



May 15, 2024

HALF-YEAR RESULTS FOR ANNOUNCEMENT TO THE MARKET

To: The Australian Securities Exchange (“ASX”)

Please be advised that, as of today’s date, Euro Manganese Inc. (the “**Company**”) lodged the following documents with the Canadian securities regulatory authorities in accordance with its obligations under the relevant Canadian reporting requirements:

- a) condensed consolidated interim financial statements for the three and six months ended March 31, 2024 and 2023 (attached as **Appendix 1** to this cover letter); and
- b) the interim Management’s Discussion and Analysis (“MD&A”) for the three and six months ended March 31, 2024 (attached as **Appendix 2** to this cover letter).

Additionally, as requested by ASX, the Company is providing the following information required by paragraph 2 of Appendix 4D:

Paragraph	Section of Appendix 4D	Result for Half-Year Ended March 31, 2024 (Canadian dollars, Unaudited)	Result for Half-Year Ended March 31, 2023 (Canadian dollars, Unaudited)	Increase (Decrease) (Canadian dollars, Unaudited)	Percentage Change Increase (Decrease)
2.1	The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities	1,197,584	Nil	1,197,584	100%
2.2	The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members	(8,841,106)	(6,678,099)	(2,163,007)	32%
2.3	The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members	(8,841,106)	(6,678,099)	(2,163,007)	32%
2.4	The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends	The Company is not proposing to pay dividends.			
2.5	The record date for determining entitlements to the dividends (if any)	N/A	N/A	N/A	N/A

A brief explanation of the amount and percentage change from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members is included on pages 17 and 18 of the MD&A attached as Appendix 2 of this letter. Similarly, a brief explanation of the amount and percentage change from the previous corresponding period of profit (loss) for the period is included on pages 17 and 18 of the MD&A.



Sincerely,

"Matthew James"

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President and CEO
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APPENDIX 1



**EURO
MANGANESE**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2024 AND 2023
(unaudited)**

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Condensed Consolidated Interim Statements of Financial Position

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

	Note	March 31, 2024	September 30, 2023
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		20,099,466	7,649,711
Prepaid expenses		238,012	523,014
Accounts receivable		671,822	370,964
Inventory		462,190	—
		21,471,490	8,543,689
Non-current assets			
Exploration and evaluation assets	5	6,773,544	6,773,544
Property, plant and equipment	6	20,728,242	8,385,293
Deferred transaction costs	8	1,879,654	—
Other assets	7	1,064,930	2,034,147
Option	4	—	4,215,881
Total assets		51,917,860	29,952,554
LIABILITIES			
Current liabilities			
Accounts payable		5,773,734	2,641,155
Due to related parties	10	37,306	38,914
Lease liability		111,428	172,417
		5,922,468	2,852,486
Non-current liabilities			
Lease liability		200,499	—
Convertible Loan	8	26,927,677	—
Total liabilities		33,050,644	2,852,486
EQUITY			
Share capital	9	78,733,328	78,733,328
Equity reserves		9,858,054	9,023,890
Other comprehensive income		(225,910)	—
Deficit		(69,498,256)	(60,657,150)
Total shareholders' equity		18,867,216	27,100,068
Total liabilities and shareholders' equity		51,917,860	29,952,554

Approved on behalf of the Board of Directors on May 14, 2024.

"Matthew James"
Matthew James, Director

"John Webster"
John Webster, Director

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

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

Euro Manganese Inc.

(expressed in Canadian dollars, except for number of shares outstanding - unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Revenues	1,197,584	—	1,197,584	—
Cost of sales	949,261	—	949,261	—
Depreciation	569,893	—	569,893	—
Gross loss	(321,570)	—	(321,570)	—
Chvalitec Project evaluation expenses				
Engineering	675,232	1,027,055	1,104,390	1,443,204
Remuneration	329,442	356,880	590,225	572,030
Share-based compensation	17,506	31,794	50,931	100,701
Legal and professional fees	519,882	74,550	722,491	137,019
Marketing activities	999,719	40,998	1,019,449	69,093
Office and administration	270,994	190,787	433,939	417,646
	2,812,775	1,722,064	3,921,425	2,739,693
Other evaluation expenses	(27,026)	86,932	23,946	296,727
Other expenses				
Remuneration	947,000	1,087,891	1,635,790	1,726,203
Share-based compensation	349,458	441,988	783,233	1,027,855
Total remuneration	1,296,458	1,529,879	2,419,023	2,754,058
Legal and professional fees	179,326	274,030	377,086	553,203
Corporate and administrative expenses	328,102	508,197	684,794	929,896
Depreciation	84,104	63,310	188,822	126,052
Finance expense	843,537	6,178	881,959	14,014
Loss on disposal of plant and equipment	3,678	—	3,678	—
Interest income	(51,454)	(88,201)	(112,008)	(247,191)
Foreign exchange	208,113	(132,412)	130,811	(488,353)
	2,891,864	2,160,981	4,574,165	3,641,679
Net loss for the period	5,999,183	3,969,977	8,841,106	6,678,099
Other comprehensive loss for the period	225,910	—	225,910	—
Comprehensive loss for the period	6,225,093	3,969,977	9,067,016	6,678,099
Weighted average number of common shares outstanding - basic and diluted	402,669,227	402,653,422	402,669,227	402,014,218
Basic and diluted loss per common share	\$0.01	\$0.01	\$0.02	\$0.02

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

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

Euro Manganese Inc.

(expressed in Canadian dollars, except for number of shares outstanding - unaudited)

	Attributable to equity shareholders of the Company						Shareholders' Equity (Deficit)
	Share Capital	Share Capital	Equity Reserves	Other Comprehensive Loss	Deficit		
	#	\$	\$	\$	\$	\$	
Balance at October 1, 2022	401,115,551	78,298,364	7,640,628	—	(48,649,019)	37,289,973	
Options exercised	1,316,599	354,358	(146,708)	—	—	207,650	
Shares issued to settle deferred share consideration	237,077	80,606	(80,606)	—	—	—	
Share-based compensation	—	—	1,128,556	—	—	1,128,556	
Comprehensive loss for the period	—	—	—	—	(6,678,099)	(6,678,099)	
Balance at March 31, 2023	402,669,227	78,733,328	8,541,870	—	(55,327,118)	31,948,080	
Balance at October 1, 2023	402,669,227	78,733,328	9,023,890	—	(60,657,150)	27,100,068	
Share-based compensation	—	—	834,164	—	—	834,164	
Comprehensive loss for the period	—	—	—	(225,910)	(8,841,106)	(9,067,016)	
Balance at March 31, 2024	402,669,227	78,733,328	9,858,054	(225,910)	(69,498,256)	18,867,216	

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

Condensed Consolidated Interim Statements of Cash Flows

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

	Note	Six Months Ended March 31,	
		2024	2023
		\$	\$
Operating activities			
Net loss for the period		(8,841,106)	(6,678,099)
Adjustments for:			
Share-based compensation		834,164	1,128,556
Transaction costs on land deposit		24,447	—
Depreciation		188,822	126,052
Loss on disposal of fixed assets		3,678	—
Depreciation and amortization in cost of sales		569,893	—
Lease liability accretion		223,017	14,014
Gain on derivative instruments	4,8	(386,566)	—
Non-cash foreign exchange loss (gain)		1,112,603	(625,303)
Other income		(112,008)	—
		(6,383,056)	(6,034,780)
Changes in non-cash working capital items:			
Accounts payable		461,209	(173,304)
Accrued interest - convertible loan	8	814,412	—
Accounts receivable		793,774	5,576
Prepaid expenses		276,297	233,526
Inventory		14,489	—
Due to related parties		(1,608)	(372,575)
Cash used in operating activities		(4,024,483)	(6,341,557)
Financing activities			
Exercise of stock options	9	—	207,650
Lease principal and interest payments		(209,985)	(129,891)
Proceeds from convertible loan	8	25,973,055	—
Interest paid on convertible loan		(285,670)	—
Transaction costs paid on convertible loan		(2,911,966)	—
Cash generated from financing activities		22,565,434	77,759
Investing activities			
Property & equipment acquisition on demonstration plant	6	(828,070)	(735,224)
Proceeds from sale of equipment		64,178	1,464
Deposits for land and land acquisition		(2,440,061)	(795,519)
Cash used on acquisition of EPCS		(4,265,441)	—
Cash acquired on acquisition of EPCS	4	887,185	—
Interest received		260,737	—
Cash used in investing activities		(6,321,472)	(1,529,279)
Effect of exchange rate change on cash and cash equivalents		230,276	37,042
Increase (Decrease) in Cash		12,449,755	(7,756,035)
Cash and cash equivalents - beginning of period		7,649,711	21,560,561
Cash and cash equivalents - end of period		20,099,466	13,804,526

Supplemental cash flow information (Note 14)

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

Notes to the Condensed Consolidated Interim Financial Statements

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

1. Nature of Operations

The principal business and current focus of Euro Manganese Inc. (the "Company" or "EMN") is the development of the Chvaletice Manganese Project (the "Project"), in which the Company has a 100% ownership interest. The Project involves the re-processing of a readily leachable manganese deposit hosted in the tailings of a decommissioned mine in the Czech Republic. The Company has also started to progress an opportunity to develop a project to produce high-purity manganese products in Canada for the North American market. The Company's goal is to produce high-purity manganese products in an economically, socially and environmentally-sound manner, principally for use in lithium-ion batteries. The Company has recently acquired 100% of a Czech operating company whose current operations is specialty steel products and its principal asset is a large parcel of industrial zoned land adjacent to the Chvaletice Manganese Project, where the Company proposes to develop its high-purity manganese processing facility. The operations will continue until certain commercial plant site works for the Project commence.

EMN was incorporated under the British Columbia Business Corporations Act on November 24, 2014. The Company's corporate offices are located at 700 West Pender Street, Suite 709, Vancouver, B.C., Canada, and its registered offices are located at 666 Burrard Street, Suite 1700, Vancouver, B.C., Canada. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") and on the OTC Venture Market ("OTCQB") under the symbols "EMN.V" and "EUMNF", respectively. CHES Depository Interests ("CDIs", with each CDI representing one common share) are traded on the Australia Securities Exchange ("ASX") under the symbol "EMN.AX".

There is no assurance that the evaluation and acquisition activities executed or planned by the Company for the Chvaletice Manganese Project will result in the development of a profitable commercial operation. The Company is expected to operate at a loss while the Company is developing the Chvaletice Manganese Project.

These condensed consolidated interim financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ability to continue as a going concern beyond the next 12 months will be dependent upon its ability to obtain additional financing for its general operating expenses and the development of its projects. Although the Company has been successful in the past in obtaining financing, there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms favorable to the Company.

2. Basis of Preparation

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting*. The comparative information has also been prepared on this basis.

These condensed consolidated interim financial statements do not include all the information required for full annual financial statements and therefore should be read in conjunction with our audited consolidated financial statements for the year ended September 30, 2023.

These condensed consolidated interim financial statements were prepared by management and approved by the Board of Directors of the Company (the "Board") on May 14, 2024.

Notes to the Condensed Consolidated Interim Financial Statements

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

2. Basis of Preparation (continued)

2.2 Basis of measurement

These condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. In addition, these condensed consolidated interim financial statements have been prepared on the historical cost basis.

2.3 Basis of consolidation

These condensed consolidated interim financial statements incorporate the accounts of the Company and the entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The condensed consolidated interim financial statements include the accounts of the Company's subsidiaries from the date of control commences until the date that control ceases. The financial results of its wholly-owned subsidiary, Mangan Chvaletice s.r.o. ("Mangan"), are included in the condensed consolidated interim financial statements for both periods presented and the results of EP Chvaletice s.r.o. ("EPCS") are included from the date of its acquisition by the Company on December 28, 2023 (Note 4). All significant intercompany transactions and balances have been eliminated.

