EURO MANGANESE

2024 ANNUAL REPORT

ARBN 627 968 567

Crystallization Module of the Chvaletice Manganese Project Demonstration Plant

TSXV: EMN | ASX: EMN | OTCQB: EUMNF | WWW.MN25.CA

CORPORATE DIRECTORY

Board of Directors	John Webster	Non-Executive Chairman Non-Executive
	David B. Dreisinger	Non-Executive Director
	Thomas M. Stepien	Non-Executive Director
	Ludivine Wouters	Non-Executive Director
Management	Martina Blahova	Interim Chief Executive Officer
	Dean Larocque	Chief Financial Officer
	Andrea Zaradic	Vice President Operations
	Laurel Petryk	Chief Legal Officer and Corp. Secretary
	Jan Votava	Managing Director, Mangan Chvaletice s.r.o.
	James Fraser	Vice President Commercial
Incorporation Details	*Business Corporations Act* (British Columbia)	
Registered Office	Suite 1700 - 666 Burrard Street, Vancouver, British Columbia V6C 2X8 Canada	
Head Office	#709 - 700 West Pender Street, Vancouver, British Columbia, V6C 1G8 Canada	Tel: + 1 604 681 1010
Website **e-mail**	www.mn25.ca info@mn25.ca	
Share Registry	Australia: Computershare Investor Services Pty Limited Level 4, 60 Carrington Street Sydney NSW 2000, Australia	Canada: Computershare Investor Services Inc. 510 Burrard Street, 3rd Floor Vancouver, British Columbia V6C 3B9 Canada
Legal Counsel	Australia: MinterEllison Level 40, Governor Macquarie Tower 1 Farrer Place Sydney NSW 2000 Australia	Canada: Stikeman Elliott LLP Suite 1700 - 666 Burrard Street, Vancouver, British Columbia V6C 2X8 Canada
Auditors	PricewaterhouseCoopers LLP 250 Howe Street, Suite 1400, Vancouver, British Columbia V6C 3S7 Canada	

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LETTER TO SHAREHOLDERS

Dear fellow shareholders,

2024 was a challenging year for Euro Manganese and its shareholders. Markets continued to show weakness for stocks in our sector.

While the demand for EVs remains resilient, growth expectations have moderated. The global EV market is now projected to expand at over 20% annually - still strong, though down from earlier forecasts exceeding 30% annually.

This shift has brought a ripple effect across the battery metals market. Prices for key materials, including lithium, cobalt, nickel and high-purity manganese have softened due to more tempered Western EV production forecasts. This adjustment is a reminder of the complexities involved in adopting new technologies and transitioning to sustainable energy solutions. Despite these challenges the medium and long term still show a significant supply deficit for high purity manganese products.

We are encouraged by supportive regulatory updates that were announced in Europe and the U.S. this year, such as the final approval of the EU Critical Raw Materials Act ("CRMA") and EV tax credit incentives under the Inflation Reduction Act. These measures are aimed at encouraging the development of Western EV supply chains and promoting the adoption of electric vehicles. In August 2024, we submitted an application to designate the Chvaletice Manganese Project as a Strategic Project under the CRMA. The first list of approved projects is expected to be announced in March 2025, and if the Chvaletice Project is designated a Strategic Project, it would strengthen our role in the EU's raw materials value chain, enable access to government-backed funding, facilitate collaboration with EU institutions and accelerate permitting.

In 2024, we made significant progress. We received approval for the Environmental and Social Impact Assessment from the Czech Ministry of Environment. This was a major milestone that was required in order to advance the Chvaletice Project.and critical for the awarding of subsequent permits. Another key milestone was the completion of the commissioning of our high-purity manganese Demonstration Plant. In the fourth quarter of calendar 2024, the Demonstration Plant completed a five-day continuous operation program for the production of high-purity electrolytic manganese metal, achieving 100% reliability over the five-day program and exceeding the production target by over 30%. The ability to produce bulk samples of on-spec, high-purity manganese for prospective customers is vital to their product qualification processes and our offtake negotiations. We will use the insights we learn from operating the Demonstration Plant to improve the engineering of the Chvaletice Project.

We remain focused on moving forward while adapting to changing market conditions and a slower pace of growth in the EV market. Cathode and battery producers are adjusting their manufacturing plans, which is affecting demand for products like ours. This uncertainty has also cooled the near-term funding environment. We have implemented a number of initiatives aimed at reducing costs, improving our capital position, and providing optionality for proceeding with developing of the Chvaletice Project. As part of these measures, in December we announced amendments to the US$100 million non-dilutive funding package with Orion Resource Partners. These amendments significantly improve our short term cash flows and provides the company with greater financial flexibility.

