EURO MANGANESE

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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, B.C., 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") and on the OTC Venture Market ("OTCQB") under the symbols "EMN.V" and "EUMNF", respectively. 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 December 18, 2024, is intended to be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2024 (the "September 2024 Financial Statements"). The Company prepares its financial statements in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The Company's significant accounting policies are set out in Note 3 of the September 30, 2024 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 Ms. Andrea Zaradic, P. Eng., a Qualified Person under the National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101").

This MD&A contains "forward-looking statements" that are subject to risk factors as set out in a cautionary note contained in Section 19. The financial information presented in this MD&A is in Canadian dollars, unless otherwise stated.

2. Overview

About the Chvaletice Manganese Project

The Chvaletice Manganese Project is located in the Czech Republic, within the townships of Chvaletice and Trnavka, in the Labe River valley, approximately 90 kilometres to the east of the country's capital, Prague. The Project site is adjacent to established infrastructure, including an 820-megawatt power station that supplies the Czech Republic's national grid, a major railway line, a highway, and a natural gas line. The surrounding region is industrialized and skilled labour is expected to be available from local markets. The Project resource is contained in flotation tailings piles, adjacent to the former Chvaletice open pit mine. The tailings 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.

2. Overview (continued)

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

The area of interest for the Project overlies several privately-owned land parcels with surface rights. To date, Mangan has received the consent to conduct exploration activities and to access the site from the landowners whose surface properties underlie the tailings. At present, Mangan does not hold all surface rights to the Project area, which includes those parcels of land underlying and immediately surrounding the three tailings deposits. In June 2022, and in October 2023, Mangan and the Municipality of Chvaletice ("Chvaletice") and ČEZ a.s. ("ČEZ"), respectively, signed land lease agreements, granting the Company access to approximately 85% of the total reserves of the Project (Section 6 of this MD&A). Additionally, Mangan signed a land purchase agreement with the owners of certain land parcels which are adjacent to the tailings area and provides additional room and flexibility for the Chvaletice residue storage facility layout (Section 6 of this MD&A). The Company is currently in commercial negotiations for the acquisition of the remaining surface rights; however, there is no assurance that access to the remaining areas will be secured.

On December 28, 2023, Mangan acquired 100% of EP Chvaletice s.r.o. ("EPCS"') which owns the land intended for the Project's high-purity processing plant. This land is located immediately south of the highway and rail line that bound the Chvaletice tailings deposit and is adjacent to the Chvaletice power plant and another parcel of land and rail siding that was previously acquired by Mangan. The Company also signed further agreements to acquire rights to several additional strategic parcels of land, completing its land assembly for the proposed Chvaletice commercial plant (Section 6 of this MD&A). All such land parcels for the proposed processing plant are already zoned for industrial use. The land area where the Project's tailings are located, is now formally rezoned for mining use.

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

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. An overview of the high-purity manganese market can be found in Section 6 of this MD&A.

The Company has entered into three 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 anticipates entering into binding offtake agreements with those customers within the next 12 to 18 months. 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 contract to support project finance. There can be no assurance, however, that current discussions will lead to off-take agreements or commercial or strategic relationships in the near term, if at all.

2. Overview (continued)

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

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

The Company engaged Wood Australia Pty Ltd ("Wood") as the preferred Engineering, Procurement, and Construction Management ("EPCM") (Section 6 of this MD&A).

On November 28, 2023, the Company signed definitive agreements with OMRF (BK) LLC ("Orion"), which is managed by the Orion Resource Partners Group, for US$100 million in non-dilutive financing (the "Funding Package") to advance 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.

Subsequent to year end 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 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 the convertible loan at par, including all accrued and unpaid interest, and may cancel the second tranche of the Orion convertible debt financing without penalty. In addition the Company also has the right to terminate the royalty conversion and financing at any time prior to the satisfaction of the conditions precedent for the royalty for a fee of US$1 million, provided that the outstanding loan amounts (and all accrued and unpaid interest) have been repaid in full at such time. The warrants are subject to regulatory approval.

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. All work is currently on hold, pending financing.

Subsequent to year end the Company amended the terms with SPIPB whereby the Company now has the option to acquire an 8 hectare property 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. The Company completed due diligence on Lot 3A in September 2024.

2. Overview (continued)

Highlights of the positive scoping study for the Bécancour Project, announced on August 9, 2023, are summarized in Section 5 of this MD&A. The Bécancour Project is planned to be fed with HPEMM from the Chvaletice Project or other third-party providers, once operational. The Company also signed a Cooperation Agreement with the Grand Council of the Waban-Aki Nation, a tribal council consisting of the Abenaki Bands of Odanak and Wôlinak, on whose ancestral territory the Bécancour Project would be situated (see Section 6).

3. Financial and Project Highlights

The following is a summary of the Company's highlights during the year ended September 30, 2024 and to the date of this MD&A:

- On November 12, 2024, the Company appointed Martina Blahova as Interim Chief Executive Officer and Dean Larocque was appointed as Chief Financial Officer. Euro Manganese's Board initiated a process to select a permanent Chief Executive Officer.

- 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). Overall, 172 kg of HPEMM was produced, exceeding target production by over 30%.

- The Company has three 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 anticipates entering into binding offtake agreements with those customers within the next 12 to 18 months. In addition, the Company signed two non-binding off-take term sheets for intermediate by-products that will be produced concurrently with the HPEMM and HPMSM.

- On June 18, 2024, the commissioning of the high-purity manganese Demonstration Plant at the Company's Chvaletice Manganese Project in the Czech Republic was successfully completed. 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 March 27, 2024, the Company received approval of the ESIA for the Chvaletice Manganese Project from the Czech Ministry of Environment.

- On March 11, 2024, the Chvaletice Manganese Project was formally listed as under appraisal for debt financing with the European Investment Bank.

- On November 28, 2023, the Company signed definitive agreements with Orion to advance the development of the Project. The US$100 million 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, with US$20 million received upon closing on November 29, 2023, and an additional US$30 million to be received upon meeting milestones; and (b) and 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 precedents typical for this type of financing. In connection with the Funding Package, Orion was 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.

