineral present in the sample and is mainly present as grains having a particle size of 80% passing 70 µm and distributed in liberation across all categories.

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Table 10-6: Mineral Abundance (Weight Percent) by Size Fraction Sample T5-T8

Minerals	Size Fraction			
	+38 μm	+20 μm	-20 μm	Total
Quartz	35.2	36.6	28.3	34.2
Plagioclase	12.3	11.9	17	13.0
Kutnohorite	10.6	10	6.44	9.87
Pyrite	9.54	7.84	4.7	8.58
K-Feldspar	6.60	4.31	6.41	6.38
Apatite	4.19	4.51	6.25	4.56
Muscovite	3.75	2.83	8.34	4.45
Rhodocrosite	4.16	4.12	3.32	4.02
Sursassite	2.93	6.63	2.94	3.23
Other Silicates	1.48	1.29	2.19	1.58
Calcic Siderite	1.41	1.89	1.2	1.41
Clays	1.29	0.63	2.14	1.38
Chlorite-Mg	0.58	0.95	3.17	1.05
Dolomite	1.02	1.25	0.88	1.01
Pyroxene	0.65	0.61	1.3	0.76
Amphibole	0.69	0.46	0.95	0.71
Biotite	0.58	0.59	0.76	0.61
Other Sulphides	0.40	0.86	0.86	0.51
Ankerite	0.42	0.31	0.37	0.40
Ilmenite	0.32	0.48	0.67	0.39
Calcite	0.34	0.57	0.33	0.35
Gypsum	0.45	0.06	0.04	0.35
Garnet	0.20	0.12	0.42	0.23
Pyrolusite	0.20	0.3	0.27	0.22
Magnetite	0.19	0.37	0.29	0.22
Other minerals	0.22	0.2	0.15	0.21
Kurchatovite	0.18	0.18	0.33	0.20
Bustamite	0.11	0.11	0.05	0.10
Total	100	100	100	100

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Table 10-7: Mn-Carbonate Liberation by Grouped Categories – T5-T8

Minerals	Size Fraction			
	+38 μm	+20 μm	-20 μm	Total
Locked	8.6	3.8	1.7	7.4
Sub-Middling	25.1	13.4	8.3	22.1
Middling	37.9	26.4	16.4	34.4
Liberated	28.4	56.4	73.6	36.1
Total	100.0	100.0	100.0	100.0

10.2.2.2 Composite T9-T11

The results of the analysis for Composite T9-T11 are shown in Table 10-8 and Table 10-9 and are summarized as follows:

- Similar manganese minerals were determined from Composite T9-T11, compared to Composite T5-T10
- Manganese-carbonates (rhodocrosite and kutnohorite) have a grain size of 80% passing approximately 20 μm with significant amounts occurring as liberated and middling grains (approximately 86%), lesser amounts are present as sub-middling and locked grains. The sub-middling category remains substantial at this grind size and a finer grind will likely release more manganese-carbonate minerals improving liberation. The manganese-carbonate liberation data are shown in Table 10-10.
- Manganese-carbonate occurrence with the other minerals is similar to Composite T5-T8
- At the manganese-carbonate grain size of 80% passing approximately 20 μm , pyrolusite appears much finer with a particle size of approximately 10 μm while manganese-silicates are slightly coarser with a particle size of approximately 30 μm
- Pyrite is the primary sulphide mineral present in the sample and is mainly present as liberated grains having a particle size of 80% passing 25 μm

Table 10-8: Head Assay Size Fraction Sample T9-T11

Fraction	Mass (%)	Assay (%)			Distribution (%)		
		Ca	Fe	Mn	Ca	Fe	Mn
+38 μm	26.4	3.45	5.42	5.54	25.8	24.6	23.7
-38 +20 μm	8.9	3.37	5.76	5.43	8.45	8.76	7.79
- 20 μm	64.7	3.59	6.00	6.54	65.8	66.7	68.5
Head (Calc)	100.0	3.53	5.83	6.18	100.0	100.0	100.0
Head (Assay)	-	3.40	5.10	5.29	-	-	-

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Table 10-9: Mineral Abundance (Weight Percent) by Size Fraction Sample T9-T11

Minerals	Size Fraction			Total
	+38 µm	+20 µm	-20 µm	
Quartz	39.7	38.4	30.7	33.8
Plagioclase	14.8	11.3	15.1	14.7
Kutnohorite	9.84	11.6	9.36	9.69
K-Feldspar	5.68	3.93	6.78	6.24
Apatite	4.52	5.52	6.87	6.13
Muscovite	3.17	3.09	6.72	5.46
Rhodocrosite	4.95	6.42	3.65	4.24
Pyrite	4.87	5.3	3.38	3.95
Other Silicates	1.72	1.85	2.61	2.30
Sursassite	2.46	3.6	2.02	2.28
Chlorite-Mg	0.75	1.05	2.89	2.16
Clays	0.60	0.88	2.21	1.67
Amphibole	0.62	0.44	1.02	0.86
Dolomite	1.06	1.23	0.65	0.81
Pyroxene	0.63	0.51	0.88	0.78
Biotite	0.52	0.52	0.73	0.65
Calcite	0.78	0.82	0.54	0.63
Magnetite	0.25	0.27	0.75	0.57
Other Sulphides	0.24	0.33	0.49	0.41
Garnet	0.21	0.11	0.51	0.40
Calcic Siderite	0.63	0.96	0.21	0.39
Ilmenite	0.28	0.39	0.38	0.36
Kurchatovite	0.20	0.25	0.41	0.34
Pyrolusite	0.23	0.20	0.38	0.32
Siderite_CaMg	0.27	0.31	0.31	0.3
Ankerite	0.42	0.28	0.18	0.25
Other minerals	0.33	0.33	0.20	0.24
Bustamite	0.11	0.11	0.11	0.11
Gypsum	0.06	0.05	0.01	0.02
Total	100.0	100.0	100.0	100.0

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Table 10-10: Mn-Carbonate Liberation by Grouped Categories – T9-T11

Minerals	Size Fraction			
	+38 μm	+20 μm	-20 μm	Total
Locked	7.4	3.1	1.2	3.1
Sub-Middling	20.6	12.4	5.9	10.8
Middling	29.4	26.6	11.4	18.2
Liberated	42.6	57.9	81.5	67.9
Total	100.0	100.0	100.0	100.0

10.2.3 Samples Tested at Kemetco

In 2016, Kemetco conducted preliminary acid leach tests on a composite prepared from four individual samples identified as Samples T1, T2, T3 and T4. The assay results of the composite, namely EM Composite, are shown in Table 10-11.

Table 10-11: Head Assay by Fraction

Sample ID	Grade (%)										
	tMn	Fe	S	SiO ₂	Ca	Fe	Ba	Al	Mg	P	C
EM Composite	8.19	7.37	5.36	43.35	3.86	7.37	0.40	3.9	1.11	0.95	3.5

10.2.4 Samples Tested at CRIMM

In early 2017, two, 25 kg samples identified as Sample 10 and Sample 11 were used for a preliminary test program by CRIMM. The samples were collected from the locations of T7a and T10a as shown in Figure 10-1. Sample 10 is relatively coarse and contained low moisture, compared to Sample 11 which is much finer and contained a high moisture. A composite sample (Sample 10+11) was also prepared by blending the two individual samples for metallurgical testing. The wet sieved size and related metal distributions in the different size fractions are presented in Table 10-12.

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Table 10-12: Particle Size and Metal Distribution Sample 10

Size (mm)	Mass (%)	Grade (%)		Distribution (%)	
		tMn	sMn	tMn	sMn
+0.30	0.70	2.79	2.17	0.23	0.24
-0.30+0.15	12.01	4.60	3.81	6.39	7.14
-0.15+0.125	8.12	7.55	6.28	7.10	7.96
-0.125+0.10	12.10	8.82	7.43	12.34	14.02
-0.10+0.075	14.06	9.79	7.70	15.93	16.89
-0.075+0.053	8.03	10.29	7.38	9.57	9.25
-0.053+0.045	13.01	10.38	6.98	15.63	14.17
-0.045+0.038	4.80	10.30	6.42	5.72	4.81
-0.038+0.028	9.17	9.67	6.18	10.26	8.84
-0.028+0.019	5.02	9.37	6.00	5.44	4.70
-0.019	12.97	7.59	5.92	11.39	11.98
Calculated Head	100.00	8.64	6.41	100.00	100.00
Measured Head	-	8.44	6.21	-	-

Table 10-13: Particle Size and Metal Distribution Sample 11

Size (mm)	Mass	Grade (%)		Distribution (%)	
	%	tMn	sMn	tMn	sMn
+0.075	0.68	2.84	2.36	0.37	0.35
-0.075+0.030	5.70	4.76	4.03	5.15	5.05
-0.03+0.028	3.90	5.02	4.05	3.71	3.47
-0.028+0.019	6.21	4.81	3.78	5.67	5.16
-0.019	83.51	5.37	4.68	85.10	85.96
Calculated Head	100.00	5.27	4.55	100.00	100.00
Measured Head	-	5.31	4.43	-	-

Table 10-14: Chemical Analysis and XRF Analysis Results Sample 10 + 11

Component	tMn*	sMn*	tMn	Fe	Cu	Si	TiO ₂	Al	Ca
%	7.09	5.44	6.91	5.54	0.01	21.6	0.11	8.11	3.63
Component	Mg	Ti	P	S	O	Cl	V	Cr	Ni
%	1.45	0.41	1.31	1.80	43.5	0.029	0.032	0.021	0.003
Component	Na	K	Zn	Rb	Sr	Y	Zr	Ba	
%	0.78	1.07	0.008	0.003	0.030	0.010	0.009	0.60	

Note: *by wet chemical analysis

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As shown in Figure 10-3 and Figure 10-4, the particle size distribution of Sample 10 is much coarser than Sample 11. Eighty-three point five percent (83.5%) of the mass of Sample 11 occurs in the finest fraction (finer than 19 μm). Both the samples show lower metal contents in the coarse fractions in comparison to the other size fractions. Sample 10 has the highest manganese contents in the middle size fractions while the highest metal content is observed in the finest fraction for Sample 11.

Figure 10-3: Particle Size Distribution - Sample 10

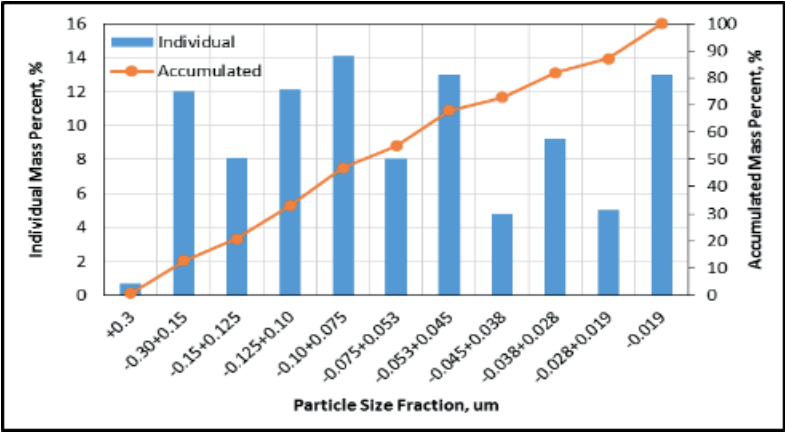
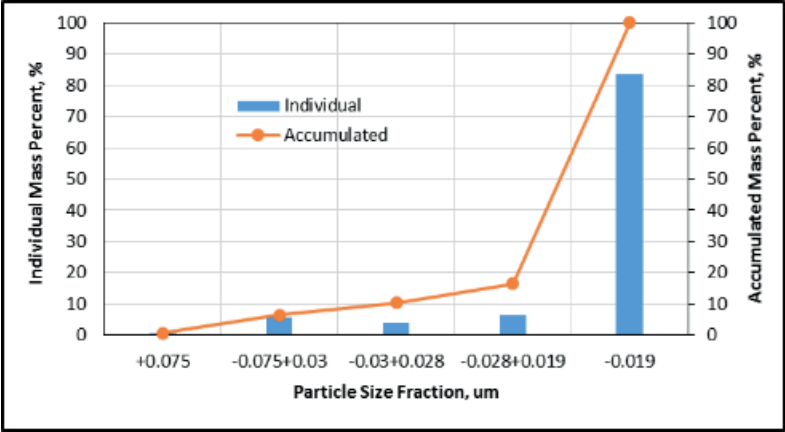


Figure 10-4: Particle Size Distribution - Sample 11



10.3 Pre-concentration

To reduce the mass amount fed to the downstream acid leach treatment, various pre-concentration tests were conducted in an effort to increase the manganese grade of the leach feed. The pre-concentration treatments tested included flotation, gravity concentration and magnetic separation.

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10.3.1 Flotation

A series of scoping level flotations tests were conducted by Met-Solve on Sample T5-T8 using different reagent regimes. The reagents tested included:

- collectors: oleic acid and Cytec 801, 845, 827, and 727
- frother: methyl isobutyl carbinol (MIBC) and TF250
- modifier: soda ash or sodium hydroxide as pH modifier, sodium silicate to suppress silicates.

The most promising results were obtained with using Cytec 727 as collector and soda ash as pH modifier.

The test conditions and results are presented in Table 10-15 and Table 10-16.

Table 10-15: Flotation Test Reagent Dosage and Retention Time

Stage	Reagent Dosage (g/t)		Retention Time (min)		pH
	Soda Ash	727	Conditioning	Float	
Conditioning	9,306		3.0		9.2
Rougher Concentrate 1-1	4,595	862	7.5	7.5	8.7
Rougher Concentrate 1-2				7.5	8.6
Rougher Concentrate 2	862	862	7.5	7.0	10.0
Total	16,199	1,723	18.0	22.0	

Table 10-16: Flotation Test Results

Products	Grade (%)				Recovery (%)				
	tMn	sMn	Fe	SiO ₂	Mass	tMn	sMn	Fe	SiO ₂
Rougher Conc 1-1	12.49	8.45	6.89	33.10	28.5	51.2	42.7	30.3	19.6
Rougher Conc 1-2	7.87	7.28	8.13	37.42	9.1	10.2	11.7	11.3	7.0
Rougher Conc 2	8.22	8.07	8.71	38.05	28.1	33.1	40.1	37.7	22.2
Total Rougher Conc	10.03	8.13	7.84	35.81	65.7	94.5	94.6	79.2	48.9
Tailings	1.11	0.89	3.93	71.54	34.3	5.5	5.4	20.8	51.1
Calculated Head	6.97	5.64	6.50	48.08	100.0	100.0	100.0	100.0	100.0
Assayed Head	6.68	5.88	6.48	47.20	-	-	-	-	-

The test upgraded the total manganese content of the feed from 6.97% to 10.03% at a manganese recovery of approximately 94.5%. The mass rejection into the low grade tailings (1.11% tMn) was approximately 34%. However, the results were achieved under slow flotation kinetics, with a total laboratory residence time in an order of 22 minutes, and very high reagent consumptions (1,700 g/t Cytec 727, and 16,000 g/t soda ash).

It should be noted that a generic oleic acid could produce comparable metallurgical performances, compared to Cytec 727. Further test work should be conducted to optimize the reagent regime if pre-concentration by flotation is required.

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Due to the appreciable quantity of pyrite present (approximately 5 to 9%), two preliminary tests were conducted to minimize the effect of pyrite on flotation of manganese minerals and potential acid generation issues, one using potassium amyl xanthate (PAX) as collector to float pyrite prior to manganese mineral flotation and the other using diethylene triamine (DETA) to suppress pyrite during manganese flotation. Both the tests did not produce encouraging results. Although pyrite flotation by PAX can reduce the tailings sulphur grade from 4.0% to 2.2%, the acid-based accounting (ABA) test results show that the flotation tailings may still be a potential acid generator due to the high sulphide sulphur content.

Further scoping flotation testing was conducted on Sample T9-T11 to investigate the flotation behavior of the material, which is much finer in particle size. The testing used Aero 727 as collector. Compared to Sample T5-T8, the fine particle size sample generated less selective metallurgical responses. The rougher concentrate grade was only 8.48% tMn at a manganese recovery of 88% for Sample T9-T11, compared to a concentrate grade of 10.03% tMn and a manganese recovery of 94.5% for Sample T5-T8. Similarly, the mass rejection decreased from 34% to 26%. The detrimental results may be resulting from the effect of the significantly high fines of the sample on the metallurgical performance.

To address the concerns of fine gangue entrainment, additional cleaner flotation test work was conducted to upgrade the rougher concentrate. The cleaner flotation test was conducted at a lower pulp density; approximately 10% w/w solids, with an agitator speed of 1,500 rpm in an effort to achieve a better cleaner efficiency. The floats were cleaned with spray water to reject entrained fine gangue minerals. Although the cleaner flotation was able to upgrade the cleaner concentrate grade to approximately 10.3% tMn, the manganese recovery reporting to the cleaner concentrate was only 63%, compared to higher than 90% for the T5-T8 sample. Again slow kinetics were observed with a total laboratory residence time of approximately 19 minutes.

Further flotation test work should be conducted to optimize reagent regimes and process conditions. It should be noted that potential impacts of the reagents used in the flotation on the downstream leaching and electrowinning processes should be investigated if this pre-concentration treatment method is planned.

10.3.2 Gravity Concentration

Preliminary gravity concentration tests were conducted on Sample CH (Phase 1) and Sample T5-T8 (Phase 2) using a centrifugal concentrator with two stages of passing. It appears that on average, only 11% of the manganese reported to the gravity concentrates with insignificant upgrading ratios.

No further investigations using the pre-concentration treatment were undertaken.

10.3.3 Magnetic Separation

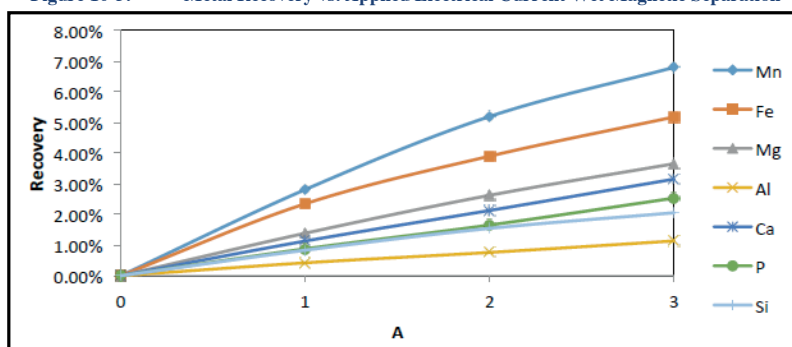
Two preliminary magnetic separation test programs were conducted, one by Kemetco and the other by CRIMM.

10.3.3.1 Magnetic Separation Tests by Kemetco

Kemetco conducted preliminary dry and wet magnetic separation tests on a sample from the Chvalatice tailings deposit. The wet magnetic separation test was conducted using a Carpo wet high intensity magnetic separator with a combination of ¾" and ½" steel balls as matrix. Three tests were run at three different magnetic field intensities. The electric current applied was 1, 2 and 3A. No applied magnetic field intensity was recorded for the related electric current. Although the magnetic separation was able to upgrade the magnetic concentrate grade from 8.4% manganese oxide in the feed to approximately 23% manganese oxide in the concentrate, the manganese recovery to the concentrate was low, ranging from approximately 3% to 7%. The metal recoveries vs the applied electric currents are shown in Figure 10-5.

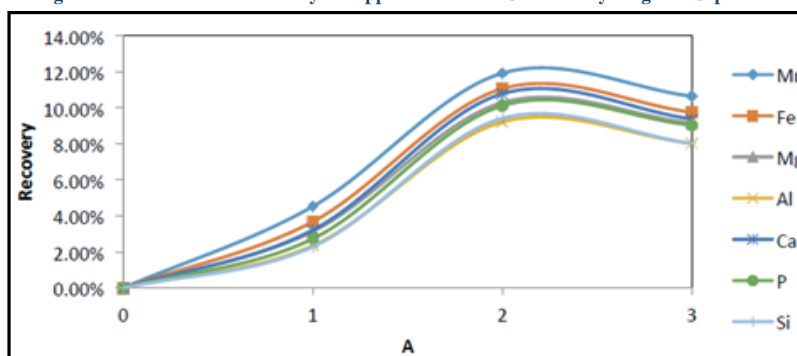
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Figure 10-5: Metal Recovery vs. Applied Electrical Current Wet Magnetic Separation



The dry magnetic separation was conducted using a Carpo dry high intensity magnetic separator. Three tests on the same sample tested by the wet magnetic separation were also run at three different magnetic field intensities with an applied electric current of 1, 2 and 3A. No applied magnetic field intensity was reported at the applied electric current. Compared to the wet magnetic separation, the dry magnetic separation produced lower upgrading ratio; the magnetic concentrate grades were only 13% at the 1A magnetic field and approximately 9.5 to 10% at the 2A and 3A magnetic fields. The manganese recovery to the concentrate was low, ranging from approximately 4% to 11%. The metal recoveries vs the applied electric current strengths are shown in Figure 10-6.

Figure 10-6: Metal Recovery vs. Applied Electrical Current Dry Magnetic Separation



10.3.3.2 Magnetic Separation Tests by CRIMM

In early 2017, CRIMM conducted an exploratory magnetic separation testing program on two, 25 kg samples identified as Sample 10 and Sample 11. The head sample characteristics are summarized in Section 10.2.

The test work investigated the effects of magnetic field intensity, magnetic separator type, and feed solid density on magnetic separation efficiency. Also the test work studied the effect of two different feed particle distributions on manganese recovery by the magnetic separation.

Several different high intensity magnetic separation (HIMS) equipment were used for the exploratory tests. The equipment specifications are summarized in Table 10-17 and the equipment are shown in Figure 10-7.

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Table 10-17: Main Magnetic Separators Used for Testing

Name	Model	Diameter (mm)	MFI, T*	Capacity (t/h)
Drum Magnetic Separator	LILO-300	300	0.8	0.2 to 0.4
High Gradient Magnetic Separator	Slon-500 (Vertical Ring and Pulsating)	500	1.0	1 to 3
Combined High Intensity Magnetic Separator	SHP-560	560	1.8	1 to 3
High Gradient Magnetic Separator	Slon-100 (Vertical Ring and Pulsating)	100	1.8	Small

Note: *MFI = highest magnetic field intensity; T = Tesla

Figure 10-7: High Intensity Magnetic Separators

Sample 10 and Sample 11 were tested at a magnetic intensity of 1.2 and 1.8 Tesla (T) separately using a Slon-100 magnetic separator. The test results are shown in Table 10-18.