3. Material Accounting Policies, Estimates and Judgments

3.1 Material accounting policies

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended September 30, 2023, except for the following newly adopted policies:

Business combinations

A business combination is an acquisition of assets and liabilities that constitute a business and whereby the Company obtains control of the business. A business is an integrated set of activities and assets that consist of inputs and processes, including a substantive process that, when applied to those inputs, have the ability to create or significantly contribute to the creation of outputs that generate investment income or other income from ordinary activities.

Business combinations are accounted for using the acquisition method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition with the excess of the purchase consideration over such fair value being recorded as goodwill. Non-controlling interest in an acquisition may be measured at either fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's net identifiable assets. The excess of (i) total consideration transferred by the Company, measured at fair value, including contingent consideration, and (ii) the non-controlling interests in the acquiree's, over the acquisition-date fair value of the net of the assets acquired and liabilities assumed, is recorded as goodwill. If the fair value attributable to the Company's share of the identifiable net assets exceeds the cost of acquisition, the difference is recognized as a gain in the consolidated statement of operations.

Should the consideration be contingent on future events, the preliminary cost of the acquisition recorded includes management's best estimate of the fair value of the contingent amounts expected to be payable. Provisional fair values allocated at the reporting date are finalized within one year of the acquisition date with retroactive restatement to the acquisition date as required. Transaction costs, other than those associated with the issue of debt or equity securities, which the Company incurs in connection with a business combination, are expensed as incurred.

Notes to the Condensed Consolidated Interim Financial Statements

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

3. Material Accounting Policies, Estimates and Judgments (continued)

The Company has an option to apply a 'concentration test' to assess whether an acquired set of activities and assets are not a business. If substantially all of the fair value of the gross assets acquired are concentrated in a single, identifiable asset or group of similar identifiable assets, the concentration test is met, and the transaction is accounted for as an asset acquisition. In such cases, the acquirer identifies and recognizes the individual identifiable assets acquired and liabilities assumed. The cost of the net assets is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event will not give rise to goodwill. Acquisition-related costs in an asset acquisition are recognized as part of the cost of the assets acquired.

Inventory

Inventory consists of materials and supplies. Materials and supplies expected to be used in operations are valued at the lower of weighted average cost or net realizable value, reduced by an amount to take into account any impairment caused by obsolescence, deterioration, damage or other factors. If the circumstances that previously caused impairment are mitigated, the provision for impairment is reversed to the lesser of the new determination of net realizable value or original cost. Impairment provisions for inventory and any subsequent reversal are included as part of net loss in the consolidated statement of loss and comprehensive loss.

Foreign currency translation

Following the acquisition of EP Chvaletice s.r.o., the policy was amended as follows:

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and Mangan Chvaletice s.r.o.. The functional currency of the Company's subsidiary EP Chvaletice s.r.o. is the Czech Koruna.

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.

Assets and liabilities of the subsidiary, EP Chvaletice s.r.o., are translated into Canadian dollars at the exchange rate in effect on the date of the statement of the financial position. Gains, expenses and equity items are translated at the exchange rates approximating those in effect on the date of the transactions. Gains and losses from these translations are recognized in accumulated other comprehensive income.

Revenue

Revenue from contracts with customers is recognized when a customer obtains control of the goods and performance obligations are satisfied. In the case of specialty steel products from EP Chvaletice s.r.o., the performance obligations are satisfied based on customers' acceptance of the products.

Notes to the Condensed Consolidated Interim Financial Statements

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

3. Material Accounting Policies, Estimates and Judgments (continued)

3.2 Significant estimates and judgments

The preparation of financial statements requires the use of estimates and judgments that affect the amounts reported and disclosed in the consolidated financial statements and related notes. These estimates and judgments are based on management's best knowledge of the relevant facts and circumstances, taking into consideration previous experience, but actual results may differ materially from the amounts included in the financial statements. The significant estimates and judgments applied in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in Note 3.15 to the Company's audited consolidated financial statements for the year ended September 30, 2023.

In addition to the judgments and estimates noted in the Company's audited financial statements for the year ended September 30, 2023, management identified a new area involving critical judgments in applying accounting policies and areas of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

In assessing the Convertible Loan Facility (Note 8), management identified an extension and conversion option embedded derivative within the convertible debt. The derivative is required to be revalued at each period end with the movements recorded as gains or losses in the statement of loss and comprehensive loss. Significant estimates and judgments were used such as the expected high purity manganese prices and the probability of the debt being extended or converted.

3.3 New standards and pronouncements not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB but not yet adopted by the Company. The Company is currently assessing the impact of the following pronouncements on the consolidated financial statements:

Amendments to IFRS 16 Leases: On September 22, 2022, the IASB issued amendments to IFRS 16 Leases. The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after January 1, 2024. These amendments are not expected to impact the Company's financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: On May 25, 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, which add disclosure requirements, and "signposts" within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for reporting periods beginning on or after January 1, 2024. These amendments are not expected to have a significant impact on the Company's financial statements.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: On August 15, 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates. The amendments provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for reporting periods beginning on or after January 1, 2025. These amendments are not expected to have a significant impact on the Company's financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

4. Acquisition of EP Chvaletice

On August 13, 2018, the Company, through its Czech subsidiary Mangan, entered into an option agreement with EPCS to acquire 100% interest in EPCS by making several payments. EPCS is a Czech operating company whose principal asset is a large parcel of industrial zoned land adjacent to the Chvaletice Manganese Project, where the Company proposes to develop its high-purity manganese processing facility.

The Company made total payments of 72.1 million Czech Koruna (\$4.22 million) from October 17, 2018, to September 30, 2023. In the six months ended March 31, 2024, the Company completed the purchase of EPCS by making two additional payments of 20 million Czech Koruna (\$1.2 million) and 51 million Czech Koruna (\$3.0 million) on November 29, 2023, and December 28, 2023, respectively. Additionally, 3.5 million Czech Koruna (\$0.23 million) that was paid in 2019 for a plot of land pursuant to an amendment to the option agreement with EPCS and classified as a land deposit, was included in the total purchase price.

The option payments made prior to the acquisition of EPCS were a derivative classified as fair value through profit or loss ("FVTPL") due to the following: i) the option was for the acquisition of shares of EPCS rather than a non-monetary asset; ii) it did not meet any of the scope exceptions from recognition as a derivative asset under IFRS 9 *Financial Instruments*; iii) control of EPCS was not present until the last option payment was made. The remaining payment was dependent on the Board's approval and was not legally enforceable by the shareholder of EPCS. On acquisition of EPCS, on December 28, 2023, the option was revalued based on a third party valuation of acquired assets at \$9.0 million, resulting in \$0.3 million increase in the value of the option and corresponding gain in the statement of loss and comprehensive loss.

The acquisition was accounted for as a purchase of assets as it met the concentration test under IFRS 3 *Business combinations*. The cost of the acquisition was approximately \$10.8 million (216.1 million Czech Koruna), consisting of the cash payments made to date of \$8.7 million (143.1 million Czech Koruna), the increase in fair value of the derivative of \$0.3 million (37.1 million Czech Koruna) and a \$1.8 million (30.0 million Czech Koruna) of working capital adjustment. At December 31, 2023, the preliminary net working capital adjustment was \$2.2 million (35.9 million Czech Koruna). The net working capital adjustment was finalized and paid on April 24, 2024.

The final purchase price was calculated as follows:

	\$
Cash advances paid	8,682,263
Revaluation of derivative	315,901
Net working capital adjustment	1,776,987
	10,775,151

Notes to the Condensed Consolidated Interim Financial Statements

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

4. Acquisition of EP Chvaletice (continued)

The purchase price was allocated based on the estimated fair value of the assets acquired and liabilities assumed as follows:

	\$
	Final Purchase Price Allocation
Cash and cash equivalents	887,185
Accounts receivable	1,243,362
Inventory	476,679
Prepays and other	13,922
Buildings	4,181,226
Land	4,396,231
Equipment	407,107
Accounts payable	(373,010)
Due to employees	(49,059)
Accrued liabilities	(8,996)
Operating lease liabilities	(82,733)
Income tax and other taxes payable	(290,800)
Provisions	(22,640)
Other liabilities	(3,323)
	10,775,151

The purchase price was allocated to the assets acquired and the liabilities assumed in accordance with their relative fair value. The value of the land was determined using the comparative method to reflect the real estate prices achievable for comparable undeveloped land plots in the market at the time of valuation, decreased by the demolition costs of existing buildings which are not in use. The buildings currently in use by EPCS were valued using the income method, assuming rent rates for similar spaces in nearby areas. The valuation of movable assets (machinery equipment and vehicles) was based on historical prices, reflecting the technical value and saleability factor.

Notes to the Condensed Consolidated Interim Financial Statements

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

5. Exploration and Evaluation Assets

The Company holds two exploration licenses for the Chvaletice Manganese Project (the "Licenses"). The Company was also issued a Preliminary Mining Permit by the Czech Ministry of Environment, referred to by the Ministry as the prior consent of the establishment of the Mining Lease District (the "Preliminary Mining Permit"). The Preliminary Mining Permit covers the areas included in the Licenses and secures the Company'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. 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 operation at the Chvaletice Manganese Project. The Licenses and the Preliminary Mining Permit are valid until May 31, 2026.

The total carrying value of the Company's exploration and evaluation assets of \$6,773,544 includes the fair value of the initial share consideration following the acquisition date of Mangan on May 13, 2016, the discounted value of the deferred share consideration, as determined by the Company on the acquisition date, and the value of the cash and shares issued to purchase and extinguish a net smelter royalty. The exploration and evaluation assets will be tested for impairment and then reclassified to mineral property and development assets within property, plant and equipment, once the Company has secured access to all required land parcels for the Chvaletice Manganese Project, has obtained certain agreements with customers confirming the economic viability and secured all necessary permits.

Notes to the Condensed Consolidated Interim Financial Statements

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

6. Property, Plant and Equipment

March 31, 2024

	Demonstration plant & Buildings under construction	Buildings & Equipment	Land	Lease assets	Total
	\$	\$	\$	\$	\$
Cost					
October 1, 2023	7,857,513	179,210	333,331	603,431	8,973,485
Additions EPCS	—	4,598,606	4,396,231	—	8,994,837
Additions other	814,251	3,547	3,181,611	360,914	4,360,323
Disposals	—	(78,573)	—	(603,431)	(682,004)
Foreign exchange adjustments	—	(96,826)	(92,772)	—	(189,598)
March 31, 2024	8,671,764	4,605,964	7,818,401	360,914	21,457,043
Accumulated depreciation					
October 1, 2023	—	(126,331)	—	(461,861)	(588,192)
Additions	—	(587,069)	—	(171,646)	(758,715)
Disposals	—	10,743	—	603,431	614,174
Foreign exchange adjustments	—	3,932	—	—	3,932
March 31, 2024	—	(698,725)	—	(30,076)	(728,801)
Net Book Value					
October 1, 2023	7,857,513	52,879	333,331	141,570	8,385,293
March 31, 2024	8,671,764	3,907,239	7,818,401	330,838	20,728,242

September 30, 2023

	Demonstration plant under construction	Equipment	Land	Lease assets	Total
	\$	\$	\$	\$	\$
Cost					
October 1, 2022	5,216,357	144,334	333,331	586,094	6,280,116
Additions	2,641,156	38,188	—	17,337	2,696,681
Disposals	—	(3,312)	—	—	(3,312)
September 30, 2023	7,857,513	179,210	333,331	603,431	8,973,485
Accumulated depreciation					
October 1, 2022	—	(100,454)	—	(228,413)	(328,867)
Additions	—	(27,725)	—	(233,448)	(261,173)
Disposals	—	1,848	—	—	1,848
September 30, 2023	—	(126,331)	—	(461,861)	(588,192)
Net Book Value					
October 1, 2022	5,216,357	43,880	333,331	357,681	5,951,249
September 30, 2023	7,857,513	52,879	333,331	141,570	8,385,293

