May 14, 2025

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, 2025 and 2024 (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, 2025 (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, 2025 (Thousands of Canadian dollars, Unaudited)	Result for Half-Year Ended March 31, 2025 (Thousands of Canadian dollars, Unaudited)	Increase (Decrease) (Thousands of 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	1,912	1,198	714	60%
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	(9,174)	(8,841)	(333)	4%
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	(9,174)	(8,841)	(333)	4%
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 11, 12 and 13 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 11, 12 and 13 of the MD&A.

Sincerely,

"Martina Blahova"

____

Martina Blahova

President and CEO

+1 604 681-1010 ext. 104
info@mn25.ca **Website:** www.mn25.ca

APPENDIX 1

EURO MANGANESE

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2025 AND 2024

Contents

Financial Statements

Notes to the Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Statements of Financial Position

Euro Manganese Inc.
(Expressed in thousands of Canadian dollars) (Unaudited)

	Note	March 31, 2025	September 30, 2024
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**2,822**	9,364
Prepaid expenses		**318**	411
Accounts and other receivables		**660**	510
Income taxes receivable		**133**	94
Inventory		**972**	573
		4,905	10,952
Non-current assets			
Exploration and evaluation assets	5	**6,774**	6,774
Property, plant and equipment	6	**17,312**	19,485
Deferred transaction costs		**1,880**	1,880
Other assets	7	**1,455**	1,377
Total assets		**32,326**	40,468
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**3,692**	2,822
Due to related parties		**56**	33
Current portion of lease liability		**123**	117
		3,871	2,972
Lease liability		**77**	140
Convertible Loan	8	**29,070**	27,541
Total liabilities		**33,018**	30,653
EQUITY			
Share capital	9	**78,733**	78,733
Equity reserves	9	**8,497**	10,032
Other comprehensive income		**236**	34
Deficit		**(88,158)**	(78,984)
Total shareholders' equity		**(692)**	9,815
Total liabilities and shareholders' equity		**32,326**	40,468

Going Concern (Note 1)

Approved on behalf of the Board of Directors on May 13, 2025.

"Martina Blahova"
Martina Blahova, President and CEO

"John Webster"
John Webster, Director

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

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Euro Manganese Inc.
(Expressed in thousands of Canadian dollars, except for number of shares outstanding and per share amounts)
(Unaudited)

	Note	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Six Months Ended March 31, 2025	Six Months Ended March 31, 2024
		$	$	**$**	$
Revenue		**874**	1,198	**1,912**	1,198
Cost of goods sold	13	**(1,151)**	(1,519)	**(2,549)**	(1,519)
Gross loss		**(277)**	(321)	**(637)**	(321)
Operating expenses					
Chvaletice Project evaluation	14	**(1,806)**	(2,813)	**(3,772)**	(3,921)
Other evaluation (expenses) recoveries		**–**	27	**(8)**	(24)
Corporate and administrative expenses	15	**(1,109)**	(1,888)	**(1,295)**	(3,670)
Loss of disposal of fixed assets		**–**	(4)	**–**	(4)
Foreign exchange loss		**(122)**	(208)	**(1,571)**	(131)
Operating loss		**(3,314)**	(5,207)	**(7,283)**	**(8,071)**
Gain (loss) on derivative instruments	8	**336**	(74)	**1,242**	249
Modification loss on convertible loan facility	8	**–**	–	**(903)**	–
Interest income		**31**	51	**107**	112
Finance expense		**(1,027)**	(770)	**(2,216)**	(1,131)
Loss before income tax		**(3,974)**	(6,000)	**(9,053)**	**(8,841)**
Income tax expense		**(24)**	–	**(121)**	–
Loss for the period		**(3,998)**	(6,000)	**(9,174)**	(8,841)
Other comprehensive income for the period		**110**	(226)	**202**	(226)
Loss and comprehensive loss for the period		**(3,888)**	(6,226)	**(8,972)**	(9,067)
Weighted average number of common shares outstanding - basic and diluted		**80,533,847**	80,533,847	**80,533,847**	80,533,847
Basic and diluted loss per common share		**$ 0.05**	$ 0.08	**$ 0.11**	$ 0.11

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

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

Euro Manganese Inc.

(Expressed in thousands of Canadian dollars, except for number of shares) (Unaudited)

	Attributable to equity shareholders of the Company					
	Share Capital	Share Capital	Equity Reserves	Other Comprehensive Income	Deficit	Shareholders' Equity (Deficit)
	#	$	$	$	$	$
Balance at September 30, 2023	80,533,847	78,733	9,024	—	(60,657)	27,100
Share-based compensation	—	—	834	—	—	834
Loss and comprehensive loss for the period	—	—	—	(226)	(8,841)	(9,067)
Balance at March 31, 2024	**80,533,847**	**78,733**	**9,858**	**(226)**	**(69,498)**	**18,867**
Balance at September 30, 2024	**80,533,847**	**78,733**	**10,032**	**34**	**(78,984)**	**9,815**
Share-based compensation	—	—	(1,535)	—	—	(1,535)
Loss and comprehensive loss for the period	—	—	—	202	(9,174)	(8,972)
Balance at March 31, 2025	**80,533,847**	**78,733**	**8,497**	**236**	**(88,158)**	**(692)**

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

Condensed Interim Consolidated Statements of Cash Flows

Euro Manganese Inc.
(Expressed in thousands of Canadian dollars) (Unaudited)

	Six Months Ended March 31, 2025 $	2024 $
Operating activities		
Loss for the period	**(9,174)**	(8,841)
Items not affecting cash:		
Share-based compensation	**(1,535)**	834
Transaction costs on land deposit	**—**	24
Depreciation	**2,212**	759
Loss on disposal of fixed assets	**—**	4
Finance expense	**2,216**	1,037
Gain on derivative instruments	**(1,242)**	(387)
Unrealized foreign exchange loss	**1,752**	1,113
Interest income	**(107)**	(112)
Modification loss on convertible loan facility	**903**	—
	(4,975)	(5,569)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	**(377)**	460
Accounts and other receivables	**(149)**	794
Income tax receivables	**(39)**	—
Prepaid expenses	**246**	276
Inventory	**(399)**	14
Cash used in operating activities	**(5,693)**	(4,025)
Investing activities		
Purchase of property, plant and equipment	**(11)**	(828)
Proceeds from sale of equipment	**—**	64
Deposit for land acquisition	**(78)**	(2,440)
Cash used on acquisition of EPCS	**—**	(4,265)
Cash acquired on acquisition of EPCS	**—**	887
Interest received	**107**	261
Cash generated from (used) in investing activities	**18**	(6,321)
Financing activities		
Lease principal and interest payments	**(67)**	(210)
Proceeds from convertible loan	**—**	25,973
Interest paid on convertible loan	**(814)**	(286)
Transaction costs paid on convertible loan	**(117)**	(2,912)
Equity Financing costs incurred	**(31)**	—
Cash generated from (used in) financing activities	**(1,029)**	22,565
Effect of exchange rate change on cash and cash equivalents	**162**	230
Increase (decrease) in Cash & Cash Equivalents	**(6,542)**	12,449
Cash & Cash Equivalents - beginning of period	**9,364**	7,650
Cash & Cash Equivalents - end of period	**2,822**	20,099

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

1. Nature of Operations and Going Concern

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 reprocessing 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. During the prior year, the Company acquired 100% of EP Chvaletice s.r.o.("EPCS"), a Czech operating company, whose current operations are the fabrication of specialty steel products and its principal asset is a large parcel of industrial zoned land adjacent to the Project, where the Company proposes to develop its high-purity manganese processing facility. The EPCS 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 Suite 709, 700 West Pender Street, Vancouver, BC, Canada, and its registered offices are located at Suite 1700, 666 Burrard Street, Vancouver, BC, Canada. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V"). CHESS Depositary Interests ("CDIs", with each CDI representing one common share) are traded on the Australia Securities Exchange ("ASX") under the symbol "EMN.AX".