3. Financial and Project Highlights (continued)

- Subsequent to year end 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 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 the convertible loan at par, including all accrued and unpaid interest, and may cancel the second tranche of the Orion convertible debt financing without penalty. In addition the Company also has the right to terminate the royalty conversion and financing at any time prior to the satisfaction of the conditions precedent for the royalty for a fee of US$1 million, provided that the outstanding loan amounts (and all accrued and unpaid interest) have been repaid in full at such time. The warrants are subject to regulatory approval.

- On November 13, 2023, the Company announced successful production of on-spec high-purity manganese sulphate monohydrate from the dissolution and crystallization module at the Chvaletice demonstration plant in the Czech Republic. Earlier in 2023, the Company announced that an external laboratory confirmed that HPEMM produced at the demonstration plant met its target specifications of 99.9% manganese metal purity.

- On October 30, 2023, the Company signed a lease agreement with ČEZ for access to land in the tailings area that is required for the development of the Project (the "ČEZ Lease Agreement"). The Company now has access to approximately 85% of the total Proven + Probable manganese Reserves required for the Project.

- On October 11, 2023, the Chvaletice Manganese Project was announced as a project to be supported under the inter-governmental Minerals Security Partnership ("MSP"). The MSP is a collection of 13 countries and the European Union, representing over 50 percent of global GDP, that aims to catalyze public and private sector investment to build diverse, secure and responsible critical mineral supply chains globally.

- On October 4, 2023, the Company announced the completion of the rezoning of tailings land and commercial plant land for the intended use.

4. Outlook

During the year ended September 30, 2024, the Company incurred a net loss of $18,327,101 and used $13,585,155 cash for operating activities and $6,907,927 for investing activities. As at September 30, 2024, the Company's working capital (current assets less current liabilities) was $7,982,450 however 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. As an early stage development company, it has no material operating revenues and is unable to self-finance its operations. 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 Chvaletice Manganese Project.

The Company has deferred its interest payments with Orion starting January 1, 2025, to provide additional liquidity; however, it is anticipated that the Company will be required to obtain financing from the sale of equity and/ or another form of financing. The ability of the Company to arrange such financing in the future will depend principally upon prevailing market conditions and the performance of the Company. Such additional 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 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.

4. Outlook (continued)

The Company's short-term operating priorities include:

- operating the Demonstration Plant to allow the production of multi-tonne high-purity manganese product samples for prospective customers' supply chain qualification;
- continuing negotiations with potential customers to enter offtake contracts, as well as with strategic and financial partners and government agencies;
- completing the acquisition of, or access to, the remaining land surface rights for the Project;
- 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 or additional financing;
- obtaining the status of a Strategic Project under the European Critical Raw Materials Act ("CRMA");
- applying for and securing funding from grants and incentives available from the EU and Czech state;

5. Significant Transactions During the Year Ended September 30, 2024

The Company did not complete any significant transactions in the year ended September 30, 2024, other than those described in Section 3 of this MD&A.

6. Review of Operations

Chvaletice Manganese Project

Feasibility Study

The Feasibility Study results are based on a Proven and Probable Reserve Estimate that is detailed in the NI 43-101 and JORC Code Technical Reports on the Chvaletice Manganese Project. The 43-101 technical report, entitled “Technical Report and Feasibility Study for the Chvaletice Manganese Project, Chvaletice, Czech Republic”, with an effective date of July 27, 2022, was filed on SEDAR+ at www.sedarplus.ca on September 9, 2022, and the JORC Code technical report, entitled “Public Report and Feasibility Study for the Chvaletice Manganese Project, Chvaletice, Czech Republic”, with an effective date of July 27, 2022, was lodged on the ASX announcement platform on September 14, 2022 (together, the “Feasibility Study Technical Reports”).

The highlights of the Feasibility Study are as follows:

- Conversion of the Mineral Resource to a 27 million tonne Proven and Probable Reserve (98.3% Proven) with a grade averaging 7.41% Mn. Recycling of the historic tailings without the requirement of any hard rock mining, crushing or milling.
- 25-year project operating life producing 1.19 million tonnes of HPEMM, approximately two-thirds of which is expected to be converted into HPMSM.
- Saleable product includes 2.5 million tonnes of HPMSM (32.34% Mn) and 372,300 tonnes of HPEMM (99.9% Mn) over the life of project, averaging 98,600 tonnes of HPMSM and 14,890 tonnes of HPEMM annually, principally focused on Europe’s rapidly growing EV battery industry.

6. Review of Operations (continued)

- Base case after-tax NPV of US$1.34 billion and pre-tax NPV of US$1.75 billion, using an 8% real discount rate and risk-adjusted base case price forecast.
- Ungeared after-tax Internal IRR of 21.9% with a 4.1-year payback period; and an ungeared pre-tax IRR of 24.9% with a 3.6-year payback period.
- Initial capital ("Capex") of US$757.3 million, including contingencies of US$103.2 million (US$78.4 million on direct costs and US$24.8 million of growth allowance) and sustaining capital ("Sustaining Capex") of US$117.0 million over the 25-year life of project.
- Life of project revenues of US$13.9 billion with gross revenues expected to average US$554 million per year over the 25-year project life.
- Project earnings before interest, taxes, depreciation and amortization ("EBITDA") and annual average EBITDA forecasted to be US$8.1 billion and US$326 million respectively, averaging 58.8% EBITDA over the life of project.
- Base case project economics are based on Tetra Tech adoption of a risk-adjusted short-term price forecast that follows CPM Group's forecast for HPMSM and HPEMM to 2031 and then holds prices flat over the remaining life of project, resulting in average prices of $4,019 per tonne of HPMSM containing 32.34% Mn and $10,545/t of HPEMM containing 99.9% Mn.
- CPM Group's unaltered price forecast was used as the upside case in the Feasibility Study sensitivity analysis with average life of project prices of $4,509/t for HPMSM and $12,075/t for HPEMM.
- Using the CPM Group price forecast for HPMSM and HPEMM, after-tax $NPV_{8\%}$ increases to US$1.79 billion, with an ungeared IRR of 24.1%.
- Project has access to excellent transportation, energy, and community infrastructure. Proposed process plant site to be located in an industrially-zoned brownfield site, where a historical process plant generated the Chvaletice tailings.
- Exceptional green project credentials resulting in a significant remediation of the Chvaletice tailings site, arresting the ongoing pollution related to historical tailings disposal activities with opportunities to enhance returns through process optimization initiatives and various government investment incentives and financial support programs that may be available.