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Table 10-18: Slon-100 Magnetic Separation Test Results Sample 10 and Sample 11

MFI/T	Product	Mass (%)	Grade (%)		Recovery (%)	
			tMn	sMn	tMn	sMn
Sample 10						
1.2	Concentrate	47.2	15.69	11.51	88.03	87.37
	Tailings	52.8	1.91	1.49	11.97	12.63
	Feed (Calc'd)	100.0	8.42	6.22	100.00	100.00
1.8	Concentrate	48.1	15.24	11.06	86.70	85.86
	Tailings	51.9	2.17	1.69	13.30	14.14
	Feed (Calc'd)	100.0	8.46	6.20	100.00	100.00
Sample 11						
1.2	Concentrate	19.2	16.44	13.66	61.17	59.38
	Tailings	80.8	2.48	2.22	38.83	40.62
	Feed (Calc'd)	100.0	5.16	4.42	100.00	100.00
1.8	Concentrate	22.7	14.49	12.29	64.47	63.16
	Tailings	77.3	2.35	2.11	35.53	36.84
	Feed (Calc'd)	100.0	5.11	4.43	100.00	100.00

The coarse particle size sample (Sample 10) produced much better magnetic separation performances, compared to the fine grain sample (Sample 11).

For Sample 10, on average, approximately 87% of the total manganese can be recovered into the concentrate containing approximately 15.5% tMn, or 11.3% sMn with a mass pull of 47.2 and 48.1%. The separation efficiency of the sample did not appear to improve with an increase of the magnetic intensity strength from 1.2 to 1.8 T.

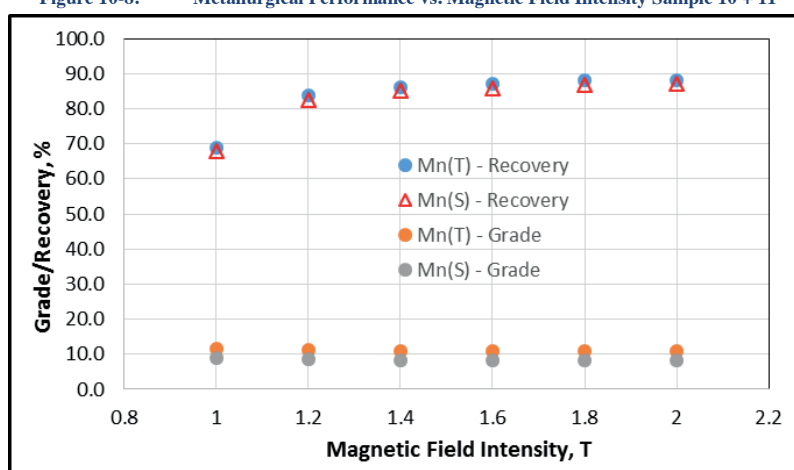
Approximately 61% of the total manganese of Sample 11 was concentrated into a 16% tMn magnetic concentrate at a magnetic field intensity of 1.2 T at a mass pull of 19.2%. The sample showed an improved metallurgical recovery by 3.3% when the magnetic field strength was increased to 1.8 T.

The effect of magnetic field intensity on the magnetic separation performance was further investigated on a blended composite, labelled as Sample 10+11, which was constructed by blending Sample 10 and Sample 11 at a blending ratio of 50:50. The tested magnetic field intensity ranged from 1 to 2 T using a SHP type magnetic separator equipped with pressured water washing. As shown in Figure 10-8, total manganese recovery improved with an increase in applied magnetic field intensity. When the magnetic field intensity is higher than 1.8 T, the total manganese reporting to an 11% tMn concentrate is approximately 88% for total manganese, or 87% for acid soluble manganese.

It appears that at a MFI of above 1.6T, the increased magnetic field intensity did not significantly impact on manganese grade of the concentrates produced from the tests.

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Figure 10-8: Metallurgical Performance vs. Magnetic Field Intensity Sample 10 + 11



Note: *washing water pressure: 0.15 MPa

The effect of slurry solid density on magnetic separation performance of Sample 10+11 was tested. The test results show that in the tested slurry solid density ranging from 20% to 40% w/w, the total manganese grade of the concentrate decreased marginally 15.1% to 14.7%. The total manganese recovery was slightly increased from 85.9% to 86.7% at the highest slurry solid density. The concentrate and tailings produced at the solid density of 30% w/w were assayed for multi-elements and the results are shown in Table 10-19.

Table 10-19: Chemical Analysis Results Magnetic Separation Products

Product	Content (%)								
	tMn	sMn	Fe	CaO	MgO	SiO ₂	Al ₂ O ₃	S	C
Concentrate	15.05	11.60	10.17	6.92	3.20	23.99	5.43	3.28	3.28
Tailings	1.56	1.39	3.42	4.34	1.57	57.62	13.21	2.14	1.59
Feed (Calc'd)	6.84	5.42	6.07	5.35	2.21	44.41	10.15	2.59	2.25

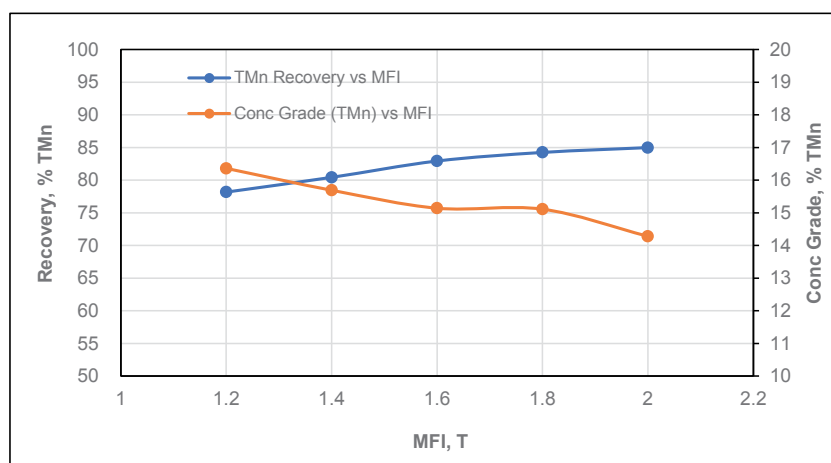
As shown in Table 10-19, the iron, calcium oxide, magnesium oxide, sulphur and carbon components were concentrated into the magnetic concentrate while the silicon dioxide and aluminum oxide bearing minerals appeared to be enriched into the non-magnetic product. Compared to the manganese minerals, the test results show that the upgrading ratio of the impurities into the magnetic concentrate was lower, indicating selective removal of non-magnetic gangues to the tailings.

CRIMM also investigated the effect of the particle size on magnetic separation by classifying the blended composite into two fractions: coarse fraction and fine fraction at two different screen apertures of 0.1 mm and 0.15 mm. The coarse fractions showed better metallurgical responses, compared to the fine fractions. Also, two different magnetic field intensities were tested on the coarse fraction materials, the results indicate that a higher magnetic field intensity can improve manganese recovery to the magnetic concentrate.

The preliminary test results from the ongoing test program, which is being conducted at CRIMM using the overall composite sample generated from the 2017 drilling program, appear to show that on average the composite sample produced slightly better metallurgical performances.

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Figure 10-9: Metallurgical Performance vs. Magnetic Field Intensity _ 2017 Overall Composite Sample



As shown in Figure 10-9, approximately 84% of the manganese was recovered into a 15% TMn concentrate at a magnetic field intensity of 1.8 T. A separate set of tests were conducted to investigate the effect of grinding size on magnetic separation performance. The results showed that magnetic concentrate grade was improved by approximately 1% to 16.4% TMn, however, the manganese recovery dropped by approximately 5%.

10.4 Acid Leaching

As discussed in Section 10.2, the primary manganese bearing minerals are carbonates, mainly rhodochrosite. The carbonates are expected to be readily leachable by sulphuric acid while the manganese-silicates should be refractory to the leach treatment. The ratio of the acid soluble manganese to the total manganese for the samples collected during 2015 and 2017 ranges from 66% to 91%, averaging 81%. As reported by AMEC Foster Wheeler, the Bateria Slany report indicates that the average sulphuric acid soluble manganese content of 968 samples was 70% of the total manganese content with only a minor difference in leachable fraction between the three tailings dumps.

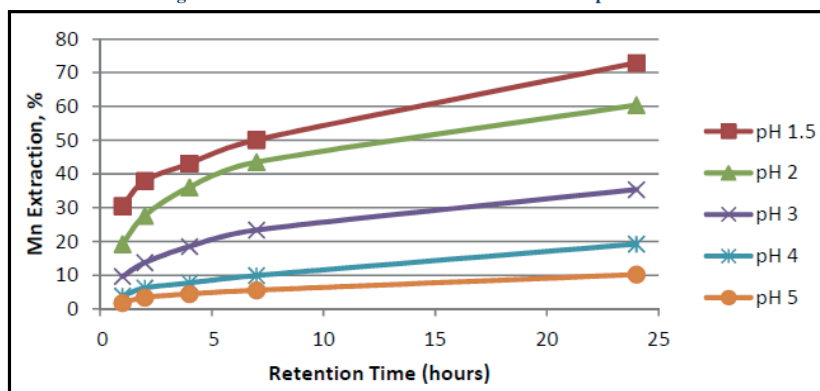
Three preliminary sulphuric acid leaching tests were done on various samples, including head samples and magnetic separation concentrate and tailings samples.

10.4.1 Sulphuric Acid Leach by Kemetco

Kemetco conducted controlled pH preliminary sulphuric acid leach tests on the composite sample produced from the Phase 1 samples at ambient temperature. The leach pH was controlled at fixed levels ranged from 1.5 to 5 with adding sulphuric acid to maintain pH during the leaching. The leach retention time was 24 hours. Leach kinetics at varying pH are presented in Figure 10-10. The leach kinetics curves appear to show that the leaching had not been completed achieved the equilibrium state. 74% of the total manganese was extracted at pH 1.5 and 24 hours. It is likely that the manganese extraction may be improved by finding optimum leaching conditions using a different leaching test work procedure.

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Figure 10-10: Leach Kinetics at Different Initial pH Levels



10.4.2 Sulphuric Acid Leach by CRIMM

CRIMM conducted four preliminary sulphuric acid leach tests, two on the blended head sample (Sample 10+11) and two on the magnetic concentrate at different temperatures. The tests used synthetic anolyte as leaching solution containing 15 g/L manganese and 120 g/L $(\text{NH}_4)_2\text{SO}_4$. Ratios of acid to solids in the feed were 0.184:1 (184 kg/tonne) for the head sample and 0.5:1 (500 kg/tonne) for the magnetic concentrate. Leach retention time was five hours. The test results are shown in Table 10-20.

Table 10-20: Preliminary Leach Test Results CRIMM

Sample	Feed Grade (% tMn)	Leaching Temperature (°C)	Residual Acid (g/L)	Mn Content in Pregnant Solution (g/L)	Mn Extraction (%)
Sample 10+11	7.09	60	1.96	30.9	49.7
Sample 10+11	7.09	90	0.98	32.5	52.4
Concentrate	14.5	60	2.0	25.4	57.0
Concentrate	14.5	90	0.98	28.0	64.1

The test results show that the manganese extractions were 49% for the head sample and 57% for the concentrate at the leaching temperature of 60°C. The extraction improved to 52% and 64% respectively when the leaching temperature was increased to 90°C.

The extractions are lower than the acid leachable manganese contents in the two head samples. As determined by CRIMM and SGS, on average, the acid soluble manganese contents are approximately 80% for the head sample and 78% for the magnetic separation concentrate. The lower manganese extractions may be due to the tests not being conducted at the optimum conditions.

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10.4.3 Sulphuric Acid Leach by SGS

The head sample (Sample 10+11), magnetic concentrate sample (JKH-20-K) and magnetic tailings sample (JKH-20-X) produced by CRIMM were leached by sulphuric acid at a SGS lab, Canada. The tests were conducted at an initial pulp solid density of 27% w/w at a temperature of 50°C for 8 hours. The test results are summarized in Table 10-21.

Table 10-21: Preliminary Leach Test Results SGS

Sample	Feed Particle Size (P80%, µm)	pH	Sulphuric Acid		Calc'd Head (% tMn)	Cumulative Extraction (% tMn)
			Addition (kg/t)	Consumption (kg/t)		
Sample 10+11	88	1.7 - 2.4	166	163	6.74	58.0
Sample 10+11	88	1.1 - 1.9	200	195	6.57	67.2
Sample 10+11	88	1.1 - 1.5	300	265	6.53	78.6
JKH-20-K	143	0.5 - 1.2	500	479	14.3	76.2
JKH-20-K *	143	0.4 - 1.1	500	473	14.4	77.2
JKH-20-K	143	0.9 - 1.9	400	379	14.0	69.0
JKH-20-X	32	0.9 - 1.2	300	131	1.59	89.4
JKH-20-X	32	1.3 - 1.4	200	128	1.46	87.8

*Repeat test

The results indicated that manganese leach extraction improved with an increase in initial sulphuric acid dosage. The head sample and the magnetic concentrate sample produced similar manganese extraction rates, 78.6% for the head sample with adding 300 kg/t sulphuric acid and 76.7% for the concentrate sample with adding 500 kg/t sulphuric acid.

The non-magnetic tailings showed a much better metallurgical response. Approximately 87.8% of the manganese was extracted from the low grade sample at an acid dosage of 200 kg/t. Chemical analysis shows that the acid leachable manganese content in the magnetic separation tailings is approximately 90.7%.

Further leach tests should be conducted to optimize the acid leach process conditions and investigate the metallurgical performances of various mineralization samples to the leaching treatment, including the materials upgraded by pre-concentration or without upgrading.

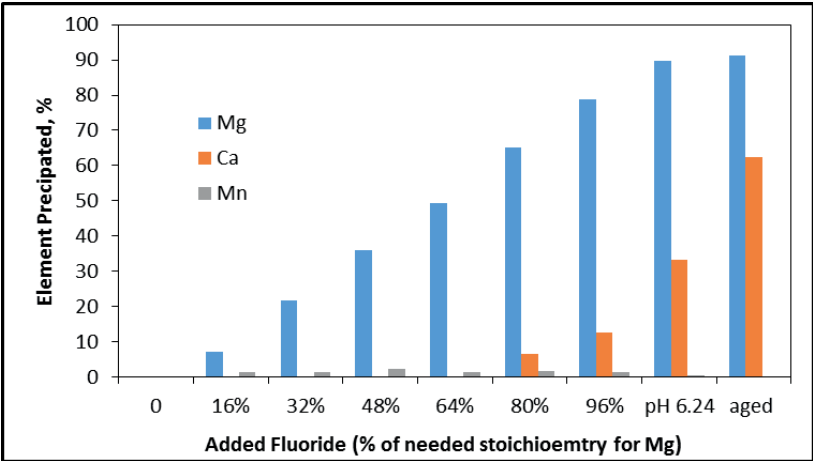
10.5 Magnesium Removal

As there is a high leachable magnesium content in the pyrite tailings material, preliminary magnesium removal tests were conducted to simulate whether magnesium concentration can be controlled in the electrowinning circuit to prevent from forming complex magnesium/manganese/ammonium sulphate salts. The salts would have a significant impact on tank house diaphragms and electrowinning cell performance.

The potential method for magnesium removal is to selectively precipitate the magnesium by ammonium fluoride. The tests were conducted by Kemetco using a synthetic electrolyte solution containing 40 g/L manganese, 6 g/L magnesium, 130 g/L (NH₄)₂SO₄. The synthetic solution was prepared from manganese sulphate, magnesium sulphate, ammonium sulphate and sodium sulphate laboratory reagents. The synthetic solution was then mixed with calcium hydroxide (Ca(OH)₂) and then with sulphuric acid to pH 2.5. The pulp pH increased after adding the fluoride. The final pH levels were adjusted to approximately pH 6 using aqueous ammonia. The magnesium removal test results are presented in Figure 10-.

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Figure 10-11: Metal Precipitation Extent in Fluoride Precipitation



The test results show that the magnesium can efficiently be removed with a very low level of manganese co-precipitation. The results also show significant co-precipitation of calcium.

The precipitation of magnesium and calcium continued after fluoride addition was halted. This could be a result of residual fluoride and slow precipitation kinetics. Residual fluoride levels after acidic precipitation were in excess of 2,000 mg/L and dropped to 724 mg/L after pH adjustment to pH 6.2, and then further dropped to 410 mg/L after aging for approximately 48 hours.

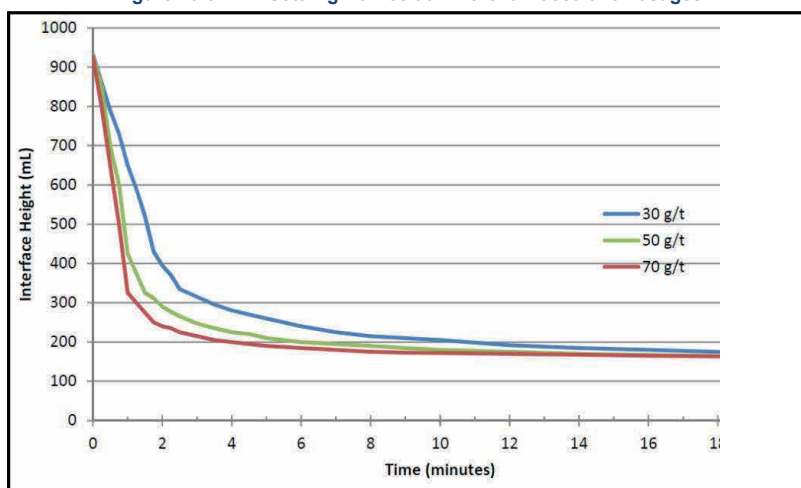
10.6 Solid-Liquid Separation

10.6.1 Settling Test Work

Met-Solve conducted preliminary flocculant screening and batch settling test work on the flotation concentrates produced from Composite T9-T11. As shown in Figure 10-12, the material readily settles with adding the Cyfloc A-100 flocculant. At 50 g/t flocculant dosage and 10 % w/w feed solids density, a compressed solid density of 40% w/w was achieved in eight minutes.

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Figure 10-9: Settling Curves at Different Flocculant Dosages



10.6.2 Filtration Test Work

Followed the settling tests, Met-Solve conducted preliminary pressure filtration tests using a 20 mm diameter bench scale filter on the samples used for the settling tests. The test results are shown in Table 10-22.

Table 10-22: Filtration Test Results

Test ID	Pressure (psi)	Flocculant Dosage (g/t)	Time ¹ (s)	Time ² (s)	Cake Thickness (mm)	Dry Weight (g)	Moisture (%)
1	35	50	120	165	6.8	204.1	26.3
2	35	0	245	345	6.5	214.5	24.5
3	20	50	190	266	7.0	208.5	28.5
4	50	50	50	95	6.0	204.0	23.1
5	50	50	552	810	22.0	824.2	21.8

Note: Time¹: cake forming time, recorded before blowing air applied
Time²: drying air blowing time

The cake moisture contents produced ranged from 21.8 to 28.5% depending on the filtration conditions, including pressure applied, cake forming retention time and air blowing time. Also it appears that addition of flocculant may slightly improve the filtration performance. A higher filtration pressure produced a lower cake moisture.

10.7 Acid-Base Accounting

Preliminary acid-base accounting of the Phase 2 composite samples were conducted by Global ARD Testing Services Inc. (Global ARD) to determine the acid generation potential of the material. The samples reported a neutralization potential ratio (NPR) of 0.94 indicating that the material is mildly acid generating.

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An ABA test was conducted on the pyrite flotation tailings. The ABA determination results indicated that the flotation tailings would also be acid generating with a NPR value of 0.40.

10.8 Proposed Process Flowsheet by Process Evaluations

Preliminary process development studies have been conducted by AMEC Foster Wheeler (AMEC) and CINF Engineering Co., Ltd. (CINF). The proposed flowsheet includes following main process circuits:

- whole tailings material acid leaching
- iron and phosphorous precipitations
- leaching residue solid and liquid separation with washing and recovery of manganese and ammonia
- leaching pregnant solution purification, including heavy metal precipitation
- manganese electrowinning, manganese metal passivation, stripping from cathode plates
- magnesium removal from spent anolyte and ammonia recovery from spent anolyte.

Further process flowsheet development and optimization are being carried out by CINF and Tetra Tech, including evaluation of magnetic separation treatment to pre-concentrate the leaching feed.

10.9 Test Work Recommendations

Further metallurgical testing is recommended to better understand metallurgical performances, optimize processing conditions and generate design related data. A comprehensive metallurgical testing program, including pilot plan tests is underway on the approximately 14.8 tonnes bulk sample that was shipped to CRIMM. The details are summarized in Section 12.0.

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11.0 MINERAL RESOURCE ESTIMATES

11.1 Basis of Current Mineral Resource Estimate

The current mineral resource estimate has been based on 755 two metre samples taken from 80 drill holes collected by the Company in the summer of 2017. Samples were collected from three tailings cells within an above ground tailings facility. Tailings were generated from historical mining operations.

Data was analyzed in Phinar X10-Geo v.1.4.15.8 and Geovia GEMS v.6.2, and models constructed using Aranz Leapfrog Geo v.4.1,

A mineral resource estimate has been developed for total and soluble manganese concentrations and is effective April 27, 2018, to align with the day final analytical certificates or laboratory data were received. Additional variables have been included in the modelling process to help characterize and inform interpretation, these variables include in situ dry bulk density, total moisture and various grain size indicators.

11.2 Historical Mineral Resource Estimates

Two historical Mineral Resources Estimates reported by Bateria Slany are described below as they are considered relevant to the resource presented herein. The key assumptions, parameters and methods used to prepare the estimates is unknown and the results cannot be relied upon. Neither Tetra Tech nor the Company accepts these historical estimates as a current mineral resource or mineral reserves estimate.

Upon transfer of the Chvaletice mine from the Federal Government to the Chvaletice Energy Company in 1978, an estimation of “reserves” within the tailings facility, identified as “flotation sludge”, totaled 26,600,000 tonnes grading 7.09% Mn (total). The “reserve” was considered uneconomic, however, research into possible processing technologies was initiated.