These consolidated financial statements have been prepared on a going concern basis in accordance with IFRS Accounting Standards, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

As an early stage development company, EMN has no material operating revenues and is unable to self-finance its operations. During the period ended March 31, 2025, the Company incurred a net loss of $9,174 and used $5,693 cash for operating activities. As at March 31, 2025, the Company's working capital (current assets less current liabilities) was $1,034.

On March 6, 2025 and April 1, 2025, the Company announced a private placement of Units with anticipated gross proceeds of approximately $9.8 million. This financing involves participation from both new and existing investors, including the European Bank for Reconstruction and Development ("EBRD") and Mr. Eric Sprott, through 2176423 Ontario Ltd. Concurrently, the Company initiated a Share Purchase Plan ("SPP") for eligible ASX shareholders, seeking to raise up to approximately $1.4 million under the same terms as the private placement. Orion Resource Partners has committed to subscribe for any shortfall in the SPP. Each Unit comprises one common share (or CHESS Depositary Interest ("CDI")) and one warrant, with each warrant entitling the holder to purchase one additional common share or CDI at an exercise price of $0.225 for a period of 18 months from the closing date. Broker fees associated with this financing are expected to be 6% of gross proceeds up to $8.0 million of proceeds, and up to 4,904,478 broker warrants exercisable at $0.225 for two years from closing. The completion of the Unit offering and the issuance of broker warrants are contingent upon receiving both regulatory and shareholder approval at the Annual and Special General Meeting scheduled for May 15, 2025. Consequently, there is no assurance that these necessary approvals will be obtained and that the private placement or SPP will be completed within the anticipated timeframe or at all.

If the private placement or SPP is not completed, the Company's capital resources are not expected to provide sufficient working capital to fund its corporate and project development costs for at least twelve months from the date of these financial statements. Further, there is no assurance that the evaluation and development 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 Project.

In the first quarter ended December 31, 2024, the Company entered into an amendment agreement with Orion (see Note 8) to defer its quarterly interest payments until the loan's maturity date. This agreement was intended to enhance the Company's liquidity position during the current phase of operations.

The ability of the Company to complete any financing in the future will depend principally upon prevailing market conditions and the performance of the Company. Such funding may not be available when needed, if at all, or may not be available on terms favorable to the Company. These factors give rise to material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The condensed interim consolidated financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported revenues and expenses and the balance sheet classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of Preparation

2.1 Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, including International Accounting Standard 34 – Interim Financial Reporting. These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 2024, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS").

These condensed interim consolidated financial statements were prepared by management and approved by the Board of Directors of the Company (the “Board”) on May 13, 2025.

2.2 Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value.

2.3 Principles of consolidation

These condensed interim consolidated 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 consolidated 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") and North American Manganese Inc., are included in the condensed interim consolidated 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 on consolidation.

2.4 Foreign currency translation

The condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and Mangan. The functional currency of the Company's subsidiary EPCS is the Czech Koruna.

Transactions in foreign currencies are initially recorded in the entity'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, EPCS, 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(loss).

2.5 Share consolidation

On March 31, 2025, the Company consolidated its securities, including shares represented by CDIs on the Australian Securities Exchange, at a ratio of five (5) pre-consolidation shares to one (1) post-consolidation share. All references to shares, warrants, broker warrants, options and all per share dollar figures in these financial statements are on a post-consolidation basis.

3. Material Accounting Policies, Estimates and Judgments

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended September 30, 2024.

The following are critical judgments and estimates that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

a) Management is required to assess exploration and evaluation assets for impairment indicators at each period end. The impairment indicators are defined in IFRS 6 *Exploration for and Evaluation of Mineral Resources* ("IFRS 6"). In making the assessment, management is required to make judgments as to whether impairment indicators exist when assessing the following factors: the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future, substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, sufficient data exists to support that extracting the resources will not be technically feasible or commercially viable and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The nature of exploration and evaluation activity is such that only a small proportion of projects are ultimately successful, and some assets are likely to become impaired in future periods.

   Management has determined that there were no impairment indicators present for the exploration and evaluation assets and as such, no impairment test was performed at March 31, 2025.

b) The Company applied significant judgment in determining the fair value of the option payments made pursuant to an option agreement with EPCS ("EPCS Option Agreement") and their classification as a financial instrument at FVTPL (Note 4).

c) 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 future high purity manganese prices and the probability of the debt being extended or converted.

(Expressed in thousands of Canadian dollars, except for per share amounts) (Unaudited)

4. Acquisition of EP Chvaletice s.r.o

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

The Company paid an aggregate amount of $8,682 from October 17, 2018, to December 28, 2023 for the purchase of EPCS. The option payments made prior to the acquisition of EPCS were a derivative classified as fair value through profit or loss ("FVTPL"). On acquisition of EPCS, on December 28, 2023, the option was revalued based on a third party valuation of acquired assets at $8,998, resulting in $316 increase in the value of the option. The acquisition was accounted for as a purchase of assets as it met the concentration test under IFRS 3 *Business Combinations*.

The final purchase price consideration was as follows:

	$
Cash paid including option payments	8,682
Revaluation of derivative	316
Net working capital adjustment	1,777
	10,775

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

	$
Cash and cash equivalents	887
Accounts receivable	1,244
Prepaids and other	14
Inventory	477
Equipment	407
Buildings	4,181
Land	4,396
Accounts payable and accrued liabilities	(457)
Income tax and other taxes payable	(291)
Operating lease liabilities	(83)
	10,775

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. 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 (equipment and vehicles) was based on historical prices, reflecting the technical value and saleability factor.

5. Exploration and Evaluation Assets

As at March 31, 2025 the Company holds a Mining Lease permit for the Chvaletice Manganese Project ("Project") which replaces all prior authorizations according to the Mining Act and has no expiry date. It provides the Company with exclusive, unrestricted rights to mineral extraction within the designated area and ensures robust legal protection of the Project area, enabling the Company to proceed with the Project's next phases on an exclusive basis.

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 and funding.

(Expressed in thousands of Canadian dollars, except for per share amounts) (Unaudited)

6. Property, Plant and Equipment

	March 31, 2025				
	Assets under construction	Plant and Equipment	Land	Lease assets	Total
	$	$	$	$	$
Cost	$	$	$		$
September 30, 2024	—	13,707	7,988	362	22,057
Additions	—	11	—	—	11
Foreign exchange adjustments	—	35	—	—	35
March 31, 2025	**—**	**13,753**	**7,988**	**362**	**22,103**
Accumulated Amortization					
September 30, 2024	—	(2,481)	—	(91)	(2,572)
Additions	—	(2,152)	—	(60)	(2,212)
Foreign exchange adjustments		(7)			(7)
March 31, 2025	**—**	**(4,640)**	**—**	**(151)**	**(4,791)**
Net Book Value					
March 31, 2025	**—**	**9,113**	**7,988**	**211**	**17,312**

	September 30, 2024				
	Assets under construction	Plant & Equipment	Land	Lease assets	Total
	$	$	$	$	$
Cost					
September 30, 2023	7,858	179	333	604	8,974
Additions EPCS	—	4,588	4,396	—	8,984
Additions other	1,152	9	3,259	361	4,781
Disposals	—	(79)	—	(603)	(682)
Transfers	(9,010)	9,010	—	—	—
September 30, 2024	**—**	**13,707**	**7,988**	**362**	**22,057**
Accumulated depreciation					
September 30, 2023	—	(126)	—	(462)	(588)
Additions	—	(2,366)	—	(232)	(2,598)
Disposals	—	11	—	603	614
September 30, 2024	**—**	**(2,481)**	**—**	**(91)**	**(2,572)**
Net Book Value					
September 30, 2024	**—**	**11,226**	**7,988**	**271**	**19,485**

During the period ended March 31, 2025, depreciation and amortization of $987 (2023 - $570) was recognized in cost of goods sold, $1,162 (2023 - nil) in Chvaletice project evaluation and $63 (2023 - $189) in corporate and administrative.