Resource and Reserve Estimate

a. Resource Estimate

Tetra Tech was engaged in 2018 to prepare the Resource Estimate for EMN's Chvaletice Manganese Project and to prepare technical reports in accordance with NI 43-101 and the JORC Code. The 43-101 Technical Report, entitled "Technical Report and Mineral Resource Estimate for the Chvaletice Manganese Project, Chvaletice, Czech Republic", with an effective date of December 8, 2018, was filed on SEDAR on January 28, 2019, and the JORC Code Technical Report, entitled "Public Report and Mineral Resource Estimate for the Chvaletice Manganese Project, Chvaletice, Czech Republic", with an effective date of December 8, 2018, was lodged on the ASX announcement platform on February 6, 2019 (together, the "Mineral Resource Estimate").

6. Review of Operations (continued)

In 2019, the Company appointed Tetra Tech as the owner's engineering representative for the Feasibility Study, responsible for overseeing the consultants and service providers in connection with the Feasibility Study, and for the preparation of Feasibility Study Technical Reports. No additional drilling or data collection pertaining to the technical disclosure of mineral inventory has been undertaken since the completion of the Mineral Resource Estimate, and the effective date for the Mineral Resource Estimate is revised to July 1, 2022. The Project's combined Measured and Indicated Mineral Resources amount to 26,960,000 tonnes, grading 7.33% total manganese as detailed in the table below.

Tailings Cell #	Classification	Dry In-situ Bulk Density (t/m^3)	Volume ($x1,000\ m^3$)	Tonnage (kt)	Total Mn (%)
#1	Measured	1.52	6,577	10,029	7.95
	Indicated	1.47	160	236	8.35
#2	Measured	1.53	7,990	12,201	6.79
	Indicated	1.55	123	189	7.22
#3	Measured	1.45	2,942	4,265	7.35
	Indicated	1.45	27	39	7.90
Total	Measured	1.51	17,509	26,496	7.32
	Indicated	1.50	309	464	7.85
Combined	Measured and Indicated	1.51	17,818	26,960	7.33

Notes:

1. Estimated in accordance with the Canadian Institution of Mining ("CIM") Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended, which are materially identical to the JORC Code.
2. The Chvaletice Mineral Resource has a reasonable prospect for eventual economic extraction. Mineral Resources do not have demonstrated economic viability.
3. Indicated Resources have lower confidence than Measured Resources.
4. A break-even grade of 2.18% total Mn has been estimated for the Chvaletice deposit based on preliminary pre-concentration operating costs of US$6.47/t feed, leaching and refining operating cost estimates of US$188/t feed, total recovery to HPEMM and HPMSM of approximately 60.5% and 58.9%, respectively, and product prices of US$9.60 kg/t for HPEMM and US$3.72 kg/t for HPMSM (CPM Group Report, June 2022). The actual commodity price for these products may vary.
5. A cut-off grade has not been applied to the block model. The estimated break-even cut-off grade falls below the grade of most of the blocks (excluding 5,000 tonnes which have grades less than 2.18% total Mn). It is assumed that material segregation will not be possible during extraction due to inherent difficulty of grade control and selective mining for this deposit type.
6. Grade capping has not been applied.
7. Numbers may not add exactly due to rounding.

b. Reserve Estimate

Mineral Reserves for the Project are based on the Measured and Indicated Resource and adhere to the guidelines set by the Canadian Institute of Mining ("CIM"), NI 43-101 and the CIM Best Practices. Material economic modifying factors were applied to each block in the block model including mined grade, contained metal, recovery rates for HPEMM and HPMSM, mining operating cost, processing cost (including EMM to MSM conversion cost), residue placement cost, general and administrative costs, site service costs, water treatment, shipping cost, product insurance, and royalties. The Project's combined Proven and Probable Mineral Reserve (effective July 14, 2022) amount to 26,644,000 tonnes, grading at 7.41% total manganese as detailed in the following table:

6. Review of Operations (continued)

Tailings Cell #	Classification	Dry In-situ Bulk Density (t/m^3)	Volume (m^3)	Tonnage (metric tonnes)	Total Mn (%)
#1	Proven	1.51	6,651	10,132	7.83
	Probable	1.52	141	208	8.24
#2	Proven	1.53	7,929	12,106	6.91
	Probable	1.54	199	183	7.35
#3	Proven	1.46	2,744	3,979	7.49
	Probable	1.46	25	36	7.98
Total	Proven	1.50	17,325	26,217	7.35
	Probable	1.51	284	427	7.84
Combined	Proven and Probable	1.51	17,609	26,644	7.41

Notes:
1. Estimated in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended, which are materially identical to the JORC Code.
2. The Mineral Resource is inclusive of the Mineral Reserves.
3. Probable Reserves have lower confidence than Proven Reserves. Inferred Resources have not been included in the Reserves.
4. A break-even grade of 2.18% total Mn has been estimated for the Chvaletice deposit based on preliminary pre-concentration operating costs of US$6.47/t feed, leaching and refining operating cost estimates of US$188/t feed, total recovery to HPEMM and HPMSM of approximately 60.5% and 58.9% respectively and product prices of US$9.60 kg/t for HPEMM and US$3.72 kg/t for HPMSM (CPM Group Report, June 2022). The actual commodity price for these products may vary.
5. Grade capping has not been applied.
6. Numbers may not add exactly due to rounding.
7. Minimal dilution and losses of <1% are expected to occur at the interface between the lower bounds of the tailings cells and original ground as the surface is uneven.