Notes to the Condensed Consolidated Interim Financial Statements

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

7. Other Assets

Other assets, representing additional deposits for land, are as follows:

		March 31, 2024	September 30, 2023
		\$	\$
Miscellaneous land parcels and second railway switch (plant area)	i)	—	227,667
Land for buffer zone and infrastructure corridor (tailings area)	ii)	28,951	28,951
Additional land and rail spur extension (plant area)	iii)	348,154	268,064
Additional land parcels for residue storage facility (tailings area)	iv)	—	1,096,770
Land parcel within the Port of Bécancour	v)	687,825	412,695
		1,064,930	2,034,147

- i) On February 7, 2019, the Company signed an amendment to the EPCS Option Agreement (the “Amendment”), funding, through EPCS, the purchase of several land parcels adjacent to the land owned by EPCS, and thus increasing the Option Agreement value by 3,500,000 Czech Koruna (\$203,220). Pursuant to the Amendment, in the event that EPCS was not ultimately acquired, the ownership of these land parcels were to be transferred to Mangan at no additional cost.
- ii) On May 11, 2019, the Company signed a purchase contract with the Municipality of Trnavka for a 2.96-hectare parcel of land adjacent to the Chvaletice Manganese Project tailings, on which the Company plans to construct a visual and acoustic barrier between Trnavka and the Chvaletice Manganese Project tailings. The total cost of the land is 2,026,990 Czech Koruna (approximately \$120,000). The first payment, representing 10% of the total amount, 202,699 Czech Koruna (\$11,867) was paid on May 20, 2019. Subsequent payments totaling 1,824,291 Czech Koruna (approximately \$106,000) are based on permitting milestones over the period to March 2029. On April 13, 2022, following the rezoning approval for mining use of the land area under the jurisdiction of the Trnavka Municipality, on which 85% of the Chvaletice Manganese Project's tailings are located, the Company made the second payment of 304,409 Czech Koruna (\$17,038) to the Municipality of Trnavka.
- iii) On December 18, 2020, the Company paid the first instalment of \$86,373 pursuant to an agreement with Sprava Nemovitosti Kirchdorfer CZ s.r.o. to acquire a parcel of land, including a rail spur extension that provides additional room and flexibility for the Chvaletice commercial plant layout. The cost of the land is 18,739,125 Czech Koruna (approximately \$1.1 million) and is to be paid in five annual instalments of approximately \$80,000, followed by the remaining balance of approximately \$700,000 on or before October 10, 2025. To date, the Company has made the first four payments under the agreement and capitalized transaction costs of \$20,834.
- iv) On June 7, 2022, the Company signed an agreement with a private landowner to acquire several land parcels. These land parcels are adjacent to the tailings area and provide additional room and flexibility for the Chvaletice residue storage facility layout. The total cost of the land is 54,327,751 Czech Koruna (approximately \$3.0 million). The first instalment of \$516,452 was paid in June 2022. The second instalment of \$580,318 was paid in January 2023. The remaining amount of \$2,038,007 was paid in January 2024. The total value of the land deposit was transferred to land under property, plant and equipment (Note 6).
- v) On December 16, 2022, the Company entered into an option agreement with The Société du parc industriel et portuaire de Bécancour (“SPIPB”), a Québec state enterprise and owner of a 15-hectare land parcel within Bécancour (the “Bécancour Option Agreement”) where the Company proposes to establish its North American facilities. The Bécancour Option Agreement allows the Company to exclusively access the land parcel and conduct due diligence thereon over a maximum term of 21 months, during which the Company has the opportunity to purchase the site. The Bécancour Option Agreement provides that the Company pay \$45,855 per month for this option, whereas these option payments shall be deducted from the final purchase price of \$9,171,200. As at March 31, 2024, the Company has made fifteen payments aggregating \$687,825.

Notes to the Condensed Consolidated Interim Financial Statements

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

8. Convertible Loan Facility

On November 28, 2023, the Company signed definitive agreements with OMRF (BK) LLC ("Orion"), which is managed by the Orion Resource Partners Group, for US\$100 million in financing (the "Funding Package") to advance the development of the Chvaletice Manganese Project. The Funding Package is split into two US\$50 million components: (a) a US\$50 million loan facility convertible into a 1.29-1.65% royalty on Project revenues (the "Convertible Loan Facility"), with US\$20 million received upon closing on November 29, 2023, and an additional US\$30 million to be received upon meeting certain milestones; and (b) receipt of US\$50 million in exchange for a 1.93-2.47% royalty on Project revenues following a final investment decision by the Company's Board of Directors and other conditions precedents typical for this type of financing (the "Royalty Financing").

The Convertible Loan Facility bears interest at 12% per annum, payable quarterly, and has an initial maturity of 36 months, which may be extended by Orion up to an additional 36 months. Orion may convert the Convertible Loan Facility into the royalty at any time, while the Company may force conversion into the royalty upon a successful completion test of the Project's commercial plant. The converted royalty and the royalty under the Royalty Financing are for the life of the Project. The agreement contains certain embedded derivatives which as per IFRS9 have been separately valued and included in the fair value of the financial instrument.

In connection with the Funding Package, Orion has been granted comprehensive security over the assets of Mangan and rights of the Project. Conditions precedent to the US\$30 million tranche of the Convertible Loan Facility include completion of offtake agreements for 40% of the Project's high-purity manganese production for the first five years of production and securing a strategic investor. Covenants and events of default include customary covenants and undertakings and events of default for a secured financing of this nature. These include, but are not limited to, completion of the key commercial agreements referred to above, securing a strategic investor, and completion of various technical milestones aligned with the Company's progress to final investment decision, all subject to time limits from the closing date.

In connection with the first tranche of the Convertible Loan Facility, the Company determined that Orion's right to extend the Convertible Loan Facility up to an additional 36 months met the definition of a financial derivative liability, which was separated, not being closely related to its debt host. Accordingly, the \$25,973,055 (US\$20 million) gross proceeds were allocated as follows: \$844,397 to the derivative liability as its estimated fair value with the residual of \$25,128,658 to the debt host. In determining the estimated fair value of the separated derivative liability, the key inputs were the estimated royalty payments if converted, the expected future manganese prices, the production schedule, and the probability of the royalty being converted.

The Company incurred transaction costs of \$2,975,788, of which \$1,879,654 was allocated to the US\$80 million undrawn portion of the Funding Package and is deferred until drawn, \$1,059,259 was allocated to the first tranche of the Convertible Loan Facility and is deferred and amortized using the effective interest method, and \$36,875 was allocated to the derivative liability and recognized in profit or loss.

From the inception of the US\$20 million Convertible Loan Facility to March 31, 2024, the Company recognized \$814,412 of contractual interest expense and \$174,934 of accretion expense in profit or loss.

Notes to the Condensed Consolidated Interim Financial Statements

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

8. Convertible Loan Facility (continued)

A summary of the Company's first tranche of the Convertible Loan Facility is as follows:

Convertible loan - liability component	\$
October 1, 2023	—
Advances	25,973,055
Transaction costs	(1,059,259)
Derivative liability value	(844,397)
Unwinding of discount	174,934
Interest accrued	814,412
Interest paid	(285,670)
Foreign exchange loss (gain)	1,374,092
March 31, 2024	26,147,167
Convertible loan - derivative component	\$
October 1, 2023	—
Initial recognition of derivative liability	844,397
Change in fair value	(70,665)
Foreign exchange loss (gain)	6,778
March 31, 2024	780,510
Balance, end of period	26,927,677

Notes to the Condensed Consolidated Interim Financial Statements

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

9. Equity

a) Common shares

The Company has unlimited authorized common shares with no par value.

b) Share options

The Company has a rolling share-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 share options are granted at the discretion of the Company’s 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 at the date of the grant.

Current outstanding options have an expiry date of ten years and vest over a period of 36 months, except for 900,000 options granted to certain officers of the Company which vest in 5 years from the date of grant. Additionally, 9,000,000 options granted to the President and CEO of the Company include market conditions and non-market performance vesting conditions. The performance vesting conditions are based on achieving project development milestones and the price-vesting thresholds are based on a daily volume weighted average share price of the Company. No options were granted in the six months ended March 31, 2024. A continuity summary of the share options outstanding under the Plan for the six months ended March 31, 2024, is presented below:

	March 31, 2024	
	Number of share options	Weighted average exercise price (\$ per share)
Balance, beginning of the period	38,497,584	0.41
Options expired	(566,666)	0.56
Options forfeited	(741,649)	0.48
Balance, end of the period	37,189,269	0.41

During the six months ended March 31, 2024, the Company recorded share-based compensation expense of \$834,164 (six months ended March 31, 2023 - \$1,128,556) of which \$50,931 has been allocated to Chvaletice Project evaluation expenses (six months ended March 31, 2023 - \$100,701) and \$783,233 to administrative expenses (six months ended March 31, 2023 - \$1,027,855).

Notes to the Condensed Consolidated Interim Financial Statements

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

9. Equity (continued)

The balance of options outstanding and exercisable at March 31, 2024, is as follows:

Options outstanding			Options exercisable		
Exercise price (\$ per share)	Number of share options	Weighted average remaining contractual life (years)	Number of share options	Weighted average remaining contractual life (years)	
0.08	1,150,000	2.1	1,150,000	2.1	
0.10	900,000	3.0	900,000	3.0	
0.11	6,137,667	5.3	6,137,667	5.3	
0.13	500,000	6.5	500,000	6.5	
0.20	2,500,000	3.9	2,500,000	3.9	
0.25	1,450,000	4.7	1,450,000	4.7	
0.28	1,841,666	4.9	1,841,666	4.9	
0.48	4,809,936	9.1	83,333	8.9	
0.59	500,000	7.2	500,000	7.2	
0.58	15,950,000	7.7	5,950,000	7.7	
0.61	1,450,000	7.0	550,000	7.0	
0.40	37,189,269	6.7	21,562,666	5.6	

10. 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 and the Company's officers, close family members, and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

a) Key management compensation

Key management personnel include the Board, President and Chief Executive Officer, Chief Financial Officer, Vice President, Commercial, Vice President, Corporate Development and Corporate Secretary, Vice President, Operations, and the Managing Director of the Company's Czech subsidiary. During the three and six months ended March 31, 2024, the Company incurred the following compensation expenses to key management of the Company and director fees:

	Three months ended March 31,		Six months ended March 31,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Salaries and fees	752,649	686,152	1,324,428	1,174,442
Share-based compensation	317,446	417,625	711,752	977,795
	1,070,095	1,103,777	2,036,180	2,152,237

Notes to the Condensed Consolidated Interim Financial Statements

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

10. Related Party Transactions (continued)

b) The balances payable to key management and other related parties at the period ends were as follows:

	March 31, 2024	September 30, 2023
	\$	\$
Salaries and fees payable	36,062	35,904
Outstanding payable due to officers and directors	1,244	3,010
	37,306	38,914

The salaries and fees payable at both period ends include a salary and bonuses owing to the Managing Director of Mangan. Other amounts payable to officers and directors represent the reimbursement of office and travel related expenses. These transactions were incurred in the normal course of operations.

11. Fair Value Measurement of Financial Instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3: Inputs that are not based on observable market data.

The fair values of the Company's cash and cash equivalents, accounts receivable, accounts payable, and due to related parties approximate carrying values recorded on the condensed consolidated interim statements of financial position due to their short-term nature.

The payments made pursuant to the EPCS Option Agreement (Note 4) are a derivative asset. It is a financial instrument measured at fair value through profit and loss using Level 3 inputs as there is no observable market data available. The option was initially recognized at fair value which equaled the initial cash payment of \$815,000 under the EPCS Option Agreement. The option increased by \$819,576 on August 13, 2021, with the second option payment. The option further increased by \$2,419,622 on August 10, 2022, November 29, 2023 and December 28, 2023, with the remaining option payments. At December 31, 2023, the Company revalued the option at \$8,998,164, taking into consideration the recent transactions related to land purchases in the area and the foreign exchange rate movement between the Czech Koruna and the Canadian dollar. The value of the derivative asset was included in the purchase price of EPCS (Note 4). There were no transfers between the levels of the fair value hierarchy prior to the acquisition.