To address long-term funding for the development of Chvaletice, we initiated the application process for several funding sources through national and EU grant and incentive programs, such as the European Innovation Fund and CzechInvest, the Investment and Business Development Agency of the Czech Republic. The Project is also listed on the European Investment Bank's website as under appraisal, passing the first stage of the bank's due diligence process.

We continue to see interest in our high-purity manganese products, as evidenced by three new offtake agreements signed this year with FeMoCat Ltd, Blue Grass Chemical Specialties and Wildcat Discovery Technologies. Securing more offtakes with high quality customers remains a primary focus.

As we continue to position Euro Manganese for long-term success, we welcomed Ms. Ludivine Wouters to the Board as a Non-Executive Director. With more than 20 years of experience in European and emerging markets, she brings extensive legal, governance, and strategic experience to our board. We said farewell to Greg Martyr, who delivered outstanding service to our board since 2018.

On the management side we parted company with Dr Matthew James, our CEO, late in the year. We were very happy to announce the appointment of Martina Blahova, who has served as our Chief Financial Officer since 2020, as Interim Chief Executive Officer. Dean Larocque also joined the company as our new Chief Financial Officer. These appointments reflect our commitment to aligning the company for its next phase of growth.

We remain focused on delivering on our near-term and 2025 goals, which are:

- Securing additional short-term funding
- Securing additional offtake term sheets and contracts;
- Securing a strategic investor at the project level;
- Completing the remaining land-access agreement in the tailings area;
- Obtaining additional project permits, now we have received the ESIA approval;

We continue to believe that Euro Manganese has a distinct competitive edge over other emerging producers. We have the only manganese resource in the EU, have a strong management team and the technical capabilities to produce high purity manganese products with a low environmental impact.

As we continue to navigate this challenging environment while working towards our goals, I would like to express my gratitude. First, to our dedicated team - your unwavering commitment drives our progress. To the national and local governments, community members, partners, suppliers, and prospective customers that we continue to work with, your collaboration and support are vital as we navigate the path forward and build a sustainable future together. Finally, to our shareholders, I sincerely appreciate your continued support and belief in our vision, especially in these trying times.

Yours faithfully,

"John Webster"

John Webster
Non-Executive Chairman

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Euro Manganese Inc. (the "Company") were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 3 to these consolidated financial statements.

Management has established processes that are in place to provide management with sufficient knowledge to support its opinion that it has exercised reasonable diligence such that (i) the consolidated financial statements 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, as of the date of and for the periods presented by the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, the results of operations and cash flows of the Company, as of the date and for the period presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

19 December 2024

(Signed) *"Martina Blahova"*	**(Signed) "Dean Larocque"**
Interim Chief Executive Officer	Chief Financial Officer

EURO MANGANESE

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

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Financial Statements

Notes to the Consolidated Financial Statements

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Euro Manganese Inc. (the "Company") were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The material accounting policies of the Company are summarized in Note 3 to these consolidated financial statements.

The consolidated financial statements have been prepared by management on a going concern basis in accordance with IFRS Accounting Standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not exact since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the financial statements.

Management has established processes that are in place to provide management with sufficient knowledge to support its opinion that it has exercised reasonable diligence such that (i) the consolidated financial statements 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, as of the date of and for the periods presented by the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, the results of operations and cash flows of the Company, as of the date and for the period presented by the consolidated financial statements.

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Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

December 18, 2024

"Martina Blahova"	*"Dean Larocque"*
Interim Chief Executive Officer	Chief Financial Officer

Independent auditor's report

To the Shareholders of Euro Manganese Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Euro Manganese Inc. and its subsidiaries (together, the Company) as at September 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at September 30, 2024 and 2023;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 1 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers LLP
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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended September 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Valuation of buildings and land acquired in the EP Chvaletice s.r.o. acquisition *Refer to note 3 – Material accounting policies, estimates and judgments and note 4 – Acquisition of EP Chvaletice s.r.o. to the consolidated financial statements* On December 28, 2023, the Company completed the acquisition of EP Chvaletice s.r.o. (EPCS) for a total consideration of $10.8 million. The acquisition was accounted for as a purchase of assets. The cost of the net assets is allocated to the individual identifiable assets and liabilities on the basis of their fair values at the date of purchase. The identifiable assets acquired included $4.4 million of land and $4.2 million of buildings. The value of the land was determined using the comparative method to reflect the real estate prices achievable for comparable undeveloped land plots in the market. The buildings currently in use by EPCS were valued using the income method, assuming rent rates for similar spaces in nearby areas. The assumptions used to determine the fair values of the acquired land and buildings require significant judgment by management and include capitalization rates, current market rents, vacancy rates and comparable market transactions.	Our approach to addressing the matter included the following procedures, among others: • Professionals with specialized skill and knowledge in the field of valuation assisted in testing how management estimated the fair value of the land and buildings, which included the following: – Evaluated the appropriateness of the methods used by management in determining the fair values. – Evaluated the reasonableness of estimated capitalization rates, current market rents, vacancy rates and comparable market transactions by comparing the assumptions used by management with market data. • Tested the related disclosures made in the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to the significant judgment applied by management when developing the fair values of the acquired land and buildings, including the development of assumptions. This, in turn, led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence related to the assumptions used by management. The audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Leonard Wadsworth.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
December 18, 2024