From 1985 to 1989, Bateria Slany completed 956.3 metres of drilling to characterize the physical and chemical properties of the tailings sludge, in addition to over 200 m³ of trenching. Extensive testing and analysis of the samples was undertaken by Bateria Slany, who in 1989, evaluated that the tailings deposits comprised 27,557,441 tonnes of “reserves”, containing 25,496,299 tonnes at a grade of 5.15% leachable Mn (7.06% total Mn) at a “C2” category, and 2,061,143 tonnes of material average grade of 4.97% of leachable Mn (7.39% total Mn) at a “C1” category. The definition of C2 and C1 categories references a system developed in the Czech Republic for classification of minerals “resources” and “reserves”, where resources classified as C1 are supported in greater detail than those classified as C2. The Czech system differs significantly from classification defined under the CIM Terms and Definitions as referenced by National Instrument 43-101 and cannot be misconstrued to imply a similar level of confidence.

11.3 Input Data and Analysis

11.3.1 Compositing

Samples were collected from drill core at 2 metre interval lengths equal to each drill run. The interval was increased or decreased at the top and bottom of the holes to accommodate tailings material logged in intervals that did not correspond with the start or finish of a 2 metre drill run. The raw assay data was composited to 2 metre sample lengths, with 1 metre minimum coverage required within the composite. This resulted in an increase from 755 raw samples to 759 composite samples (Table 11.1). A total of 42 composite sample lengths (5.5%) were less than 2 metres, ranging from 1 metre to 1.9 metres. The mean values and overall sample distribution was not significantly impacted by the compositing process (Table 11.1).

In Figure 11-1 below, the predominant sample length is 2 metres, with range from 0.6 metres to 4.0 metres with standard deviation of +/-0.3 metres.

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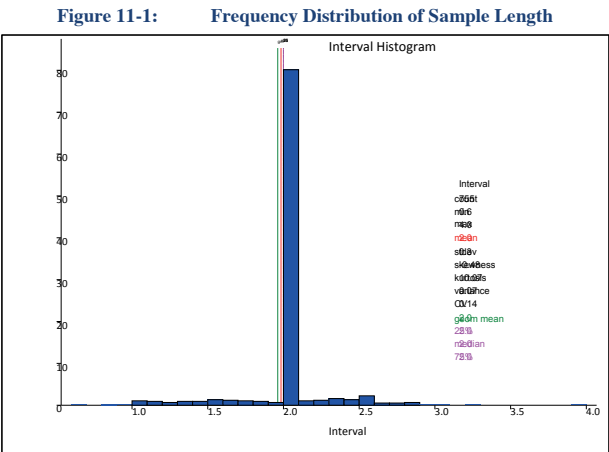
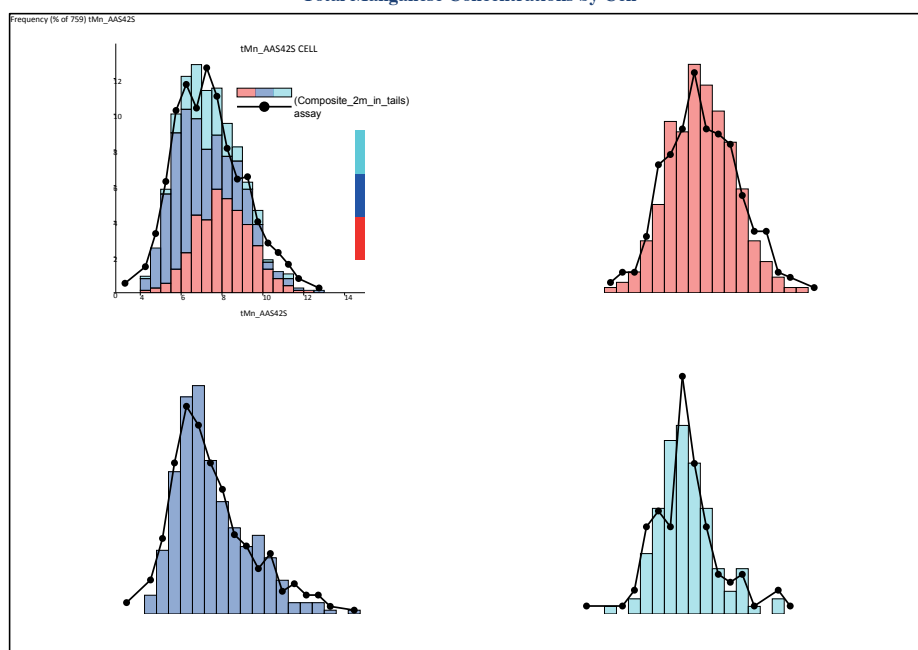


Table 11-1: Descriptive Statistical Comparison of Raw Data and 2 m Composite Data for Total Manganese

Dataset	Count	Mean	GeoMean	SD	Min	Max
Raw data	754	7.39	7.20	1.66	3.31	12.91
2 m composites	759	7.39	7.24	1.51	4.02	12.83

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Figure 11-2: Frequency Distribution Comparison Between Raw Assay (Black Line) and 2 m Composites (Coloured Bars) for Total Manganese Concentrations by Cell



11.3.2 Capping Analysis

It was observed that outliers at both high and low ends of the grade distribution were located within lateral zones of similar grade trends. It was interpreted that these grades are representative of the natural variance within the deposit and no grade capping was applied.

11.3.3 Variogram Assessment

Downhole variogram analysis was undertaken on all 2 metre composite drill hole sample data using lag of 2 metres using Geovia GEMS Statistics v.6.7.4 to determine nugget (C_0) for manganese and iron data. An apparent nugget was modelled for total and soluble manganese, total iron, total magnesium and total calcium. These values are shown in Table 11-2.

Drill hole and corresponding assay data spacing within the model is approximately 100 metres. Experimental variogram analysis was conducted on the horizontal plane with lag distance at 50 m and 100 m to attempt to determine sill and range values for interpolation using all 2 metre composite data for each individual Cell. Insufficient short range data exists for to define ranges at less than 100 m based on the calculated sill for the data. It was concluded that some uncertainty exists in the variogram model due to shortage of short range data and that variography could not be completed for this dataset. This may be a function of the manmade nature of the tailings deposits.

11.3.4 Search Parameters

Interpolation searches were performed using the spheroid model in Leapfrog. This method is based on ordinary Kriging, however, lacks some fundamental control on the variogram model, kriging parameters, and composite input. A base range of 150 metres was used to represent 96% of the spheroid search distance. Anisotropy ratios in the search ellipse were 1:1 for the

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major and intermediate axis, and 1:20 for the minor axis relative to the major axis. All searches were performed with major and intermediate axes orientation on the horizontal plane. With these ratios, the resultant search dimensions were greater than the base range, as listed in Table 11-2, where the relationship is:

$$base\ range = \sqrt[3]{Max * Int * Min}$$

Table 11-2: Modelled Variables with Corresponding Search Parameters

Variable	Search Type	Nugget/Sill	Base Range	Major Range_X	Intermediate Range_Y	Minor Range_Z
“Total” Mn (tMn, %)	Spherical	0.2 / 2.5	150	400	400	20
“Soluble” Mn (sMn, %)	Spherical	0.1 / 2.0	150	400	400	20
“Total” Fe (tFe, %)	Spherical	0.1 / 2.0	150	400	400	20
“Total” Mg (tMg, %)	Spherical	0 / 0.09	150	400	400	20
“Total” Ca (tCa, %)	Spherical	0 / 0.3	150	400	400	20
Bulk Density (t/m ³)	Linear	n/a	150	250	250	50
Moisture (%)	Linear	n/a	150	250	250	50
Clay (%)	Linear	n/a	150	250	250	50
Silt (%)	Linear	n/a	150	250	250	50
Sand (%)	Linear	n/a	150	250	250	50
Gravel (%)	Linear	n/a	150	250	250	50
D ₁₀ (µm)	Linear	n/a	150	250	250	50
D ₅₀ (µm)	Linear	n/a	150	250	250	50
D ₈₀ (µm)	Linear	n/a	150	250	250	50
D ₉₀ (µm)	Linear	n/a	150	250	250	50
P ₇₅ (%)	Linear	n/a	150	250	250	50

11.3.5 Block Size Determination

A sub-block model was used to determine volumes of the Chvalatice tailings deposits allowing for higher resolution with smaller block sizes around the perimeter slopes of the model. Parent block size for the model was determined based on drill hole spacing and de-clustered mean analysis. Using the de-clustering cell size optimization utility in Geovia GEMS™, it was determined that 50 metre cell size were the optimal size (Figure 11-3). The model was established using a parent cell size of 50 metres by 50 metres by 4 metres, and minimum sub-cell size of 12.5 metres by 12.5 metres by 4 metres.

The de-clustered mean values for “total” and “soluble” manganese concentrations are listed in Table 11-3. The sub-block model was established with overall model dimension as listed in Table 11-4.

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Figure 11-3: De-clustered Mean Versus Cell Size

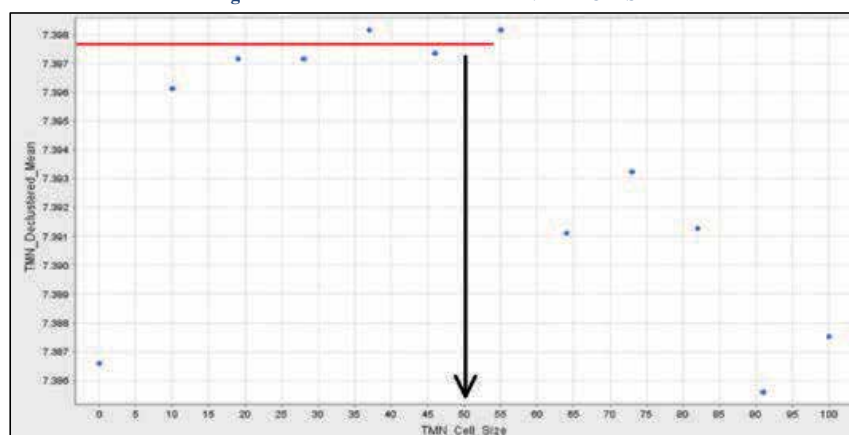


Table 11-3: Block Size Determination De-clustered Manganese Concentrations

Dataset	Value	Count	Mean	De-clustered Mean
All	tMn	754	7.387	7.376
	sMn	-	5.902	5.893
T1	tMn	291	8.056	8.005
	sMn	-	6.441	6.398
T2	tMn	344	6.809	6.812
	sMn	-	5.468	5.473
T3	tMn	119	7.420	7.458
	sMn	-	5.835	5.873

Table 11-4: Block Model Dimensions (S-JTSK Coordinate System)

Model	Origin_X	Origin_Y	Origin_Z	Size_X	Size_Y	Size_Z	Blocks_X	Blocks_Y	Blocks_Z
Parent	-671,600	-1,058,750	240	50	50	4	27	28	23
Sub-block	-	-	-	12.5	12.5	4	-	-	-

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11.3.6 Bulk Density Estimation

Deposition of processed material as a slurry into the tailings deposits has a significant influence on the final in situ dry bulk density of the tailings material. Water content, particle size gradations, mineral density composition and degree of compaction from overlying material all contribute to grain settlement and packing. Recovery of the tailings material from the sonic drill core tube was conducted to minimize the disturbance of in situ material conditions. In practice, controlled core recovery is nearly impossible for saturated tailings and very challenging in under saturated material. Slumping and plasticity of the material caused some variability in the estimated core recoveries.

Core recovery values were collected during field logging along with the moisture and mass measurements collected from laboratory sample processing were used as the basis for calculating in situ bulk density for the tailings material.

Idealized core volumes for the one metre sub-samples were factored for core volume recovery and then back calculated to the full two metre core run volume before being factored again by 0.25 to represent the volumes of 25% split assay samples that were sent to SGS.

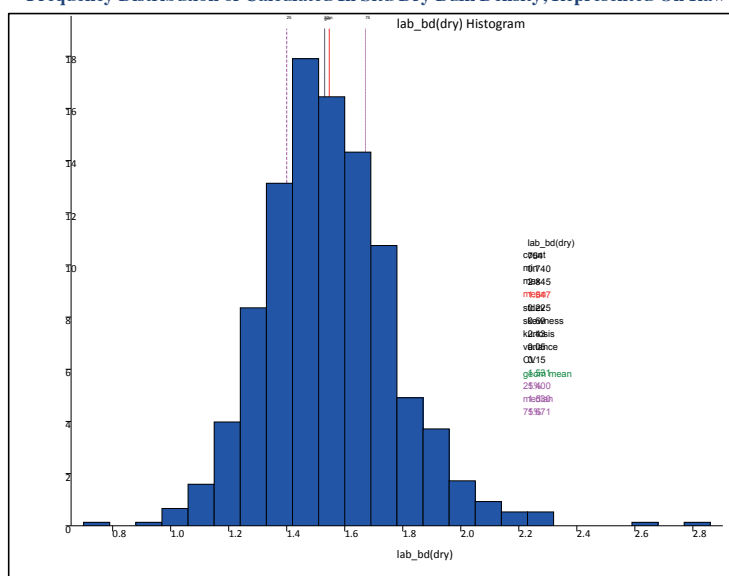
All samples were weighed as wet samples on receipt at the lab, then again following split extraction for the PSA-LD samples. They were then dried at 105°C until no additional moisture loss was measured. In situ dry bulk density was calculated based on the wet mass of the assay sample received at SGS prior to extraction of the PSA-LD sample split, and then was factored to account for moisture loss during the PSA-LD sample preparation and from drying the final sample to estimate the dry mass of the assay sample as received. This dry mass was then factored over the sample volume estimated to have been received at the lab, using the following formula:

$$\text{Insitu Dry bulk density} = \frac{(\text{Wet mass of sample as received}) - (\text{Mass of Total Moisture Content})}{\text{Assay sample volume, measured in field}}$$

In situ dry bulk density values for individual samples range between 0.74 t/m³ and 2.85 t/m³, with a mean value of 1.55 t/m³, as depicted in the frequency distribution shown in Figure 11-4. The in situ dry bulk density values were composited and included as variables in the final model interpolation resulting in unique spatially unique values applied to the block model.

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Figure 11-4: Frequency Distribution of Calculated In Situ Dry Bulk Density, Represented On Raw Sample Intervals



11.4 Volume Estimations

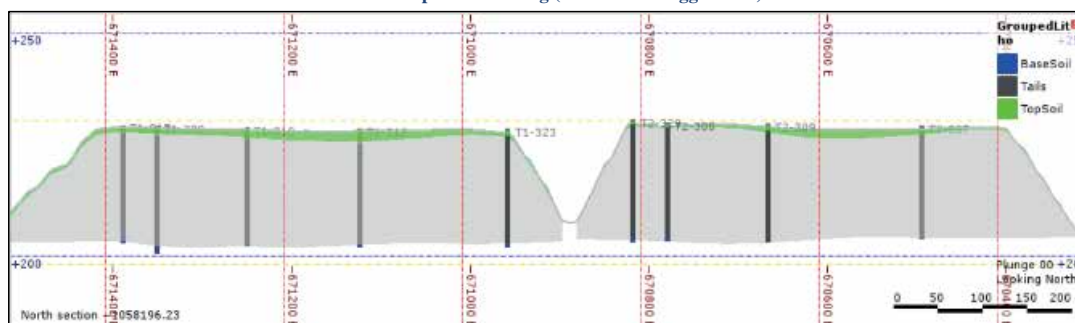
Volume estimates for the Cells were developed using the topographic DEM to constrain upper surfaces and deposit perimeters, and logged drill hole data were used to constrain the lower boundary of tailings with original ground soils. A simplified lithological model was developed for each cell to identify topsoil, tailings and subsoil. The volume of material defined as tailings was then used to confine all numerical models and estimates reported for each cell under the mineral resource estimates. Volumes estimates for tailings material contained in each cell are listed in Table 11-5 and Figure 11-5 shows a typical section through Cells 1 & 2 with the three simplified lithologies identified.

Table 11-5: List of Estimated Volume of Tailings within Each Cell, Constrained by Topography

Cell	Surface Area	Topsoil Volume (m ³)	Tails Volume (m ³)
1	326,400	308,340	6,600,400
2	393,200	283,210	7,915,300
3	313,200	206,240	3,013,100
Total	1,032,800	2,060,030	17,528,800

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Figure 11-5: Typical Section Looking North Through Cells 1 & 2 Showing the Simplified Lithology and Tailings Volume Used for Deposit Modelling (5x vertical exaggeration)



11.5 Geological Interpretation for Model

Deposition of tailings materials was episodic over the life of the historical mining operations. The material was deposited from processed materials with mixed particle sizes suspended in slurry. The deposits are characterized by the broad lateral (i.e., horizontal to sub-horizontal) extent of particle segregation as the slurry flooded the tailings facility. Thin beds of sediment would have been deposited laterally outwards with a particle gradation from coarse to fine away from the point of discharge. It is interpreted that grain size and moisture content may have more similarity with materials in a vertical sense and have more variability in a horizontal sense. Whereas, grade distribution, appears to be less dependant on particle size or moisture content and is interpreted to have more similarity with materials in a horizontal sense. All searches for block model interpolation were undertaken relative the horizontal plane.

Local beds, or lenses, of oxidized tailings material were observed in core logging to exist infrequently at depth within the deposit, with thicknesses typically ranging at less than 0.5 metres. These zones are due to oxidized pyrite and other sulphide minerals contained in under saturated tailings that were exposed to air for long durations, representing periods of hiatus or where local beaching occurred within the tailings at a distance to the point of deposition. These zones have not been modelled in detail, and are considered to be insignificant in the broader sense of the deposit. For the purpose of the mineral resource estimate, all tailings materials are considered to be primary, or unoxidized, materials.

A deposit model was developed using Aranz Leapfrog v.4.1 to represent the volume of tailings within each facility, and to further subdivide the tailings into domains representing ranges in elemental concentration, particle size and in situ dry bulk density.

Each Cell was first segmented into lithology volumes for topsoil, tailings and subsoil, based on descriptions in the field logs. The tailings unit for each Cell was applied as an external shell to constrain the grade, particle size, moisture and bulk density models.

The particle size model was based on data from the laser diffraction particle size analysis. The grain size distribution was simplified to percentages of clay, silt, sand and gravel using both European and North American soil classification standards. Additionally, the data was simplified to single value indices to characterize the distribution. Particle diameters measured for each decile of the distribution characterizes how the particles are statistically distributed throughout the deposit, where D50 represents the particle size of the 50th percentile (or median value), and D80 represents the particle diameter at the 80th percentile. Alternatively, the distribution was also characterized by the percent of the sample which passes a defined screen mesh, such as P75 which describes the percentage of the sample which passes nominal screen size of 75 μm (i.e., 200 mesh). The average value for these indices as modelled are listed on Table 11-6, by Cell.

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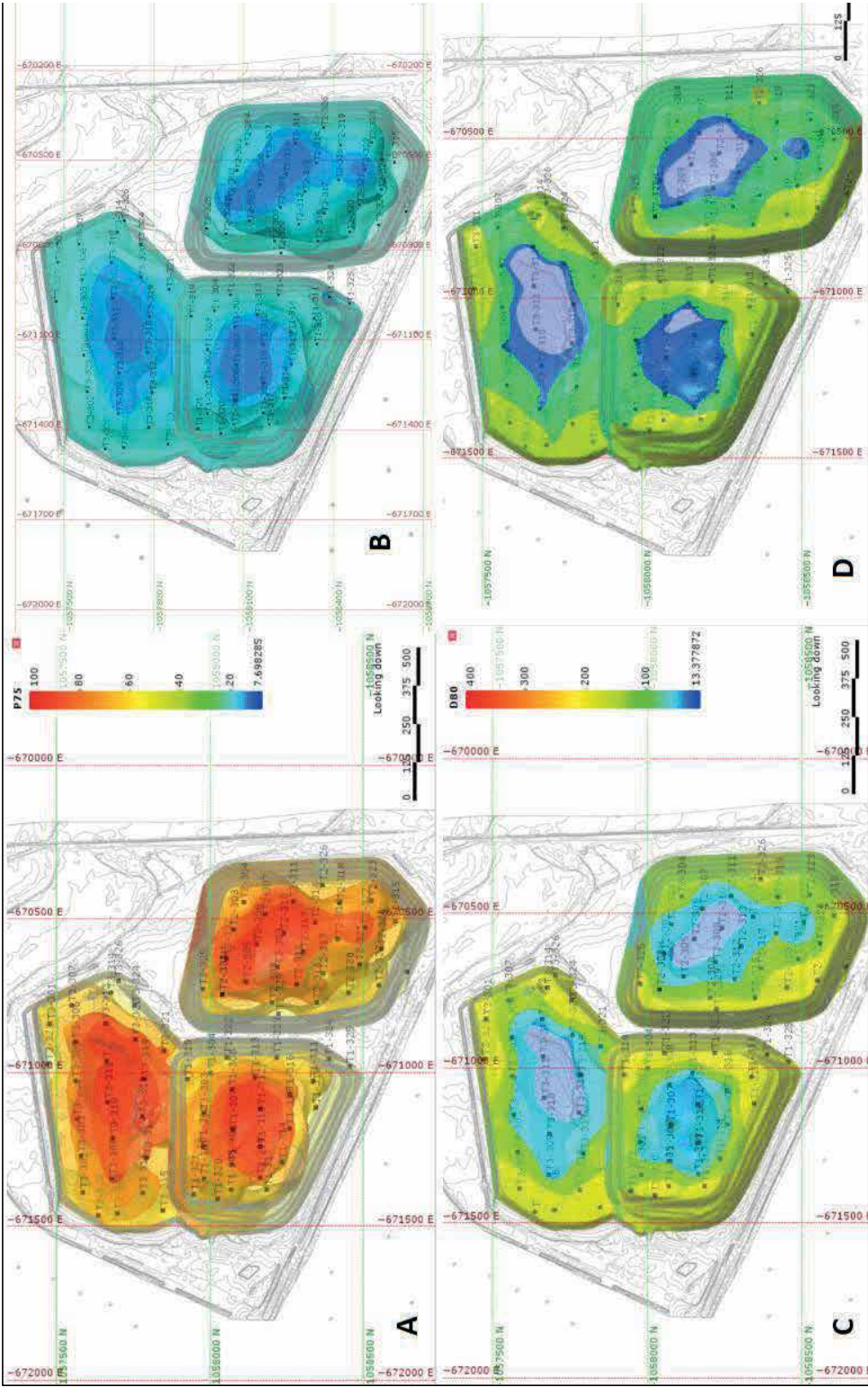
The moisture model was based on moisture data measured by SGS labs from mass measurements on receipt of the sample and after drying, after applying a correction for mass loss from the PSA-LD sample split. The average value for moisture content as modelled is listed on Table 11-6, by cell.