Life Cycle Assessment

During fiscal 2022, the Company released the highlights from its Life Cycle Assessment study ("LCA") for the Project. Euro Manganese engaged Minviro Ltd. ("Minviro"), a UK-based and globally recognized sustainability and life cycle assessment consultancy, and RCS Global Ltd. ("RCS Global"), a leading global auditor of battery material supply chains, to conduct a cradle-to-gate, critically reviewed study quantifying the environmental impacts, including the carbon footprint, of producing high-purity manganese products at the Project.

The results of the LCA validate the environmental value proposition of the Project including multiple environmental benefits from the remediation of the historic tailings area, particularly in terms of soil quality and freshwater quality as the remediation avoids the current leaching of metals and reduces the impacts of the historic tailings to soil and water streams. The Company plans to use 100% carbon free and renewable electricity, which reduces the GWP of the Project by half compared to the use of non-renewable electricity.

The LCA provides EMN with an independently verified assessment for financiers and customers. RCS Global also reviewed and commented on the LCA study. Minviro has also completed a benchmarking exercise of the Project's GWP against similar projects and operations producing high-purity manganese products. The results of the benchmarking exercise show that the high-purity manganese products from the Chvaletice Project have a carbon footprint that is approximately one-third of the China-based incumbent industry.

6. Review of Operations (continued)

EPCM Contract Award

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

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

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

Upon 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.

As of end of November 2024, all work on the FEED phase has now been suspended, pending further financing.

Environmental and Social Impact Assessment

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

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

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

Following approval of the ESIA (March 2024), 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 first quarter of calendar 2025. There are no objections coming from the Authorities. The Land Planning Permit approval timeline is typically three months once submitted, resulting in an anticipated approval in the first/ second calendar quarter 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, resulting in an anticipated approval in the last quarter 2026 (assuming FEED work will start mid 2025) or most likely first quarter 2027, subject to securing sufficient funds for the completion of FEED Phase 1.

6. Review of Operations (continued)

The positive binding ESIA statement triggered the Delimitation of the Mining Lease process defined in Act No. 44/1988 Coll., on the Protection and Use of Mineral Resources (the Mining Act). The mining lease will be granted in the same area as the Protected Deposit Area. Documentation was conducted in June 2024 and after collection of the state Authorities was submitted to the Mining Authority for final proceeding process. The public hearing is in December 2024 with anticipated issuance of the permit in the first calendar quarter 2025.

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. Concurrently, the Permanent Operating Permit for the Demonstration Plant was received from the Department of Building and Spatial Planning of the Municipality of Chvaletice in June 2024.

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). Overall, 172 kg of HPEMM was produced, exceeding target production by over 30%.

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

Acquisition of EP Chvaletice and Land Acquisitions

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

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

The option payments made prior to the acquisition of EPCS were a derivative classified as fair value through profit and loss due to the following: i) the option was for the acquisition of shares of EPCS rather than a non-monetary asset; ii) it did not meet any of the scope exceptions from recognition as a derivative asset under IFRS 9 *Financial Instruments*; and iii) control of EPCS was not present until the last option payment was made.

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

6. Review of Operations (continued)

The acquisition was accounted for as a purchase of assets as it met the concentration test under IFRS 3 *Business combinations*. The cost of the acquisition was $10.8 million (216.1 million Czech Koruna), consisting of the cash payments made to that date of $8.7 million (143.1 million Czech Koruna), the increase in fair value of the derivative of $0.3 million (37.1 million Czech Koruna) and a $1.8 million (30.0 million Czech Koruna) of working capital adjustment. The purchase price was allocated to the assets acquired and the liabilities assumed in accordance with their fair value. The value of the land was determined using the comparative method to reflect the real estate prices achievable for comparable undeveloped land plots in the market at the time of valuation. The buildings currently in use by EPCS were valued using the income method, assuming rent rates for similar spaces in nearby areas. The valuation of movable assets (machinery equipment and vehicles) was based on historical prices, reflecting the technical value and saleability factor.

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

The area of interest for the Project overlies several privately-owned land parcels with surface rights. To date, Mangan has received the consent to access the site from the landowners whose surface properties underlie the tailings. On June 6, 2022, the Company and the Municipality of Chvaletice, being one of the landowners, signed a Land Access Agreement via rental of the land to the Company until the earlier of a 40-year period or upon remediation of the land. The annual rental is 9.50 million Czech Koruna (approximately $568,000), adjusted for inflation based on the average annual Czech consumer price index for the 12 months of the previous calendar year. The land rental agreement was effective July 1, 2022.

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

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

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

6. Review of Operations (continued)

High-Purity Manganese Market Overview and Product Marketing

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.

Over the past two quarters, global EV adoption growth has slowed, dropping from over 30% to above 20%, with significant regional variations: Europe is reporting a slight absolute decline in EV sales; in the United States the growth continues but at a slower pace and China maintains strong growth.

This deceleration is largely driven by cost barriers as many Western OEMs are struggling to produce EVs at prices suitable for the mass market, where affordability is key. There are also policy shifts in several countries, notably Germany, which have phased out EV subsidies that previously spurred demand. Additionally, production scale limitations can be seen. Without sufficient production scale, the OEMs cannot achieve cost efficiencies, leading to cautious expansion plans and capital conservation.

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

Manganese in Battery Chemistries

Amid these challenges, increasing the use of manganese, which is the least expensive battery metal, is gaining traction as a cost-reduction strategy.

Lithium-Iron-Manganese-Phosphate ("LMFP") Chemistries:

- LMFP batteries are emerging as a new contender, with manganese content reaching 30% or higher.
- LMFP batteries offer improved performance compared to LFP chemistries and are projected to be the lowest-cost EV batteries on a $/kWh basis, according to recent (2023) analysis by Fastmarkets.

Other Innovative Chemistries:

- Manganese-rich chemistries such as LMNO (Lithium-Manganese-Nickel Oxide) and Sodium-Ion (Na-ion) are also gaining attention.
- These batteries often utilize alternative manganese forms, including manganese carbonate, phosphate, and oxides (Mn_2O_3 or Mn_3O_4), which can be produced more economically from High Purity Electrolytic Manganese Metal (HPEMM) than from HPMSM or direct ore processing.