Consolidated Statements of Financial Position

Euro Manganese Inc.
(expressed in Canadian dollars)

	Note	September 30, 2024	September 30, 2023
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**9,364,063**	7,649,711
Prepaid expenses		**412,108**	523,014
Accounts and other receivables		**511,120**	370,964
Taxes receivable		**93,858**	—
Inventory		**572,951**	—
		10,954,100	8,543,689
Non-current assets			
Exploration and evaluation assets	5	**6,773,544**	6,773,544
Property, plant and equipment	6	**19,484,637**	8,385,293
Deferred transaction costs	8	**1,879,654**	—
Other assets	7	**1,376,521**	2,034,147
Option	4	**—**	4,215,881
Total assets		**40,468,456**	29,952,554
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**2,821,473**	2,641,155
Due to related parties	10	**33,060**	38,914
Lease liability		**117,117**	172,417
		2,971,650	2,852,486
Lease liability		**140,487**	—
Convertible Loan	8	**27,541,272**	—
Total liabilities		**30,653,409**	2,852,486
EQUITY			
Share capital	9	**78,733,328**	78,733,328
Equity reserves	9	**10,032,209**	9,023,890
Other comprehensive income		**33,761**	—
Deficit		**(78,984,251)**	(60,657,150)
Total shareholders' equity		**9,815,047**	27,100,068
Total liabilities and shareholders' equity		**40,468,456**	29,952,554

Going Concern (Note 1)

Approved on behalf of the Board of Directors on December 18, 2024.

"Martina Blahova"
Martina Blahova, Interim CEO

"John Webster"
John Webster, Director

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

Consolidated Statements of Loss and Comprehensive Loss

Euro Manganese Inc.
(expressed in Canadian dollars)

	Note	Year ended September 30, 2024	2023
		$	$
Revenue		**3,217,089**	—
Cost of goods sold	18	**(3,775,589)**	—
Gross loss		**(558,500)**	—
Operating Expenses			
Chvaletice Project evaluation	19	**(8,339,900)**	(5,339,344)
Other evaluation		**(94,964)**	(381,697)
Corporate and administrative	20	**(6,397,068)**	(6,922,156)
Gain on derivative instruments	4	**315,901**	—
Operating loss		**(15,074,531)**	(12,643,197)
Interest income		**419,675**	635,066
Loss before financing and income tax		**(14,654,856)**	(12,008,131)
Finance expense	8	**(3,581,867)**	—
Loss before income taxes		**(18,236,723)**	(12,008,131)
Income tax expense	17	**(90,378)**	—
Loss for the year		**(18,327,101)**	(12,008,131)
Other comprehensive income (loss) for the year		**33,761**	—
Loss and comprehensive loss for the year		**(18,293,340)**	(12,008,131)
Weighted average number of common shares outstanding - basic and diluted		**402,669,227**	402,342,620
Basic and diluted loss per common share		**$ 0.05**	$ 0.03

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

Consolidated Statements of Changes in Shareholders' Equity

Euro Manganese Inc.
(expressed in Canadian dollars)

	Attributable to equity shareholders of the Company					
	Share Capital	**Share Capital**	**Equity Reserves**	**Other Comprehensive Income**	**Deficit**	**Shareholders' Equity (Deficit)**
	#	**$**	**$**	**$**	**$**	**$**
Balance at September 30, 2022	401,115,551	78,298,364	7,640,628	—	(48,649,019)	37,289,973
Options exercised	1,316,599	354,358	(146,708)	—	—	207,650
Shares issued to settle deferred share consideration	237,077	80,606	(80,606)	—	—	—
Share-based compensation	—	—	1,610,576	—	—	1,610,576
Loss and comprehensive loss for the period	—	—	—	—	(12,008,131)	(12,008,131)
Balance at September 30, 2023	**402,669,227**	**78,733,328**	**9,023,890**	**—**	**(60,657,150)**	**27,100,068**
Share-based compensation	—	—	1,008,319	—	—	1,008,319
Loss and comprehensive loss for the period	—	—	—	33,761	(18,327,101)	(18,293,340)
Balance at September 30, 2024	**402,669,227**	**78,733,328**	**10,032,209**	**33,761**	**(78,984,251)**	**9,815,047**