(Expressed in thousands of Canadian dollars, except for per share amounts) (Unaudited)

7. Other Assets

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

		March 31, 2025	September 30, 2024
		$	$
Land for buffer zone and infrastructure corridor (tailings area)	i)	**65**	65
Additional land and rail spur extension (plant area)	ii)	**427**	349
Land parcel within the Port of Bécancour	iii)	**963**	963
		1,455	1,377

i) 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 approximately 2 million Czech Koruna (approximately $120). As at March 31, 2025, the Company paid an aggregate amount of 1.2 million Czech Koruna ($65). Subsequent payments are based on permitting milestones over the period to March 2029.

ii) On December 18, 2020, the Company signed 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 approximately 18.7 million Czech Koruna (approximately $1,127) and was partially paid in five equal annual instalments totaling $427, followed by the remaining balance of approximately $700 to be paid on or before October 10, 2025.

iii) 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 proposed to establish its North American facilities. The Bécancour Option Agreement allowed the Company to exclusively access the land parcel and conduct due diligence. During the current year, the Bécancour Option Agreement was amended to acquire an 8 hectare property instead of 15-hectare land parcel at the Port of Bécancour for total consideration of $5,111 until September 30, 2025. As at March 31, 2025, the Company has made payments aggregating $963 and no further option payments are required. The amounts paid to date will be applied upon the option exercise against the total purchase price. Certain conditions exist for closing including approval of project plans by SPIPB and obtaining project financing.

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 Project. The Funding Package is split into two US$50 million components: (a) a US$50 million loan facility convertible, at Orion's option, into a 1.29-1.65% royalty on Project revenues (the "Convertible Loan Facility"), with US$20 million received and an additional US$30 million to be received upon meeting certain milestones; and (b) 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 precedent typical for this type of financing (the "Royalty Financing").

The original Convertible Loan Facility bore interest at 12% per annum, payable quarterly, and had an initial maturity of 36 months, which could 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.

In connection with the Funding Package, Orion was 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.

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, as it was not closely related to its debt host. Accordingly at inception, the $25,973 (US$20 million) gross proceeds were allocated as follows: $844 to the derivative liability at its estimated fair value with the residual of $25,129 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 extension by Orion of the Convertible Loan Facility. These are level 3 in the fair value hierarchy (Note 11). The Company incurred transaction costs of $2,976, of which $1,880 was allocated to the US$80 million undrawn portion of the Funding Package and is deferred until drawn, $1,059 was allocated to the first tranche of the Convertible Loan Facility and is deferred and amortized using the effective interest method, and $37 was allocated to the derivative liability and was immediately recognized in the statement of loss.

During the current year, the Company amended the terms of the Orion agreement whereby, in exchange for waiving certain covenants of the original agreement for up to one year and the deferral of interest payments from January 1, 2025 onwards, the Company will pay 14% interest on the outstanding loan and will issue warrants of the Company matching the same terms as for a future financing as if Orion had participated for US$2,800,000 in that financing. The Company has also been granted the right to repay, at any time, the Convertible Loan Facility at par, including all accrued and unpaid interest, and may cancel the second tranche of the Convertible Debt Facility without penalty. In addition the Company also has the right to terminate the Royalty Financing, if the Convertible Loan Facility has been paid in full, for a fee of US$1 million. The warrants are subject to regulatory and shareholder approval. The annual and special general meeting where the vote for approval for this is on May 15, 2025.

For accounting purposes, under IFRS 9, this has been treated as modification of debt as it was determined that the amendment was not a substantial modification, either qualitatively or quantitatively. As such, the carrying amount of the existing liability has been recalculated at the present value of the original effective interest rate. The adjustment of $903 has been recognized as a Modification loss on convertible debt in the condensed interim consolidated statement of loss and comprehensive loss.

As at March 31, 2025, the Company is in compliance with the covenants under the Convertible Loan Facility.

(Expressed in thousands of Canadian dollars, except for per share amounts) (Unaudited)

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

	Liability $	Derivative $	Total $
September 30, 2023	—	—	—
Advances	27,162	—	27,162
Transaction costs	(1,059)	—	(1,059)
Initial recognition of derivative liability	(844)	844	—
Unwinding of transaction costs	468	—	468
Interest accrued	2,726	—	2,726
Interest paid	(1,922)	—	(1,922)
Change in fair value of derivative	—	345	345
Foreign exchange loss (gain)	(176)	(3)	(179)
September 30, 2024	**26,355**	**1,186**	**27,541**
Unwinding of transaction costs	207	—	207
Interest accrued	2,000	—	2,000
Interest paid	(814)	—	(814)
Costs incurred for modification	(236)	—	(236)
Modification loss	903	—	903
Change in fair value of derivative	—	(1,242)	(1,242)
Foreign exchange loss (gain)	1,649	78	1,727
March 31, 2025	**30,064**	**22**	**30,086**
Current portion (classified as Accounts payable and accrued liabilities)	**1,016**	**—**	**1,016**
Long-term debt	**29,048**	**22**	**29,070**

9. Equity

a) Common shares

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

b) Share options

A continuity summary of the share options granted and outstanding under the Plan for the period ended March 31, 2025, is presented below:

		March 31, 2025
	Number of share options	**Weighted average exercise price ($ per share)**
Balance, beginning of the period	**7,387,039**	**2.05**
Options expired	**(78,698)**	**2.88**
Options forfeited	**(3,022,944)**	**2.63**
Balance, end of the period	**4,285,397**	**1.57**

(Expressed in thousands of Canadian dollars, except for per share amounts) (Unaudited)

During the period ended March 31, 2025, the Company recorded a share-based compensation gain of $1,535 (2024 - an expense of $834) of which $11 (2024 - $51) was recognized as expense in the Project evaluation and a gain of $1,546 (2024 - an expense of $783) was recognized in corporate and administrative. The gain related to stock options forfeited during the first quarter ended December 31, 2024.

The balance of options outstanding and exercisable at March 31, 2025, is as follows:

	Options outstanding & exercisable		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)
0.40	200,000	1.3	200,000	1.3
0.50	125,000	2.2	125,000	2.2
0.55	1,104,534	4.5	1,104,533	4.5
0.63	100,000	5.7	100,000	5.7
1.00	430,000	3.1	430,000	3.1
1.25	290,000	3.9	290,000	3.9
1.40	338,333	4.1	338,333	4.1
2.39	652,530	8.3	234,177	8.3
2.95	80,000	6.4	80,000	6.4
2.90	710,000	6.9	710,000	6.9
3.05	255,000	6.2	75,000	6.2
1.57	4,285,397	5.2	3,687,043	4.8

Subsequent to March 31, 2025, 258,916 options were forfeited.