The derivative liability which was separated from the host convertible loan contract, is a financial instrument measured at fair value through profit and loss using Level 3 inputs as there is no observable market data available (Note 8).

12. Segmented Information

The Company has one operating segment, the development of the Chvaletice Manganese Project in the Czech Republic.

Notes to the Condensed Consolidated Interim Financial Statements

Euro Manganese Inc.

(expressed in Canadian dollars - unaudited)

13. Commitments

At March 31, 2024, the Company was committed to make the minimum annual cash payments as follows:

	Payments due by period		
	Total	Less than one year	1 - 2 years
	\$	\$	\$
Minimum lease payments	391,271	154,356	236,915
Operating expenditure commitments	651,940	648,818	3,122
Total contractual obligations	1,043,211	803,174	240,037

The Company agreed to acquire a right-of-way for a period of 30 years having an annual rental of 60,000 Czech Koruna (approximately \$3,000).

The Company and the Municipality of Chvaletice, being the land owners, signed a land access agreement via rental of a parcel of land that underlies the tailings to the Company until the earlier of a 40-year period or upon remediation of the land. The agreement grants the Company access to a portion of the tailings surface area. The annual rental is 7.46 million Czech Koruna (approximately \$420,000), adjusted for inflation based on the average annual Czech consumer price index for the 12 months of the previous calendar year. The land rental agreement is effective as of July 1, 2022. The first payment of 3.7 million Czech Koruna (\$204,000) was made in July 2022 and the second payment of \$10.4 million Czech Koruna (\$611,000) was made in October 2023.

14. Supplemental Cash Flow Information

Non-cash financing and investing transactions in the six months ended March 31, 2024 and 2023, were as follows:

	Six months ended March 31,	
	2024	2023
	\$	\$
Capital expenditures included in accounts payable	—	1,141,170
Shares issued for deferred equity commitment	—	80,606
Transfer of reserves on exercise of share options	—	146,708

APPENDIX 2



**EURO
MANGANESE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2024**

Contents

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1. Introduction

The principal business and current focus of Euro Manganese Inc. (the "Company" or "EMN") is the development of the Chvaletice Manganese Project (the "Project"), in which the Company has a 100% ownership interest. The Project involves the re-processing of a readily leachable manganese deposit hosted in the tailings of a decommissioned mine in the Czech Republic. The Company has also started to progress an opportunity to develop a project to produce high-purity manganese products in Canada for the North American market. The Company's goal is to produce high-purity manganese products in an economically, socially and environmentally-sound manner, principally for use in lithium-ion batteries.

EMN was incorporated under the British Columbia Business Corporations Act on November 24, 2014. The Company's corporate offices are located at 700 West Pender Street, Suite 709, Vancouver, B.C., Canada, and its registered offices are located at 666 Burrard Street, Suite 1700, Vancouver, B.C., Canada. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") and on the OTC Venture Market ("OTCQB") under the symbols "EMN.V" and "EUMNF", respectively. CHESSE Depository Interests ("CDIs", with each CDI representing one common share) are traded on the Australia Securities Exchange ("ASX") under the symbol "EMN.AX".

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of the Company, prepared as of May 14, 2024, is intended to be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2023, and the Company's unaudited condensed consolidated interim financial statements for the three and six months ended March 31, 2024, and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), applicable to the preparation of annual and interim financial statements, including IAS 34 *Interim Financial Reporting*.

Additional information relating to the Company, including the Annual Information Form for the year ended September 30, 2023, is available on SEDAR+ at www.sedarplus.ca and on the Company's website www.mn25.ca.

The technical information in this MD&A concerning the Chvaletice Manganese Project was prepared under the supervision of Ms. Andrea Zaradic, P. Eng., a Qualified Person under the National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101").

This MD&A contains "forward-looking statements" that are subject to risk factors as set out in a cautionary note contained in Section 13. The financial information presented in this MD&A is in Canadian dollars, unless otherwise stated.

2. Overview

About the Chvaletice Manganese Project

The Chvaletice Manganese Project is located in the Czech Republic, within the townships of Chvaletice and Trnavka, in the Labe River valley, approximately 90 kilometres to the east of the country's capital, Prague. The Project site is adjacent to established infrastructure, including an 820-megawatt power station that supplies the Czech Republic's national grid, a major railway line, a highway, and a natural gas line. The surrounding region is industrialized and skilled labour is expected to be available from local markets. The Project resource is contained in flotation tailings piles, adjacent to the former Chvaletice open pit mine. The tailings, a 27 million tonne Proven and Probable Reserve (98.3% Proven) with a grade averaging 7.41% Mn, were deposited from historical milling operations for the recovery of pyrite used for the production of sulfuric acid. The tailings, which consist of three separate piles ranging from 12 to 28 metres in thickness, cover a cumulative surface area of approximately one square kilometre. The Project is expected to result in the environmental remediation of this former mine tailings site, bringing it into full compliance with modern Czech and European Union environmental standards and regulations.

The Company's wholly-owned subsidiary, Mangan Chvaletice s.r.o. ("Mangan") holds two licenses covering mineral exploration rights for the Project ("Licenses"), which are both valid until May 31, 2026. Mangan also holds a Preliminary Mining Permit, referred to by the Czech Ministry of Environment as the Prior Consent for the Establishment of a Mining Lease District, which is also valid until May 31, 2026. The Preliminary Mining Permit which represents one of the key steps towards final permitting for the Project, covers the areas included in the Licenses, and secures Mangan's exploration rights for the entire deposit. The establishment of the Mining Lease District, the application for the Final Mining Permit, and applications for permits relating to the construction of infrastructure and operation of a processing facility required for the Project, must be submitted and approved prior to any commercial extraction and processing activities at the Project.

The area of interest for the Project overlies several privately-owned land parcels with surface rights. To date, Mangan has received the consent to conduct exploration activities and to access the site from the landowners whose surface properties underlie the tailings. At present, Mangan does not hold all surface rights to the Project area, which includes those parcels of land underlying and immediately surrounding the three tailings deposits. In June 2022, and in October 2023, Mangan and the Municipality of Chvaletice ("Chvaletice") and ČEZ a.s. ("ČEZ"), respectively, signed land lease agreements, granting the Company access to approximately 85% of the total reserves of the Project (Section 5 of this MD&A). Additionally, Mangan signed a land purchase agreement with the owners of certain land parcels which are adjacent to the tailings area and provides additional room and flexibility for the Chvaletice residue storage facility layout (Section 5 of this MD&A). The Company is currently in commercial negotiations for the acquisition of the remaining surface rights; however, there is no assurance that access to the remaining areas will be secured.

On December 28, 2023, Mangan acquired 100% of EP Chvaletice s.r.o. ("EPCS") which owns the land intended for the Project's high-purity processing plant. This land is located immediately south of the highway and rail line that bound the Chvaletice tailings deposit and is adjacent to the Chvaletice power plant and another parcel of land and rail siding that was previously acquired by Mangan. The Company also signed further agreements to acquire rights to several additional strategic parcels of land, completing its land assembly for the proposed Chvaletice commercial plant (Section 5 of this MD&A). All such land parcels for the proposed processing plant are already zoned for industrial use. The land area where the Project's tailings are located, is now formally rezoned for mining use.

The Project is targeting production of high-purity electrolytic manganese metal ("HPEMM") with specifications exceeding 99.9% manganese ("Mn") and high-purity manganese sulphate monohydrate ("HPMSM") with a minimum Mn content of 32.34%. These products will be selenium, fluorine, and chromium-free and are designed to contain very low levels of deleterious impurities.

2. Overview (continued)

HPEMM and HPMSM are critical components of Li-ion batteries and few sources of manganese ore are suitable for production of high-purity manganese products. As such, demand for high-purity manganese products is growing rapidly, fueled largely by the Li-ion and electric vehicle ("EV") markets. An overview of the high-purity manganese market can be found in Section 5 of this MD&A.

The Company has entered into one non-binding off-take term sheet for the sale of HPMSM from the Chvaletice Manganese Project with a consumer of high-purity manganese products and expects to enter into a binding offtake agreement with that customer in calendar 2024. The Company is in active discussions and negotiations with multiple other parties, including battery, chemical, and automobile manufacturers, and anticipates more term sheets or offtake agreements will follow in the near term. The Company is targeting a minimum of 80% of production capacity under offtake contract to support project finance. There can be no assurance, however, that current discussions will lead to off-take agreements or commercial or strategic relationships in the near term, if at all.

The Company announced the results of the Chvaletice Manganese Project feasibility study on July 27, 2022 ("Feasibility Study"), including the conversion of 98.4% of the Mineral Resources into Mineral Reserves. The results of the Feasibility Study are summarized in the MD&A for the year ended September 30, 2023.

On March 27, 2024, the Company received the approval of the final Environmental and Social Impact Assessment ("ESIA") for the Project from the Ministry of Environment in the Czech Republic.

The Company engaged Wood Australia Pty Ltd ("Wood") as the preferred Engineering, Procurement, and Construction Management ("EPCM") (Section 5 of this MD&A).

On November 28, 2023, the Company signed definitive agreements with OMRF (BK) LLC ("Orion"), which is managed by the Orion Resource Partners Group, for US\$100 million in non-dilutive financing (the "Funding Package") to advance the development of the Project. The Funding Package is split into two US\$50 million components: (a) a US\$50 million loan facility convertible into a 1.29-1.65% royalty on Project revenues (the "Convertible Loan Facility"), with US\$20 million received upon closing on November 29, 2023, and an additional US\$30 million to be received upon meeting certain milestones; and (b) receipt of US\$50 million in exchange for a 1.93-2.47% royalty on revenues following a final investment decision by the Company's Board of Directors and other conditions precedent typical for this type of financing (the "Royalty Financing"). In connection with the Funding Package, Orion has been granted an off-take option of between 20-22.5% of the Chvaletice Manganese Project's high-purity manganese total production for a term of 10 years from first delivery, matching the commercial terms of the Company's sales. Such right is exercisable until the Company signs 60% of the total Project offtake.

About the Bécancour Plant

The Company is progressing work on its North American growth strategy and is evaluating several opportunities to develop a project to produce high-purity manganese products for the North American market. The Company has entered into an option agreement with the owner of a 15-hectare land parcel at Bécancour, Québec, Canada, where it proposes to establish its North American facilities, which allows the Company exclusive access to the land parcel and to conduct due diligence thereon over a maximum term of 21 months. A scoping study was completed for a metal dissolution plant at the proposed Bécancour site (the "Bécancour Plant") and WSP Canada Inc. ("WSP") has been selected to complete the feasibility study for the plant, which is subject to financing.

2. Overview (continued)

Highlights of the positive scoping study for the Bécancour Project, announced on August 9, 2023, are summarized in Section 6 of this MD&A. The Company signed a memorandum of understanding ("MoU") with Manganese Metal Company ("MMC"), a South African high-purity manganese producer for the supply of 99.9% pure HPEMM, allowing the Bécancour Plant to be fed with this HPEMM and/or with HPEMM from the Chvaletice Project, once operational. The MoU could enable the potential supply of high-purity manganese products to the North American market as early as 2027. The Company also signed a Cooperation Agreement with the Grand Council of the Waban-Aki Nation, a tribal council consisting of the Abenaki Bands of Odanak and Wôlinak, on whose ancestral territory the Bécancour Project would be situated (see Section 5).

3. Financial and Project Highlights in the Three Months Ended March 31, 2024, and to the Date of this MD&A

- On March 27, 2024, the Company received approval of the ESIA for the Chvaletice Manganese Project from the Czech Ministry of Environment.
- On March 11, 2024, the Chvaletice Manganese Project was formally listed as under appraisal for debt financing with the European Investment Bank.