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

Consolidated Statements of Cash Flows

Euro Manganese Inc.
(expressed in Canadian dollars)

	Note	Year ended September 30, 2024 $	2023 $
Operating activities			
Loss for the year		**(18,327,101)**	(12,008,131)
Items not affecting cash:			
Share-based compensation		**1,008,319**	1,610,576
Transaction costs on land deposit		**24,447**	—
Depreciation and amortization		**2,597,995**	261,173
Loss of disposal of fixed assets		**3,652**	—
Finance expense		**3,598,674**	25,157
Gain on derivative instruments		**(315,901)**	—
Unrealized foreign exchange loss (gain)		**(361,547)**	(313,231)
Interest income		**(419,675)**	(635,066)
		(12,191,137)	(11,059,522)
Changes in non-cash working capital items:			
Accounts payable and accrued liabilities		**(2,234,578)**	650,724
Accounts and other receivables		**911,718**	10,952
Income tax receivable		**(93,858)**	—
Prepaid expenses		**124,825**	(75,801)
Inventory		**(96,272)**	—
Related parties		**(5,853)**	(370,552)
Cash used in operating activities		**(13,585,155)**	(10,844,199)
Investing activities			
Purchase of property, plant & equipment		**(4,205,011)**	(3,537,868)
Proceeds from sale of equipment		**64,178**	1,464
Cash used on acquisition of EPCS	4	**(4,265,441)**	—
Cash acquired on acquisition of EPCS		**887,185**	—
Interest received		**611,162**	439,121
Cash used in investing activities		**(6,907,927)**	(3,097,283)
Financing activities			
Exercise of stock options		**—**	207,650
Lease principal and interest payments		**(275,886)**	(210,171)
Proceeds from convertible loan	8	**25,973,055**	—
Interest paid on convertible loan		**(1,922,326)**	—
Transaction costs paid on convertible loan		**(1,789,852)**	—
Cash generated from financing activities		**21,984,991**	(2,521)
Effect of exchange rate change on cash and cash equivalents		**222,443**	33,153
Increase (Decrease) in cash and cash equivalents		**1,714,352**	(13,910,850)
Cash and cash equivalents - beginning of year		**7,649,711**	21,560,561
Cash and cash equivalents - end of year		**9,364,063**	7,649,711

Supplemental cash flow information (Note 15)
The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations and Going Concern

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

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

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

As an early stage development company, EMN has no material operating revenues and is unable to self-finance its operations. During the 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. 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 (Note 21(a)) 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.

2. Basis of Preparation

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

These consolidated financial statements were prepared by management and approved by the Board of Directors of the Company (the "Board") on December 18, 2024.

2.2 Basis of measurement

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

2.3 Principles of consolidation

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

3. Material Accounting Policies, Estimates and Judgments

3.1 Foreign currency translation

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

Transactions in foreign currencies are initially recorded in the entity's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange prevailing at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

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

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

3.2 Exploration and evaluation costs

Mineral exploration and evaluation costs include costs to acquire the rights to explore, geological studies, exploratory drilling and sampling, royalty buy back costs, operation of the demonstration plant and directly attributable management costs.

Exploration and evaluation expenditures with the exception of acquisition costs, are charged to profit or loss in the period in which they are incurred. Acquisition costs are capitalized to exploration and evaluation assets and classified as non-current. Costs related to the acquisition of mineral properties are capitalized on a property-by-property basis until such a time as the property is placed in production, sold, abandoned or determined to be impaired.

Once it is probable that future economic benefits will flow to the Company, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment. The following criteria are used to assess the economic recoverability and probability of future economic benefits:

(i) Viability: a Proven and/or Probable Mineral Reserve has been established that demonstrates a positive financial return providing the ability to finance the project; and
(ii) Authorizations: necessary permits, access to critical resources and environmental programs exist or are reasonably obtainable.

Proceeds from the sale of properties or projects, or cash proceeds received from option payments, are recorded as a reduction of the cost of the related mineral interest.

3.3 Impairment of non-financial assets

At each financial position reporting date, the carrying amounts of the Company's non-current non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. The recoverable amount is the higher of fair value less costs of disposal and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arms-length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the prevailing market assessment of the time-value of money and the risks specific to the asset. Future cash flows are based on forecast estimates of production, product prices, and operating, capital, and reclamation costs.

Assumptions underlying future cash flow estimates are subject to risks and uncertainties. Any differences between assumptions used and actual market conditions and the Company's performance, could have a material effect on the Company's financial position and results of operations.

Impairment is normally assessed at the level of cash generating units, which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of comprehensive loss for the period.