Supply Chain Dynamics: Manganese Production

Currently, HPMSM is the dominant form of manganese used in Li-ion batteries. However, other forms of manganese are increasingly in demand for advanced chemistries. As a result, HPEMM is becoming a more favorable precursor for producing diverse manganese salts due to its cost-effectiveness. These developments could help manufacturers reduce costs and enhance flexibility in battery production.

In January 2023, the Company signed a non-binding term sheet with Verkor, a low-carbon battery manufacturer in Grenoble, France, for the supply of HPMSM from its project. By the end of fiscal 2024, three additional term sheets were signed with battery and industrial customers for the supply of HPMSM, HPEMM, and an operational by-product.

6. Review of Operations (continued)

Offtake discussions are ongoing with stakeholders across the supply chain, including automotive OEMs, battery manufacturers, and CAM/pCAM producers, as well as for non-battery industrial applications.

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.

The European Critical Raw Materials Act ("CRMA"), published by the European Commission, came into force on May 23, 2024. The CRMA classifies battery-grade manganese as a strategic raw material and outlines targets for extraction, processing and recycling of critical raw materials within the European Union. Specifically, to reduce the European Union's reliance on a single supply country for certain raw materials, the CRMA set targets that, by 2030, 10% should be mined, 45% processed and 25% recycled within the EU, and no more than 65% of any strategic raw materials come from a single third country. The Chvaletice Manganese Project expects to deliver almost 50,000 tonnes of HPEMM per year when in full production, meeting approximately 15-20% of European demand and helping the EU reduce its import reliance on this strategic raw material.

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

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.

Strategic Project status under CRMA, Potential Grants and Subsidies

The Company submitted the EU CRMA Strategic Project application in August 2024. The CRMA Board approval expects to announce the list of Strategic Projects in March 2025. The benefits of being a Strategic Project include:

i. Strategic Project status under the CRMA allows project promoters to gain access to financing for completion of the project 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. The status of a Strategic Project also ensures the possibility for 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. Strategic Projects in the EU could benefit from a preset time frame for permitting.

The Company has engaged with the Investment and Business Development Agency of the Czech Republic, CzechInvest, who manage the process of Czech Government investment incentives. Initial discussions indicate the Chvaletice Manganese Project would qualify as production of strategic products and may benefit from both corporate income tax relief and cash grants.

The Company is also preparing for an application to the EU Innovation Fund’s call for proposals, which was announced on December 3, 2024. The EU Innovation Fund is one of the world’s largest funding programmes for the demonstration of innovative low-carbon technologies, which is funded by the EU Emissions Trading System (ETS). The money raised via the ETS is reinvested into the Innovation Fund.

6. Review of Operations (continued)

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 proposes to establish its North American facilities. The Bécancour Option Agreement allows the Company to exclusively access the land parcel and conduct due diligence thereon over a maximum term of 21 months, during which the Company has the opportunity to purchase the site. The Bécancour Option Agreement provides that the Company pay $45,855 per month for this option starting January 2023. These option payments are to be deducted from the final purchase price of $9,171,200, which is inclusive of both the land purchase price of $6,046,500 plus option infrastructure of $3,124,500 for an all in cost per hectare of $61.14/Ha. As at September 30, 2024, the Company has made 21 payments aggregating $962,955.

The option agreement expired on September 30, 2024, and has since been granted a 1 year extension to September 30, 2025. The land parcel of interest has also changed to a smaller 8.36-hectare section, Lot 3A, for which the total purchase price (inclusive of optional infrastructure) is $5,111,304. The Company completed due diligence on Lot 3A in September 2024.

The site of the Bécancour Project is strategically located adjacent to a cluster of planned CAM manufacturing plants, including Ultium CAM (GM/Posco) and BASF. Québec also offers attractive government financial support programs that may provide incentives for the construction of the Bécancour Project. The Company is currently exploring these incentives with the relevant agencies.

In late 2022, the Company engaged AtkinsRéalis (formerly SNC-Lavalin Inc.), a global engineering services company and having extensive knowledge of the area, to conduct site due diligence and advise on permitting processes. In parallel, the Company commissioned Ausenco Engineering Canada Inc., a global engineering consultancy firm with expertise in battery metals, to conduct a scoping study for the project, leveraging the extensive process development and recent engineering work from the Chvaletice Project. The Bécancour Project scoping study was based on a dissolution plant capable of producing 48,500 tpa of battery-grade HPMSM, which could meet up to 20% of projected North American 2027 demand. The demand for North American HPMSM is forecast by CPM Group to rise to approximately 250,000 tpa in 2027 and over 800,000 tpa by 2031. There is no current processing capacity or production of battery-grade manganese in North America.

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

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

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

6. Review of Operations (continued)

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

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

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

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

7. Annual Financial Review

	Years ended September 30,		
	2024	2023	2022
(expressed in thousands of Canadian dollars, except per share data)	**$**	$	$
Revenue	**3,217**	—	—
Cost of goods sold	**(3,776)**	—	—
Chvaletice Project evaluation	**(8,340)**	(5,339)	(5,671)
Other evaluation	**(95)**	(382)	(456)
Corporate and administrative	**(6,397)**	(6,922)	(7,330)
Gain on derivative instruments	**316**	—	—
Interest income	**420**	635	—
Finance expense	**(3,582)**	—	—
Income tax expense	**(90)**	—	—
Other comprehensive income (loss) for the year	**34**	—	—
Net loss for the year attributable to shareholders	**(18,293)**	**(12,008)**	**(13,457)**
Basic and diluted loss per share attributable to shareholders [(1)]	**$0.05**	$0.03	$0.03

	As at September 30,		
	2024	2023	2022
	$	$	$
Cash and cash equivalents	**9,364**	7,650	21,561
Total assets	**40,468**	29,953	39,896
Non-current financial liabilities	**27,182**	—	166

[(1)] Fully diluted weighted average common shares outstanding, used in the calculation of diluted net loss per share in each of the periods presented, is not reflective of the outstanding stock options and warrants as their exercises would be anti-dilutive in the net loss per share calculation.