Table 11-6: List of Average Values for Modelled Variables Compared, Listed by Cell

Cell	Particle Size				Moisture
	D50 (μm)	D80 (μm)	D90 (μm)	P75 (%)	(%)
T1	55.74	134.77	197.20	69.44	18.58
T2	39.98	106.77	161.38	74.78	18.96
T3	45.12	120.16	187.50	74.04	18.18

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Figure 11-6: Plan Views of Geological Model Volumes: a) P75 grain size indices, b) moisture, c) D80 grain size indices, and d) D50 grain size indices



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11.6 Manganese Cut-off Grade

Studies are ongoing as the company evaluates the markets for production of high purity, selenium-free, 99.9% electrolytic manganese metal (EMM) and/or high purity manganese sulphate monohydrate (HPMSM) product.

Based on preliminary onsite and offsite operating cost estimates and metal recovery estimates, the break-even grade is estimated to be 3.85% tMn. All the costs and recoveries are based on preliminary estimates and may not be representative of the actual project costs and parameters. Assumptions for this grade calculation include:

- 99.7% EMM metal price of US\$2.09/kg or US\$0.95/lb (Infomine, April 2017). The commodity price is expected to be higher for 99.9% Mn EMM
- Onsite and offsite operating cost estimates (US\$5.22/t for onsite mining and magnetic pre-concentration treatment; US\$173/t for manganese extraction and refining from 15% tMn concentrate, including off site and royalty cost)
- Approximately 68% metal recovery at the leaching and refining; 50% metal recovery at the magnetic concentration for lower than 4% tMn materials.
- It is assumed that mining selectivity will not be applied due to inherent difficulty of grade control and selective mining for this deposit type.

The deposit is being considered as a bulk tonnage deposit and it is currently assumed that selective mining will not be applied. All tailings material will be sent to the process plant on a diluted basis, and no cut-off grade can reasonably be applied to the deposit (ie. no mining waste will be generated). The case for economic extraction relies on the net value of resources being sent to the plant to be positive; the average feed grades must be greater than the break-even grade (cost equivalent) of 3.85% tMn.

11.7 Mineral Resource Estimate

The Mineral Resource Estimate was calculated using Aranz Leapfrog Geo using extrapolated volume models based on recent Phase 1 drilling results for the total and soluble manganese grades and bulk density values. The volume models were superimposed onto a sub-block model and reported on a block volume weighted basis.

The Mineral Resource Estimate for in situ tailings material at the Chvalatice Manganese Project are listed in Table 11-7. This estimate is effective as of April 27, 2018. This estimate adheres to guidelines set forth by National Instrument 43-101 and the CIM Best Practices.

Table 11-7: Mineral Resource Estimate for the Chvalatice Manganese Project, Effective April 27, 2018

Cell	Class	Volume (m ³ , '000s)	Tonnes (kt)	Bulk Density (t/m ³)	Total Mn (%)	Soluble Mn (%)
T1	Indicated	5,684	8,832	1.55	8.08	6.46
	Inferred	1,004	1,497	1.49	8.60	6.87
T2	Indicated	6,773	10,567	1.56	6.86	5.48
	Inferred	996	1,648	1.65	7.90	6.05
T3	Indicated	2,772	3,973	1.43	7.34	5.78
	Inferred	250	363	1.46	7.84	6.14

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Total	Indicated	15,229	23,372	1.53	7.40	5.90
Total	Inferred	2,250	3,508	1.56	8.21	6.43

Notes:

- Mineral Resources do not have demonstrated economic viability but have reasonable prospects for eventual economic extraction. Inferred Resources have lower confidence than Indicated Resources. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
- A cut-off grade has not been applied. No capping has been applied.
- Numbers may not add exactly due to rounding.

Figure 11–7 shows a plan view of the block model for Cells 1, 2 and 3 and definition of sections A-A' and B-B'. Vertical cross sections along these lines are shown in Figure 11-8 for soluble manganese block values and Figure 11-9 for P75 block values.

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Figure 11-7: Plan View of Block Model Showing Section Lines and sMn Grade Distribution at Surface

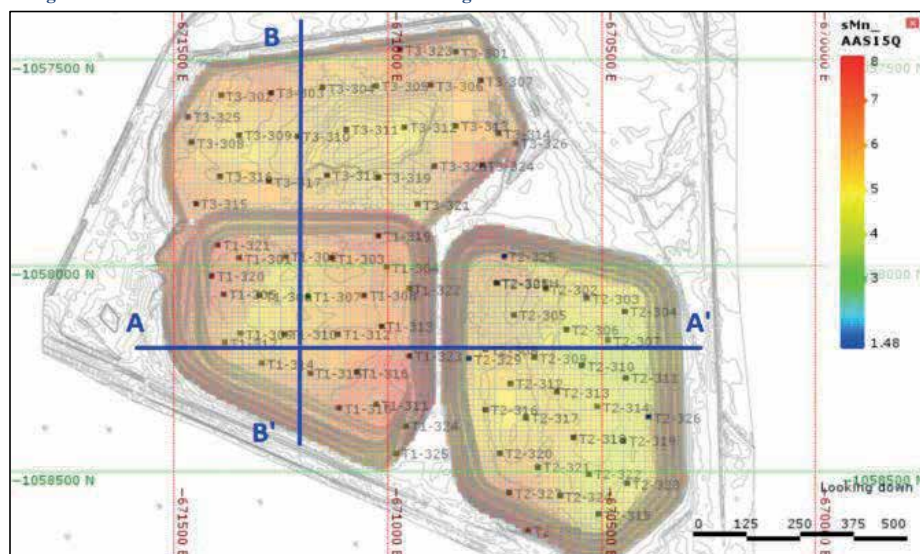
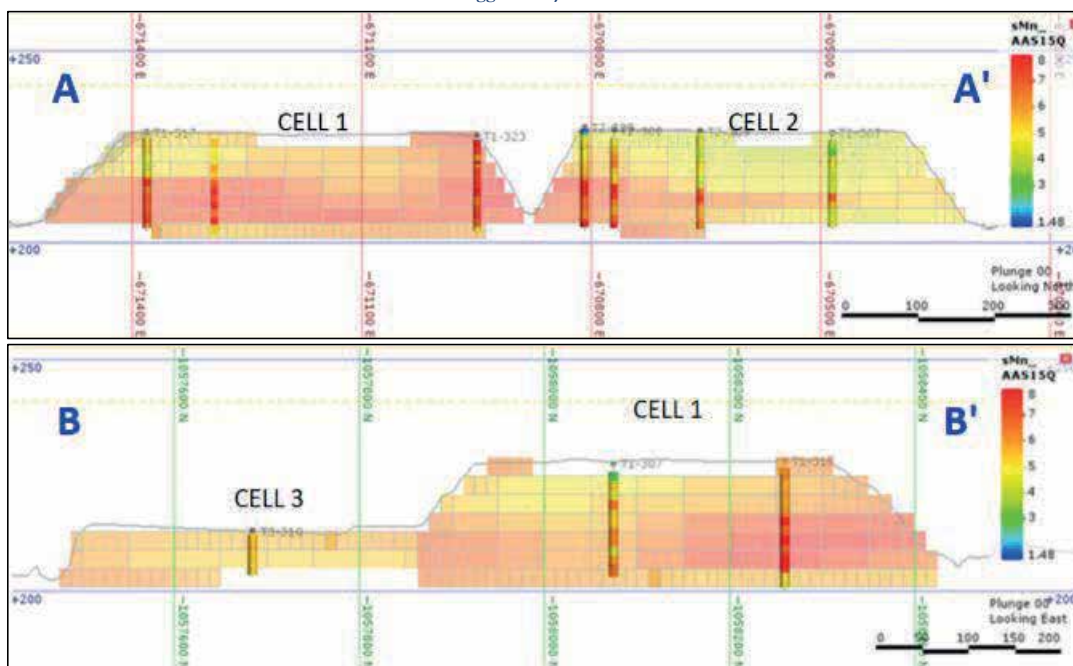
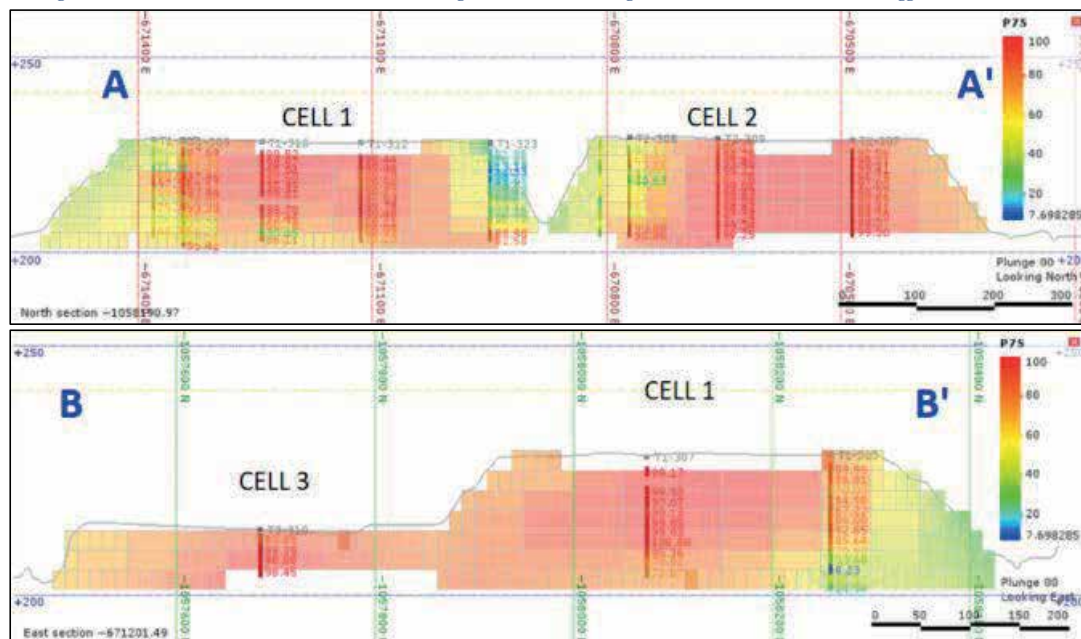


Figure 11-8: Vertical Cross Section View Showing sMn Block Values along lines A-A' and B-B' (5x vertical exaggeration)



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Figure 11-9: Vertical Cross Section View Showing P75 Block Value along lines A-A' and B-B' (5x vertical exaggeration)



11.8 Classification

Mineral Resource Classification was performed in reference to CIM Best Practices. No set standard exists for classification of resources for tailings deposits.

In accordance with CIM Definitions Standards (2014) the QP is of the opinion that the CMP is a reasonable prospect for eventual economic extraction on the basis of:

- The net average Inferred (8.21%) and Indicated (7.40%) tMn grades reported for the mineral resource estimate is greater than the break-even grade of 3.85% tMn (Section 11.6);
- The minimum composite tMn grade measured from drillhole sampling in the tailings deposit and used as input to the resource estimate is 4.02% tMn;
- The minimum tMn in the resource block model is 4.94% tMn. All material stated within the mineral resource estimate has tMn grade that is greater than the break-even grade, and therefore the net value of the deposit is estimated to be positive; and
- Further engineering and financial assessment will be conducted to validate the economic viability of the project.

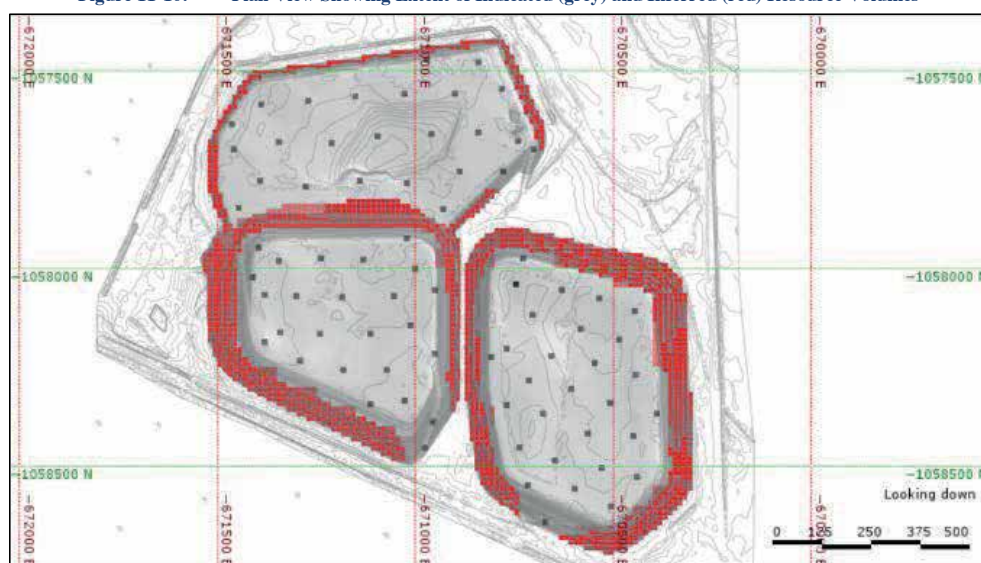
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Inferred mineral resources are those materials where evidence is sufficient to imply but not verify geological and grade or quality continuity. Presence and continuity of manganese concentrations within the perimeter slopes of the cells has been demonstrated from few boreholes drilled on access ramps. Uncertainty in the actual concentration and distribution of manganese remains for the majority of the slopes, which will require additional drilling. Additionally, historical documentation reports that native soils were used to construct a perimeter starter berm for the tailings facility foundations. The lower contact of the tailings deposit is modelled based on the results of recent drilling, and has been extrapolated laterally where no data exists. The location and extent of this original native soil material has not been confirmed by drilling and some uncertainty exists to the volume of material, although the volume would not be considered significant to the overall resource volume. Due to these uncertainties around the perimeter slopes of the deposits, these materials have been classified as Inferred Mineral Resources. A vertical boundary has been defined near the upper bench perimeter of the deposits to define this outer zone of uncertainty.

Indicated mineral resources are those materials where evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. Distribution and concentration of manganese concentrations have been reasonably defined for the majority of the deposits by drilling spaced at approximately 100 metre spacing confirming trends with 3-dimensional continuity and allowing for modelling of grade distribution in conjunction with numerous other chemical and physical parameters. It is observed that the distribution of total and soluble manganese has a low standard deviation and coefficient of variation, suggesting that overall grade distribution is quite uniform. However, variogram analysis failed to demonstrate a functional relationship between grade and distance from known samples, which may have been related to the drill spacing interval or the nature of the manmade nature of these deposits. The data is considered to be high quality for this area of the deposits. These materials have been classified as Indicated Mineral Resources. Figure 11-10 depicts the volumes of material which represent the core Indicated and perimeter Inferred resources.

Conversion of Indicated resources to Measured resources would require some short range and twin hole drilling to attempt to determine the short range variability in manganese grade for grade control and operational reconciliation purposes. Additionally, closer drilling would provide additional data to improve sample support of smaller blocks to better reflect standard mining units. Additionally, refinement to the modelled understanding in relationship and distribution of geochemical properties, such as zones with oxidized tailings and other factors which may influence the overall solubility or recovery of manganese.

Figure 11-10: Plan View Showing Extent of Indicated (grey) and Inferred (red) Resource Volumes

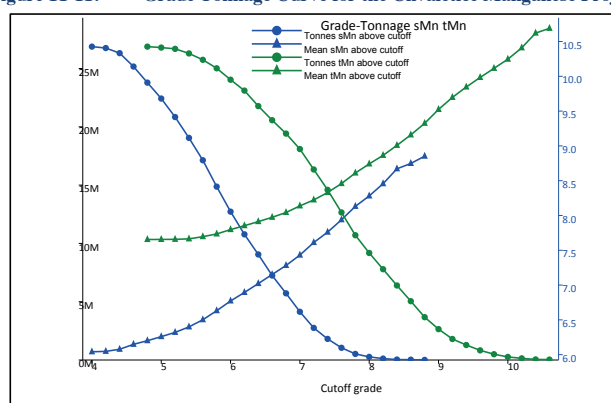


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11.9 Grade Tonnage Curves

As means of a reference to tonnage sensitivity and distribution of manganese grade, the following grade tonnage curve is presented. Cut-of values are not applied to this mineral resource estimate as it is currently assumed that all tailings material will be extracted for processing and no mining selectivity will be applied. The grade tonnage tabulation includes all blocks contained within the model and has not been segmented based on mineral resource classification.

Figure 11-11: Grade Tonnage Curve for the Chvaltice Manganese Project



11.10 Model Validation

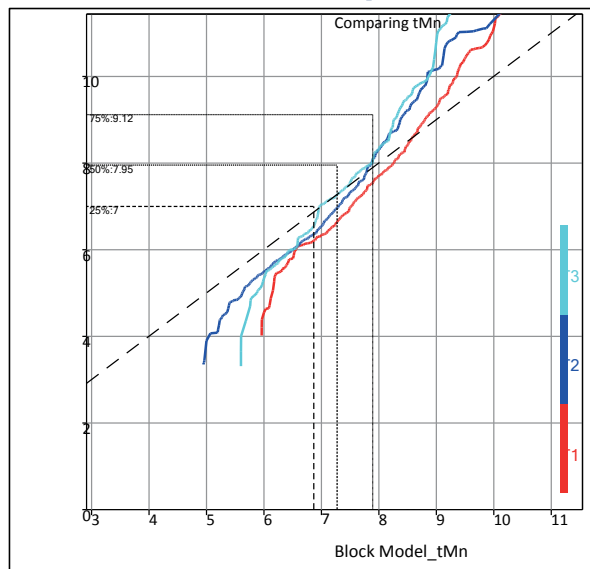
Model validation was conducted by visual inspection, and various geostatistical comparisons.

A visual inspection of the modelled variables along vertical cross sections comparing raw values, composite values and block values was conducted. No visual concerns were noted and the interpolated model fits the drill hole sample data well.

A quantile-quantile assessment is used as a visual check to compare shape of two dataset distributions. Figure 11-12 shows a QQ plot by Cell where quantiles of the composite tMn values are compared with the block tMn values. It is observed that median values are slightly higher in block values for Cells 1 and 2, and are equal for Cell 3. In general terms, the lower quantiles are elevated in block values and higher quantiles are elevated in composite values. This trend is expected and is a result of the de-clustering of higher grade values into the model blocks.

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Figure 11-12: Quantile-Quantile Plot for 2m Composites and Block Model Values of tMn

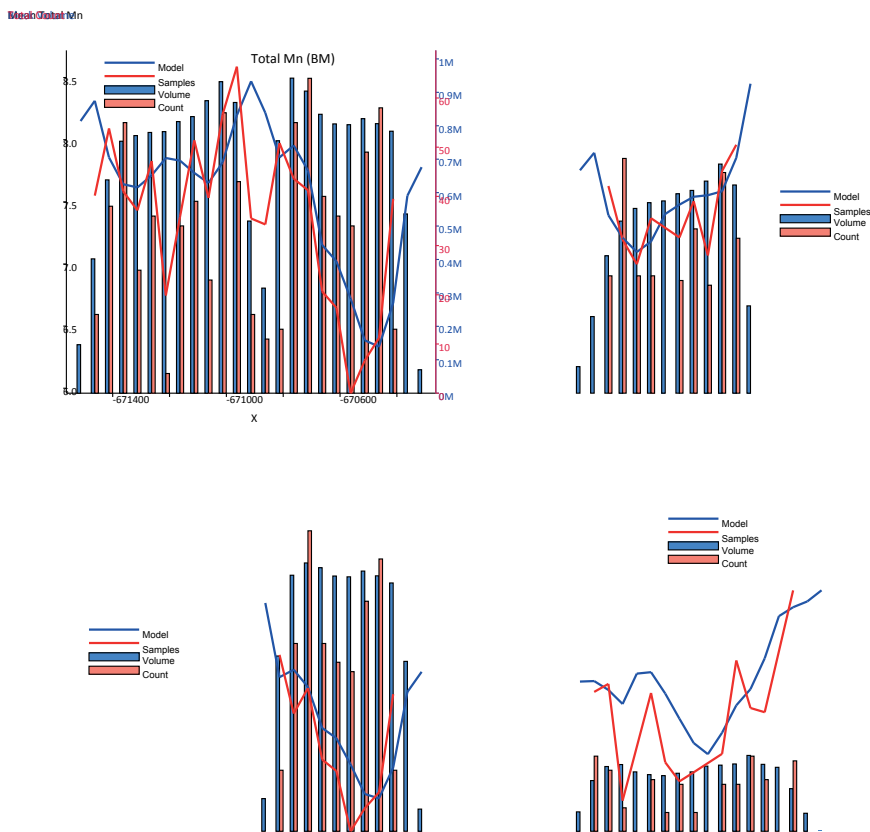


A swath plot analysis was completed on both the entire dataset and individual cell datasets. The analysis enables spatial verification for reasonable congruence of original assay data to the interpolated values along the three principal axes of the model. Figure 11-13 shows swath plots along the X-axis,

Figure 11-14 along the Y-axis and Figure 11-5 along the Z axis. The analysis results indicate good correlation of the modelled blocks and no major bias has been introduced to the model during the interpolation process.