When an impairment loss reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, provided such revised estimate does not exceed the carrying value of the asset less depreciation that would have been recorded had the asset not been impaired. A reversal of an impairment loss is recognized immediately in the statement of comprehensive loss.

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

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Assets in the course of construction are capitalized as construction in progress. On completion, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences when the asset is available for its intended use. The carrying amount of a replaced asset is derecognized when replaced. The carrying values of property, plant and equipment are depreciated using the straight-line depreciation method based on their expected useful life.

Land	Not depreciated
Buildings	Straight line basis over 25 years
Buildings - EPCS	Straight line basis over 2 years
Demonstration plant	Straight line basis over 3 years
Office furniture and equipment	Straight line basis over 3 years
Right-of-use assets	Straight line over the term of the lease

The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and separately depreciates each such part. Residual values, method of amortization, and useful lives of the assets are reviewed annually and adjusted if appropriate. Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the statement of comprehensive loss.

Amounts received from selling items produced while preparing the asset for its intended use are not deducted from the cost of property, plant and equipment. Instead, amounts received are recognized as sales proceeds and the related cost is recognized in the statement of profit or loss.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

3.6 Share and warrant based compensation

Where equity-settled share-based payments are granted to employees, the fair value of the payments is measured using the Black-Scholes or other option pricing models, at the date of grant, and expensed over the vesting period using the graded vesting method. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of equity instruments that eventually vest. Charges for options that are forfeited before vesting are reversed from equity reserves (Note 8(b)).

Where equity-settled share-based payments are granted to non-employees, they are measured at the fair value of the goods or services received. However, if the value of goods or services received in exchange for the share-based payments cannot be reliably estimated, they are measured using the Black-Scholes option pricing model.

All equity-settled share-based payments are reflected in equity reserves, until exercised. Upon exercise, shares are issued and the amount reflected in equity reserves is credited to share capital, together with any consideration received.

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

3.7 Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable or recoverable on the taxable income for the period, using tax rates enacted or substantially enacted at the end of the reporting period.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantially enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized only to the extent where it is probable that the future taxable profits or capital gains of the relevant entity or group of entities in a particular jurisdiction will be available, against which the assets can be utilized. Deferred tax assets and liabilities, where recognized, are presented as non-current.

3.8 Financial instruments

The Company’s financial instruments consist of cash and cash equivalents, accounts and other receivables, accounts payable and accrued liabilities, due to related parties, and liabilities for land deposits.

i) Classification

Classification of financial instruments is determined at initial recognition.

A financial asset is classified as measured at: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. The Company's cash and cash equivalents and accounts and other receivables are classified as measured at amortized cost.

A financial liability is measured at amortized cost, unless it is required to be measured at FVTPL such as instruments held for trading or derivatives, or the Company opted to measure the liability as FVTPL. The derivative liability related to the convertible loan facility is measured at FVTPL. The Company's accounts payable and due to related parties are classified as measured at amortized cost.

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

ii) Measurement

Financial assets and liabilities at FVTPL - Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in the consolidated statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in the consolidated statement of loss in the period in which they arise. Where the Company has opted to designate a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income ("OCI").

Financial assets at FVOCI - Investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes from initial recognition recognized in OCI.

Financial assets and liabilities at amortized cost - Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

iii) Impairment of financial assets

An expected credit loss ("ECL") model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The Company uses the simplified approach to measuring the ECL by using a lifetime expected loss allowance for all trade receivables.

iv) Derecognition

Financial assets are derecognized when the investments mature or are sold, and substantially all the risks and rewards of ownership have been transferred. A financial liability is derecognized when the obligation under the liability is discharged, canceled or expired. Gains and losses on derecognition are recognized within finance income and finance costs, respectively. Gains or losses on financial assets classified as FVOCI remain within accumulated OCI.

v) Fair value of financial instruments

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the financial asset’s specific circumstances.

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

3.9 Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and

- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Company recognizes a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU assets are subsequently depreciated to the earlier of the end of the useful life of the ROU asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

Lease payments included in the measurement of the lease liability comprise: fixed payments; variable lease payments that depend on an index or a rate; amounts expected to be payable under any residual value guarantee, and the exercise price under any purchase option that the Company would be reasonably certain to exercise; lease payments in any optional renewal period if the Company is reasonably certain to exercise an extension option; and penalties for any early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company does not recognize ROU assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to the statement of loss on a straight-line basis over the lease term.

3.10 Related party transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

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

3.11 Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. If the Company incurs a net loss in a fiscal period, basic and diluted loss per share are the same.

3.12 Asset Retirement Obligation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development and ongoing production of a mineral interest by or on behalf of the Company. Costs for restoration of site disturbances are initially recognized and recorded as a provision based on estimated future cash flows discounted at a risk-free rate. These asset retirement obligations are adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the discount rate.