7. Annual Financial Review (continued)

Year ended September 30, 2024, compared to the year ended September 30, 2023

The loss and comprehensive loss for the year ended September 30, 2024, of $18,293,340 compared to a loss of $12,008,131 for the year ended September 30, 2023, represents an increase of $5,785,209 or 49%. Basic and fully diluted loss per share in the current increased to $0.05 per common share from $0.03. An overview of the project evaluation and other expenses, and an explanation of the significant variances is as follows:

	Year ended September 30,	
	2024	2023
(expressed in thousands of Canadian dollars, except per share data)	**$**	$
Revenue	**3,217**	—
Cost of goods sold	**(3,776)**	—
Gross loss	**(559)**	—
Operating Expenses		
Chvaletice Project evaluation	**(8,340)**	(5,339)
Other evaluation	**(95)**	(382)
Corporate and administrative	**(6,397)**	(6,922)
Gain on derivative instruments	**316**	—
Operating loss	**(15,075)**	(12,643)
Interest income	**420**	635
Loss before financing and income tax	**(14,655)**	(12,008)
Finance expense	**(3,582)**	—
Loss before income taxes	**(18,237)**	(12,008)
Income tax expense	**(90)**	—
Loss for the year	**(18,327)**	(12,008)
Other comprehensive income (loss) for the year	**34**	**—**
Loss and comprehensive loss for the year	**(18,293)**	(12,008)
Basic and diluted loss per common share	**$0.05**	$0.03

7. Annual Financial Review (continued)

Revenue for the year ended September 30, 2024 and 2023, was $3,217,089 and nil, respectively. Revenue was generated from the sale and servicing of specialty steel products generated from EPCS which was acquired in the quarter ended December 2023. Gross losses for the year ended September 30, 2024 and 2023, were $558,500 and nil, respectively. The gross loss is mainly due to the depreciation on assets acquired on the acquisition of EPCS. The steel fabrication business is cash flow positive however the EPCS building and equipment acquired has an estimated life of 2 years as they must be demolished to make way for the construction of the Project.

Chvaletice Project evaluation for the year ended September 30, 2024 and 2023, were $8,339,900 and $5,339,344, respectively. The increase over the comparative fiscal 2023 is mainly related to the increase in marketing activities, supplies and rentals, depreciation and legal fees. The main variances include: a $1,082,580 increase in marketing activities due to a focus on product marketing and consulting fees; an increase of $623,443 in supplies and rentals mainly due to the inflationary increase of the land rental from the Municipality of Chvaletice; $1,092,856 increase in depreciation as the demonstration plant started to be depreciated effective July 1, 2024 as it was deemed to be ready for its intended use; and a $481,287 increase in legal and professional fees mainly related to land access rights negotiations and documentation. The overall increase in the Chvaletice Project evaluation was partially offset by a decrease of $145,139 in engineering costs due to the completion of the final ESIA; a decrease of $96,538 in share-based compensation due to the partial vesting of a share option grant in the comparative year; and a $50,437 decrease in travel due to fewer visits to site.

Other evaluation costs for the year ended September 30, 2024 and 2023, were $94,964 and $381,697, respectively. In the comparative year, these costs mostly represent the scoping study and due diligence related to the Company's evaluation of opportunities in the North American market, particularly the potential Port of Bécancour plant in Québec, Canada. The decrease of $286,733 in costs over the comparative year is mainly attributable to limited activity at the project as further progress is subject to financing. Other evaluation in the current year are net of $63,609 of grants from the National Research Council of Canada’s Industrial Research Assistance Program ("IRAP") compared to $48,005 in 2023.

The $525,087 decrease in corporate and administrative for the year ended September 30, 2024, compared to the same year in 2023, is mainly attributable to: a decrease of $505,719 in share-based compensation due to partial vesting of a share option grant in the comparative year; a $167,875 decrease in conferences due to the attendance of fewer conferences, campaigns, and promotional activities; a $138,553 decrease in legal and professional expenses due to lower fees for consulting work compared to the previous period; a $131,386 decrease in remuneration due to fewer number of employees in the corporate office in Canada and lower short term incentive rewards than in fiscal 2023; a $56,507 decrease in product sales and marketing due to lower fees for marketing services; a $50,295 decrease in office, general and administrative costs due to decreased IT, communications, and other administrative expenses; a $41,815 decrease in travel due to the attendance at fewer conferences; and a $25,973 decrease in filing and compliance fees in the current year. The overall decrease in administrative costs was partially offset by an increase of $61,133 in investor relations expenses due to more campaigns and promotional activities in the current period. Additionally, the Company recorded a foreign exchange loss of $134,367 in the current year compared to a foreign exchange gain of $370,724 in 2023. The Company recorded a decrease of $215,391 in interest earned on the Company's bank deposits and an increase of $3,581,867 in finance expenses due to the interest expense incurred in relation to the Funding Package.

8. Quarterly Financial Review

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

As at the end of or for the period ending	**Jul to Sep'24**	Apr to Jun'24	Jan to Mar'24	Oct to Dec'23	Jul to Sep'23	Apr to Jun'23	Jan to Mar'23	Oct to Dec'22
	$	$	$	$	$	$	$	$
Cash and cash equivalents	**9,364**	13,201	20,099	24,293	7,650	10,896	13,805	18,305
Total assets	**40,468**	45,640	51,918	55,223	29,953	32,603	34,956	38,212
Working capital (1)	**7,982**	11,718	15,549	22,075	5,691	9,187	11,191	16,129
Current liabilities	**2,972**	3,247	5,922	4,758	2,852	2,333	3,008	2,758
Revenue	**705**	1,314	1,198	—	—	—	—	—
Cost of goods sold	**(778)**	(1,478)	(1,519)	—	—	—	—	—
Chvaletice Project evaluation	**(2,462)**	(1,826)	(2,813)	(1,109)	(1,853)	(604)	(1,722)	(1,018)
Other evaluation	**(69)**	(2)	27	(51)	(34)	(51)	(87)	(210)
Corporate and administrative	**(1,109)**	(1,604)	(2,050)	(1,386)	(1,221)	(1,178)	(2,073)	(1,321)
Loss for the period	**(5,097)**	(4,389)	(5,999)	(2,842)	(3,224)	(2,104)	(3,970)	(2,708)
Other comprehensive income (loss) for the period	**150**	110	(226)	—	—	—	—	—
Loss and comprehensive loss for the period	**(4,448)**	(4,279)	(6,225)	(2,842)	(3,224)	(2,104)	(3,970)	(2,708)
Basic and diluted loss per common share	**0.01**	0.01	0.01	0.01	0.01	0.01	0.01	0.01