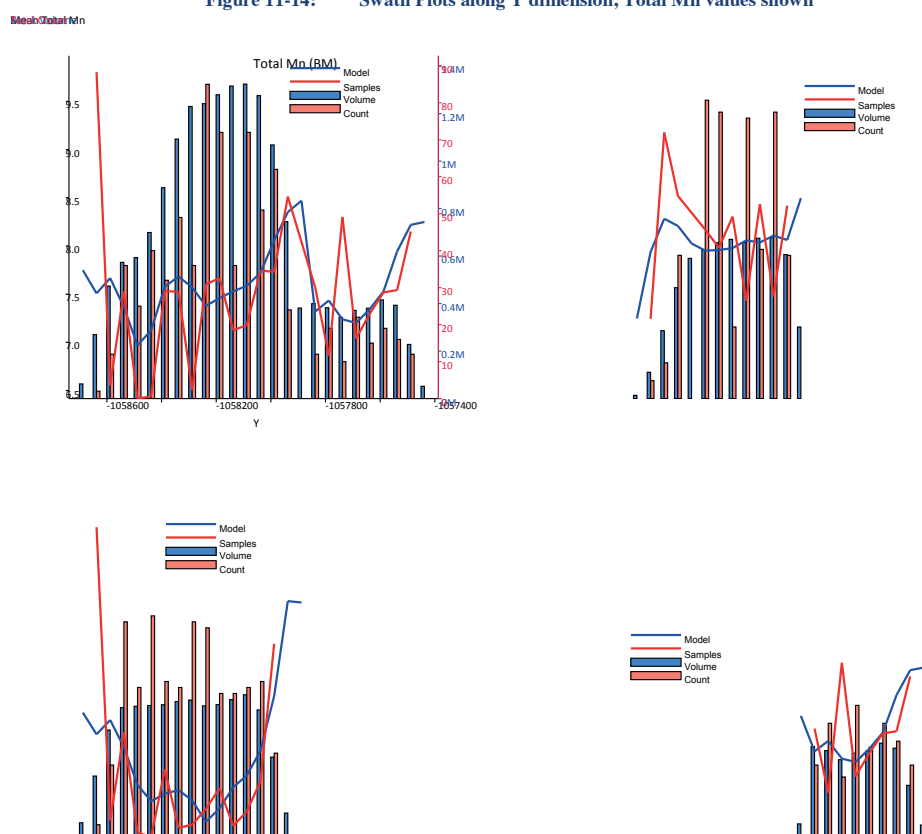
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Figure 11-13: Swath Plots Along X Dimension, Total Mn Values Shown

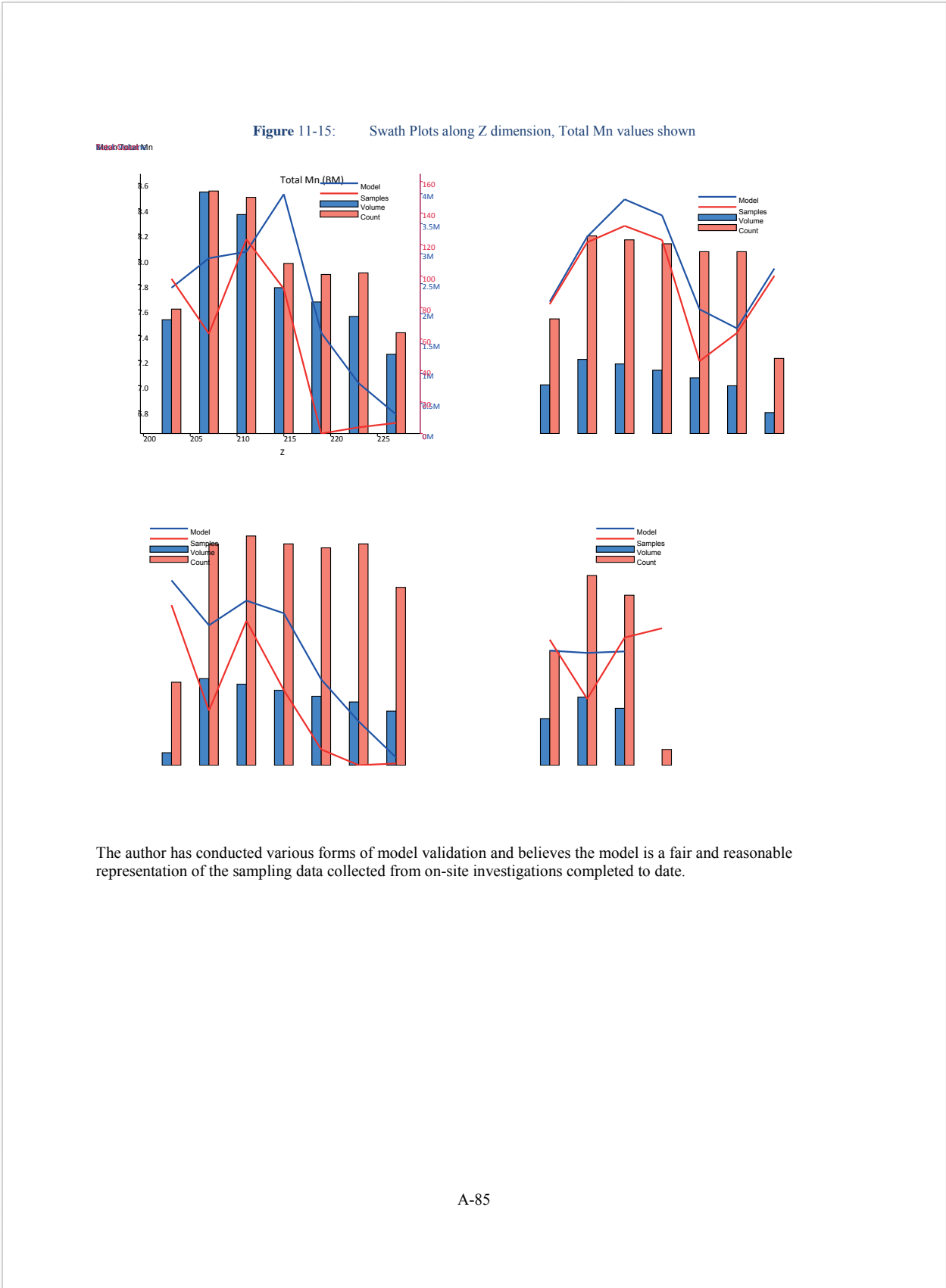


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Figure 11-14: Swath Plots along Y dimension, Total Mn values shown



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The author has conducted various forms of model validation and believes the model is a fair and reasonable representation of the sampling data collected from on-site investigations completed to date.

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12.0 RECOMMENDATIONS

12.1 Geology and Mineral Resources

The first modern systematic drilling investigation to be conducted on the Chvalatice tailings deposit to assess both the vertical and lateral variation of physical and chemical characteristics was completed by EMI in the summer of 2017 and is the subject of this report. There has been no further drilling on the property since then.

In situ dry bulk density values have been calculated based on core volume recoveries that were estimated in the field, and sample mass and moisture volumes that were measured in the laboratory. A well-supported sample distribution has been modelled for in situ dry bulk density and developed for the project which can be used to estimate average values with error margins, or can be maintained as a variable model throughout the deposit. Sample volume is a critically sensitive variable to this calculation and care must be taken in the field to obtain accurate volume estimates for any future samples being evaluated for in situ bulk density.

Further assessment of the lithogeochemical database in conjunction with the drill logs and photos should be undertaken to identify zones of oxidized material which may influence the leaching characteristics of the materials. The results should be interpreted into the lithological model and superimposed into the block model.

The results of the seismic and geophysical survey in addition to subsurface logs from historical hydrogeology wells should be combined and interpreted for subsurface stratigraphy. The stratigraphy should be included into the existing tailings facility model for use in future hydrogeological, geotechnical and mine planning assessments.

The mineral resource estimate is classified with Inferred and Indicated grades, volumes and tonnages on the basis of drill spacing and grade variability. Inferred blocks are located around the perimeter of the Cells underlying the perimeter slope/embankments which were not safely accessible by the drill rig used during the recent Sonic drilling campaign. The current model uses extrapolated trends from areas where drilling was conducted to estimate parameters within the perimeter area that is classified as Inferred. Limited drilling was completed through portions of the slopes from access roads which confirmed the presence of manganiferous tailings. An investigation should be undertaken to target those areas within the perimeter embankments not previously drill tested to provide increase confidence in the modelled parameters and to reduce reliance on extrapolated trends.

Limited infill drilling is recommended within the areas currently classified as Indicated to evaluate if there is a predictable short range variation to manganese grade and to improve the sample support for smaller block sizes for use in mine planning. A twin hole drilling program would be included in this infill program to assess the short range variability.

Preliminary acid-base accounting conducted by EMI and Tetra Tech (this report) has indicated variable results of the potential of the tailings material to generate acid. It is recommended that a full characterization program is undertaken to fully evaluate the potential for net acid generation and the reaction dynamics of both the head (i.e., current tailings material) and tail (i.e., future tailings product) materials. The assessment should include metal leaching analysis of the existing tailings for interim excavation and the future tailings product for future reclamation planning.

A proposed Phase 1 geological investigation totaling approximately US\$1,001,000, expected to be incurred in the summer of 2018, is recommended to fill-in gaps within the 2017 drilling campaign and to collect data from the perimeter areas of each cell in order to improve confidence in the modelled parameters. The estimated Phase 1 program budget is inclusive of drilling, analyses, and professional services and is segmented by task in Table 12-1 below:

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Table 12-1: Recommended Phase 1 Geological and Mineral Resource Budget

Task	Unit rate* (US\$)	Number of Units	Estimated Cost (US\$)
Additional drilling to test the perimeter of Cells 1 to 3	\$700/m	900m	\$630,000
Additional infill drilling	\$650/m	400m	\$260,000
An ARD-ML program including initial static characterization and kinetic cells testing	\$500 (static) \$6,000 kinetic	24 samples 9 samples	\$66,000
Technical services, consulting and revision to the mineral resource estimate.			\$45,000
ESTIMATED TOTAL			\$1,001,000

* unit rates are considered to be inclusive of equipment, contractors, consumables, analysis, shipping, consulting, project management and travel expenses, and are estimated based on actual expenses previously incurred by EMI.

Based upon the results of the Phase 1 program and a preliminary economic assessment (PEA), EMI may elect to advance the project into a higher level of study such as a Feasibility Study. It is recommended that contingent upon the results of the Phase 1 program, a Phase 2 budget consider additional drilling, mineralogical and geochemical evaluation. The mineral resource estimate will be reviewed with mining, metallurgical and environmental disciplines to ensure the project is commensurate with potential conversion of mineral resources to mineral reserves. An estimated total contingent Phase 2 project budget of \$785,000 is presented below in Table 12-2.

Table 12-2: Recommended Phase 2 Geological and Mineral Resource Budget, Contingent on the Results of Phase 1

Task	Unit rate*	Number of Units	Estimated Cost (US\$)
Additional in-fill drilling within Cells 1 to 3	\$650/m	800m	\$520,000
Additional twin drilling program	\$650/m	300m	\$195,000
Geochemical characterization in conjunction with metallurgical and process testwork			\$20,000
Revision of mineral resource and property geology model in conjunction with mining, metallurgical and environmental disciplines			\$50,000
ESTIMATED TOTAL			\$785,000

* Unit rates are considered to be inclusive of equipment, contractors, consumables, analysis, shipping, consulting, project management and travel expenses, and are estimated based on actual expenses previously incurred by EMI.

12.2 Mineral Processing and Metallurgical Testing

Further metallurgical testing is recommended to better understand metallurgical performances, optimize processing conditions and assess preliminary process design assumptions. Much of this work was already underway at the time of writing this report, and has continued through to the Released Date.

A suitable and very comprehensive beneficiation and metallurgical testing program, including pilot plant tests, is recommended and has already been initiated by EMI as of the effective date of this report. The samples used for the testing are from the 2017 drilling program and have been comprehensively assayed for determining physical, chemical, mineralogical and particle size distribution characteristics. The test samples have been shipped to the laboratories of CRIMM in Changsha, Hunan Province, China. A total of approximately 14.8 t (wet) from 743 drill intervals is planned to be used for the testing program. The composite samples that will be prepared for the comprehensive testing program include:

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- A master composite which is representative of the overall mineralization of the deposit. This composite sample is being used for the process condition/flowsheet development and optimization. The sample will also be used for pilot scale testing, to investigate the beneficiation and to determine metallurgical performance of the sample in semi-continuous modes. Using the test results produced, the anticipated effects of the main recycling streams on the overall metallurgical performance will be simulated through Metsim, metallurgical process simulation modelling.
- Two composites that are representative of different mineralogical characteristics representing the high and low quality of potential mill feeds will be prepared and tested for their beneficiation and metallurgical responses to the process conditions developed from the master composite sample. The samples will also be used for pilot plant scale testing to investigate the metallurgical response of the samples in semi-continuous modes, especially the main recycling streams on the overall metallurgical performance.
- Three composites which are representative of three different particle size distribution classes (coarse, medium, fine) of the whole deposit will be tested at a larger than bench scale for their beneficiation and metallurgical performances to the process conditions developed from the master composite.
- Up to fifteen variability samples which are representative of different mineralogical characteristics and spatial locations will be tested at a bench scale for their beneficiation and metallurgical performances using the process conditions developed from the master composite.

The recommended test work should include:

- A detailed mineralogical study to further determine mineralization occurrences and compositions.
- Exploratory and pilot scale magnetic separation to pre-concentrate the manganese minerals, including various process condition optimization and equipment type selection tests.
- Solid and liquid separation tests on the magnetic separation tailings and concentrate. The testing should include thickening and filtration tests.
- Preliminary tests to further investigate the metallurgical performance of the mineralization to flotation pre-concentration treatments, including the flotation recovery of the carbonate manganese minerals from the magnetic separation tailings.
- Solid and liquid separation tests on the leach residue. The testing should include filtration tests and count-current decanter (CCD) washing on the filtered cakes.
- Detailed tests to investigate the mineral materials to conventional acid leaching, including the effect of acid consumption, leaching temperature, solid/liquid rate, particle size and other ore quality factors on manganese extraction. The testing should focus on the magnetic separation concentrates, however, preliminary testing on the head samples and magnetic tailings samples should also be conducted.
- Detailed tests to investigate purification treatments of the pregnant solution produced from the leaching treatment, including the removal of iron, phosphorus heavy metals and suspended solids which may affect downstream manganese electrowinning.
- Detailed electrowinning tests to optimize the manganese deposition by electrowinning and investigate the parameters for selenium and chromate-free manganese metal production.
- Preliminary tests to investigate the recovery of manganese and ammonia from the residue washing circuit.
- Test work to support an investigation into the opportunity of producing high purity manganese sulphate monohydrate.

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The test work will include bench scale tests, large scale verification tests, bench scale variability tests and three pilot plant runs to simulate industrial operations.

The preliminary acid-base accounting (ABA) tests will also be conducted to assess the acid generating potential of the residue and tailings samples.

A total of US\$1,200,000 has been estimated for the comprehensive testing program, excluding sample generation and shipment costs, as shown in Table 12-3. This testwork is underway as of the effective date of this report.

Table 12-3: Budget Estimate for Recommended Metallurgical and Process Engineering Work

Task	Detail	Estimated Cost (US\$)
Metallurgical Testwork		
	Mineralogy	\$ 16,000
	Bench Scale Beneficiation	\$ 110,000
	Leaching Investigation	\$ 74,000
	Solution Purification	\$ 145,000
	EMM Electro-Winning	\$ 89,000
	Product Processing (Passivation)	\$ 13,000
	S/L Separation and Residue Washing	\$ 35,000
	Mn Recovery from Washing Solution	\$ 16,000
	Pilot-Scale Beneficiation Testing	\$ 98,000
	Pilot-Scale Metallurgical Testing	\$ 280,000
Testwork Management		\$ 44,000
Process Engineering		\$ 276,000
ESTIMATED TOTAL		\$ 1,196,000

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APPENDIX B

AUDIT COMMITTEE CHARTER

1. MANDATE

The primary function of the audit committee (the “**Committee**”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by Euro Manganese Inc (the “**Company**”) to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- a) Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.
- b) Review and appraise the performance of the Company’s external auditors.
- c) Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.
- d) Provide guidance to the Company’s management team and, in particular, the Chief Financial Officer, on appropriate disclosure, accounting and risk management practices and procedures.

2. COMPOSITION

The Committee shall be comprised of three Directors as determined by the Board of Directors, all of whom shall be “independent” directors as defined in section 1.4 of National Instrument 52-110 and free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board of Directors as possible after its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

3. MEETINGS

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors and, if requested by the Committee, in separate sessions.

4. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- a) Periodically review and update this Charter.

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- b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than twenty percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

5. FINANCIAL REPORTING PROCESSES

- a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.

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- d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- i) Review certification process.
- j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

6. **RISK MANAGEMENT**

- a) To review, at least annually, and more frequently, if necessary, the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).
- b) To request the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.
- c) To assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

7. **OTHER**

Review and approve any related-party transactions and material asset dispositions.

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APPENDIX C

BOARD OF DIRECTORS' MANDATE

GENERAL

The Board of Directors (the “Board”) of Euro Manganese Inc. (“EMI” or the “Company”) is responsible for the stewardship and the general supervision of the management of the business and affairs of EMI in order to ensure the long-term financial strength of EMI and the creation of enduring and sustainable shareholder value. The Board seeks to discharge such responsibility by reviewing, discussing and approving EMI’s strategic plans and organizational structure, and by supervising management to oversee that the strategic planning and organizational structure enhance and preserve the business of EMI and its underlying value.

The Board shall be constituted always of a majority of “independent” directors (as such term is defined in section 2. (QUALIFICATION OF DIRECTORS)).

1. DUTIES AND RESPONSIBILITIES OF THE BOARD

The Board discharges its responsibility for overseeing the management of EMI’s business by delegating to EMI’s senior officers the responsibility for day-to-day management of EMI. The Board discharges its responsibilities both directly and by delegation through its standing committees, namely the Audit Committee and the Governance, Compensation Nominating, and Sustainability Committee.

The principal duties and responsibilities of the Board include:

- i. **Strategic Planning.** Assisting in the development of and regularly reviewing and monitoring the Company’s long-term goals and the strategic planning process which takes into consideration
 - a. opportunities and risks of the business and provides objectivity and judgement to the process. The Board is responsible for the approval of and for monitoring the process on at least an annual basis.
- ii. **Performance Review.** Regularly reviewing the short and long-term performance of the Company. The Board shall review and consider for approval all significant amendments or departures proposed by management from established strategy, capital and operating
 - a. budgets, matters of policy or corporate structure, outside of the ordinary course of business.
- iii. **Budgeting.** Reviewing and approving the Company’s annual budgets, including capital expenditures.
- iv. **Risk Management.** Understanding and overseeing the principal risks associated with the Company’s business and regularly monitoring the systems in place to manage those risks effectively.
- v. **Reviewing Material Transactions.** Reviewing and approving transactions that are either material or not in the ordinary course of the Company’s business.
- vi. **CEO Appointment and Evaluation.** Appointing a Chief Executive Officer (“CEO”) of the Company, approving the CEO’s compensation and establishing and administering appropriate processes to measure the CEO’s performance in carrying out the Company’s stated objectives, in conjunction with and on the recommendation of the Compensation Committee.
- vii. **Succession Planning.** Establishing and administering a plan for the succession of the CEO and senior management.
- viii. **Determining Compensation.** Upon the recommendation of the Compensation Committee, approving the appointment and compensation of senior management and approving the compensation of the directors of the Company (“Directors”).
- ix. **Management.** Establishing limits of authority to be delegated to senior management and appropriate evaluation criteria for the CEO and senior management.
- x. **Director Nomination.** Requiring that a plan be in place for the nomination of the Chairman of the Board and Directors, including those Directors who are independent in accordance with applicable securities laws and stock exchange requirements (“Independent Directors”), in conjunction with the Corporate Governance and Nominating Committee.
- xi. **Internal Controls.** In conjunction with the Audit Committee, regularly reviewing and monitoring the effectiveness of the Company’s internal controls and management information systems.

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- xii. **Disclosure Policy.** If and when warranted, overseeing the adoption of a disclosure policy for fair, accurate, transparent and timely public disclosure to all stakeholders, consistent with obligations of confidentiality.
- xiii. **Reserves and Resources.** Reviewing any reserve or resource reports prepared by the Company or the Reserve & Resource Panel. The Reserve & Resource Panel may be constituted at the discretion of the Board and will consist of certain Independent Directors who possess experience with or a working knowledge of estimating reserves and resources.
- xiv. **Shareholder Communication.** Reviewing the Company's communication policy and requiring that it be in compliance with applicable law and the regulations and guidelines of applicable securities regulatory authorities and the stock exchanges on which the Company's securities trade.
- xv. **Shareholder Feedback.** Establishing measures for shareholders to provide feedback to the Board or the Independent Directors directly.
- xvi. **Corporate Governance.** Monitoring the Company's compliance with the law and the corporate governance regulations and guidelines as required by the securities regulatory authorities and the stock exchanges on which the Company's securities trade, in conjunction with the Corporate Governance and Nominating Committee.
- xvii. **Code of Conduct and Business Ethics.** Establishing and regularly reviewing the Company's Code of Conduct and Business Ethics and regularly monitoring compliance thereof with the objective of promoting a culture of integrity throughout the Company.
- xxviii. **Integrity.** To the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers are creating a culture of integrity through the Company.
- xix. **By-laws.** If required, adopting, amending or repealing the By-laws of the Company, in accordance with applicable law.
- xx. **Financial Disclosure.** Reviewing and approving in advance prescribed public disclosure documents including, but not limited to, the quarterly and annual Financial Statements of the Company and associated Management's Discussion and Analysis, the Annual Information Form and Management Proxy Circular, in conjunction with the Committees of the Board as applicable.
- xxi. **Committees of the Board.** Upon the recommendation of the Nominating, Governance, Compensation and Sustainability Committee, establishing the Committees and selecting Independent Directors to act on the Committees. The Board shall establish the following standing Committees of the Board:
 - i. Audit Committee,
 - ii. Governance, Compensation, Nominating and Sustainability Committee,
 - iii. From time to time the Board may create other Committees or ad hoc committees to oversee specific issues or projects on behalf of the Board.
- xxii. **Terms of Reference.** Establishing, approving and annually reviewing the Terms of Reference for itself and its Committees, setting out duties and responsibilities including organizational and administrative procedures, in conjunction with the Corporate Governance and Nominating Committee.
- xxiii. **Evaluation of Board and Committees.** Regularly evaluating the effectiveness of the Board, its Committees and the members thereof, in conjunction with the Corporate Governance and Nominating Committee.
- xxiv. **Meetings with Management.** Encouraging the CEO to bring into Board meetings, managers who can provide additional insight into the items being discussed because of personal involvement in those areas, and/or employees who have the potential to take on greater responsibilities within the Company and whom the CEO believes should be given more exposure to the Board.
- xxv. **Continuing Education.** In conjunction with the Corporate Governance and Nominating Committee, overseeing the establishment of suitable orientation programs for new Directors and continuing education opportunities for all Directors such as receipt of management reports, third party presentations and mine site visits. Each Director will have access to an electronic Board Manual, updated annually, containing relevant management information, historical public information and the Terms of References for the Directors and for the Committees of the Board.
- xxvi. **Regulatory Compliance.** Ensuring that processes are in place to address applicable regulatory, corporate, securities and other compliance matters in a timely manner.
- xxvii. **Goodwill.** Enhancing the reputation, goodwill and image of the Company.