The asset retirement obligation is also accreted to full value over time through periodic charges to profit or loss. The amount of the asset retirement obligation initially recognized is capitalized as part of the related asset's carrying value. The method of depreciation follows that of the underlying asset. As at September 30, 2024 and 2023 the Company does not have any asset retirement obligations.

3.13 Accounting for government grants and disclosure of government assistance

A forgivable loan is treated as a government grant when there is reasonable assurance that the entity will meet the terms for forgiveness of the loan. The benefit of a government loan at a below-market rate of interest is treated as a government grant which is recognized and measured in accordance with IFRS 9. The benefit of the below-market rate of interest is the difference between the initial carrying value of the loan, discounted over the term of the loan using the incremental borrowing rate for the Company and the proceeds received.

3.14 Critical Estimates and Judgments

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The estimates and the underlying assumptions are based on the judgment of management, including historical experience and other factors that management believes to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. A revision to an accounting estimate is recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

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

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

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

   Management has determined that there were no impairment indicators present for the exploration and evaluation assets and as such, no impairment test was performed at September 30, 2024.

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

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

d) The assumptions and estimates used to determine the fair values of the land and buildings acquired from EPCS required significant judgment by management and include capitalization rate, current market rent, vacancy rate and comparable market transactions. The fair values of land and buildings acquired are estimated by the Company's independent qualified evaluators (management's experts).

3.15 Newly Adopted Policies

As a result of the acquisition of EPCS the Company adopted the following accounting policies during the current year. It also clarified the foreign exchange policy for the treatment of functional currency of EPCS (Note 3.1).

Business combinations

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

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

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

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

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

Inventory

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

Revenue

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

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

3.16 New Accounting Standards Issued But Not Yet Effective

The International Accounting Standards Board has issued classification and measurement and disclosure amendments to IFRS 9 and IFRS 7 which are effective for years beginning on or after January 1, 2026 with earlier application permitted. The amendments clarify the date of recognition and derecognition of some financial assets and liabilities and introduce a new exception for some financial liabilities settled through an electronic payment system. Other changes include a clarification of the requirements when assessing whether a financial asset meets the payments of principal and interest criteria and new disclosures for certain instruments with contractual terms that can change cash flows (including instruments where cash flow changes are linked to environmental, social or governance targets).

IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") is a new standard that will provide new presentation and disclosure requirements and which will replace International Accounting Standard ("IAS") 1, Presentation of Financial Statements. IFRS 18 introduces changes to the structure of the statement of income; provides required disclosures in financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and provides enhanced principles on aggregation and disaggregation in financial statements. Many other existing principles in IAS 1 have been maintained. IFRS 18 is effective for years beginning on or after January 1, 2027, with earlier application permitted.

The Company is currently assessing the impact of the new and amended standards.

4. Acquisition of EP Chvaletice s.r.o.

On August 13, 2018, the Company, through its Czech subsidiary Mangan, entered into an option agreement to acquire 100% interest in EPCS, a Czech operating company whose principal asset is a large parcel of industrial zoned land adjacent to the 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. During the current year, the Company completed the purchase of EPCS by making two additional payments of 20 million Czech Koruna ($1.2 million) and 51 million Czech Koruna ($3.0 million) on November 29, 2023, and December 28, 2023, respectively. Additionally, 3.5 million Czech Koruna ($0.23 million) that was paid in 2019 for a plot of land pursuant to an amendment to the option agreement with EPCS and classified as a land deposit, was included in the total purchase price.

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

The acquisition was accounted for as a purchase of assets as it met the concentration test under IFRS 3 *Business Combinations*.

(expressed in Canadian dollars)

4. Acquisition of EP Chvaletice s.r.o. (continued)

The final purchase price consideration was as follows:

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

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

	$
Cash and cash equivalents	887,185
Accounts receivable	1,243,362
Prepaids and other	13,922
Inventory	476,679
Equipment	407,107
Buildings	4,181,226
Land	4,396,231
Accounts payable and accrued liabilities	(457,028)
Income tax and other taxes payable	(290,800)
Operating lease liabilities	(82,733)
	10,775,151

The value of the land was determined using the comparative method to reflect the real estate prices achievable for comparable undeveloped land plots in the market. The buildings currently in use by EPCS were valued using the income method, assuming rent rates for similar spaces in nearby areas. The valuation of movable assets (equipment and vehicles) was based on historical prices, reflecting the technical value and saleability factor.