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

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

Summary of major variations in quarterly financial activities:

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

- In the most recent three quarters, the Company's revenues and cost of goods sold represents the results of EPCS which was acquired in the quarter ended December 2023. Cost of goods sold of EPCS were significantly impacted by depreciation of assets revalued at acquisition.

- In the four quarters from January to December 2023, the Company focused on awarding the EPCM contract and initiating Phase 1 with the gap analysis work, as well as on the completion and submission of the ESIA. The number of employees at the Project site has risen continuously in relation to the demonstration plant site preparation and commissioning, which was completed in the quarter ended June 30, 2024. Expenses in the quarter ended March 31, 2024 increased due to marketing activities, consulting, depreciation (as the demonstration plant was ready for its intended use) and legal fees.

- In the nine quarters from July 2022 to September 2024, the Company also incurred expenses related to the evaluation of a potential dissolution plant at the Port of Bécancour in Québec, Canada, which would produce high-purity manganese products for the North American EV market.

8. Quarterly Financial Review (continued)

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

- Compared to the other periods, the quarter ended December 31, 2022, was impacted by an unrealized foreign exchange gain relating to the revaluation of the EPCS Option and in the quarter ended March 31, 2023, corporate and administrative expenses increased mainly as a result of a higher number of employees in the corporate office in Canada along with short term incentive payments paid during the quarter, and higher legal and professional fees relating to the project financing efforts. Short term incentives were also paid during the quarter ended March 31, 2024.

- The increase in expenses in the recent four quarters is also due to interest expense related to the Funding Package.

- In the six most recent quarters from April 2023 to September 2024, the interest income from bank deposits partially offset administrative expenditures.

8. Quarterly Financial Review (continued)

Three months ended September 30, 2024, compared to the three months ended September 30, 2023

The loss for the three months ended September 30, 2024, of $4,447,680 compared to a loss of $3,225,594 for the three months ended September 30, 2023, represents an increase of $1,222,086 or 38%. Basic and fully diluted loss per share in the current period remain unchanged at $0.01 per common share. An overview of the project evaluation and other expenses, and an explanation of the significant variances is as follows:

	Three Months Ended September 30,	
	2024	2023
(expressed in thousands of Canadian dollars, except per share data)	**$**	$
Revenue	**705**	—
Cost of goods sold	**(778)**	—
Gross loss	**(73)**	—
Operating Expenses		
Chvaletice Project evaluation	**(2,462)**	(1,892)
Other evaluation	**(69)**	(34)
Corporate and administrative	**(1,109)**	(1,417)
Operating loss	**(3,713)**	(3,343)
Interest income	**117**	116
Loss before financing and income tax	**(3,596)**	(3,227)
Finance expense	**(1,412)**	—
Loss before income taxes	**(5,008)**	(3,227)
Income tax expense	**(90)**	—
Loss for the period	**(5,098)**	(3,227)
Other comprehensive income (loss) for the period	**150**	**—**
Comprehensive loss for the period	**(4,948)**	(3,227)
Basic and diluted loss per common share	**$0.01**	$0.01

8. Quarterly Financial Review (continued)

Revenue for the three months ended September 30, 2024 and 2023, was $705,140 and nil, respectively. Revenue was generated from the sale of specialty steel products from EPCS which was acquired in the quarter ended December 2023. Gross losses for the three months ended September 30, 2024 and 2023, were $73,107 and nil, respectively. The gross loss is due to high depreciation on assets revalued at acquisition of EPCS.

Chvaletice Project evaluation for the three months ended September 30, 2024 and 2023, were $2,461,666 and $1,891,515, respectively. The increase over the comparative period in 2023 is mainly related to depreciation of the demonstration plant during the 2024 quarter as it was the first period where it was ready for its intended use.

Other evaluation for the three months ended September 30, 2024 and 2023, were $68,740 and $33,721, respectively. These costs mostly represent the scoping study and due diligence related to the Company's evaluation of opportunities in the North American market, particularly the potential Port of Bécancour plant in Québec, Canada. The increase of $35,019 in costs over the comparative period is mainly attributable to increase in engineering expenses for due diligence work.

The $307,949 decrease in corporate and administrative expenses for the three months ended September 30, 2024, compared to the same period in 2023, is mainly attributable to: a decrease of $160,909 in share-based compensation due to partial vesting of a share option grant in the comparative period; a $24,932 decrease in travel due to the attendance of fewer conferences; a $23,700 decrease in remuneration due to fewer number of employees in the corporate office in Canada; and a $20,386 decrease in product sales and marketing due to a reduction of contractor services. The overall decrease in administrative costs was partially offset by an increase of $140,654 in legal and professional expenses due to higher volume of consulting work compared to the previous period; and an increase of $87,816 in investor relations due to more campaigns and promotional activities in the current period. The Company recorded an increase of $1,411,565 in finance expenses due to the interest expense incurred in relation to the Funding Package.

9. Liquidity and Capital Resources

As an early stage development company, it has no material operating revenues and is unable to self-finance its operations. 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 Chvaletice Manganese Project.

During the year ended September 30, 2024, the Company incurred a net loss of $18,327,101 and used $13,585,155 cash for operating activities and $6,907,927 for investing activities. As at September 30, 2024, the Company's working capital (current assets less current liabilities) was $7,982,450 however 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. The Company has deferred its interest payments with Orion from January 1, 2025, to provide additional liquidity however it is anticipated that the Company will be required to obtain financing from the sale of equity and/ or another form of financing. The ability of the Company to arrange such financing in the future will depend principally upon prevailing market conditions and the performance of the Company. Such additional 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 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.