4. Outlook

The Company expects that the net proceeds from the first tranche of the Convertible Loan Facility will be sufficient funding to complete the permitting of the Project, complete the commissioning of the demonstration plant and to fund its operation, complete acquisitions of the certain land parcels needed for the Project, initiate certain FEED Phase 1 activities from the EPCM contract and certain site preparation works, and for general and administration expenses for 12 months. Upon achieving the conditions precedent to the second tranche of the Convertible Loan Facility, the Company will have available to it a further US\$30 million for the Project, including for the completion of the Phase 1 expenditures of the EPCM contract required to achieve FID. Following the FID by the Company's Board of Directors and upon achieving other conditions precedent under the Royalty Financing, the Company will have available to it a further US\$50 million for the Project to fund procurement, construction, and commissioning of the Chvaletice commercial plant and related infrastructure. Both the Convertible Loan Facility and the Royalty Financing sit alongside, and reduce, the project finance debt and equity required for the full financing of the Project. Funding to progress the Company's North American strategy, including the Bécancour Plant feasibility study, is expected to be provided by the Company's future equity raises, and possible funding by strategic industry investors and government programs. (Section 7 of this MD&A).

The ability of the Company to arrange additional equity, debt or other financing for the construction and operation of the Project will depend principally upon prevailing market conditions and the performance of the Company. There can be no assurance that the Company will satisfy the conditions precedent in order to access the US\$30 million and US\$50 million under the Convertible Loan Facility and Royalty Financing, respectively, or that additional funding will be available when needed, if at all, or that it may not be available on terms favorable to the Company. Failure to obtain such additional financing could result in delay or indefinite postponement of further evaluation and development of the Company's projects.

4. Outlook (continued)

The Company's short-term operating priorities include:

- full commissioning and operating the Demonstration Plant to allow the production of multi-tonne high-purity manganese product samples for prospective customers' supply chain qualification;
- continuing negotiations with potential customers to enter offtake contracts, as well as with strategic and financial partners and government agencies;
- completing the acquisition of, or access to, the remaining land surface rights for the Project;
- completing the remaining work of Phase 1 (FEED) of the EPCM contract with Wood;
- securing an optimum financing structure for the Project, which is dependent upon the above milestones being achieved;
- initiating the project finance debt process; and
- progressing the feasibility study for the Bécancour Dissolution Plant, subject to financing, for the potential production of high-purity manganese products in Canada for the North American EV market.

5. Review of Operations

Chvaletice Manganese Project

EPCM Contract Award

In July 2023, the Company selected Wood as its EPCM partner for the Project. The contract is cost reimbursable and is structured in two phases, with an approval stage gate between each phase as well as after the gap analysis in Phase 1, with an FID to be made prior to commencement of Phase 2, dependent upon securing outstanding permits and project finance.

The FEED phase includes an initial gap analysis and in-depth review of the Feasibility Study deliverables, including the test work and flowsheet development conducted by the Company over the last seven years.

Following completion of the gap analysis, other key deliverables to be derived over the remainder of Phase 1 include: completion of value engineering; identification of long-lead time equipment; vendor engagement, selection and firm pricing for major equipment items and packages; total installed capital cost estimate to AACE Class 3 estimate accuracy (+/- 10%); project implementation strategy; a baseline schedule for the EPCM phase; and preparation of construction permit documentation.

Upon declaring FID, the Company will enter into the EPCM phase of the contract once conditions precedent are satisfied. Wood will provide overall project and construction management services throughout the EPCM phase of the Project, which includes detailed design, procurement, construction, and commissioning.

Environmental and Social Impact Assessment

Documentation for the final stage of the Project's ESIA was submitted to the Czech Ministry of Environment in December 2022. In June 2023, the Ministry of Environment received comments from 14 relevant authorities, all but one of which approved the relevant studies, signaling a positive perception of the Project by regulators. The Ministry returned the ESIA to the Company to address comments related to noise abatement from the authority that had yet to approve the ESIA.

5. Review of Operations (continued)

While the Chvaletice Project's anticipated noise levels are within legislative limits for an industrial project, as neighbouring operations adjacent to the Project site have existing noise emissions, the cumulative effect marginally exceeded permitted noise levels at the measurement points, located at the closest residential areas. The revision of the noise study within the ESIA also required the Company to consider new noise legislation related to traffic noise which came into force in July 2023 after the ESIA's original submission in December 2022. The necessary work to address the comments related to noise was completed and the revised ESIA was submitted in October 2023. The Company received a positive decision on the revised ESIA on March 27, 2024.

Following approval of the ESIA, a Land Planning Permit is required to be submitted. The documentation for this application is substantially complete and is expected to be submitted in the second quarter of calendar 2024. The Land Planning Permit approval timeline is typically three months once submitted, resulting in an anticipated approval in the fourth calendar quarter of 2024. The Construction Permit documentation is a deliverable of the FEED phase of the EPCM work with an expected permit approval timeline of approximately three months post submission, resulting in an anticipated approval in calendar 2025, subject to securing sufficient funds for the completion of FEED Phase 1.

Demonstration Plant Progress Update

The demonstration plant is intended to produce and deliver high-purity manganese products to prospective customers for testing and qualification. The Demonstration Plant replicates the process flowsheet used in the Feasibility Study and has been designed as a semi-batch, manually operated system of interconnected modules that can be utilized as a circuit or as stand-alone components. The demonstration plant will also enable process optimization and testing for final product development and serve as a testing and training facility for future operators. It is expected to operate for up to three years and will also be available for testing of potential additional feedstock for the commercial plant.

HPMM at 99.9% purity was produced from the demonstration plant in the second quarter of calendar 2023 and external laboratory testing confirmed that the first sample met the demonstration plant target specifications. In November 2023, successful production of high-purity HPMSM was achieved from the dissolution and crystallization module at the Chvaletice Demonstration Plant. External laboratories confirmed the samples met the target specifications for HPMSM with low levels of impurities.

The Company estimates that the cost, including fabrication, delivery, commissioning, laboratory set-up, and an operator training program, as well as the cost of operation for one year, will be approximately US\$6.5 million (\$8.7 million). To the date of this MD&A, the Company made total payments of US\$1.8 million (\$2.2 million) for the demonstration plant, accrued \$0.9 million for the next milestone payments, and incurred additional expenses of \$5.6 million for permitting, site preparation and commissioning.

Acquisition of EP Chvaletice and Land Acquisitions

On August 13, 2018, the Company, through its Czech subsidiary Mangan, entered into an option agreement with EPCS to acquire 100% interest in EPCS by making several payments. EPCS is a Czech operating company whose principal asset is a large parcel of industrial zoned land adjacent to the Chvaletice Manganese Project, where the Company proposes to develop its high-purity manganese processing facility.

The Company made total payments of 72.1 million Czech Koruna (\$4.22 million) from October 17, 2018, to September 30, 2023. In the six months ended March 31, 2024, the Company completed the purchase of EPCS by making two additional payments of 20 million Czech Koruna (\$1.2 million) and 51 million Czech Koruna (\$3.0 million) on November 29, 2023, and December 28, 2023, respectively.

5. Review of Operations (continued)

The option payments made prior to the acquisition of EPCS were a derivative classified as FVTPL due to the following: i) the option was for the acquisition of shares of EPCS rather than a non-monetary asset; ii) it did not meet any of the scope exceptions from recognition as a derivative asset under IFRS 9 *Financial Instruments*; iii) control of EPCS was not present until the last option payment is made. The remaining payment is dependent on the Board's approval and is not legally enforceable by the shareholder of EPCS.

On the acquisition date on December 28, 2023, the option was revalued based on a third party valuation of acquired assets at \$9.0 million, resulting in \$0.3 million increase in the value of the option and corresponding gain in the statement of loss and comprehensive loss.

The acquisition was accounted for as a purchase of assets as it met the concentration test under IFRS 3 *Business combinations*. The cost of the acquisition was approximately \$10.8 million (216.1 million Czech Koruna), consisting of the cash payments made to date of \$8.7 million (143.1 million Czech Koruna), the increase in fair value of the derivative of \$0.3 million (37.1 million Czech Koruna) and a \$1.8 million (30.0 million Czech Koruna) of working capital adjustment. The purchase price was allocated to the assets acquired and the liabilities assumed in accordance with their relative fair value. The value of the land was determined using the comparative method to reflect the real estate prices achievable for comparable undeveloped land plots in the market at the time of valuation, decreased by the demolition costs of existing buildings which are not in use. The buildings currently in use by EPCS were valued using the income method, assuming rent rates for similar spaces in nearby areas. The valuation of movable assets (machinery equipment and vehicles) was based on historical prices, reflecting the technical value and saleability factor.

The Company has agreements to acquire rights to three additional strategic parcels of land, completing its land assembly for the proposed Chvaletice commercial plant.

The area of interest for the Project overlies several privately-owned land parcels with surface rights. To date, Mangan has received the consent to access the site from the landowners whose surface properties underlie the tailings. On June 6, 2022, the Company and the Municipality of Chvaletice, being one of the landowners, signed a Land Access Agreement via rental of the land to the Company until the earlier of a 40-year period or upon remediation of the land. The annual rental is 7.46 million Czech Koruna (approximately \$420,000), adjusted for inflation based on the average annual Czech consumer price index for the 12 months of the previous calendar year. The land rental agreement is effective July 1, 2022.

On June 7, 2022, the Company signed an agreement with Helot, spol. s.r.o. and Ing. Martin Vanek to acquire 78,437m² in total consisting of several land parcels adjacent to the tailings area that provide additional room and flexibility for the Chvaletice residue storage facility layout. The total cost of the land is 54.3 million Czech Koruna (approximately \$3.0 million). The first instalment of \$516,452 was paid in June 2022. The second instalment of \$580,318 was paid in January 2023 and the remaining amount of \$2,038,007 was paid in January 2024.

On October 30, 2023, the Company signed a lease agreement with ČEZ granting it access to approximately 60% of the reserves in the Project's tailings area, including for mining infrastructure and tailings transportation (the "ČEZ Lease Agreement"). Together with the land access agreement with the Municipality of Chvaletice, the Company now has access to approximately 85% of the total Proven + Probable manganese Reserves required for the Project. Pursuant to the ČEZ Lease Agreement, land access has been granted for the life of the Project and during the subsequent period in which reclamation and revitalization of the premises is to take place, in return for a royalty on the Project's gross sales. During the period in which Project is expected to have project finance debt (the "Debt Period"), estimated to be seven years, the royalty will operate on a sliding scale from 0.2% to 1.8%, dependent on the average prices received for the Project's high-purity manganese products. Post the Debt Period, the royalty will be 1.8% of gross sales. Additionally, the ČEZ Lease Agreement also requires the Company to pay, commencing in 2027, a Minimum Rent of CZK 625,000 per calendar quarter (approximately \$37,000), adjusted annually commencing in 2028, based on inflation during the immediately preceding year.

5. Review of Operations (continued)

The Company continues to negotiate the acquisition of the balance of the surface rights with the remaining landowner. Upon acquisition of such surface rights with the remaining owner, the Company will have access to all the surface rights to the Project area, which include those lands of original ground elevation surrounding, and those parcels of original ground underlying and immediately surrounding, the three tailings deposits which comprise the Chvaletice Manganese Project. However, there can be no assurance that access to the remaining area will be secured by the Company.

High-Purity Manganese Market Overview and Product Marketing

High-performance Lithium-ion (Li-ion) batteries are being increasingly used in EVs and other energy storage applications. The dominant Li-ion battery cathode chemistry used in EVs in the Western world is nickel-manganese-cobalt ("NMC"), which accounts for nearly half of all Li-ion batteries produced, measured by megawatt hours ("MWh"). The amount of these metals can vary within the NMC family of chemistries, such as NMC811, which is 80% nickel, 10% manganese, and 10% cobalt. With rising battery metal prices, battery companies are seeking ways to reduce the cost of batteries. As the least expensive battery metal, increasing the manganese content in batteries is gaining traction. Both BASF and Umicore have announced plans to scale up production of manganese-rich chemistries, with BASF's NMC370 battery, containing 70% manganese (and no cobalt) and Umicore's High Lithium Manganese ("HLM") battery, which is targeting commercial production in 2026, containing up to 60% manganese.