10. Related Party Transactions

a) Key management compensation

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 and the Managing Director of the Company's Czech subsidiary. Details are as follows:

	Three Months Ended March 31,		**Six Months Ended March 31,**	
	2025	2024	**2025**	2024
	$	$	**$**	$
Remuneration to officers and directors of the Company	**320**	753	**709**	1,324
Final payments to the former CEO	**—**	—	**521**	—
Directors and officers' stock-based compensation	**12**	317	**24**	712
Stock based compensation gain resulted from forfeiture of options	**—**	—	**(1,647)**	—
	332	1,070	**(393)**	2,036

These transactions were incurred in the normal course of operations.

(Expressed in thousands of Canadian dollars, except for per share amounts) (Unaudited)

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 and other receivables, accounts payable and accrued liabilities, and due to related parties approximate carrying values recorded on the condensed interim consolidated statements of financial position due to their short-term nature.

The payments made pursuant to the EPCS Option Agreement (Note 4) were a derivative asset. It was a financial instrument measured at fair value through profit and loss using Level 3 inputs as there were no observable market data available. Immediately prior to exercise the Company revalued the option 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.

The Convertible Loan 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). The significant assumptions used in the valuation were the discount rate and the probability of conversion and extension. The initial valuation of the convertible loan derivative liability was prepared by an independent valuation specialist under the direct oversight of the Chief Financial Officer. Discussions of valuation processes and results are reported to the audit committee every three months, in line with the Company's quarterly reporting periods.

12. Commitments

At March 31, 2025, 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 rent payments	237	135	102
Operating expenditure commitments	302	302	—
Total contractual obligations	539	437	102

Pursuant to the ČEZ Lease Agreement, land access has been granted for the life of the Project 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. After 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 Czech Koruna 625 thousand per calendar quarter (approximately $37), adjusted annually commencing in 2028, based on inflation during the immediately preceding year.

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 9.5 million Czech Koruna (approximately $576), 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 was effective July 1, 2022.

(Expressed in thousands of Canadian dollars, except for per share amounts) (Unaudited)

13. Cost of Goods Sold

	Three Months Ended March 31,		**Six Months Ended March 31,**	
	2025	2024	**2025**	2024
	$	$	**$**	$
Materials	**$505**	$712	**1,119**	712
Labour Costs	**$208**	$237	**443**	237
Depreciation	**$438**	$570	**987**	570
	$1,151	$1,519	**2,549**	1,519

14. Chvaletice Project Evaluation

	Three Months Ended March 31,		**Six Months Ended March 31,**	
	2025	2024	**2025**	2024
	$	$	**$**	$
Engineering	**123**	675	**513**	1,104
Remuneration	**502**	329	**821**	590
Share-based compensation	**6**	18	**11**	51
Travel	**10**	42	**15**	61
Legal and professional fees	**50**	520	**165**	722
Marketing activities	**4**	1,000	**8**	1,019
Supplies and rentals	**533**	229	**1,077**	374
Depreciation	**578**	—	**1,162**	—
	1,806	2,813	**3,772**	3,921

15. Corporate and Administrative

	Three Months Ended March 31,		**Six Months Ended March 31,**	
	2025	2024	**2025**	2024
	$	$	**$**	$
Remuneration	**626**	947	**1,733**	1,636
Share-based compensation	**51**	349	**(1,546)**	783
Legal and professional fees	**166**	180	**575**	376
Travel	**9**	59	**18**	140
Filing and compliance fees	**62**	72	**108**	138
Office and administration	**38**	40	**86**	113
Insurance	**42**	62	**83**	125
Conferences	**15**	5	**19**	10
Investor relations	**69**	69	**156**	119
Product sales and marketing	**—**	21	**—**	41
Depreciation	**31**	84	**63**	189
	1,109	1,888	**1,295**	3,670

APPENDIX 2

EURO MANGANESE

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2025

Contents

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, BC, Canada, and its registered offices are located at 666 Burrard Street, Suite 1700, Vancouver, BC, Canada. The Company’s common shares are traded on the TSX Venture Exchange ("TSX-V"). CHESS Depositary 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 13, 2025, is intended to be read in conjunction with the Company's condensed interim consolidated financial statements for the three and six months ended March 31, 2025 (the “Consolidated Financial Statements”) which have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, including International Accounting Standard 34 – Interim Financial Reporting. This MD&A should also be read in conjunction with the Company’s audited consolidated financial statements and annual MD&A for the year ended September 30, 2024. The Company prepares its financial statements in accordance with the International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The Company’s material accounting policies are set out in Note 3 of the September 30, 2024 Consolidated Financial Statements.

Additional information relating to the Company, including the Annual Information Form for the year ended September 30, 2024, 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 Dr. David Dreisinger, 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 14. The financial information presented in tables in this MD&A are in thousands of Canadian dollars, except for per share amounts and 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 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 the Mining Lease permit for the Chvaletice Manganese Project ("Project") which replaces all prior authorizations according to the Mining Act and has no expiry date. It provides the Company with exclusive, unrestricted rights to mineral extraction within the designated area and ensures robust legal protection of the Project area, enabling the Company to proceed with the Project's next phases on an exclusive basis. This Mining Lease was required before applications could be made for permits relating to the construction of infrastructure and operation of a processing facility for 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. 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. 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. 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 zoned 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 prepared without the use of selenium and will be fluorine, and chromium-free and are designed to contain very low levels of deleterious impurities.

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, fueled largely by the Li-ion and electric vehicle ("EV") markets.

The Company has entered into four non-binding off-take term sheets for the sale of HPEMM or HPMSM from the Chvaletice Manganese Project with consumers of high-purity manganese products and focusing on converting these term sheets into binding offtake agreements with those customers. In addition, the Company has signed two non-binding off-take term sheets for intermediate by-products that will be produced concurrently with the HPEMM and HPMSM. The Company is in active discussions and negotiations with multiple other parties, including battery, chemical, and automobile manufacturers, and anticipates more term sheets will follow. The Company is targeting 80% - 90% of production capacity under offtake contracts 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.

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.

In July 2024, the Company engaged Wood Australia Pty Ltd ("Wood") as the preferred Engineering, Procurement, and Construction Management Consultant ("EPCM").

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 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.

During the current year, the Company amended the terms of the Orion Funding Package whereby, in exchange for waiving certain covenants of the original agreement for up to one year and the deferral of interest payments from January 1, 2025 onwards, the Company will pay 14% interest on the outstanding loan and will issue warrants of the Company matching the same terms as for a future financing as if Orion had participated for US$2,800,000 in that financing. The Company has also been granted the right to repay, at any time, the Convertible Loan Facility at par, including all accrued and unpaid interest, and may cancel the second tranche of the Convertible Debt Facility without penalty. In addition the Company also has the right to terminate the Royalty Financing, if the Convertible Loan Facility has been paid in full, for a fee of US$1 million. The Orion warrants are subject to regulatory and shareholder approval. The annual and special general meeting where the vote for approval of the warrants to be issued to Orion is on May 15, 2025.

About the Bécancour Project

The Company is evaluating its North American growth strategy and is evaluating an opportunity to develop a project to produce high-purity manganese products for the North American market. In December 2022, the Company entered into an option agreement with Société du parc industriel et portuaire de Bécancour (SPIPB), the owner of Lot 12, a 15-hectare land parcel at Bécancour, Quebec, Canada, where it proposed to establish its North American facilities, which allows the Company exclusive access to the land parcel and 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 Project") and WSP Canada Inc. ("WSP") was selected in September 2023 to complete a feasibility study for the project. The Bécancour Project is planned to be fed with HPEMM from the Chvaletice Project once operational or other third-party providers. 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.