The Company’s commitments at September 30, 2024, are shown in Section 12 of this MD&A.

10. Off Balance Sheet Arrangements

As at September 30, 2024, there are no off-balance sheet arrangements which could have a material impact on current or future results of operations or the financial condition of the Company.

11. Related Party Transactions

For the year ended September 30, 2024 and 2023, amounts paid to related parties were incurred in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the transacting parties.

At September 30, 2024, key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole, and consisted of the Company's Board of Directors, President and Chief Executive Officer, Chief Financial Officer, Vice President, Commercial, Vice President, Corporate Development and Corporate Secretary, Vice President, Operations, and the Managing Director of the Company's Czech subsidiary.

	Year ended September 30,	
	2024	2023
	$	$
Salaries and fees	**2,387,495**	2,379,749
Share-based compensation	**1,221,426**	1,314,075
	3,608,921	3,693,824

At September 30, 2024, amounts owing to directors and officers of the Company for salaries and directors' fees amounted to $27,839 (2023 - $35,904). The salaries and fees payable at both year ends include a salary and bonuses owing to the Managing Director of Mangan. Other amounts payable to officers and directors at September 30, 2024, for the reimbursement of office and travel related expenses were $5,221 (2023 - $3,010).

12. Contractual Commitments

As at September 30, 2024, the Company was committed to make the minimum annual cash payments, as follows:

		Payments due by period	
	Total	Less than one year	1 - 2 years
	$	$	$
Minimum rent payments	313,382	143,507	169,875
Operating expenditure commitments	535,330	534,440	890
Total contractual obligations	848,712	677,947	170,765

Pursuant to the ČEZ Lease Agreement, land access has been granted for the life of the Project and during the subsequent period in which reclamation and revitalization of the premises is to take place, in return for a royalty on the Project's gross sales. During the period in which Project is expected to have project finance debt (the "Debt Period"), estimated to be seven years, the royalty will operate on a sliding scale from 0.2% to 1.8%, dependent on the average prices received for the Project's high-purity manganese products. Post the Debt Period, the royalty will be 1.8% of gross sales. Additionally, the ČEZ Lease Agreement also requires the Company to pay, commencing in 2027, a Minimum Rent of CZK 625,000 per calendar quarter (approximately $37,000), adjusted annually commencing in 2028, based on inflation during the immediately preceding year.

12. Contractual Commitments (continued)

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

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

13. 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 December 18, 2024:

	Number of securities
Issued and outstanding common shares	402,669,227
Share purchase options	21,957,454

14. Proposed Transactions

As at September 30, 2024, there is no proposed asset or business acquisition or disposition being considered that would affect the financial condition, financial performance or cash flows of the Company.

15. Events After the Reporting Period

There were no additional events after the reporting period other than the Orion amendment and the Bécancour Option Agreement amendment as described in Section 2 of this MD&A.

16. 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 Accounting Standards. 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 impact of future accounting pronouncements is disclosed in Note 3.16 of the September 30, 2024 Financial Statements.

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 3.14 of the September 2024 Financial Statements.

17. 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.

18. 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 consolidated financial statements for the year ended September 30, 2024, do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made; and (ii) the consolidated financial statements for the year ended September 30, 2024, fairly present in all material respects the financial condition, results of operations and cash flow of the Company.

There was no change in the Company's internal controls over financial reporting that occurred during the year ended September 30, 2024, that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Disclosure Controls and Procedures

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

There was no change in the Company's disclosure controls and procedures that occurred during the September 30, 2024, that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures.

Limitations of Controls and Procedures

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

19. 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.

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

Forward looking information for the Chvaletice Manganese Project includes: statements regarding the Company's ability to obtain financing and 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 Land Planning Permit will be obtained in the first/second calendar quarter of 2025, the Construction Permit will be obtained calendar 2026, and 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 Convertible Loan Facility or Royalty Financing; the ability of the Company to obtain additional financing, support from European financial institutions; the ability to obtain strategic project status under CRMA and any associated benefits, and the ability to obtain any grants, subsidies, or funding from the EU, Czech state, or under any government program or legislation. In addition, forward looking statements include: statements about the growth and development of the high purity manganese products market; the desirability of the Company's products; the ability of the Company to enter into binding offtake agreements with potential customers on favorable terms or at all; the state of the EV industry; 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 timing for completion of the Bécancour feasibility study, the Company's ability to source feedstock, the Company's ability to operate the Bécancour Plant and associated production, the projected growth of the North American demand for high-purity manganese products, any benefits of legislation, the Company's ability to secure offtake from North American customers, the Company's ability to raise the necessary financing, and the timing of any permit application submissions and approvals, and continuing successful cooperation with the W8banaki Nation.

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

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

Factors that could cause actual results or events to differ materially from current expectations include, among other things: 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 availability and cost of equipment, consumables, facilities, and suppliers necessary to complete development; 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; diminishing quantities or grades of mineral resources and reserves; the inability to secure sufficient offtake agreements; the inability to meet conditions under the Company’s secured credit facility and risks related to granting security; the inability to access the next US$30 million of financing under the secured loan; unexpected results or unsuccessful completion of the various stages of the EPCM contract; 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; inability to secure key reagents; a delay or inability to obtain or maintain necessary licenses or permits; the potential for unknown or unexpected events to cause contractual conditions to not be satisfied; inability to complete 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; risks related to global epidemics or pandemics and other health crises; availability and productivity of skilled labour; risks and uncertainties related to interruptions in production; unforeseen technological and engineering problems; the adequacy of infrastructure; social unrest or war; the possibility that future results will not be consistent with the Company's expectations; increase in competition, developments in EV battery markets and chemistries; risks related to fluctuations in currency exchange rates; changes in laws or regulations; and regulation by various governmental agencies and changes or deterioration in 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.