Additionally, high-purity manganese is increasingly being added to lithium-iron-phosphate ("LFP") chemistries, creating a new family of lithium-manganese-iron-phosphate ("LMFP") chemistries with improved performance, with the manganese content of certain LMFP chemistries being as high as 30% to 80%. Recent (2023) analysis by Fastmarkets has shown that LMFP batteries are projected to be the lowest cost of all EV batteries on a \$/KWh basis (however, this analysis has yet to include manganese-rich chemistries). Contemporary Amperex Technology Co., Limited ("CATL"), China's largest battery producer and Tesla's main battery supplier, has reported that they are planning to add manganese to their LFP chemistry, increasing the battery's voltage, thus boosting its energy density by up to 20%. Other companies progressing with LMFP chemistries include Samsung, Gotion, HCM and a range of smaller start-ups.

One of the more recent developments in the battery industry has been the rise of Sodium-ion ("Na-ion") chemistries, both for static storage applications and also smaller EVs. This has been driven by the rising Lithium prices and this chemistry looks set to become a significant part of the battery chemistry mix going forward. Of the three principal Na-ion variants, the most favourable, layered oxide, is another manganese containing chemistry with up to 30%.

The dominant form of manganese used in Li-ion batteries is currently High Purity Manganese Sulphate Monohydrate (HPMSM). This very high purity chemical can be manufactured directly from manganese ore or produced by dissolving High Purity Electrolytic Manganese Metal (HPEMM). While HPMSM is projected to remain the dominant form of manganese used in the EV industry, there is a growing interest in other forms of manganese, especially for some of the more innovative battery chemistries such as LMFP, LMNO and Na-ion. These can include manganese carbonate, manganese phosphate and manganese oxides (Mn_2O_3 or Mn_3O_4). Producing these different manganese salts is likely to be more economic from HPEMM than from HPMSM or similar direct ore purification processes.

5. Review of Operations (continued)

In connection with the preparation of the Feasibility Study, the Company commissioned the independent research and consultancy firm, CPM Group, to provide an HPEMM and HPMSM (collectively described as "High-Purity Manganese" or "HPM") product market outlook study for the Project. CPM Group's recent forecast sees the demand for high-purity manganese increasing 13 times between 2022 and 2032 (from 100 kt to 1.3 million tonnes of Mn contained). These forecasts do not include the full range of manganese-rich chemistries currently under development (for example Umicore's HLM) or any demand from Na-ion batteries. The bottleneck in supply of all forms of high-purity battery grade manganese is the lack of high-purity refining capacity. Known expansions and new projects are unable to satisfy this demand. CPM Group's views of growing demand and constrained supply have been recently validated by other independent studies and reviews.

According to the International Manganese Institute, China retains its dominant position as a supplier of high-purity manganese products – more than 93% of the HPMSM suitable for the battery industry originates in China. However, China relies heavily on imported ore, mainly from South Africa, Australia, Gabon, and Ghana. A consequence of this is that Chinese HPM has a very high CO2 footprint on a per tonne basis, which is compounded by the production processes used. At present, only about 2.5% of HPMSM suitable for the battery industry is produced in Europe. The Company's prospective customers are increasingly interested in diversifying their strategic raw material sourcing, driven by geopolitical and ESG concerns, and wish to promote the creation of independent, local supply chains, particularly in regions such as Europe.

In March 2023, the European Commission published the European Critical Raw Materials Act ("CRMA"), classifying battery-grade manganese as a strategic raw material and outlining targets for extraction, processing and recycling of critical raw materials within the European Union. Specifically, to reduce the European Union's reliance on a single supply country for certain raw materials, the CRMA would require that, by 2030, no more than 65% of any strategic raw materials come from a single third country. The CRMA came into force on March 18, 2024. The Chvaletice Project expects to deliver almost 50,000 tonnes of HPEMM per year when in full production, meeting approximately 25% of European demand and helping the EU reduce its trade reliance on this strategic raw material.

In addition, in early May 2024, the US Department of Treasury published the final rules for the Inflation Reduction Act on how manufacturers may satisfy the critical mineral and battery component requirements of the clean vehicle tax credit. Specifically, the rule that an eligible clean vehicle may not contain any critical minerals that were extracted, processed, or recycled by a foreign entity of concern (the the exception of graphite). Additionally, manufacturing companies will have the obligation to undertake full traceability of the supply chain to ensure there is no involvement of a foreign entity of concern at any stage.

In January 2023, the Company signed a non-binding term sheet with Verkor, a low-carbon battery manufacturer based in Grenoble, France, for the sale of HPMSM from the Project. The Company expects to enter into a binding offtake agreement with Verkor in calendar 2024. The Company is targeting 80% of production capacity under offtake contract to support project finance. There can be no assurance, however, that current discussions will lead to offtake agreements or commercial or strategic relationships in the near term, if at all.

Bécancour Plant

The Company entered into an option agreement with the Société du parc industriel et portuaire de Bécancour "SPIPB"), a Québec provincial enterprise and owner of a 15-hectare land parcel within Bécancour (the "Bécancour Option Agreement") where the Company proposes to establish its North American facilities. The Bécancour Option Agreement allows the Company to exclusively access the land parcel and conduct due diligence thereon over a maximum term of 21 months, during which the Company has the opportunity to purchase the site. The Bécancour Option Agreement provides that the Company pay \$45,855 per month for this option starting January 2023. These option payments are to be deducted from the final purchase price of \$9,171,200. As at March 31, 2024, the Company has made fifteen payments aggregating \$687,825.

5. Review of Operations (continued)

The site of the Bécancour Plant is strategically located adjacent to a cluster of planned CAM manufacturing plants. Québec also offers attractive government financial support programs that may provide incentives for the construction of the dissolution plant. The Company is currently exploring these incentives with the relevant agencies.

In late 2022, the Company engaged AtkinsRéalis (formerly SNC-Lavalin Inc.), a global engineering services company and having extensive knowledge of the area, to conduct site due diligence and advise on permitting processes. In parallel, the Company commissioned Ausenco Engineering Canada Inc., a global engineering consultancy firm with expertise in battery metals, to conduct a scoping study for the dissolution plant, leveraging the extensive process development and recent engineering work from the Chvaletice Project. The Bécancour Plant scoping study was based on a dissolution plant capable of producing 48,500 tpa of battery-grade HPMSM, which could meet up to 20% of projected North American 2027 demand. The demand for North

American HPMSM is forecast by CPM Group to rise to approximately 250,000 tpa in 2027 and over 800,000 tpa by 2031. There is no current processing capacity or production of battery-grade manganese in North America.

The scoping study delivered strong preliminary project economics, with a post-tax NPV of \$190 million using an 8% discount rate, a post-tax IRR of 26%, and a payback period of approximately 4 years. The economic analysis was run on a constant dollar basis with no inflation, no government grants, and was unlevered.

Initial capital was estimated at \$110.8 million (AAEC class 5 estimate +50%/-30% level of accuracy), including contingencies of \$15.1 million. A key aspect of the dissolution plant is a short build time, estimated by the study to be approximately a two-year engineering/construction duration.

The plant design allows for production of both HPMSM and high-purity manganese sulphate solution ("HPMSS"), allowing for customer offtake flexibility. Producing HPMSS provides both cost and environmental benefits, as an HPMSS product could be pumped as a solution to nearby pCAM manufacturers, which eliminates the need to crystallize, dry and package a powdered HPMSM product. HPMSM is ultimately dissolved in water by pCAM plants, therefore delivering a solution saves costs for both parties, reduces water consumption and CO₂ emissions.

Minimal infrastructure improvements are required to build the Bécancour Plant. Offsite infrastructure is limited to a power line connection from the main Bécancour power distribution network and the potential construction of a railway spur from the Bécancour site railway line. Onsite infrastructure includes roads, plant and administrative buildings, power distribution and storage buildings for HPEMM feedstock and HPMSS/HPMSM products. Feedstock optionality via a third-party metal supply was modeled. This may facilitate operation of the Bécancour Plant as early as 2027, ahead of the Chvaletice Project, bringing projected cash flows for the Company forward by at least a year. This projected timeline and feedstock mix will be assessed as key outputs of the Bécancour Plant feasibility study, which is subject to financing.

The Company has selected WSP to complete a feasibility study for the Bécancour Plant, which will further refine Plant design, costs, economics, and customer off-take opportunities. Permitting is expected to advance in parallel with the feasibility study.

A number of general assumptions were used in the Scoping Study to assess the economics of constructing and operating the Bécancour dissolution plant. As such, the outcomes and economic metrics have a margin of error of -30%/+50%. Metal prices were based on market analyst long-term forecasts. An exchange rate of US\$0.77 per C\$1.00 was used. Forward escalation and contingencies for scope changes and associated costs were not considered. Cost estimates are based on Q4 2022 pricing without allowances for inflation.

5. Review of Operations (continued)

Euro Manganese cautions that the Bécancour Plant scoping study does not constitute a scoping study within the definition used by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"), as it relates to a standalone industrial project and does not concern a mineral project of the Company. As a result, disclosure standards prescribed by NI 43-101 are not applicable to the scientific and technical disclosure in the Study. Any references to scoping study or feasibility study by Euro Manganese in relation to the Bécancour Plant are not the same as terms defined by the CIM Definition Standards and used in NI 43-101.

In 2023, the Company signed a Cooperation Agreement with the Grand Council of the Waban-Aki Nation, a tribal council consisting of the Abenaki Bands of Odanak and Wôlinak, on whose ancestral territory the Bécancour Plant would be situated. The Agreement outlines how the Company and the W8banaki intend to communicate openly and regularly, and work together for the mutually acceptable development of the Bécancour Plant, especially during the evaluation and planning phases.

The Company also signed an MoU with MMC, a South African producer of HPEMM, to supply the Bécancour dissolution plant with selenium-free, 99.9% pure HPEMM. The MoU provides feedstock optionality for the Bécancour Plant, allowing it to be fed with HPEMM from MMC and/or with HPEMM from the Chvaletice Project. The MoU is strategically significant for the Company as it enables the potential acceleration of the Bécancour Plant to supply the North American market possibly as early as 2027, thus bringing forward cash flows for the Company.

6. Quarterly Financial Review

The following table summarizes selected financial information for each of the eight most recently completed quarters, expressed in thousands of Canadian dollars, except for per share amounts:

As at the end of or for the period ending	Jan to Mar'24	Oct to Dec'23	Jul to Sep'23	Apr to Jun'23	Jan to Mar'23	Oct to Dec'22	Jul to Sep'22	Apr to Jun'22
	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	20,099	24,293	7,650	10,896	13,805	18,305	21,561	28,026
Total assets	51,918	55,223	29,953	32,603	34,956	38,212	39,896	42,280
Working capital ⁽¹⁾	15,549	22,075	5,691	9,187	11,191	16,129	19,754	26,839
Current liabilities	5,922	4,758	2,852	2,333	3,008	2,758	2,440	1,630
Revenues	1,198	—	—	—	—	—	—	—
Operating expenses	1,519	—	—	—	—	—	—	—
Chvaletice Project evaluation expenses	2,813	1,109	1,853	604	1,722	1,018	1,739	1,023
Other evaluation expenses	(27)	51	34	51	87	210	95	280
Other administrative expenses	2,892	1,682	1,337	1,449	2,161	1,480	2,089	1,804
Net loss attributable to shareholders	5,999	2,842	3,224	2,104	3,970	2,708	3,923	3,106
Net loss per share, basic and diluted, attributable to shareholders	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01

⁽¹⁾ The additional non-GAAP financial measure of working capital is calculated as current assets less current liabilities.