During the current year, the Company amended the terms with SPIPB whereby the Company to acquire 8 hectare property instead of 15 hectare parcel at the Port of Bécancour for total consideration of $5,111,304 until September 30, 2025. The total funds of $962,955 paid to date will be applied upon the option exercise against the total purchase price. Certain conditions exist for closing including approval of project plans by SPIPB and obtaining project financing. All work is currently on hold, pending financing.

3. Financial and Project Highlights

The following is a summary of the Company's highlights during the three months ended March 31, 2025 and to the date of this MD&A:

- Effective May 12, 2025, Ms. Martina Blahova was confirmed as permanent President and Chief Executive Officer and will be appointed to the Company's Board of Directors. Ms. Blahova's appointment to the Board will not take effect until she has obtained a director identification number from the Australian Business Registry Services.
- On April 11, 2025, the Company announced Mr. Rick Anthon, a veteran battery metals executive with over 30 years of industry experience, has been appointed as Chairman. Mr. John Webster, is stepping down as Chairman but will remain on the Board and as Chair of the Audit Committee.
- On March 6, 2025 and April 1, 2025, the Company announced a private placement of Units with anticipated gross proceeds of approximately $9.8 million. This financing involves participation from both new and existing investors, including the European Bank for Reconstruction and Development ("EBRD") and Mr. Eric Sprott, through 2176423 Ontario Ltd. Concurrently and in addition to the private placement, the Company initiated a Share Purchase Plan ("SPP") for eligible ASX shareholders, seeking to raise up to approximately $1.4 million under the same terms as the private placement. Orion Resource Partners has committed to subscribe for any shortfall in the SPP. Each Unit comprises one common share (or CHESS Depositary Interest ("CDI")) and one warrant, with each warrant entitling the holder to purchase one additional common share or CDI at an exercise price of $0.225 for a period of 18 months from the closing date. Broker fees associated with this financing are expected to be 6% of gross proceeds up to $8.0 million of proceeds, and up to 4,904,478 broker warrants exercisable at $0.225 for two years from closing. The completion of the Unit offering and the issuance of broker warrants are contingent upon receiving both regulatory and shareholder approval at the Annual and Special General Meeting scheduled for May 15, 2025. Consequently, there is no assurance that these necessary approvals will be obtained and that the private placement or SPP will be completed within the anticipated timeframe or at all.
- On March 31, 2025, the Company consolidated its securities, including shares represented by CDIs on the Australian Securities Exchange, at a ratio of five (5) pre-consolidation shares to one (1) post-consolidation share. All references to shares, warrants, broker warrants, options and all per share dollar figures in this MDA are on a post-consolidation basis.
- On March 26, 2025, the Company announced that the Chvaletice Manganese Project has been designated a Strategic Project under the European Union's Critical Raw Materials Act ("CRMA"). This is anticipated to potentially provide access to numerous private and public sources of funding and to assist in the permitting process.
- On March 19, 2025, the Company announced that the Chvaletice Manganese Project has been declared a strategic deposit by the Czech government. This is anticipated to accelerate permitting by expediting approval processes, reducing administrative burden and potentially qualify for special legislative procedures similar to those for key infrastructure project.
- On January 23, 2025, the Company announced that it had secured the Mining Lease Permit for the Chvaletice Manganese Project which replaces all prior authorizations and has no expiry date. It provides the Company with exclusive, unrestricted rights to mineral extraction within the designated area and ensures robust legal protection of the project area, enabling the Company to proceed with the Project's next phases on an exclusive basis.

4. Outlook

The Company's short-term to medium-term operating priorities include:

- completing the above mentioned private placement and SPP;
- continuing negotiations with potential customers to enter offtake contracts, as well as with strategic investors and financial partners and government agencies;
- completing the acquisition of, or access to, the remaining land surface rights for the Project;
- applying for and securing funding from grants and incentives available from the EU and Czech state;
- subject to financing, advance the Phase 1 (FEED) of the EPCM contract with Wood and;
- securing an optimum financing structure for the Project, which is dependent upon the above milestones being achieved and/ or obtaining alternative and/ or additional financing;

5. Review of Operations

Chvaletice Manganese Project

Engineering, Procurement and Construction Management ("EPCM") Contract

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 (Phase 1 - Front End Engineering and Development ("FEED"), Phase 2 - EPCM), with an approval stage gate between each phase as well as an initial gap analysis in Phase 1, with an Final Investment Decision ("FID") to be made prior to commencement of Phase 2, dependent upon securing outstanding permits and project finance.

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 making the 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. All work on the FEED phase is currently suspended, pending further financing.

Environmental and Social Impact Assessment (ESIA") and Mining Lease Permit

The Company received a positive decision on the ESIA on March 27, 2024.

Following approval of the ESIA, a Land Planning Permit Documentation is required to be submitted. Respectively, it is two separate submissions - documentation for the processing plant and documentation for the railway, shunting yard. The documentation for both applications are complete. The statements of the concerned authorities of the State administration and opinions of the affected landowners/ neighbours are currently being collected. Documentation will be submitted for final proceedings in the third quarter of calendar 2025. There are no objections coming from the relevant authorities. The Land Planning Permit approval timeline is typically three to six months, resulting in an anticipated approval by the end of 2025. The Construction Permit documentation is a deliverable of the FEED phase as a part of the EPCM work with an expected permit approval timeline of approximately three months post submission.

On January 23, 2025, the Company secured the Mining Lease permit, marking the next critical milestone towards the development of the Project in the Czech Republic. It provides the Company with exclusive, unrestricted rights to mineral extraction within the designated area and ensures robust legal protection of the project area, enabling the Company to proceed with the Project’s next phases on an exclusive basis.

Demonstration Plant Progress Update

The Demonstration Plant was fully commissioned in July 2024, with all modules operating on a consistent basis, and producing on-spec products. Two independent external laboratories have confirmed that samples of HPMSM made from HPEMM produced at the Demonstration Plant meet its design target HPMSM specifications with low levels of impurities. On October 16, 2024, the Company successfully completed a 5-day continuous operation program for the production of high-purity electrolytic manganese metal at the Demonstration Plant. The Demonstration Plant operated as-designed and without interruption, achieving 100% reliability over the 5-day program (i.e. no stoppage time) and produced approximately 172 kg of HPEMM.

The Demonstration Plant is intended to produce and deliver high-purity manganese products to prospective customers for testing and qualification. The Demonstration Plant will facilitate process optimization and testing to collect process data for final plant design and for final product development and serve as a testing and training facility for future operators. This will resume once the Company reinitiates the work around FEED.

High-Purity Manganese Market Overview and Product Marketing

High-performance Lithium-ion ("Li-ion") batteries are widely used in Electric Vehicles (EVs), including full Battery Electric (BEV) and Plug-in Hybrid (PHEV) models as well as other Energy Storage System applications (ESS). Among the various chemistries, two dominate, namely those with nickel-manganese-cobalt (“NMC”) cathodes and those of the lithium iron phosphate family (LFP). High-performance Lithium-ion ("Li-ion") batteries are widely used in EVs and other energy storage applications. Among the various chemistries, the nickel-manganese-cobalt (“NMC”) cathodes dominate the EV batteries in the Western world, accounting for nearly 50% of total Li-ion batteries produced, measured by megawatt hours (MWh). Within the NMC family, formulations such as NMC811 - comprising 80% nickel, 10% manganese, and 10% cobalt - are particularly prevalent. LFP chemistries, which are lower cost and safer, have suffered from lower energy densities but innovations in cell-to-pack design and the introduction of manganese (LMFP) are enabling these batteries to close the performance gap.