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- xxviii. **General.** Making other corporate decisions required to be made by the Board, or as may be reserved by the Board, to be made by itself, from time to time and not otherwise delegated to a Committee or to the management of the Company.

2. QUALIFICATION OF DIRECTORS

The Board shall be constituted always of a majority of “independent” directors as this term is defined in NI 58-101-*Disclosure of Corporate Governance Practices* and National Policy 58-201-*Corporate Governance Guidelines* and under applicable securities laws and the rules of any stock exchange on which EMI’s securities are listed for trading.

3. EXPECTATIONS OF A DIRECTOR

- i. **Commitment and Attendance.** All Directors are expected to maintain a high attendance record at meetings of the Board (including in-camera meetings) and meetings of the Committees of which they are members. Directors are expected to participate on Committees of the Board and become familiar with the Terms of Reference for each Committee on which they serve.
- ii. **Preparation for Meetings.** All Directors are expected to prepare in advance of meetings of the Board and its Committees and be willing to fully and frankly participate in the deliberations of the Board and its Committees with the intent to make informed decisions. Directors are expected to review the agenda and related materials circulated in advance of the meeting and are encouraged to contact the Chair of the Board, the CEO or any other appropriate person to discuss agenda items prior to the meetings.
- iii. **Knowledge of Operations.** All Directors are expected to be knowledgeable about the Company’s operations, activities and industry and to gain and maintain a reasonable understanding of the current regulatory, legislative, business, social and political environments within which the Company operates.
- iv. **Other Directorships and Significant Activities.** Each Director should, when considering membership on another board or committee, make every effort to ensure that such membership will not impair the Director’s time and availability for his or her commitment to the Company. No Director should serve on a board of a competitor of the Company or of a regulatory body with oversight of the Company. Directors should advise the Chair of the Corporate Governance and Nominating Committee prior to accepting membership on any other public company boards of directors. All Directors should disclose any conflict of interest on any issue to the Chair of the Board or the Chair of the Corporate Governance and Nominating Committee as soon as it arises. Directors must refrain from voting on any issue when a conflict of interest exists.
- v. **Contact with Management and Employees.** Directors should become familiar with senior management and their roles, and have access to them. Directors should be available to management and the Board as a resource and use their abilities, knowledge and experience for the benefit of the Company.
- vi. **Speaking on behalf of the Company.** Directors are required to adhere to the Company’s Disclosure Policy, if and when one is developed.
- vii. **Confidentiality.** The proceedings and deliberations of the Board and its Committees are confidential. Each Director shall maintain the confidentiality of the information received in connection with his or her service as a Director.
- viii. **General.** Directors are expected to perform such other duties as may be assigned to the Director by the Board from time to time or as may be required by applicable regulatory authorities or legislation.

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4. OUTSIDE ADVISORS

The Board or the Independent Directors, with approval of the Chairman of the Board, may, at the expense of the Company, engage such outside advisors as may be reasonable or desirable to the Board or the Independent Directors in the performance of Directors' duties.

5. LIMITATION ON THE BOARD'S DUTIES

Nothing in these Terms of Reference is intended or may be construed as imposing on any member of the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the Directors are subject under applicable law. These Terms of Reference are not intended to change or interpret the constating documents of the Company or any federal, provincial, state or exchange law, regulation or rule to which the Company is subject, and these Terms of Reference should be interpreted in a manner consistent with all such applicable laws, regulations and rules. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to shareholders, competitors, employees or other persons, or to any other liability whatsoever.

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APPENDIX D

STOCK OPTION PLAN

PART 1

DEFINITIONS AND INTERPRETATION

Definitions

1.1 As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms will have the meanings set forth below:

- (a) “**Administrator**” means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, or, if no such person is appointed, the Committee itself.
- (b) “**Associate**” has the meaning set out in the Securities Act.
- (c) “**Board**” means the board of directors of the Company.
- (d) “**Business Day**” means any day, other than a Saturday, a Sunday or a statutory holiday in Vancouver, British Columbia, Canada.
- (e) “**Change of Control**” means an occurrence when either:
 - (i) a Person or Entity, other than the current “control person” of the Company (as that term is defined in the Securities Act), becomes a “control person” of the Company; or
 - (ii) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company’s then-incumbent Board.
- (f) “**Committee**” means a committee of the Board to which the responsibility of approving the grant of stock options has been delegated, or if no such committee is appointed, the Board itself.
- (g) “**Company**” means Euro Manganese Inc.
- (h) “**Consultant**” means an individual who:
 - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a “distribution” (as that term is described in the Securities Act);
 - (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in §(h)(v) below);
 - (iii) in the reasonable opinion of the Board, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and
 - (iv) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof,

and includes:

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(v) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a “**Consultant Entity**”).

(i) “**Disability**” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Committee, acting reasonably, determines constitutes a disability.

(j) “**Disinterested Shareholder Approval**” means approval by a simple majority of the votes cast by the Company’s shareholders at a duly constituted shareholders’ meeting, excluding votes attached to Shares beneficially owned by Insiders who are Executives, Employees or Consultants or their Associates.

(k) “**Employee**” means:

(i) an individual who works full-time or part-time for the Company or any Subsidiary and such other individual as may, from time to time, be permitted by applicable Regulatory Rules to be granted Options as an employee or as an equivalent thereto; or

(ii) an individual who works for the Company or any Subsidiary either full-time or on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an employee of the Company or any Subsidiary, but for whom income tax deductions are not made at source,

and includes:

(iii) a corporation wholly-owned by such individual.

(l) “**Exchange**” means the stock exchange upon which the Company’s Shares principally trade, if any.

(m) “**Executive**” means an individual who is a director or officer of the Company or a Subsidiary, and includes a corporation wholly-owned by such individual.

(n) “**Exercise Notice**” means the written notice of the exercise of an Option, in the form set out as Schedule B hereto, duly executed by the Option Holder.

(o) “**Exercise Period**” means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.

(p) “**Exercise Price**” means the price at which an Option is exercisable as determined in accordance with §0.

(q) “**Expiry Date**” means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with §5.5, §6.2, §6.3, §6.4 or §11.4.

(r) “**Expiry Time**” means the time the Option expires on the Expiry Date, which is 4:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.

(s) “**Grant Date**” means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.

(t) “**Insider**” means an insider as that term is defined in the Securities Act.

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- (u) **“Listing Rules”** means the Listing Rules of ASX Limited and any other rules of ASX Limited which are applicable to the Company while it is admitted to the Official List of ASX Limited, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX Limited.
- (v) **“Market Value”** means the market value of the Shares as determined in accordance with §5.3.
- (w) **“Option”** means an incentive share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.
- (x) **“Option Certificate”** means the certificate, in substantially the form set out as Schedule A hereto, evidencing the Option.
- (y) **“Option Holder”** means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (z) **“Outstanding Issue”** means the number of Shares that are outstanding from time to time on a non-diluted basis.
- (aa) **“Person or Entity”** means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group will be deemed to be a Person or Entity.
- (bb) **“Personal Representative”** means:
 - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (cc) **“Plan”** means this stock option plan as from time to time amended.
- (dd) **“Plan Shares”** means Shares reserved for Options pursuant to this Plan.
- (ee) **“Regulatory Approvals”** means any necessary approvals of the Regulatory Authorities, including any approvals under the ASX Listing Rules, as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options granted from time to time hereunder.
- (ff) **“Regulatory Authorities”** means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
- (gg) **“Regulatory Rules”** means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities and Exchange.
- (hh) **“Securities Act”** means the *Securities Act* (British Columbia), RSBC 1996, c.418 as from time to time amended.
- (ii) **“Share”** or **“Shares”** means, as the case may be, one or more common shares without par value in the capital stock of the Company.

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- (jj) “**Share Compensation Arrangement**” excluding this Plan, means any stock option, stock option plan, former stock option plan of the Company, Employee stock purchase plan or any other compensation or incentive program involving the issuance or potential issuance of Shares to an Executive, Employee or Consultant.
- (kk) “**Shareholder Approval**” means approval by a simple majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders’ meeting.
- (ll) “**Subsidiary**” means a wholly-owned or controlled subsidiary corporation of the Company.
- (mm) “**Triggering Event**” means:
- (i) the proposed dissolution, liquidation or wind-up of the Company;
 - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
 - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
 - (iv) a proposed Change of Control of the Company;
 - (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
 - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.
- (nn) “**Vest**” or “**Vesting**” means that a portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

PART 2 GRANT OF OPTIONS

Grant of Options

2.1 The Committee will, from time to time in its sole discretion, grant Options to such Persons or Entities and on such terms and conditions as are permitted under this Plan.

Record of Option Grants

2.2 The Committee will be responsible to maintain a record of all Options granted under this Plan and such record will contain, in respect of each Option:

- (a) the name and address of the Option Holder;
- (b) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (c) the Grant Date and Expiry Date of the Option;

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- (d) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;
- (e) the vesting and other additional terms, if any, attached to the Option; and
- (f) the particulars of each and every time the Option is exercised.

Effect of Plan

2.3 All Options granted pursuant to the Plan will be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Certificates issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan. The Option Certificates will be issued for convenience only and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Company will prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

PART 3 PURPOSE AND PARTICIPATION

Purpose of Plan

3.1 The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

Participation in Plan

3.2 The Committee will, from time to time and in its sole discretion, determine those Executives, Employees and Consultants to whom Options are to be granted.

Limits on Option Grants

3.3 The following limitations will apply to the Plan and all Options thereunder:

- (a) Subject to Disinterested Shareholder Approval being obtained and if required by Regulatory Rules, the maximum number of Options which may be granted to any one Option Holder under the Plan within any 12 month period will be 5% of the Outstanding Issue;
- (b) with respect to §5.1, the Expiry Date of an Option will be no later than the tenth anniversary of the Grant Date of such Option;
- (c) if required by Regulatory Rules, the maximum number of Options which may be granted to any one Consultant within any 12 month period must not exceed 2% of the Outstanding Issue; and
- (d) the maximum number of Options which may be granted within any 12 month period to Employees or Consultants engaged in investor relations activities must not exceed 2% of the Outstanding Issue and such options must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period, and such limitation will not be an amendment to this Plan requiring the Option Holders consent under §9.2 of this Plan.

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Notification of Grant

3.4 Following the granting of an Option, the Administrator will, within a reasonable period of time, notify the Option Holder in writing of the grant and will enclose with such notice the Option Certificate representing the Option so granted. In no case will the Company be required to deliver an Option Certificate to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

Copy of Plan

3.5 Each Option Holder, concurrently with the notice of the grant of the Option, will be provided with a copy of the Plan. A copy of any amendment to the Plan will be promptly provided by the Administrator to each Option Holder.

Limitation on Service

3.6 The Plan does not give any Option Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

No Obligation to Exercise

3.7 Option Holders will be under no obligation to exercise Options.

Agreement

3.8 The Company and every Option Holder granted an Option hereunder will be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan will prevail and the other agreement will be deemed to have been amended accordingly.

Notice

3.9 Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Option Holder in the records of the Company and the Company will be under no obligation to confirm receipt or delivery.

Representation

3.10 If required by Regulatory Rules, then as a condition precedent to the issuance of an Option, the Company must be able to represent to the Exchange as of the Grant Date that the Option Holder is a bona fide Executive, Employee or Consultant of the Company or any Subsidiary.

PART 4 NUMBER OF SHARES UNDER PLAN

Board to Approve Issuance of Shares

4.1 The Committee will approve by resolution the issuance of all Shares to be issued to Option Holders upon the exercise of Options, such authorization to be deemed effective as of the Grant Date of such Options.

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Number of Shares

4.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Plan. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option will again be available for the purposes of granting Options pursuant to this Plan.

Fractional Shares

4.3 No fractional shares will be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder will have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

PART 5 TERMS AND CONDITIONS OF OPTIONS

Exercise Period of Option

5.1 Subject to §5.5, §6.2, §6.3, §6.4 and §11.4, the Grant Date and the Expiry Date of an Option will be the dates fixed by the Committee at the time the Option is granted and will be set out in the Option Certificate issued in respect of such Option.

Number of Shares Under Option

5.2 The number of Shares which may be purchased pursuant to an Option will be determined by the Committee and will be set out in the Option Certificate issued in respect of the Option.

Exercise Price of Option

5.3 The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option will be determined by the Committee and will be set out in the Option Certificate issued in respect of the Option. The Exercise Price will not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Shares for a particular Grant Date will be determined as follows:

- (a) for each organized trading facility on which the Shares are listed, Market Value will be the closing trading price of the Shares on the day immediately preceding the Grant Date, and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;
- (b) if the Company's Shares are listed on more than one organized trading facility, the Market Value will be the Market Value as determined in accordance with subparagraph (a) above for the primary organized trading facility on which the Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (c) if the Company's Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and
- (d) if the Company's Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee to be the fair value of the Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length. Notwithstanding anything else contained

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herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

5.4 The Exercise Price of an Option, once determined by the Committee, shall not be amended, changed or modified, except as expressly permitted by §0 and §0.

Termination of Option

5.5 Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period will terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option will be the earlier of the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, in paragraphs (a) or (b) below or §6.2, §6.3, §6.4 or §11.4 of this Plan:

(a) **Ceasing to Hold Office** - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option will be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:

- (i) -ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
 - (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
 - (iii) an order made by any Regulatory Authority having jurisdiction to so order,
- in which case the Expiry Date will be the date the Option Holder ceases to hold such position; OR

(b) **Ceasing to be Employed or Engaged** - In the event that the Option Holder holds his or her Option as an Employee or Consultant and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option will be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:

- (i) termination for cause;
 - (ii) resigning his or her position; or
 - (iii) an order made by any Regulatory Authority having jurisdiction to so order,
- in which case the Expiry Date will be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted but concurrently comes to hold a different position as an Executive, Employee or Consultant then the Option will stay in place for that Option Holder with such Option treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under §9.2 of this Plan. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

Blackout Period

5.6 The Company may from time to time impose trading blackouts during which Executives, Consultants or Employees may not trade in the securities of the Company. If a trading blackout is imposed, subject to the terms of the blackout and the Company's blackout policy, Option Holders may not exercise Options until expiry of the blackout period.

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As a result of the foregoing limitation, the term of any Option that would otherwise expire during a blackout period or within five (5) Business Days thereafter will be extended by ten (10) Business days following the expiry of such blackout period, provided that the following requirements are satisfied:

- (a) the blackout period must be formally imposed by the Company pursuant to its internal trading policies. For greater certainty, in the absence of the Company formally imposing a blackout period, the expiry date of any Options will not be automatically extended in any circumstances;
- (b) the blackout period must expire upon the general disclosure of the undisclosed Material Information (as such term is defined in the policies of the TSX Venture Exchange); and
- (c) the automatic extension of an Option Holder's Options will not be permitted where the Option Holder or the Company is subject to a cease trade order (or similar order under securities laws) in respect of the Company's securities.

Hold Period

5.7 The Company may grant Options without an Exchange hold period provided that the Option is not granted to an insider or promoter of the Company and provided that the Exercise Price of an Option is based on the Market Value and not at a discount to the Market Value.

Vesting of Option and Acceleration

5.8 The vesting schedule for an Option, if any, will be determined by the Committee and will be set out in the Option Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Option Holder under §9.2 of this Plan.

Additional Terms

5.9 Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company will prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

PART 6 TRANSFERABILITY OF OPTIONS

Non-transferable

6.1 Except as provided otherwise in this Part 6, Options are non-assignable and non-transferable.

Death of Option Holder

6.2 In the event of the Option Holder's death, any Options held by such Option Holder will pass to the Personal Representative of the Option Holder and will be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

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Disability of Option Holder

6.3 If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder will be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

Disability and Death of Option Holder

6.4 If an Option Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Option Holder's Disability and such Option Holder dies within one year after the termination of such engagement, any Options held by such Option Holder that could have been exercised immediately prior to his or her death will pass to the Personal Representative of such Option Holder and will be exercisable by the Personal Representative on or before the date which is the earlier of one year following the death of such Option Holder and the applicable Expiry Date.

Vesting

6.5 Unless the Committee determines otherwise, Options held by or exercisable by a Personal Representative will, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

Deemed Non-Interruption of Engagement

6.6 Employment or engagement by the Company will be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement will be deemed to have terminated on the ninety-first day of such leave.

PART 7 EXERCISE OF OPTION

Exercise of Option

7.1 An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Administrator the required Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft or wire transfer payable to the Company in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option.

Issue of Share Certificates

7.2 As soon as reasonably practicable following the receipt of the Exercise Notice, the Administrator will cause to be delivered to the Option Holder a certificate for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator will also provide a new Option Certificate for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Share Certificate.

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No Rights as Shareholder

7.3 Until the date of the issuance of the certificate for the Shares purchased pursuant to the exercise of an Option, the Option Holder will have no right to vote or receive dividends or any other rights as a shareholder (including, for greater certainty, any right to participate in a rights offering or share dividend) with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the certificates, the decision of the Committee will be final, conclusive and binding.

Tax Withholding and Procedures

7.4 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Option Holder or the Personal Representative, as the case may be, who wishes to exercise an Option must, in addition to following the procedures set out in §7.1 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;
- (c) and must in all other respects follow any related procedures and conditions imposed by the Company.

PART 8 ADMINISTRATION

Board or Committee

8.1 The Plan will be administered by the Administrator with oversight by the Committee.

Powers of Committee

8.2 The Committee will have the authority to do the following:

- (a) oversee the administration of the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;
- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as will be deemed necessary or advisable to carry out the purposes of the Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;

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- (g) do the following with respect to the granting of Options:
 - (i) determine the Executives, Employees or Consultants to whom Options will be granted, based on the eligibility criteria set out in this Plan;
 - (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
 - (iii) subject to any necessary Regulatory Approvals and §9.2, amend the terms of any Options;
 - (iv) determine when Options will be granted; and
 - (v) determine the number of Shares subject to each Option;
- (h) accelerate the vesting schedule of any Option previously granted; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

Administration by Committee

8.3 All determinations made by the Committee in good faith will be final, conclusive and binding upon all persons. The Committee will have all powers necessary or appropriate to accomplish its duties under this Plan.

Interpretation

8.4 The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto will be final, conclusive and binding and will not be subject to dispute by any Option Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder will be personally liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Committee and each such person will be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

PART 9 APPROVALS AND AMENDMENT

Shareholder Approval of Plan

9.1 This Plan is subject to Shareholder Approval at establishment and annually. Any Options granted under this Plan prior to such time will not be exercisable or binding on the Company unless and until Shareholder Approval is obtained. After initial Shareholder Approval, if annual Shareholder Approval is not obtained in accordance with Regulatory Rules, no further Options may be granted this Plan until such Shareholder Approval is obtained. The Company will also obtain Disinterested Shareholder Approval to the grant of Options if the Plan, together with all of the Company's previously established and outstanding stock option plans or grants, could result at any time in the grant to insiders (as a group), within a 12 month period or at any point in time, of a number of Options exercisable for Shares exceeding 10% of the then issued Shares.

Amendment of Option or Plan

9.2 Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the terms and conditions of any Option, provided that where such amendment relates to an existing Option and it would:

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- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder;

then, unless otherwise excepted by a provision of this Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment. If at the time the Exercise Price of an Option is reduced the Option Holder is an Insider of the Company, the Insider must not exercise the Option at the reduced Exercise Price until the reduction in Exercise Price has received Disinterested Shareholder approval, if required by Regulatory Rules or by the Committee.

PART 10 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES

Compliance with Laws

10.1 An Option will not be granted or exercised, and Shares will not be issued pursuant to the exercise of any Option, unless the grant and exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company will be entitled to legend the Option Certificates and the certificates representing such Shares accordingly. For the avoidance of doubt, prior to an Option being granted to a person in the United States or to a U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended), such proposed Option Holder will be required to provide further representations and warranties to the Company evidencing that the Option Holder is an “accredited investor” as defined in Rule 501 of Regulation D of the United States *Securities Act of 1933*, as amended.

Regulatory Approvals

10.2 In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options to be granted without first obtaining the necessary Regulatory Approvals unless such Options are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee will be entitled to amend this Plan and the Options granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Option Holders under §9.2 of this Plan.

Inability to Obtain Regulatory Approvals

10.3 The Company’s inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Options hereunder, the exercise of those Options or the lawful issuance and sale of any Shares pursuant to such Options, will relieve the Company of any liability with respect to the failure to complete such transaction.

PART 11 ADJUSTMENTS AND TERMINATION

Termination of Plan

11.1 Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan. Unless earlier terminated as provided in this Part 11, the Plan will terminate on, and no more Options will be granted under the Plan after, the tenth anniversary of the date of shareholder approval of the Plan under §9.1.

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No Grant During Suspension of Plan

11.2 No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan will not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

Alteration in Capital Structure

11.3 If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, or there is any other reorganization of the Shares, the Committee will make such adjustments to this Plan and to the Options then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances (and consistent with the ASX Listing Rules, to the extent applicable to such event), so that the proportionate interest of each Option Holder will, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Options; and
- (b) a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised portion of existing Options will not be altered, it being intended that any adjustments made with respect to such Options will apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this §11.3, and without limitation, neither:

- (a) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (b) the conversion of outstanding securities of the Company into Shares will be deemed to be material alterations of the capital structure of the Company. Any adjustment made to any Options pursuant to this §11.3 will not be considered an amendment requiring the Option Holder's consent for the purposes of §9.2 of this Plan.

Triggering Events

11.4 Subject to the Company complying with §11.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate, the Committee may, without the consent of the Option Holder or Holders in question:

- (a) cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b) cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such exercise price as the Committee deems appropriate, acting reasonably.

Such termination or exchange will not be considered an amendment requiring the Option Holder's consent for the purpose of §9.2 of the Plan.

Notice of Termination by Triggering Event

11.5 In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, including regulatory approval from the Exchange for Options

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granted to those providing investor relations services, all Options or portions thereof granted under the Plan which the Company proposes to terminate will become immediately exercisable notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

Determinations to be Made By Committee

11.6 Adjustments and determinations under this Part 11 will be made by the Committee, whose decisions as to what adjustments or determination will be made, and the extent thereof, will be final, binding, and conclusive.