6. Quarterly Financial Review (continued)

Summary of major variations in quarterly financial activities:

The variation in quarterly evaluation expenditures is mainly attributed to the following:

- The current quarter revenues and operating expenses represents the result of EPCS which was acquired at the end of the previous quarter.
- In the two quarters from April to September 2022, the Company focused on progressing and completing the Feasibility Study, preparation work and permitting of the demonstration plant, and the preparation of the final ESIA. The Company completed the Feasibility Study in the quarter ended September 2022. The number of employees at the Project site has risen continuously in relation to the demonstration plant site preparation and commissioning. In the four quarters from January to December 2023, the Company focused on awarding the EPCM contract and initiating Phase 1 with the gap analysis work. Expenses in the current quarter have increased due to market studies, consulting and legal fees.
- In the most recent three quarters, the Company continued the work related to the preparation and submission of the final ESIA and to the gap analysis performed by Wood on the Project's feasibility study.
- In the seven quarters from July 2022 to March 2024, the Company also incurred expenses related to the evaluation of a potential dissolution plant at the Port of Bécancour in Québec, Canada, which would produce high-purity manganese products for the North American EV market.

Fluctuations in the level of quarterly administrative expenditures is mainly attributed to the following:

- For the two quarters from April to September 2022, other administrative expenses steadily increased mostly as a result of a higher number of employees in the corporate office in Canada and higher share-based compensation expenses.
- Compared to the other periods, the quarter ended December 31, 2022, was significantly impacted by an unrealized foreign exchange gain relating to the revaluation of the EPCS Option and in the quarter ended March 31, 2023, other administrative expenses increased mainly as a result of a higher number of employees in the corporate office in Canada along with short term incentive payments paid during the quarter, and higher legal and professional fees relating to the project financing efforts.
- The increase in expenses in the current quarter is mainly due to interest expense related to the Funding Package.
- In the four most recent quarters from April 2023 to March 2024, the interest income from bank deposits partially offset the administrative expenditures.

6. Quarterly Financial Review (continued)

Three months ended March 31, 2024, compared to the three months ended March 31, 2023

	Three Months Ended March 31,	
	2024	2023
(expressed in thousands of Canadian dollars, except per share data)	\$	\$
Revenues	1,198	—
Cost of sales	949	—
Depreciation	570	—
Gross loss	(321)	—
Chvalitice Project evaluation expenses		
Engineering	675	1,027
Remuneration	329	357
Share-based compensation	18	32
Legal and professional fees	520	75
Marketing activities	1,000	40
Office and administration	271	191
	2,813	1,722
Other evaluation expenses	(27)	87
Other expenses		
Remuneration	947	1,088
Share-based compensation	349	442
Total remuneration	1,296	1,530
Legal and professional fees	179	274
Corporate and administrative expenses	328	508
Depreciation	84	63
Finance expense	844	6
Loss on disposal of plant and equipment	4	—
Interest income	(51)	(88)
Foreign exchange	208	(132)
	2,892	2,161
Net loss for the period	5,999	3,970
Other comprehensive loss for the period	226	—
Comprehensive loss for the period	6,225	3,970
Basic and diluted loss per common share	\$0.01	\$0.01

6. Quarterly Financial Review (continued)

Revenues for the three months ended March 31, 2024 and 2023, were \$1,197,584 and nil, respectively. The revenue was generated from the sale of specialty steel products from EPCS which was acquired at the end of last quarter. Gross losses for the three months ended March 31, 2024 and 2023, were \$321,570 and nil, respectively. The gross loss is due to high depreciation on revalued assets.

Chvaletice Project evaluation expenses for the three months ended March 31, 2024 and 2023, were \$2,812,775 and \$1,722,064, respectively. The increase over the comparative quarter in fiscal 2023 is mainly related to the increase in marketing activities and legal fees. The expense for the current quarter also include the costs for EPCM work which consists of early FEED activities. The Company also engaged a Project Director for the Chvaletice Manganese Plant. The main variances include: a \$958,721 increase in marketing activities due to higher cost for services related to the Project's product marketing and consulting fees; a \$445,332 increase in legal and professional fees mainly related to land access rights negotiations and documentation; and an increase of \$80,207 in office and administration expenses mainly due to land rental from the Municipality of Chvaletice. The overall increase in the Chvaletice Project evaluation costs was partially offset by a decrease of \$351,823 in engineering costs due to the completion of the final ESIA; a decrease of \$27,438 in remuneration as a result of lower short term incentive payments in the Czech Republic in the comparative period; and a decrease of \$14,288 in share-based compensation due to the partial vesting of a share option grant in the comparative quarter.

Other evaluation expenses for the three months ended March 31, 2024 and 2023, were \$(27,025) and \$86,932, respectively. These costs mostly represent the scoping study and due diligence related to the Company's evaluation of opportunities in the North American market, particularly the potential Port of Bécancour dissolution plant in Québec, Canada. The decrease in costs over the comparative quarter is mainly attributable to limited activity at the project as further progress is subject to financing. Other evaluation costs in the current quarter are net of \$34,882 from the National Research Council of Canada's Industrial Research Assistance Program ("IRAP") compared to \$16,889 in the same quarter in 2023.

The \$730,883 increase in administrative costs for the three months ended March 31, 2024, compared to the same quarter in 2023, is mainly attributable to: an increase of \$837,359 in finance expenses due to the interest expense incurred in relation to the Funding Package; and a \$20,794 increase in depreciation of the remaining lease asset relating to a land parcel at the project site adjacent to the tailings area which was subsequently acquired. The overall increase in administrative costs was partially offset by a decrease of \$180,095 in corporate and administrative expenses mainly due to the attendance of fewer conferences, campaigns and promotional activities; a \$140,891 decrease in remuneration due to fewer number of employees in the corporate office in Canada and lower short term incentive rewards than in the comparative period; a \$94,704 decrease in legal and professional expenses due to lower fees for and volume of consulting work compared to the previous period; and a decrease of \$92,530 in share-based compensation due to partial vesting of a share option grant in the comparative quarter. Additionally, the Company recorded a decrease of \$36,747 in interest earned on the Company's bank deposits and a foreign exchange loss of \$208,113 in the current quarter compared to a foreign exchange gain of \$132,412 in the same quarter in 2023.

6. Quarterly Financial Review (continued)

Six months ended March 31, 2024, compared to the six months ended March 31, 2023

	Six Months Ended March 31,	
	2024	2023
(expressed in thousands of Canadian dollars, except per share data)	\$	\$
Revenues	1,198	—
Cost of sales	949	—
Depreciation	570	—
Gross loss	(321)	—
Chvaletice Project evaluation expenses		
Engineering	1,104	1,443
Remuneration	590	572
Share-based compensation	51	101
Legal and professional fees	723	137
Marketing activities	1,019	69
Office and administration	434	418
	3,921	2,740
Other evaluation expenses	24	297
Other expenses		
Remuneration	1,636	1,726
Share-based compensation	783	1,028
Total remuneration	2,419	2,754
Legal and professional fees	377	553
Corporate and administrative expenses	685	929
Depreciation	189	126
Finance expense	882	14
Loss on disposal of plant and equipment	4	—
Interest income	(112)	(247)
Foreign exchange	131	(488)
	4,575	3,641
Net loss for the period	8,841	6,678
Other comprehensive loss for the period	226	—
Comprehensive loss for the period	9,067	6,678
Basic and diluted loss per common share	\$0.01	\$0.01

6. Quarterly Financial Review (continued)

Revenues for the six months ended March 31, 2024 and 2023, were \$1,197,584 and nil, respectively. Revenues were generated from the sale of specialty steel products from EPCS which was acquired at the end of last quarter. Gross losses for the six months ended March 31, 2024 and 2023, were \$321,570 and nil, respectively. The gross loss is due to high depreciation on revalued assets.

Chvaletice Project evaluation expenses for the six months ended March 31, 2024 and 2023, were \$3,921,425 and \$2,739,693, respectively. The increase over the comparative period in fiscal 2023 is mainly related to the increase in marketing activities and legal fees, mainly related to land access negotiations. The expenses for the current period also include the costs for EPCM work which consists of gap analysis work and early FEED activities. The Company also engaged a Project Director for the Chvaletice Manganese Plant. The main variances include: a \$950,356 increase in marketing activities due to higher cost for services related to the Project's product marketing and consulting fees; a \$585,472 increase in legal and professional fees mainly related to land access rights negotiations; and an increase of \$18,195 in remuneration reflecting high inflation in the Czech Republic. The overall increase in the Chvaletice Project evaluation costs was partially offset by a decrease of \$351,823 in engineering costs due to the completion of the final ESIA; and a decrease of \$49,770 in share-based compensation due to the partial vesting of a share option grant in the comparative period.

Other evaluation costs for the six months ended March 31, 2024 and 2023, were \$23,947 and \$296,727, respectively. These costs mostly represent the scoping study and due diligence related to the Company's evaluation of opportunities in the North American market, particularly the potential Port of Bécancour dissolution plant in Québec, Canada. The decrease of \$272,780 in costs over the comparative period is mainly attributable to limited activity at the project as further progress is subject to financing. The Company received \$49,190 from IRAP offsetting a portion of these costs, as compared to \$34,459 in the same quarter in 2023.

The \$932,486 increase in administrative costs for the six months ended March 31, 2024, compared to the same period in 2023, is mainly attributable to: an increase of \$867,945 in finance expenses mainly due to the interest expense incurred in relation to the Funding Package; and a \$62,770 increase in depreciation of the remaining lease asset relating to a land parcel at the project site adjacent to the tailings area which was subsequently acquired. The overall increase in administrative costs was partially offset by a decrease of \$245,102 in corporate and administrative expenses mainly due to the attendance of fewer conferences, campaigns and promotional activities; a decrease of \$244,622 in share-based compensation due to partial vesting of a share option grant in the comparative period; a \$176,117 decrease in legal and professional expenses due to lower volume of consulting work compared to the previous period; and a \$90,413 decrease in remuneration due to fewer number of employees in the corporate office in Canada and lower short term incentive rewards than in the comparative period. Additionally, the Company recorded a decrease of \$135,183 in interest earned on the Company's bank deposits and a foreign exchange loss of \$130,811 in the six month period ending March 31, 2024, compared to a foreign exchange gain of \$488,353 in the same period in 2023.

7. Liquidity and Capital Resources

As at March 31, 2024, the Company held cash and cash equivalents of approximately \$20.1 million. Cash and cash equivalents are held with reputable financial institutions and are invested in highly liquid short-term investments with maturities of one year or less. The funds are not exposed to significant liquidity risk. The use of the proceeds from the Convertible Loan Facility are limited to the development of the Chvaletice Manganese Project. There are no additional restrictions on the ability of the Company to use its funds to meet its obligations.

7. Liquidity and Capital Resources (continued)

The increase in cash of \$12.4 million during the six months ended March 31, 2024, is a result of \$22.6 million of cash generated from financing activities, which mainly represents the net proceeds from the initial US\$20 million tranche of the Convertible Loan Facility. This increase was partially offset by \$6.3 million of cash used in investing activities. The Company made payments in total of \$4.3 million to finalize the acquisition of EPCS and acquired \$0.9 million of cash in the transaction. The Company also made certain land acquisition and option payments of \$2.4 million and \$0.8 million was spent on advancing the commissioning of the demonstration plant. Additionally, \$4.0 million of cash used in operating activities. Working capital increased by \$9.9 million during the six months ended March 31, 2024, to \$15.5 million from \$5.7 million at September 30, 2023.