Despite headwinds, global sales of EVs (BEV and PHEV) continue to grow, albeit with different growth rates evident across regions and by manufacturer. Global sales have grown by approximately 30% in the first calendar quarter of 2025 in comparison to 2024.

While performance so far in 2025 was strong, looking ahead the market faces significant uncertainty. Europe is still struggling to achieve the scale it requires to fully utilize its factories and might see growth in EV sales face a new slowdown as the EU relaxes its emissions targets to help its struggling automotive sector. In the US, the impact of tariffs needs to be assessed, with many commentators attributing a surge in sales early this year as evidence of buying before tariffs took effect. Given that roughly 39% of EVs sold in the U.S. are imported, and around a quarter of locally made EVs use imported batteries, it is likely, if tariffs continue, that many EVs sold in the US will become even more expensive over the coming months. In a sector that is already facing affordability issues, these price increases could slow the rate of EV adoption as consumers look for cheaper internal combustion engine alternatives. Furthermore, it remains to be seen whether the 30D IRA tax credits will survive in the current Administration, and in what form - if they are removed, consumers will lose another incentive to purchase new EVs.

In face of these uncertainties, combined with ongoing challenges of achieving the necessary capacity utilization, Western OEMs are continuing to focus on driving down unit costs to improve affordability while taking a conservative approach to further expansion plans and capital allocation.

These challenges have cascaded through the supply chain, affecting battery, cathode active material ("CAM"), and precursor CAM ("pCAM") manufacturers. Many are revising and de-risking their schedules, adjusting capacities, and exploring cost-reduction strategies, including shifts in battery chemistries – although these are longer-term projects. Pricing pressure has become a central concern as stakeholders hesitate to commit to offtake volumes amid market uncertainty.

Manganese in Battery Chemistries

Manganese, which is the least expensive battery metal, is gaining traction as a cost-reduction strategy. Within the NMC family there is growing interest in mid-nickel high voltage batteries which can use 3-5 times the manganese compared to some of the higher nickel (811 or 9.5.5) varieties. This switch is driven by the cost advantage of manganese over nickel and concerns regarding the ESG characteristics of nickel mining and refining.

Within the LFP family there is increased focus on Lithium-Iron-Manganese-Phosphate ("LMFP") Chemistries. The partial replacement of iron with manganese (60% to 80% replacement in some cases) provides an performance boost compared to pure LFP cells and, on a $/kWh basis, drives down costs - LMFP batteries are projected to be the lowest-cost EV batteries on a $/kWh basis. While some technical challenges remain before we see large scale adoption of this technology, commercial LMFP batteries are being produced and installed in EVs today by the likes of Gotion and HCM.

In addition, there are a number of other innovative chemistries under development using significant amounts of manganese such as HLM (Highly Lithiated Manganese), NMX (Cobalt free varieties of NMC) and LMNO (Lithium-Manganese-Nickel Oxide). Some varieties of Sodium-Ion (Na-ion) are also starting to use significant amounts of manganese and are gaining attention in view of their safety and cost advantages over Li-ion batteries.

Many of these these alternative chemistries are utilizing different manganese salts in their pCAM, including manganese carbonate, phosphate, and oxides (Mn_2O_3 or Mn_3O_4), which can in some cases be produced more economically from HPEMM than from HPMSM or direct ore processing.

Supply Chain Dynamics and Offtake strategy

The mid- to long-term outlook for battery-grade manganese continues to be robust with demand projected to outstrip supply by the end of this decade, driven by the continuing growth in the EV market and the rise of more manganese-rich chemistries to deliver lower cost batteries.

Currently, HPMSM is the dominant form of manganese used in Li-ion batteries and is projected to stay the dominant form going forward. However, other forms of manganese are increasingly in demand for newer chemistries. As a result, HPEMM is becoming a more favorable feed stock for producing diverse manganese salts due to its cost-effectiveness. Term sheets currently signed with our prospective customers so far demonstrate the growing interest in HPEMM with volumes increasing significantly in later years.

Offtake discussions are ongoing with stakeholders across the supply chain, including automotive OEMs, EV battery manufacturers, and CAM/pCAM producers. Conversations are also taking place with non-EV customers (such as ESS or Flow Battery customers) and with those interested in non-battery industrial applications, with the defence sector becoming increasingly prospective (uses include high purity alloys, electronics as well as bespoke military battery applications).

By-products are also being investigated with two offtake term sheets already achieved. Sales of by-products not only have the potential to improve project economics through additional revenue streams but potentially reduce costs through reduction in waste remediation.

The Company aims to secure offtake contracts for 80%-90% of its production capacity to support project financing and remains well-positioned to capitalize on the growing demand for manganese in the evolving battery market.

Regulatory, Policy and Political Developments

On December 11, 2024 NATO published a list of 12 defense critical raw materials, including manganese, essential for the Allied defense industry. These materials are integral to the manufacture of advanced defense systems and equipment. The Company is actively seeking opportunities to engage with this sector given its prospectively (growing demand and less price sensitive) and the importance it will place on securing local supply.

On March 19, 2025 the Chvaletice Manganese deposit was designated a Strategic Deposit by the Czech government under the Czech Mining Act amendments. This designation recognizes the importance of manganese as both a strategic and critical raw material for the Czech Republic and expedites and enhances the predictability of permitting process. Obtaining this status is the crucial prerequisite for receiving a state investment incentive in the form of a grant.

Furthermore on March 26, 2025 the Company announced that the Chvaletice Project was designated as a Strategic Project by CRMA. The benefits of being a Strategic Project include:

i. Allowing project promoters to gain access to financing, taking into account private and public sources of funding with relevant national promotional banks, the EIB, EBRD and private financial institutions. Strategic Projects may receive preferential financing terms.

ii. Allowing regional and national authorities to make use of funding from the European Development Fund and Cohesion Fund to support the relevant project, in line with the new Strategic Technologies for Europe Platform regulations. These funds are administered by regional and national authorities and the European Commission makes sure that the projects are successfully concluded.

iii. Benefiting from preset time frames for permitting.

The Company is also pursuing potential Czech grants and subsidies. As a strategic deposit, the Chvaletice Manganese Project could qualify as production of strategic products and may benefit from both corporate income tax relief and cash grants.

Bécancour Project

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 proposed to establish its North American facilities. The Bécancour Option Agreement allowed the Company to exclusively access the land parcel and conduct due diligence. During the current period, the Bécancour Option Agreement was amended to acquire an 8 hectare property instead of 15-hectare land parcel at the Port of Bécancour for total consideration of $5.1 million until September 30, 2025. As at March 31, 2025, the Company has made payments aggregating $1.0 million and no further option payments are required. The amounts paid to date will be applied upon the option exercise against the total purchase price. Certain conditions exist for closing including approval of project plans by SPIPB and obtaining project financing.

All work on the Bécancour project remains on hold, including permitting and a planned feasibility study, until such time as the Company is financed adequately to move the project forward.