5. Exploration and Evaluation Assets

The Company holds two exploration licenses for the Chvaletice Manganese Project (the “Licenses”). The Company was also issued a Preliminary Mining Permit by the Czech Ministry of Environment, referred to by the Ministry as the prior consent of the establishment of the Mining Lease District (the "Preliminary Mining Permit"). The Preliminary Mining Permit covers the areas included in the Licenses and secures the Company's rights for the entire deposit. The Preliminary Mining Permit forms one of the prerequisites for the application for the establishment of the Mining Lease District and represents one of the key steps towards final permitting for the project. The establishment of the Mining Lease District, the application for the final Mining Permit, and applications for permits relating to the construction of infrastructure required for the project, are required prior to operation at the Chvaletice Manganese Project. The Licenses and the Preliminary Mining Permit are valid until May 31, 2026.

The exploration and evaluation assets will be tested for impairment and then reclassified to mineral property and development assets within property, plant and equipment once the Company has secured access to all required land parcels for the Chvaletice Manganese Project, has obtained certain agreements with customers confirming the economic viability and secured all necessary permits and funding.

(expressed in Canadian dollars)

6. Property, Plant and Equipment

	September 30, 2024				
	Demonstration plant & Buildings under construction	**Buildings & Equipment**	**Land**	**Lease assets**	**Total**
	$	**$**	**$**	**$**	**$**
Cost					
September 30, 2023	7,857,513	179,210	333,331	603,431	8,973,485
Additions EPCS	—	4,588,333	4,396,231	—	8,984,564
Additions other	1,152,487	8,500	3,258,706	360,914	4,780,607
Disposals	—	(78,575)	—	(603,431)	(682,006)
Transfers	(9,010,000)	9,010,000	—	—	—
September 30, 2024	**—**	**13,707,468**	**7,988,268**	**360,914**	**22,056,650**
Accumulated depreciation					
September 30, 2023	—	(126,331)	—	(461,861)	(588,192)
Additions	—	(2,366,199)	—	(231,796)	(2,597,995)
Disposals	—	10,743	—	603,431	614,174
September 30, 2024	**—**	**(2,481,787)**	**—**	**(90,226)**	**(2,572,013)**
Net Book Value					
October 1, 2023	7,857,513	52,879	333,331	141,570	8,385,293
September 30, 2024	**—**	**11,225,681**	**7,988,268**	**270,688**	**19,484,637**

In the current year, depreciation and amortization was recorded in the current year $1,236,704 (2023 - nil) to Cost of goods sold, $1,235,170 (2023 - $142,314) to Chvaletice Project evaluation and $126,121 (2023 - $118,859) to Corporate and administrative.

(expressed in Canadian dollars)

6. Property, Plant and Equipment (continued)

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

7. Other Assets

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

		September 30,	
		2024	2023
		$	$
Miscellaneous land parcels and second railway switch (plant area)	i)	**—**	227,667
Land for buffer zone and infrastructure corridor (tailings area)	ii)	**65,412**	28,951
Additional land and rail spur extension (plant area)	iii)	**348,154**	268,064
Additional land parcels for residue storage facility (tailings area)	iv)	**—**	1,096,770
Land parcel within the Port of Bécancour	v)	**962,955**	412,695
		1,376,521	2,034,147

7. Other Assets (continued)

i) On February 7, 2019, the Company signed an amendment to the EPCS Option Agreement (the "Amendment"), funding, through EPCS, the purchase of several land parcels adjacent to the land owned by EPCS, and thus increased the Option Agreement value by 3,500,000 Czech Koruna ($203,220). This was acquired as part of the EPCS acquisition (Note 4).

ii) On May 11, 2019, the Company signed a purchase contract with the Municipality of Trnavka for a 2.96-hectare parcel of land adjacent to the Chvaletice Manganese Project tailings, on which the Company plans to construct a visual and acoustic barrier between Trnavka and the Chvaletice Manganese Project tailings. The total cost of the land is 2,026,990 Czech Koruna (approximately $120,000). The first payment of 202,699 Czech Koruna ($11,867) was paid on May 20, 2019. Subsequent payments are based on permitting milestones over the period to March 2029. On April 13, 2022, following the rezoning approval for mining use of the land area under the jurisdiction of the Trnavka Municipality, on which 85% of the Chvaletice Manganese Project's tailings are located, the Company made the second payment of 304,409 Czech Koruna ($17,038). On May 23, 2024, the Company made the third payment of 608,097 Czech Koruna ($36,507).

iii) On December 18, 2020, the Company signed an agreement with Sprava Nemovitosti Kirchdorfer CZ s.r.o. to acquire a parcel of land, including a rail spur extension that provides additional room and flexibility for the Chvaletice commercial plant layout. The cost of the land is 18,739,125 Czech Koruna (approximately $1.1 million) and is to be paid in five annual instalments of approximately $80,000, followed by the remaining balance of approximately $700,000 on or before October 10, 2025. To September 30, 2024, the Company has made the first four payments under the agreement and capitalized transaction costs of $20,834.