As described in Section 4 of this MD&A, the Company signed definitive agreements on November 28, 2023, with Orion for a non-dilutive US\$100 million Funding Package, which included a two-tranche US\$50 million Convertible Loan Facility and a US\$50 million Royalty Financing. The Company closed the initial US\$20 million tranche of the Convertible Loan Facility on November 29, 2023. Conditions precedent to the US\$30 million tranche of the Convertible Loan Facility include completion of offtake agreements for 40% of the Chvaletic Manganese Project's high-purity manganese production for the first five years of production and securing a strategic investor. Conditions precedent to drawing the US\$50 million Royalty Financing a final investment decision by the Company's Board of Directors and other conditions precedents typical for this type of financing.

The Convertible Loan Facility bears interest at 12% per annum, payable quarterly, and has an initial maturity of 36 months, which may be extended by Orion up to an additional 36 months. Orion may convert the Convertible Loan Facility into the royalty at any time, while the Company may force conversion into the royalty upon a successful completion test of the Project's commercial plant. The converted royalty and the royalty under to the Royalty Financing are for the life of the Project.

In connection with the Funding Package, Orion has been granted comprehensive security over the assets of Mangan and rights of the Project. Covenants and events of default include customary covenants and undertakings and events of default for a secured financing of this nature, including, but not limited to, completion of key commercial agreements, securing a strategic investor, and completion of various technical milestones aligned with the Company's progress to final investment decision, all subject to time limits from the closing date.

The Company expects that the net proceeds from the first tranche of the Convertible Loan Facility will be sufficient funding to complete the permitting of the Project, complete the commissioning of the demonstration plant and its operation, complete the acquisition of certain land parcels needed for the Project, initiate specific early FEED activities of the EPCM contract and certain site preparation works, and for general and administration expenses for more than 12 months.

In 2022, the Company appointed equity and debt financial advisors to assist with the structuring and securing of debt financing for the Project of US\$757.3 million as well as a working capital facility. The results of the Feasibility Study confirm several factors, including robust project economics, in-demand products, unique environmental credentials, stable jurisdiction, and strong support from leading European institutions, that the Company has reasonable grounds to assume that it will be able to fund the development of the Project (see also Section 4 of this MD&A). However, its ability to arrange additional equity, debt or other financing for the construction and operation of the Project, and/or to progress its North American strategy, will depend principally upon prevailing market conditions and the performance of the Company. Further, there can be no assurance that the Company will satisfy the conditions precedent in order to access the US\$30 million and US\$50 million under the Convertible Loan Facility and Royalty Financing, respectively, or that additional funding will be available when needed, if at all, or that it may not be available on terms favorable to the Company. Failure to obtain such additional financing could result in delay or indefinite postponement of further evaluation and development of the Company's projects.

7. Liquidity and Capital Resources (continued)

Contractual Commitments

As at March 31, 2024, the Company was committed to make the minimum annual cash payments, as follows:

	Payments due by period		
	Total	Less than one year	1 - 2 years
	\$	\$	\$
Minimum lease payments	391,271	154,356	236,915
Operating expenditure commitments	651,940	648,818	3,122
Total contractual obligations	1,043,211	803,174	240,037

In addition to the commitments disclosed above, the Company agreed to acquire a right-of-way for a period of 30 years having an annual rental of 60,000 Czech Koruna (approximately \$3,000).

Additionally, the Company and the Municipality of Chvaletice, being one of the owners of the land underlying the tailings, signed a land access agreement via rental of the land to the Company until the earlier of a 40-year period or upon remediation of the land. The agreement grants the Company access to a portion of the tailings surface area. The annual rental is 7.46 million Czech Koruna (approximately \$420,000), adjusted for inflation based on the average annual Czech consumer price index for the 12 months of the previous calendar year. The land rental agreement is effective as of July 1, 2022. The first payment of 3.7 million Czech Koruna (\$204,000) was made in July 2022 and the second payment of \$10.4 million Czech Koruna (\$611,000) was made in October 2023.

Other than the conditions imposed on the use of proceeds from the Convertible Loan Facility, the Company is not subject to any externally imposed capital requirements.

8. Related Party Transactions

For the three and six months ended March 31, 2024 and 2023, 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, 2024, 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 Board of Directors, President and Chief Executive Officer, Chief Financial Officer, Vice President, Commercial, Vice President, Corporate Development and Corporate Secretary, Vice President, Operations, and the Managing Director of the Company's Czech subsidiary.

	Three months ended March 31,		Six months ended March 31,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Salaries and fees	752,649	686,152	1,324,428	1,174,442
Share-based compensation	317,446	417,625	711,752	977,795
	1,070,095	1,103,777	2,036,180	2,152,237

8. Related Party Transactions (continued)

At March 31, 2024, amounts owing to directors and officers of the Company for salaries and directors' fees amounted to \$36,062 (September 30, 2023 - \$35,904), and includes salary owing to the Managing Director of Mangan. At both period ends, the amounts also included bonuses owing to the Managing Director of Mangan. Other amounts payable to officers and directors at March 31, 2024, for the reimbursement of office and travel related expenses were \$1,244 (September 30, 2023 - \$3,010).

9. Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value. The following common shares, stock options and share purchase warrants were outstanding at May 14, 2024:

	Number of securities
Issued and outstanding common shares	402,669,227
Share options	37,527,584

10. Significant Accounting Policies, Estimates and Judgments

Basis of preparation and accounting policies

The Company's annual consolidated financial statements were prepared in accordance with IFRS as issued by the IASB. Detailed description of the Company's significant accounting policies can be found in Note 3 of the Company's audited consolidated financial statements for the year ended September 30, 2023. Changes to the existing and new accounting policies can be found in the Company's unaudited condensed consolidated interim financial statements for the three and six months ended March 31, 2024, which were prepared in accordance with IFRS as issued by the IASB, including IAS 34 *Interim Financial Reporting*. The impact of future accounting changes is disclosed in Note 3.3 to the unaudited condensed consolidated interim financial statements for the three and six months ended March 31, 2024.

Significant accounting estimates and judgments

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. Areas of judgment and key sources of estimation uncertainty that have the most significant effect are disclosed in Note 3.15 of the Company's consolidated financial statements for the year ended September 30, 2023, and in Note 3.2 of the Company's unaudited condensed consolidated interim financial statements for the three and six months ended March 31, 2024.

11. Financial Instruments and Financial Risk Management

A description of the Company's financial instruments and financial risks that the Company is exposed to and management of these risks can be found in Notes 10 and 11, respectively, of the Company's consolidated financial statements for the year ended September 30, 2023, and Note 11 of the Company's unaudited condensed consolidated interim financial statements for the three and six months ended March 31, 2024.

12. Internal Controls over Financial Reporting and Disclosure Controls and Procedures

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that: (i) the condensed consolidated interim financial statements for the three and six months ended March 31, 2024, do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made; and (ii) the condensed consolidated interim financial statements for the three and six months ended March 31, 2024, fairly present in all material respects the financial condition, results of operations and cash flow of the Company.

There was no change in the Company's internal controls over financial reporting that occurred during the three and six months ended March 31, 2024, that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Disclosure Controls and Procedures

The Company's management, under the supervision of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining adequate disclosure controls and procedures. Disclosure controls and procedures are designed to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to the CEO and CFO during the reporting period. The Company's CEO and CFO believe that the Company's disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed under applicable securities regulations is recorded, processed, summarized and reported within the time periods specified in the securities legislation.

There was no change in the Company's disclosure controls and procedures that occurred during the three and six months ended March 31, 2024, that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures.

Limitations of Controls and Procedures

The Company's management, including the President and Chief Executive Officer and Chief Financial Officer, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

13. Forward-Looking Statements and Risks Notice

Certain statements in this MD&A constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws. Such statements and information involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, its Chvaletice mineral project, its proposed Bécancour Plant or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict" and other similar terminology, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

13. Forward-Looking Statements and Risks Notice (continued)

Forward looking information includes statements regarding the ability of the Company to deliver on samples meeting specifications to potential customers from the demonstration plant, the timing for FEED under the EPCM contract, final investment decision, various regulatory approvals and permits, statements regarding the ability of the Company to obtain remaining surface rights, the benefits of remediating the historic tailings areas, statements regarding the expectation of the Company that the net proceeds from the first tranche of the Convertible Loan Facility will be sufficient funding to complete the permitting of the Chvaletice Manganese Project, complete the commissioning of the demonstration plant and its operation, initiation and completion of FEED, complete the acquisition of certain land parcels needed for the Project, and certain site preparation works, and for general and administration expenses for more than 12 months; statements regarding the Company's ability to achieve conditions precedent to access further funding from the Convertible Loan Facility or Royalty Financing, the growth and development of the high purity manganese products market, the desirability of the Company's products, the ability of the Company to enter into binding offtake agreements with potential customers on favorable terms or at all, the growth of the EV industry, the use of manganese in batteries, the manganese project supply line, support from European financial institutions and any government funding, any anticipated benefits from legislation and the Company's ability to obtain financing.

Regarding the Bécancour Plant, forward-looking statements include, but are not limited to, statements concerning the Company's plans for advancing the Bécancour Plant and results of the Scoping Study including estimates of internal rates of return, net present values, and estimates of costs. Such forward-looking information or statements also include, but are not limited to, statements regarding the timing for completion of the Bécancour feasibility study, the Company's ability to reach a definitive agreement with MMC to supply feedstock, the Company's ability to operate the Bécancour Plant and associated production, the projected growth of the North American demand for high-purity manganese products, any benefits of legislation, the Company's ability to secure offtake from North American customers, the Company's ability to raise the necessary financing, and the timing of any permit application submissions and approvals and continuing successful cooperation with the W8banaki Nation.

Readers are cautioned not to place undue reliance on forward-looking information or statements. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company.

13. Forward-Looking Statements and Risks Notice (continued)

Factors that could cause actual results or events to differ materially from current expectations include, among other things for the Chvaletice Project, lack of sufficient funding; the inability to develop adequate processing capacity and production; the availability of equipment, facilities, and suppliers necessary to complete development; the cost of consumables and extraction and processing equipment; risks and uncertainties related to the ability to obtain, amend, or maintain necessary licenses, or permits, risks related to acquisition of surface rights; the potential for unknown or unexpected events to cause contractual conditions to not be satisfied; the failure of parties to contract with the Company to perform as agreed; risks and uncertainties related to the accuracy of mineral resource and reserve estimates, variations in rates of recovery and extraction, the price of HPEMM and HPMSM, power supply sources and price, reagent supply resources and prices, future cash flow, total costs of production, and diminishing quantities or grades of mineral resources and reserves; the inability to secure sufficient offtake agreements; the inability to meet conditions under the Company's secured credit facility and risks related to granting security; unexpected results or unsuccessful completion of the various stages of the EPCM contract; and changes in project parameters as plans continue to be refined. For the Bécancour Plant, factors include, among other things: assumptions in the scoping study not proving accurate over time and negatively affecting results; an inability to obtain financing, unanticipated operational difficulties including failure of the Bécancour Plant; cost escalation for reagents, labour, power and other cost increases; inability to secure key reagents; a delay or inability to obtain or maintain necessary licenses or permits; the potential for unknown or unexpected events to cause contractual conditions to not be satisfied; inability to complete feasibility study or other technical studies or unexpected results; and risks and uncertainties related to limited feedstock supply options.

Additional factors that could cause results or events to differ materially from current expectations include risks related to global epidemics or pandemics and other health crises; availability and productivity of skilled labour; risks and uncertainties related to interruptions in production; unforeseen technological and engineering problems; the adequacy of infrastructure; social unrest or war; the possibility that future results will not be consistent with the Company's expectations; increase in competition, developments in EV battery markets and chemistries; risks related to fluctuations in currency exchange rates, changes in laws or regulations; and regulation by various governmental agencies and changes or deterioration in general economic conditions.

For a further discussion of risks relevant to The Company, see "Risk Factors" in the Company's annual information form for the year ended September 30, 2023, available on the Company's SEDAR+ profile at www.sedarplus.ca.

Although the forward-looking statements contained in this MD&A are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this MD&A.