6. Quarterly Financial Review

Periods ended March 31, 2025, compared to the periods ended March 31, 2024

	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	**2025**	2024
(expressed in thousands of Canadian dollars, except per share data)	**$**	$	**$**	$
Revenue	**874**	1,198	**1,912**	1,198
Cost of goods sold	**(1,151)**	(1,519)	**(2,549)**	(1,519)
Gross loss	**(277)**	(321)	**(637)**	(321)
Operating expenses				
Chvaletice Project evaluation	**(1,806)**	(2,813)	**(3,772)**	(3,921)
Other evaluation (expenses) recoveries	**—**	27	**(8)**	(24)
Corporate and administrative expenses	**(1,109)**	(1,888)	**(1,295)**	(3,670)
Loss of disposal of fixed assets	**—**	(4)	**—**	(4)
Foreign exchange loss	**(122)**	(208)	**(1,571)**	(131)
Operating loss	**(3,314)**	(5,207)	**(7,283)**	(8,071)
Gain (loss) on derivative instruments	**336**	(74)	**1,242**	249
Modification loss on convertible loan facility	**—**	—	**(903)**	—
Interest income	**31**	51	**107**	112
Finance expense	**(1,027)**	(770)	**(2,216)**	(1,131)
Loss before income tax	**(3,974)**	(6,000)	**(9,053)**	(8,841)
Income tax expense	**(24)**	—	**(121)**	—
Loss for the period	**(3,998)**	(6,000)	**(9,174)**	(8,841)
Other comprehensive income for the period	**110**	(226)	**202**	(226)
Loss and comprehensive loss for the period	**(3,888)**	(6,226)	**(8,972)**	(9,067)
Basic and diluted loss per common share	**$0.05**	$0.08	**$0.11**	$0.11

During the three months ended March 31, 2025, the Company reported a net loss and comprehensive loss of $3,888 ($0.05 basic and diluted loss per common share), compared to a net loss of $6,226 in the three months ended March 31, 2024 ($0.08 basic and diluted loss per common share). The change is primarily due to the following:

- Revenue for the three months ended March 31, 2025 and 2024, was $874 and $1,198, respectively. Revenue was generated from the sale of specialty steel products from EPCS which was acquired at the end of the quarter ended December 2023. Gross losses for the three months ended March 31, 2025 and 2024, were $277 and $321, respectively. The gross loss is mainly due to the depreciation on assets acquired on the acquisition of EPCS since the intent is a short useful life for buildings and equipment as the land will have to be prepared for the Project on FID.

- Chvaletice Project evaluation for the three months ended March 31, 2025 and 2024, were $1,806 and $2,813, respectively. During the three months ended March 31, 2025, the Company recognized depreciation expense of $578 related to its demonstration plant. During the three months ended March 31, 2024, the Company incurred $1,000 in expenses for consulting services and $470 for legal fees related to the marketing of the Projects product. No such expenditures were incurred during the three months ended March 31, 2025.
- Corporate and administrative expenses for the three months ended March 31, 2025 and 2024, were $1,109 and $1,888, respectively. The decrease in expenses during the three months ended March 31, 2025, was primarily attributable to: (i) reduced remuneration expenses due to a lower number of employees compared to the three months ended March 31, 2024; and (ii) a decrease in share-based compensation expense as no new stock options were granted during the current period.
- During the three months ended March 31, 2025, the Company recognized a gain of $336 on derivative related to the convertible loan facility as compared to a loss of $74 recognized in same period in the three months ended March 31, 2024.
- Finance expense for the three months ended March 31, 2025 and 2024, were $1,027 and $770, respectively. The increase in finance expense during the three months ended March 31, 2025, was primarily due to an increase in the coupon interest rate on the convertible loan facility with Orion (BK) LLC and the depreciation of the Canadian dollar relative to the US dollar.

During the six months ended March 31, 2025, the Company reported a net loss and comprehensive loss of $8,972 ($0.11 basic and diluted loss per common share), compared to a net loss of $9,067 in the six months ended March 31, 2024 ($0.11 basic and diluted loss per common share). The change is primarily due to the following:

- Revenue for the six months ended March 31, 2025 and 2024, was $1,912 and $1,198, respectively. Revenue was generated from the sale of specialty steel products from EPCS which was acquired at the end of the quarter ended December 2023. Gross losses for the six months ended March 31, 2025 and 2024, were $637 and $321, respectively. The gross loss is mainly due to the depreciation on assets acquired on the acquisition of EPCS since the intent is a short useful life for buildings and equipment as the land will have to be prepared for the Project on FID.
- Chvaletice Project evaluation for the six months ended March 31, 2025 and 2024, were $3,772 and $3,921, respectively. During the six months ended March 31, 2025, the Company recognized depreciation expense of $1,162 related to its demonstration plant. This depreciation resulted from the commissioning of the demonstration plant during the quarter ended June 30, 2024. During the six months ended March 31, 2024, the Company incurred $1,019 in expenses for consulting services and $557 for professional fees related to the marketing of the Projects product. No such expenditures were incurred during the six months ended March 31, 2025.
- Corporate and administrative expenses for the six months ended March 31, 2025 and 2024, were $1,295 and $3,670, respectively. The decrease in expenses during the six months ended March 31, 2025, was primarily attributable to: (i) reduced remuneration expenses due to a lower number of employees compared to the six months ended March 31, 2024; and (ii) a share-based compensation recovery of $1,597 which arose due to a significant number of stock options being forfeited during during the six months ended March 31, 2025.
- Foreign exchange loss for the three months ended March 31, 2025 was $1,571 as compared to $131 during the same period in 2024. The Company's convertible loan facility is denominated in US dollars and during the quarter Canadian dollar devalued significantly as compared to US dollar resulting in foreign exchange loss.
- The Company and Orion (BK) LLC amended the convertible loan facility to increase the coupon interest rate to 14% and defer the payments of quarterly interest to loan maturity. These amendments resulted in a modification of the convertible loan, generating a modification loss of $903 during the six months ended March 31, 2025.

- During the six months ended March 31, 2025, the Company recognized a gain of $1,242 on derivative related to the convertible loan facility as compared to $249 recognized in same period in 2023.
- Finance expense for the six months ended March 31, 2025 and 2024, were $2,216 and $1,131, respectively. Finance expense related to the convertible loan facility with Orion (BK) LLC was recognized for four months during six months ended March 31, 2024, as the proceeds were received in November 2024. In comparison, finance expense was recognized for the full six months during the six months ended March 31, 2025. Additionally, the increase in finance expense during the six months ended March 31, 2025, was impacted by an increase in the coupon interest rate on the convertible loan facility and the depreciation of the Canadian dollar relative to the US dollar.

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	**Mar-25**	Dec-24	Sep-24	Jun-24	Mar-24	Dec-23	Sep-23	Jun-23
	$	$	$	$	$	$	$	$
Cash and cash equivalents	**2,822**	5,368	9,364	13,201	20,099	24,293	7,650	10,896
Total assets	**32,326**	35,601	40,468	45,640	51,918	55,223	29,953	32,603
Working capital (1)	**1,034**	3,184	7,982	11,718	15,549	22,075	5,691	9,187
Current liabilities	**3,871**	3,944	2,972	3,247	5,922	4,758	2,852	2,333
Revenue	**874**	1,038	705	1,314	1,198	—	—	—
Loss for the period	**(3,998)**	(5,176)	(5,097)	(4,389)	(5,999)	(2,842)	(3,224)	(2,104)
Other comprehensive income (loss) for the period	**110**	92	150	110	(226)	—	—	—
Loss and comprehensive loss for the period	**(3,888)**	(5,084)	(4,448)	(4,279)	(6,225)	(2,842)	(3,224)	(2,104)
Basic and diluted loss per common share	**0.05**	0.06	0.06	0.05	0.07	0.04	0.04	0.03

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

(2) Figures may not add to annual results due to rounding.