PART 12 GENERAL

No Representation or Warranty

12.1 The Company makes no representation or warranty as to the future market value of the Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Shares issuable thereunder or the tax consequences to an Option Holder. Compliance with applicable securities laws as to the disclosure and resale obligations of each Option Holder is the responsibility of each Option Holder and not the Company.

Choice of Law

12.2 The Plan is established under, and the provisions of the Plan will be subject to and interpreted and construed solely in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws of any other jurisdiction. The Company and each Option Holder hereby attorn to the jurisdiction of the Courts of British Columbia.

Headings

12.3 The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

Interpretation

12.4 A reference to a Part means a Part of this Plan and the symbol § followed by a number or some combination of numbers and letters refers to the section, paragraph or subparagraph of this Plan so designated.

Continuation of the Plan

12.5 Subject to §9.1, this Plan will become effective from and after October 27, 2015, as amended February 21, 2018, and will remain effective provided that the Plan, or any amended version thereof, receives Shareholder Approval at each annual general meeting of the holders of Shares subsequent to October 27, 2015 (and also if required under the terms of this Plan or any Regulatory Rules, Disinterested Shareholder Approval).

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SCHEDULE A

EURO MANGANESE INC.

STOCK OPTION PLAN - OPTION CERTIFICATE

This Option Certificate is issued pursuant to the provisions of the Stock Option Plan (the “**Plan**”) of Euro Manganese Inc. (the “**Company**”) and evidences that ♦ [Name of Option Holder] is the holder (the “**Option Holder**”) of an option (the “**Option**”) to purchase up to ♦ common shares (the “**Shares**”) in the capital stock of the Company at a purchase price of CDNS ♦ per Share (the “**Exercise Price**”). This Option may be exercised at any time and from time to time from and including the following Grant Date through to and including up to 4:00 p.m. local time in Vancouver, British Columbia (the “**Expiry Time**”) on the following Expiry Date:

- (a) the Grant Date of this Option is ♦, 20♦; and
- (b) subject to §5.5, §6.2, §6.3, §6.4 and §11.4 of the Plan, the Expiry Date of this Option is ♦, 20♦.

To exercise this Option, the Option Holder must deliver to the Administrator of the Plan, prior to the Expiry Time on the Expiry Date, an Exercise Notice, in the form provided in the Plan, which is incorporated by reference herein, together with the original of this Option Certificate and a certified cheque or bank draft payable to the Company or its legal counsel in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Option Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company will prevail. This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

[Include legends prescribed by Regulatory Authorities, if required.]

If the Option Holder is a resident or citizen of the United States of America at the time of the exercise of the Option, the certificate(s) representing the Shares will be endorsed with the following or a similar legend:

“The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, of the United States of America (the “**Act**”) or the securities laws of any state (“**State**”) of the United States of America and may not be sold, transferred, pledged, hypothecated or distributed, directly or indirectly, to a U.S. person (as defined in Regulation S adopted by the U.S. Securities and Exchange Commission under the Act) or within the United States unless such securities are (i) registered under the Act and any applicable State securities act (a “**State Act**”), or (ii) exempt from registration under the Act and any applicable State Act and the Company has received an opinion of counsel to such effect reasonably satisfactory to it, or (iii) sold in accordance with Regulation S and the Company has received an opinion of counsel to such effect reasonably satisfactory to it.”

The Shares are also subject to the restrictions contained in the Company’s Articles which currently require that no Shares may be sold, transferred or otherwise disposed of without the consent of the Company’s directors and the directors are not required to give any reason for refusing to consent to such sale, transfer or other disposition. Accordingly, any certificate representing the Shares issued upon the exercise of the Options will, in addition to any other legend required by applicable securities laws and the Plan, bear the following legend or such similar legend as deemed advisable by counsel to the Company to ensure compliance with applicable securities laws:

“Transfer of Shares Restricted”

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EURO MANGANESE INC.
by its authorized signatory:

Per: _____
Authorized Signatory

The Option Holder acknowledges receipt of a copy of the Plan and represents to the Company that the Option Holder is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Option Holder agrees to execute, deliver, file and otherwise assist the Company in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by the Regulatory Authorities. The Option Holder further acknowledges that if the Plan has not been approved by the shareholders of the Company on the Grant Date, this Option may not be exercisable until such approval has been obtained.

Signature of Option Holder:

Signature

Print Name

Address

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OPTION CERTIFICATE – SCHEDULE

[Complete the following additional terms and any other special terms, if applicable, or remove the inapplicable terms or this schedule entirely.]

The additional terms and conditions attached to the Option represented by this Option Certificate are as follows:

1. 1. The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. The Options will vest in accordance with the following:
 - (a) ◆ Shares (◆%) will vest and be exercisable on or after the Grant Date;
 - (b) ◆ additional Shares (◆%) will vest and be exercisable on or after ◆ [date];
 - (c) ◆ additional Shares (◆%) will vest and be exercisable on or after ◆ [date]; and
 - (d) ◆ additional Shares (◆%) will vest and be exercisable on or after ◆ [date].
2. Upon the Option Holder ceasing to hold a position with the Company, other than as a result of the events set out in paragraphs §5.5(a) or §5.5(b) of the Plan, the Expiry Date of the Option will be 30 days following the date the Option Holder ceases to hold such position.

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SCHEDULE B
EURO MANGANESE INC.

STOCK OPTION PLAN

NOTICE OF EXERCISE OF OPTION

TO: The Administrator, Stock Option Plan

Euro Manganese Inc.

1500 - 1040 West Georgia Street
Vancouver, BC, V6E 4H1, Canada

(or such other address as the Company may advise)

The undersigned hereby irrevocably gives notice, pursuant to the Stock Option Plan (the “**Plan**”) of Euro Manganese Inc. (the “**Company**”), of the exercise of the Option to acquire and hereby subscribes for (**cross out inapplicable item**):

- (a) all of the Shares; or
- (b) _____ of the Shares;

which are the subject of the Option Certificate attached hereto (**attach your original Option Certificate**). The undersigned tenders herewith:

- (c) a certified cheque or bank draft (circle one) payable to the Company in an amount equal to the aggregate Exercise Price of the aforesaid Shares; or
- (d) a copy of wire transfer instructions evidencing that the aggregate Exercise Price of the aforesaid Shares has been wired to the Company in lawful money of Canada, in accordance with wire transfer instructions provided to the undersigned by the Company at the undersigned’s request, and

directs the Company to issue the certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address (**provide full complete address**):

The undersigned acknowledges the Option is not validly exercised unless this Notice is completed in strict compliance with this form and delivered to the required address with the required payment prior to 4:00 p.m. local time in Vancouver, British Columbia on the Expiry Date of the Option.

DATED the day _____ of _____, 20____.

Signature of Option Holder

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CERTIFICATE OF THE COMPANY AND THE PROMOTERS

Dated: June 26, 2018

This amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of each of the Provinces of British Columbia, Alberta and Ontario.

EURO MANGANESE INC.

“Marco Romero”

Marco Romero
Chief Executive Officer

“Pierre Massé”

Pierre Massé
Chief Financial Officer and Corporate
Secretary

“John Webster”

John Webster
Director

“Roman Shklanka”

Roman Shklanka
Director

THE PROMOTERS

“Marco Romero”

Marco Romero

“Roman Shklanka”

Roman Shklanka

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CERTIFICATE OF THE AGENT

Dated: June 26, 2018

To the best of the Agent's knowledge, information and belief, this amended and restated prospectus, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of each of the Provinces of British Columbia, Alberta and Ontario.

CANACCORD GENUITY CORP.

"Craig Warren"

Craig Warren
Managing Director
Investment Banking

B.

Annexure B – Independent Market Overview High Purity Electrolytic Manganese Metal and Manganese Sulfate Markets

B. Annexure B – Independent Market Overview High Purity Electrolytic Manganese Metal and Manganese Sulfate Markets



CPM Group

Independent Market Overview High Purity Electrolytic Manganese Metal and Manganese Sulfate Markets

CPM Group
Produced for Euro Manganese Inc.
31 July 2018

This summary Independent Market Overview was prepared at the request of Euro Manganese Inc by CPM Group. It is based on research conducted by CPM Group and includes specialized lithium ion battery industry contributions from Cairn ERA. This overview is not intended to be a complete or exhaustive research. CPM Group consents in its full disclosure in the context of a prospectus for an initial public offering by Euro Manganese Inc.

Overview

Manganese (Mn) is a very common metal that is produced principally in South Africa, Australia, Gabon, China, and Brazil. Most of the manganese produced annually in the world is used as a ferroalloy for use in a wide range of steels, predominantly as silico-manganese and ferro-manganese, and, in lesser quantities, as electrolytic manganese metal. Manganese is the most commonly used alloy for iron in the manufacture of steels. Manganese ore is also used to produce various chemicals, including electrolytic manganese dioxide and manganese sulphate, which are used to produce various products, including batteries.

Total world manganese demand is estimated to be around 18.9 million metric tonnes per year as of 2017.

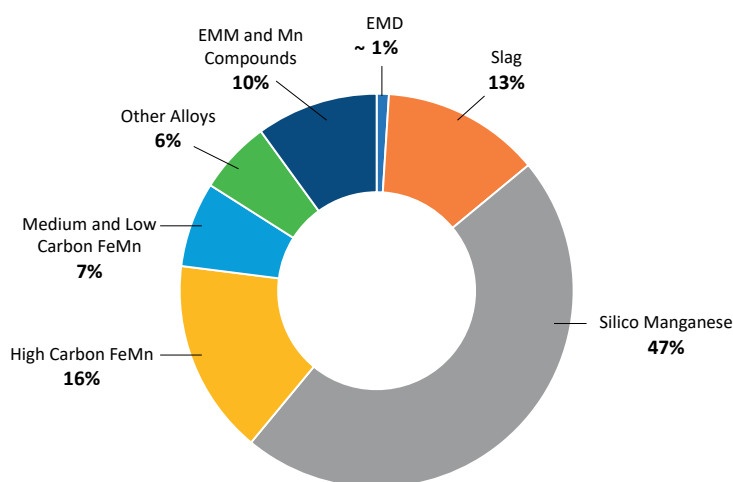
A wide range of manganese chemicals are used in a variety of industrial and agricultural products. The amount of manganese consumed or used in these products is around 11% of total manganese use. This includes metal that is refined into manganese that is refined into (a) 99.7%-pure electrolytic manganese metal (Conventional EMM), made with the addition of selenium dioxide, principally used to make certain types of stainless and other steel products, and (b) high-Purity EMM (HPEMM), which is 99.9%-pure and is selenium-free, and used for certain high-end applications, including superalloys and lithium ion batteries.

Within this current manganese market matrix, there is a rapidly increasing demand for manganese in the form of HPEMM and high purity manganese sulfate monohydrate (HPMSM) in the manufacture of precursor materials for some varieties of lithium ion batteries. There are many formulations of chemicals used in lithium ion batteries at present, with the various formulations of lithium ion batteries vying for markets and market share in the battery space. Lithium ion batteries containing manganese are gaining markets, market share, and market preference over other types of batteries. Within the range of manganese bearing lithium ion batteries, the most common are Lithium Manganese Oxide (LMO) batteries, Lithium Nickel Manganese Cobalt batteries (NMC) batteries and Lithium Nickel Manganese Oxide (LNMO). NMC batteries are increasingly preferred for electric vehicles and a range of other battery powered tools and devices, due to their energy density, durability and safety features. NMC batteries are also gaining preference for stationary Energy Storage System (ESS) applications.

B. Annexure B – Independent Market Overview High Purity Electrolytic Manganese Metal and Manganese Sulfate Markets



Manganese Ore Uses, 2017e



Source: CPM Group, IMNI, company documents

Manganese Metal

Manganese is the fourth largest metal market in terms of physical volume, after iron, aluminum, and copper. In the production of steel, the addition of manganese allows for the removal of impurities such as sulfur and oxygen, improving the steel's strength, hardness, and abrasion resistance. About 83% of manganese ore is consumed in steel in ferroalloy forms.

The vast majority of manganese ore (89%) is converted into the manganese ferroalloys, such as ferromanganese, silicomanganese, other manganese alloys, and semi-refined ferromanganese with varying degrees of carbon content. Conventionally these products are produced in a blast or electric arc furnace. The remaining 11% is used to produce electrolytic manganese and a range of manganese chemicals.

Manganese, from ore to 99.7% manganese metal, to the range of manganese alloys and chemicals, is traded between producers, traders, and industrial consumers. There are no organized markets, regulated futures, or other exchanges for manganese metal or products, except for a newly formed Chinese exchange for silico-manganese futures begun in 2017. Thus, the prices for manganese and manganese products are negotiated in private transactions on annual, quarterly, and spot contract bases. There are some price estimations published by metals industry publications based on information gleaned from private conversations by journalists with producers, traders, and end users, but their consistency and accuracy appear to vary widely.

In conventional 99.7% EMM, selenium dioxide is added to the electro-winning process to improve the energy efficiency of the process and to lower production costs. When added to the solution before electrolysis, it acts as a catalyst, reducing the power requirements. Electricity is a major cost input for EMM producers, and therefore, unless producers can demand a premium for their product it is not cost effective to produce a selenium-free product for lower end applications.

B. Annexure B – Independent Market Overview High Purity Electrolytic Manganese Metal and Manganese Sulfate Markets



Conventional Electrolytic Manganese Metal (99.7% EMM) has followed the price pattern traced by many commodities over the past several decades. This reflects cyclical variations in global economic activity levels, as well as secular changes such as the rapid industrialization and modernization of many emerging market economies since the 1990s. As a result of these cyclical and secular trends, EMM prices languished at low levels for much of the late 1980s and 1990s, rising sharply before the Great Recession and Global Financial Crisis emerged in 2008 – 2009. Prices fell during the recession of 2007 – 2009, and then rose during the economic recovery. Prices slumped again in 2011 – 2015, along with other metals and commodities, but then began to rise more forcefully in 2016 – 2018 as economic expansions continued in most countries. As of July 27, 2018, Conventional EMM prices per metric tonne were around RMB21,000 (~US\$3,167) ex-works in China, around US\$3,025 CIF European and US\$3,700 United States ports. (In addition, the USA applies a 14% tariff on Chinese EMM imports.) China FOB export prices were around US\$2,975 per metric tonne.

Electrolytic Manganese Flake Prices, Europe (min 99.7% Mn)

Bi-weekly, Through 31 July 2018



Source: Metal Bulletin, Asian Metal

Approximately 1.5 million metric tonnes of EMM was produced annually as of 2017. The vast majority is produced in China. Non-Chinese EMM production is around 55,000 metric tonnes per year, or roughly 3.7% of EMM supply. This production occurs in South Africa and Gabon. South Africa produces only HPEMM and Gabon produces Conventional EMM.

Conventional EMM is used primarily to remove oxygen and sulfur from lower quality stainless steels. There are some specialty chemical applications as well. Electronics and chemicals account for only about 2% of overall EMM consumption and use.

High-Purity 99.9%Mn, Selenium-Free Electrolytic Manganese Metal (HPEMM)

High-purity EMM or HPEMM is 99.9%-pure, selenium-free electrolytic manganese metal. It is the most refined form of manganese metal. Its uses span a highly specialized range of applications that include chemical, steel and other metal superalloys, military grade steel, lithium ion batteries, as well as human and animal nutrition.

B. Annexure B – Independent Market Overview High Purity Electrolytic Manganese Metal and Manganese Sulfate Markets



Selenium free, 99.9% high purity electrolytic manganese metal is preferred if not needed for use in lithium ion batteries and other high-end applications.

South African producer Manganese Metal Company (MMC) has been the leading supplier of selenium-free high-purity 99.9% Mn electrolytic manganese metal since 1974, with approximately 75% world market share. Chinese producers, CITIC Dameng and Luxi County Xinxing Metallurgy Co., account for the rest of the current supply. High purity 99.9% Mn EMM constitutes a very small portion of the EMM supply, accounting for roughly 2.7% of all EMM production.

Historically, demand for HPEMM has been stable, with limited growth as the end markets that employed HPEMM were mature industries and largely based in mature industrialized economies. This is changing, with demand for high-purity EMM used as a precursor to high-purity manganese sulfate starting to experience double-digit growth rates in rechargeable lithium ion batteries for the electric vehicle market as well as for stationary ESS. Demand for battery use is estimated to have doubled in size in the last two years, from 20,693 metric tons in 2015 to 39,606 metric tons in 2017. Cairn ERA forecasts that the demand from the battery industry for HPEMM will grow at a compounded annual rate of 33.7% over the next ten years.

In 2017 the battery, electronic, and other end-use markets were estimated to have consumed 45% of total HPEMM supply, with the manganese alloy and aluminum alloy market being the second leading consumer (34%) followed by the steel market (21%). The largest end-market for HPEMM in 2017 was Japan, consuming roughly 23% of global supplies. On a regional basis the other leading market are comprised of the United States (19%), China (13%), Europe (13%), and South Korea (10%). Battery use is expected to take greater market share, rising sharply over the next several decades.

High purity EMM commands a premium to conventional 99.7% EMM. There are no published prices for high purity EMM, and both producers and consumers are extremely hesitant to speak about the levels of premia for the high purity metal. The premium is said by trade sources to have risen from around 16% in past years up to 2015 to around 40% in 2016 and 2017. The premium appears to have softened slightly in the first quarter of 2018 and then strengthened once more in the second quarter. Further increases are expected in the years ahead.

High Purity Manganese Sulfate Market

High-purity manganese sulfate is one of the two manganese products (high-purity manganese sulfate monohydrate (HPMSM) and electrolytic manganese dioxide (EMD)) employed in the cathodes of rechargeable lithium ion batteries. High purity manganese sulfate (MnSO_4) is used in the production of lithium nickel manganese cobalt (NMC) and lithium nickel manganese oxide (LNMO) batteries, and EMD is typically used in lithium manganese oxide (LMO) batteries, with NMC experiencing the strongest growth rate (37% compounded annual growth rate over the next ten years and 32.8% between 2017 and 2030. By 2030, NMC is expected to be the clear market leader in lithium ion battery electrode chemistry formulation with more than 70% of that market. LNMO is expected to appear as a prominent electrode chemistry material in the 2020-2022 timeframe and will also see dramatic growth—57% compounded annual growth between the years 2021 and 2027. LMO is forecasted to see a declining period of growth after 2020 as it becomes less favorable to other, higher energy-density electrode formulations.

Production capacity for HPMSM, which is required to meet certain technical specifications such as particle size and purity level (particularly low iron and other conductive or magnetic element contamination), is not widely distributed. High-purity manganese sulfate requires HPEMM or low impurity ore, and low impurity sulfuric acid (a relatively rare product) as feed. As such, some producers specializing in battery-grade manganese compounds have integrated high-grade manganese sulfate capacity into their manufacturing process. Over 85% of the world's primary HPMSM production

B. Annexure B – Independent Market Overview High Purity Electrolytic Manganese Metal and Manganese Sulfate Markets



capacity is currently located in China. Prince Erachem is the only significant HPMSM producer outside of China, from its plants located in Mexico and Belgium. Several new HPMSM plants are either under construction or being planned in China. Euro Manganese's Chvaletice Manganese Project is based on Europe's largest manganese deposit (manganese carbonate ore) and the only substantial new HPEMM/HPMSM production of any substance being proposed in Europe.

Since there are a few producers of high-purity manganese chemicals for use outside of agricultural markets, HPMSM product transactions across producers, distributors, and consumers are private and not publicly documented. Historical prices for individual manganese compounds are not readily available. CPM Group and Cairn ERA have garnered insight into regional prices by speaking with producers, trading companies, and consumers. The high purity manganese sulfate market has seen a transformational acceleration in demand as demand for its primary end-use market, NMC batteries, has grown significantly over the past two years. NMC batteries have had a compound annual growth rate of 54% between 2015 and 2017, and Cairn ERA projects a compound annual growth rate of 33% through 2030.

Demand from the battery industry for high purity manganese either as HPMSM or HPEMM (as precursor to HPMSM) is expected to grow at a compound annual growth rate of 25% over the 13 year period between 2017 and 2030, according to projections by Cairn ERA. In manganese equivalent unit shipments (HPMSM contains approximately 32% manganese), that represents an increase from 17,939 metric tonnes of HPEMM in 2017 to 310,998 metric tonnes in 2030. It is evidently clear that the HPEMM and HPMSM markets will need to develop significant new sources throughout the world through 2030 to satisfy battery industry demand, particularly outside of China, for strategic, political and commercial reasons. These rapid growth rates in demand are not only expected to support current premium levels (20% – 125%) for HPMSM over domestic prices of HPEMM, but also could see premiums increase significantly.

Based on CPM Group's regional base case forecast for HPEMM, over the projection period (2018 - 2030) average real high purity sulfate prices in Europe could be US\$2.25 - \$3.62 per pound (net Mn weight) assuming a 40% - 125% premium, and in Japan, average real high purity sulfate prices could be US\$2.67 - \$4.29 per pound (net Mn weight) assuming a 40% – 125% premium.

In Japan, HPMSM was priced at US\$3,860 per metric tonne in 2017 (priced in Mn equivalent). Similar pricing has been reported in Europe in early 2018. Prices have continued to increase globally in 2018.

B. Annexure B – Independent Market Overview High Purity Electrolytic Manganese Metal and Manganese Sulfate Markets



Appendix A:

Manganese Supply Chain in the Lithium Battery Market

MN SUPPLY FOR LI ION: Manganese by Vehicle Model



Chevy Bolt

Battery Pack Size:	60 KWH
Battery Manufacturer:	LG Chem
Cathode Material:	NMC 1-1-1
Mn Sulfate Content:	80.6 KG
Mn Metal Content:	25.2 KG



BMW i3

Battery Pack Size:	42 KWH
Battery Manufacturer:	Samsung SDI
Cathode Material:	NMC 1-1-1
Mn Sulfate Content:	56.6 KG
Mn Metal Content:	17.6 KG



BAIC EC 200

Battery Pack Size:	38.6 KWH
Battery Manufacturer:	CATL
Cathode Material:	NMC 5-3-2
Mn Sulfate Content:	39.68 KG
Mn Metal Content:	12.4 KG



2020 Tesla Model 3

Battery Pack Size:	57 KWH
Battery Manufacturer:	Panasonic
Cathode Material:	NMC 4-4-2
Mn Sulfate Content:	107.3 KG
Mn Metal Content:	33.5 KG

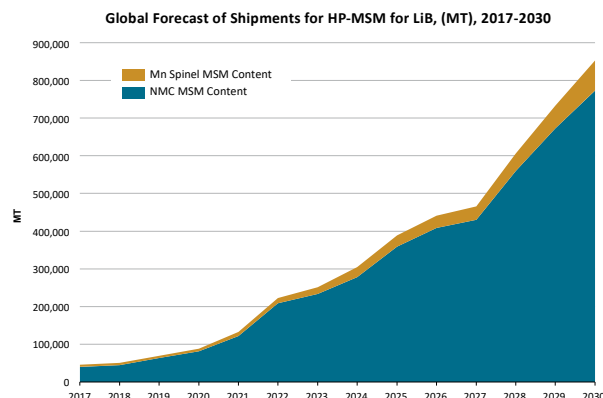
Note: Currently, the Model 3 uses NCA; however, Cairn ERA believes that it will switch to NMC by 2020.