<u>Summary of major variations in quarterly financial activities:</u>

- Cash and cash equivalents, total assets and working capital: During the quarter ended December 2023, the Company received of $20 million pursuant to the initial tranche of financing from Orion (BK) LLC, which resulted in an increase in cash and cash equivalent in December 2023. In subsequent quarters, the cash and cash equivalent was used for Chvaletice project evaluation, acquisition of EPCS, land option and land acquisition payments and corporate expenditures. A quarter on quarter decrease in total assets and working capital resulted from decrease in cash and cash equivalents.
- Revenue: The Company completed the acquisition of EPCS during the quarter ended December 31, 2023. During the subsequent quarters the Company recognized revenue from the sale of specialty steel products by EPCS.
- Loss for the period of the last eight quarters were impacted by the timing of Chvaletice project expenditures, other evaluation expenditures, foreign exchange gain or loss and derivative gain or loss.

7. Liquidity and Capital Resources

As an early stage development company, EMN has no material operating revenues and is unable to self-finance its operations. During the period ended March 31, 2025, the Company incurred a net loss of $9,174 and used $5,693 cash for operating activities. As at March 31, 2025, the Company's working capital (current assets less current liabilities) was $1,034.

On March 6, 2025 and April 1, 2025, the Company announced a private placement of Units with anticipated gross proceeds of approximately $9.8 million. This financing involves participation from both new and existing investors, including the EBRD and Mr. Eric Sprott. Concurrently, the Company initiated an SPP for eligible ASX shareholders, seeking to raise up to approximately $1.4 million under the same terms as the private placement. Orion Resource Partners has committed to subscribe for any shortfall in the SPP. Each Unit comprises one common share or CDI and one warrant, with each warrant entitling the holder to purchase one additional common share/CDI at an exercise price of $0.225 for a period of 18 months from the closing date. Broker fees associated with this financing are expected to be 6% of gross proceeds up to $8.0 million of proceeds, and up to 4,904,478 broker warrants exercisable at $0.225 for two years from closing. The completion of the Unit offering and the issuance of broker warrants are contingent upon receiving both regulatory and shareholder approval at the Annual and Special General Meeting scheduled for May 15, 2025. Consequently, there is no assurance that these necessary approvals will be obtained and that the private placement or SPP will be completed within the anticipated timeframe or at all.

If the private placement or SPP is not completed, the Company's capital resources are not expected to provide sufficient working capital to fund its corporate and project development costs for at least twelve months from the date of these financial statements. Further, there is no assurance that the evaluation and development 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 Project.

In the first quarter ended December 31, 2024, the Company entered into an amendment agreement with Orion to defer its quarterly interest payments until the loan's maturity date. This agreement was intended to enhance the Company's liquidity position during the current phase of operations.

The ability of the Company to complete any financing in the future will depend principally upon prevailing market conditions and the performance of the Company. Such funding may not be available when needed, if at all, or may not be available on terms favorable to the Company. These factors give rise to material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The condensed interim consolidated financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported revenues and expenses and the balance sheet classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

8. Related Party Transactions

For the three and six months ended March 31, 2025 and 2024, 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, 2025, 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 and the Managing Director of the Company’s Czech subsidiary.

	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	**2025**	2024
	$	$	**$**	$
Remuneration to officers and directors of the Company	**320**	753	**709**	1,324
Final payments to the former CEO	**—**	—	**521**	—
Directors and officers' stock-based compensation	**12**	317	**24**	712
Stock based compensation gain resulted from forfeiture of options	**—**	—	**(1,647)**	—
	332	1,070	**(393)**	2,036

9. Contractual Commitments

As at March 31, 2025, 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 rent payments	237	135	102
Operating expenditure commitments	302	302	—
Total contractual obligations	539	437	102

Pursuant to the ČEZ Lease Agreement, land access has been granted for the life of the Project 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 thousand per calendar quarter (approximately $37), adjusted annually commencing in 2028, based on inflation during the immediately preceding year.

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 $440), 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 was effective July 1, 2022.

10. 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 13, 2025:

	Number of securities
Issued and outstanding common shares	80,533,847
Share purchase options	4,026,481
Warrants	—

Subsequent to March 31, 2025, 258,916 options were forfeited.

11. 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. 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, 2024. The Company's unaudited condensed interim consolidated financial statements for the three and six months ended March 31, 2025 were prepared in accordance with IFRS as issued by the IASB, including IAS 34 Interim Financial Reporting.

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, 2024, and in Note 3 of the Company's unaudited condensed interim consolidated financial statements for the three and six months ended March 31, 2025.

12. 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 11 and 12, respectively, of the September 30, 2024 Financial Statements.

13. 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 interim consolidated financial statements for the three and six months ended March 31, 2025, 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 interim consolidated financial statements for the three and six months ended March 31, 2025, 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, 2025, 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 Interim 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 Interim CEO and CFO during the reporting period. The Company's Interim 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, 2025, 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 Interim 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.

14. 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 Manganese Project, its proposed Bécancour Project 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.

Forward looking information for the Chvaletice Manganese Project includes: statements regarding the Company's ability to complete the private placement and the SPP, ability to meet conditions under its secured credit facility, ability to progress FEED under the EPCM contract; the ability to make a positive final investment decision; statements regarding the ability of the Company to obtain remaining surface rights; the Company's expectation, that the Construction Permit will be obtained in 2028; the ability to operate the Demonstration Plant to allow the production of product samples for prospective customers' supply chain qualification; ability to enter into any new offtake term sheets or agreements; any anticipated benefits from sale of by-products; the ability to obtain any other regulatory approvals and permits; the continued operation of the demonstration plant; statements regarding the Company's ability to achieve conditions precedent to access further funding from the Amended and Restated Convertible Loan Facility or Royalty Financing; the ability of the Company to obtain additional financing, support from European financial institutions; any benefits of the strategic project status under CRMA or strategic deposit under Czech legislation, ability to find a strategic investor, and the ability to obtain any grants, subsidies, or funding from the EU including but not limited to EU incentives, Czech state, or under any government program or legislation, and any benefits from manganese being designated as critical material. In addition, forward looking statements include: statements about the growth, increasing demand and development of the high purity manganese products market; the desirability of the Company’s products; statements about the effects of tariff or other economic factors; the state of the EV industry; the state of global markets and the use of manganese in batteries.

Regarding the Bécancour Project, forward-looking statements include, but are not limited to: statements concerning the Company’s plans for advancing the Bécancour Project 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 completion of a feasibility study, the Company’s ability to source feedstock, any benefits from being located in Quebec, the Company’s ability to operate the Bécancour Plant and associated production, the demand for high-purity manganese products in North America, 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 Wbanaki 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.

Factors that could cause actual results or events to differ materially from current expectations include, among other things: insufficient working capital for the next twelve months which could result in delay, indefinite postponement or curtailment of the Chvaletice Manganese Project or the ability of the Company to continue as a going concern; lack of additional funding to continue operations as planned and failure to secure any grants, subsidies or other benefits from government programs; the inability to develop adequate processing capacity and production; 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; 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; risks and uncertainties related to the accuracy of mineral resource and reserve estimates; the price of HPEMM and HPMSM; total costs of production; and changes in project parameters as plans evolve. 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; 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 the feasibility study or other technical studies or unexpected results; risks and uncertainties related to limited feedstock supply options; and the inability to secure offtake agreements.

Additional factors that could cause results or events to differ materially from current expectations include: execution risk; increase in competition, development in EV battery markets and chemistries; 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; risks related to fluctuations in currency exchange rates; changes in laws or regulations; and regulation by various governmental agencies and changes or deterioration in market and 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, 2024, 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.