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MN SUPPLY FOR LI ION: HP-MSM Shipment Forecast for Li ion Batteries

- Note that this forecast only tracks HP-MSM. There is a much larger market for low-grade, commoditized MSM that goes into agricultural, nutritional and other markets.
- Cairn ERA expects the Li ion battery industry's appetite for High Purity Manganese Sulfate, or HP-MSM, for battery cathodes to grow from 45,865 tons in 2017 to 388,389 tons in 2025 and over 852,797 tons in 2030.
- The vast majority of this HP-MSM will go into NMC cathode material.



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B. Annexure B – Independent Market Overview High Purity Electrolytic Manganese Metal and Manganese Sulfate Markets



EUROPEAN MANGANESE CONSUMERS:
Emerging Lithium Ion Battery Industry Cluster



RECENT ANNOUNCEMENTS

northvolt	SWEDEN	Status: Planned Capacity: Local Supply Chain:	Breaking ground on Phase 1 in Summer 2018 32 GWH Proposed
CATL	ERFURT, GERMANY	Status: Planned Capacity: Local Supply Chain:	Expected to break ground in 2019 First Phase 1.5 GWH No comments
LG 화학	KOBIERZYCE, POLAND	Status: Planned Capacity: Local Supply Chain:	Under construction 5 GWH Committed and in planning
umicore	NASY, POLAND	(NMC battery cathode plant) Status: Planned Capacity: Local Supply Chain:	Greenlighted May 2018 First production anticipated in 2020 TBC TBC
SK Innovation	HUNGARY	Status: Planned Capacity: Local Supply Chain:	Under construction 7-10 GWH Small portion
SAMSUNG SDI	GOED, HUNGARY	Status: Planned Capacity: Local Supply Chain:	Operational 1-2 GWH Expressed interest, but components currently supplied by Asia
TESLA	GERMANY?	Status: Planned Capacity: Local Supply Chain:	Proposed (Exact location TBC) 20-40 GWH No comments
BASF	GERMANY?	(NMC battery cathode plant) Status: Planned Capacity: Local Supply Chain:	TBA TBA No comments

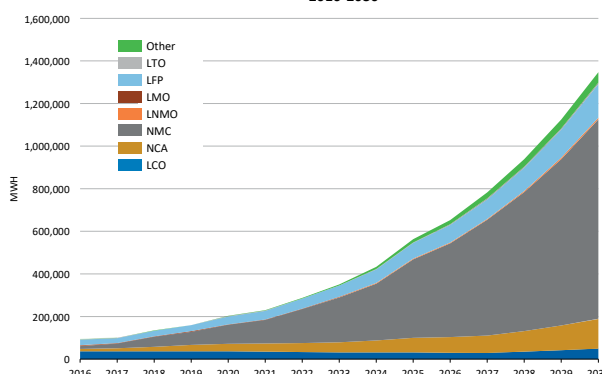
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LITHIUM ION MARKET DEMAND

- Underlying the massive growth over the next ten years is the emergence of NMC (the gray area in the chart to the right) as the primary cathode type for Li-ion batteries.
- LNMO will see very high growth starting in 2020, however due to it's low base and the enormity of the NMC market, it is difficult to discern in this chart.
- Other electrode chemistries, such as LFP, LCO and LTO will see much more modest growth.

**Global Forecast of All Batteries by Electrode Chemistry (MWH),
2016-2030**



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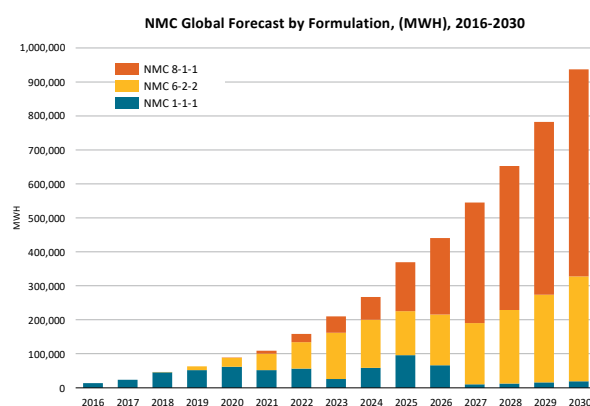


B. Annexure B – Independent Market Overview High Purity Electrolytic Manganese Metal and Manganese Sulfate Markets



LITHIUM ION MARKET DEMAND NMC by Formulation Ratio Forecast

- NMC has three major formulations, each expressed as a ratio of Ni to Mn to Co.
- Most NMC today is the 1-1-1 formulation, which is the most stable and long-lasting.
- Going forward, 6-2-2 will emerge in 2019 and 8-1-1 in 2022. By 2025 the most common formulation will be 8-1-1.
- Higher Ni-content is preferable to buyers due to the lower proportion of Co, making it cheaper.
- Additionally, 8-1-1 has a higher energy density. If durability and stability issues can be solved, it will become the cathode chemistry of choice for carmakers.



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CairnERA



Annexure C – Independent Geologists’ Competent Person’s Consent Forms

C. Annexure C – Independent Geologists' Competent Person's Consent Forms

JORC CODE, 2012 EDITION

704-MIN.VMIN03117-02 | JUNE 21, 2018 | ISSUED FOR USE

Competent Person's Consent Form

Pursuant to the requirements of ASX Listing Rules 5.6, 5.22 and 5.24 and
Clause 9 of the JORC Code 2012 Edition (Written Consent Statement)

Report name

Public Reporting on Exploration Results and Mineral Resource Estimation for the Chvaletice Manganese Project
Chvaletice, Czech Republic

(Insert name or heading of Report to be publicly released) ('Report')

Tetra Tech Canada Inc.

(Insert name of company releasing the Report)

Chvaletice Manganese Project

(Insert name of the deposit to which the Report refers)

If there is insufficient space, complete the following sheet and sign it in the same manner as this original sheet.

June 21, 2018

(Date of Report)

C. Annexure C – Independent Geologists' Competent Person's Consent Forms

JORC CODE, 2012 EDITION
704-MIN.VMIN03117-02 | JUNE 21, 2018 | ISSUED FOR USE

Statement

I/We,

Jianhui (John) Huang

(Insert full name(s))

confirm that I am the Competent Person for the Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code 2012 Edition, having five years' experience that is relevant to the style of mineralization and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member or Fellow of The Australasian Institute of Mining and Metallurgy or the Australian Institute of Geoscientists or a 'Recognized Professional Organization' (RPO) included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.

I/We am a full time employee of

Tetra Tech Canada Inc.

(Insert company name)

Or

I am a consultant working for

(Insert company name)

and have been engaged by

Mangan Chvaletice sro.

(Insert company name)

to prepare the documentation for

Mangan Chvaletice sro.

(Insert deposit name)

on which the Report is based, for the period ended

April 27, 2018

(Insert date of Resource/Reserve statement)

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Targets, Exploration Results, Mineral Resources and/or Ore Reserves *(select as appropriate)*.

C. Annexure C – Independent Geologists' Competent Person's Consent Forms

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704-MIN.VMIN03117-02 | JUNE 21, 2018 | ISSUED FOR USE

Consent

I consent to the release of the Report and this Consent Statement by the directors of:

Mangan Chvaletic sro.

(Insert reporting company name)

Signature of Competent Person

June 21, 2018

Date:

Engineers and Geoscientists of British Columbia

Professional Membership:

(insert organization name)

30898

Membership Number:

Signature of Witness:

James Barr, Kelowna, BC

Print Witness Name and Residence:

(e.g. town/suburb)

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704-MIN.VMIN03117-02 | JUNE 21, 2018 | ISSUED FOR USE

Additional deposits covered by the Report for which the Competent Person signing this form is accepting responsibility:

None.

Additional Reports related to the deposit for which the Competent Person signing this form is accepting responsibility:

None.

Signature of Competent Person
Original Signed and Sealed

June 21, 2018

Date

Engineers and Geoscientists of British Columbia
Professional Membership:
(insert organization name)

30898

Membership Number:

Signature of Witness

James Barr, Kelowna, BC

Print Witness Name and Residence:
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Report name

Public Reporting on Exploration Results and Mineral Resource Estimation for the Chvaletice Manganese Project
Chvaletice, Czech Republic

(Insert name or heading of Report to be publicly released) ('Report')

Tetra Tech Canada Inc.

(Insert name of company releasing the Report)

Chvaletice Manganese Project

(Insert name of the deposit to which the Report refers)

If there is insufficient space, complete the following sheet and sign it in the same manner as this original sheet.

June 21, 2018

(Date of Report)

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704-MIN.VMIN03117-02 | JUNE 21, 2018 | ISSUED FOR USE

Statement

I/We,

James Barr, P.Geo.

(Insert full name(s))

confirm that I am the Competent Person for the Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code 2012 Edition, having five years' experience that is relevant to the style of mineralization and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member or Fellow of The Australasian Institute of Mining and Metallurgy or the Australian Institute of Geoscientists or a 'Recognized Professional Organization' (RPO) included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.

I/We am a full time employee of

Tetra Tech Canada Inc.

(Insert company name)

Or

I am a consultant working for

(Insert company name)

and have been engaged by

Mangan Chvaletice sro.

(Insert company name)

to prepare the documentation for

Mangan Chvaletice sro.

(Insert deposit name)

on which the Report is based, for the period ended

April 27, 2018

(Insert date of Resource/Reserve statement)

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Targets, Exploration Results, Mineral Resources and/or Ore Reserves *(select as appropriate)*.

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Consent

I consent to the release of the Report and this Consent Statement by the directors of:

Mangan Chvaletic sro.

(Insert reporting company name)

Original Signed and Sealed by James Barr

Signature of Competent Person

June 21, 2018

Date:

Engineers and Geoscientists of British Columbia

Professional Membership:

(insert organization name)

35150

Membership Number:

Original signed by Jianhui (John) Huang

Signature of Witness:

Jianhui (John) Huang, Vancouver, BC

Print Witness Name and Residence:

(e.g. town/suburb)

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Additional deposits covered by the Report for which the Competent Person signing this form is accepting responsibility:

None.

Additional Reports related to the deposit for which the Competent Person signing this form is accepting responsibility:

None.

Original signed and sealed by James Barr
Signature of Competent Person

June 21, 2018
Date

Engineers and Geoscientists of British Columbia
Professional Membership:
(insert organization name)

35150
Membership Number:

Original signed by Jianhui (John) Huang
Signature of Witness

Jianhui (John) Huang, Vancouver, BC
Print Witness Name and Residence:
(eg. Town/suburb)

For all enquiries:

(within Australia) 1300 223 074

(outside Australia) +61 3 9415 4034

Monday to Friday 8.30am to 5.00pm (Sydney time)

Broker Firm Australian Offering Application Form

Broker Firm Offer closes 5.00pm (Sydney time) on Tuesday 18 September 2018

Broker Firm Offer applicants must contact their Broker for information on how to submit this Broker Firm Offer Application Form and Application Monies.

This Application Form relates to the Broker Firm Offer by Euro Manganese Inc. (the "Company") of CHESS Depository Interests ("CDIs") in the Company, made under the prospectus ("Prospectus") lodged with the Australian Securities and Investments Commission on 22 August 2018 (or any supplementary or replacement prospectus). This Application Form is important. If you are in doubt as to how to deal with it, please contact your financial or other professional adviser. You should read the entire Prospectus carefully before completing this Application Form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus. Capitalised terms have the meaning given to them in the Prospectus.

By applying under the Broker Firm Offer, you make the acknowledgments, declarations, representations and warranties set out in the Prospectus.

STEP 1 CDIs applied for

Enter the number of CDIs you wish to apply for. The Application must be for a minimum of 7,693 CDIs (A\$2,000.18). Enter the amount of the Application Monies. Applications for greater than 7,693 CDIs must be in multiples of 3,847 CDIs (A\$1,000.22). To calculate this amount, multiply the number of CDIs applied for by the offer price which is A\$0.26.

STEP 2 Applicant name(s) and postal address

Enter the full name you wish to appear on the confirmation statement. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table overleaf for the correct forms of registrable title(s). Applications using the wrong form of names may be rejected. CHESS participants should complete their name identically to that presently registered in CHESS. Enter your postal address for all correspondence. All communications to you from the Share Registry will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered. Enter your contact name and telephone number. This information may be used to communicate other matters to you subject to the Company's privacy statement. This is not compulsory but will assist us if we need to contact you.

STEP 3 CHESS holdings only

The Company will apply to ASX for CDIs to participate in CHESS, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX. In CHESS, the Company will operate an electronic CHESS subregister of securityholdings and an electronic issuer sponsored subregister of securityholdings.

Together, the two subregisters will make up the Company's principal register of CDIs. The Company will not be issuing certificates to applicants in respect of CDIs allotted.

If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold CDIs allotted to you under this Application on the CHESS subregister, enter your CHESS HIN.

Otherwise, leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" ("SRN") will be allocated to you.

Please note that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN, and any CDIs issued will be held on the issuer sponsored subregister.

STEP 4 Application payment

Applicants under the Broker Firm Offer must lodge their Application Form and Application Monies with the relevant Broker in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not return this Application Form or Application Monies to the Share Registry.

Cheque(s) or bank draft(s) must be in Australian dollars and drawn on an Australian branch of an Australian bank, must be crossed 'Not Negotiable' and must be made payable in accordance with the directions of the Broker from whom the applicant received a firm allocation.

Lodgement instructions

The Broker Firm Offer is expected to close at 5.00pm (Sydney time) on Tuesday 18 September 2018, unless varied in accordance with the Corporations Act and ASX Listing Rules. Applicants under the Broker Firm Offer must submit their Applications and payment in accordance with instructions from their Broker. Please contact your Broker for instructions.

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (CIS), as registry for Euro Manganese Inc. for the purpose of maintaining registers of securities and facilitating payments and other corporate actions and communications. Your personal information may be disclosed to related bodies corporate of CIS, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by Euro Manganese Inc. in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this Application Form or e-mail privacy@computershare.com.au.

[illegible]

Individual / joint applications - refer to naming standards for correct form of registrable title(s)

[illegible][illegible]**Postal address**[illegible][illegible]

State Postcode

Contact details

[illegible]

Contact name

X									

STEP 4 ➤ **Cheque(s) must be crossed 'Not Negotiable' and made payable to "Euro Manganese Inc." or in accordance with the directions of your Broker**

				AS

Drawer		Cheque number	BSB number	Account number	Amount of payment

Acceptance of the Offer

By returning this Application Form with your Application Monies:

- you declare that this Application is completed and lodged according to the Prospectus and the declarations/statements on this Application Form;
- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations, contained in the Prospectus and this Application Form;
- you declare that all details and statements made are complete and accurate;
- you declare that each applicant, if a natural person, is at least 18 years old;
- you declare that you are located in Australia, not acting for the account or benefit of any person in the United States;
- you represent and warrant that the law of any other place does not prohibit you from being given the Prospectus and any supplementary or replacement prospectus or making an Application on this Application Form;
- you provide authorisation to be registered as the holder of CDIs issued to you and agree to be bound by the Articles of Association and the Prospectus;

- you apply for the number of CDIs set out on or determined in accordance with this Application Form and agree to be issued or transferred such number of CDIs, a lesser number or none-; you agree to become a member of the Company and to be bound by and comply with the terms of its Articles of Association;
- you acknowledge that the information contained in the Prospectus (or any supplementary or replacement prospectus) is not investment advice or a recommendation that CDIs are suitable for you, given your investment objectives, financial situation or particular needs and that the investment performance of CDIs is not guaranteed by the Company;
- your Application to acquire CDIs is irrevocable and may not be varied or withdrawn except as allowed by law;
- you acknowledge that an Application may be rejected without giving any reason, including where this Application Form is not properly completed or where a cheque submitted with this Application Form is dishonoured or for the wrong amount and you authorise the Company to complete or correct this Application Form; and
- you acknowledge that if you are not issued any CDIs or you are issued fewer CDIs than the number that you applied and paid for as a result of a scale back, all or some of your Application Monies (as applicable) will be refunded to you (without interest) in accordance with the Corporations Act.

Correct forms of registrable titles

Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation or completed as described in the correct forms of registrable title(s) below.

Type of investor	Correct form of registration	Incorrect form of registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J.A Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L; ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr William Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr William Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

For all enquiries:

(within Australia) 1300 223 074

(outside Australia) +61 3 9415 4034

Monday to Friday 8.30am to 5.00pm (Sydney time)

Broker Firm Australian Offering Application Form

Broker Firm Offer closes 5.00pm (Sydney time) on Tuesday 18 September 2018

Broker Firm Offer applicants must contact their Broker for information on how to submit this Broker Firm Offer Application Form and Application Monies.

This Application Form relates to the Broker Firm Offer by Euro Manganese Inc. (the "Company") of CHESS Depository Interests ("CDIs") in the Company, made under the prospectus ("Prospectus") lodged with the Australian Securities and Investments Commission on 22 August 2018 (or any supplementary or replacement prospectus). This Application Form is important. If you are in doubt as to how to deal with it, please contact your financial or other professional adviser. You should read the entire Prospectus carefully before completing this Application Form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus. Capitalised terms have the meaning given to them in the Prospectus.

By applying under the Broker Firm Offer, you make the acknowledgments, declarations, representations and warranties set out in the Prospectus.

STEP 1 CDIs applied for

Enter the number of CDIs you wish to apply for. The Application must be for a minimum of 7,693 CDIs (A\$2,000.18). Enter the amount of the Application Monies. Applications for greater than 7,693 CDIs must be in multiples of 3,847 CDIs (A\$1,000.22). To calculate this amount, multiply the number of CDIs applied for by the offer price which is A\$0.26.

STEP 2 Applicant name(s) and postal address

Enter the full name you wish to appear on the confirmation statement. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table overleaf for the correct forms of registrable title(s). Applications using the wrong form of names may be rejected. CHESS participants should complete their name identically to that presently registered in CHESS. Enter your postal address for all correspondence. All communications to you from the Share Registry will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered. Enter your contact name and telephone number. This information may be used to communicate other matters to you subject to the Company's privacy statement. This is not compulsory but will assist us if we need to contact you.

STEP 3 CHESS holdings only

The Company will apply to ASX for CDIs to participate in CHESS, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX. In CHESS, the Company will operate an electronic CHESS subregister of securityholdings and an electronic issuer sponsored subregister of securityholdings.

Together, the two subregisters will make up the Company's principal register of CDIs. The Company will not be issuing certificates to applicants in respect of CDIs allotted.

If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold CDIs allotted to you under this Application on the CHESS subregister, enter your CHESS HIN.

Otherwise, leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" ("SRN") will be allocated to you.

Please note that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN, and any CDIs issued will be held on the issuer sponsored subregister.

STEP 4 Application payment

Applicants under the Broker Firm Offer must lodge their Application Form and Application Monies with the relevant Broker in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not return this Application Form or Application Monies to the Share Registry.

Cheque(s) or bank draft(s) must be in Australian dollars and drawn on an Australian branch of an Australian bank, must be crossed 'Not Negotiable' and must be made payable in accordance with the directions of the Broker from whom the applicant received a firm allocation.

Lodgement instructions

The Broker Firm Offer is expected to close at 5.00pm (Sydney time) on Tuesday 18 September 2018, unless varied in accordance with the Corporations Act and ASX Listing Rules. Applicants under the Broker Firm Offer must submit their Applications and payment in accordance with instructions from their Broker. Please contact your Broker for instructions.

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (CIS), as registry for Euro Manganese Inc. for the purpose of maintaining registers of securities and facilitating payments and other corporate actions and communications. Your personal information may be disclosed to related bodies corporate of CIS, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by Euro Manganese Inc. in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this Application Form or e-mail privacy@computershare.com.au.

[illegible]

Individual / joint applications - refer to naming standards for correct form of registrable title(s)

[illegible][illegible]

Postal address

[illegible][illegible]

State Postcode

Contact details

____ (____) _____

Contact name

[illegible]

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Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

Corporate Directory

Directors

Roman Shklanka, Non-executive Chairman, Director

Marco Romero, President & CEO, Director

Jan Votava, Managing Director Mangan Chvaletice sro,
and Director, Euro Manganese Inc.

David Dreisinger, Director

Gregory P. Martyr, Director

Harvey McLeod, Director

Daniel Rosicky, Director

John Webster, Director

Proposed ASX Code

EMN

Registered Office

Suite 1700 – 666 Burrard Street
Vancouver, British Columbia V6C 2X8
Canada

Lead Manager

Canaccord Genuity (Australia) Limited

Level 4, 60 Collins Street
Melbourne, Victoria
Australia 3000

Share Registry

In Canada:

Computershare Investor Services Inc.

510 Burrard Street, 3rd Floor
Vancouver, British Columbia V6C 3B9
Canada

In Australia:

Computershare Investor Services Pty Limited

Level 4, 60 Carrington Street
Sydney NSW 2000, Australia

Australian Legal Adviser

MinterEllison

Level 40, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000, Australia

Canadian Legal Adviser

Stikeman Elliott LLP

666 Burrard St #1700
Vancouver, British Columbia V6C 2X7
Canada

Investigating Accountant

PricewaterhouseCoopers Securities Ltd.

480 Queen Street
Brisbane City QLD 4000

Auditor

PricewaterhouseCoopers LLP (Canadian Firm)

250 Howe Street
Suite 1400, Vancouver BC V6C 3S7

Independent Geologists

Mr. James Barr, P. Geo and

Mr Jianhui (John) Huang Ph.D., P.Eng,
both of Tetra Tech Canada Inc.
Suite 1000 – 10th Floor, 885 Dunsmuir Street
Vancouver, BC V6C 1N5 CANADA