iv) On June 7, 2022, the Company signed an agreement with a private landowner to acquire several land parcels. These land parcels are adjacent to the tailings area and provide additional room and flexibility for the Chvaletice residue storage facility layout. The total cost of the land is 54,327,751 Czech Koruna (approximately $3.0 million). The first instalment of $516,452 was paid in June 2022. The second instalment of $580,318 was paid in January 2023. The remaining amount of $2,038,007 was paid in January 2024. The total value of the deposit was transferred to land under property, plant and equipment (Note 6).

v) On December 16, 2022, the Company entered into an option agreement with The Société du parc industriel et portuaire de Bécancour ("SPIPB"), a Québec state enterprise and owner of a 15-hectare land parcel within Bécancour (the "Bécancour Option Agreement") where the Company proposes to establish its North American facilities. The Bécancour Option Agreement allows the Company to exclusively access the land parcel and conduct due diligence thereon over a maximum term of 21 months, during which the Company has the opportunity to purchase the site. The Bécancour Option Agreement provides that the Company pay $45,855 per month for this option, whereas these option payments shall be deducted from the final purchase price of $9,171,200. As at September 30, 2024, the Company has made twenty-one payments aggregating $962,955. Subsequent to year end the Company signed an amendment to this agreement (Note 21(b)).

8. Convertible Loan Facility

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

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

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

In connection with the first tranche of the Convertible Loan Facility, the Company determined that Orion's right to extend the Convertible Loan Facility up to an additional 36 months met the definition of a financial derivative liability, which was separated, not being closely related to its debt host. Accordingly, the $25,973,055 (US$20 million) gross proceeds were allocated as follows: $844,397 to the derivative liability as its estimated fair value with the residual of $25,128,658 to the debt host. In determining the estimated fair value of the separated derivative liability, the key inputs were the estimated royalty payments if converted, the expected future manganese prices, the production schedule, and the probability of the royalty being converted. These are level 3 in the fair value hierarchy (Note 11).

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

From the inception of the US$20 million Convertible Loan Facility to September 30, 2024, the Company recognized $1,922,326 of contractual interest expense and $468,039 of accretion expense in profit or loss.

(expressed in Canadian dollars)

8. Convertible Loan Facility (continued)

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

Convertible loan - liability component	**$**
October 1, 2023	—
Advances	27,162,000
Transaction costs	(1,059,259)
Derivative liability value	(844,397)
Unwinding of discount	468,039
Interest accrued	2,725,740
Interest paid	(1,922,326)
Foreign exchange loss (gain)	(175,034)
September 30, 2024	**26,354,763**

Convertible loan - derivative component	**$**
October 1, 2023	—
Initial recognition of derivative liability	844,397
Change in fair value	345,232
Foreign exchange loss (gain)	(3,120)
September 30, 2024	**1,186,509**

Balance, end of year	**27,541,272**

Finance expense	**$**
Transaction costs allocated to derivative	36,875
Accretion expense	468,039
Interest expense	2,725,740
Change in fair value of derivative	345,232
Other	5,981
	3,581,867

Subsequent to year end the terms of the Convertible Loan Facility were amended (Note 21).

(expressed in Canadian dollars)

9. Equity

a) Common shares

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

b) Share options

The Company has a rolling share-based compensation plan (the "Plan") allowing for the reservation of a maximum 10% of the common shares issued and outstanding at any given time for issuance under the Plan. Under the Plan, all share options are granted at the discretion of the Company's Board. The term of any option granted may not exceed ten years and the exercise price may not be less than the market value of the Company shares at the date of the grant.

Current outstanding options have an expiry date of ten years and vest over a period of 36 months, except for 900,000 options granted to certain officers of the Company which vest in 5 years from the date of grant. Additionally, 9,000,000 options granted to the President and CEO of the Company include market conditions and non-market performance vesting conditions. The performance vesting conditions are based on achieving project development milestones and the price-vesting thresholds are based on a daily volume weighted average share price of the Company. No options were granted in the year ended September 30, 2024. A continuity summary of the share options granted and outstanding under the Plan for the year ended September 30, 2024 and 2023, is presented below:

				Year ended September 30,
		2024		2023
	Number of share options	**Weighted average exercise price ($ per share)**	Number of share options	Weighted average exercise price ($ per share)
Balance, beginning of the year	**38,497,584**	**0.41**	35,312,664	0.40
Options granted	**—**	**—**	5,118,251	0.48
Options exercised	**—**	**—**	(1,316,599)	0.16
Options expired	**(718,025)**	**0.56**	(566,732)	0.60
Options forfeited	**(844,366)**	**0.48**	(50,000)	0.58
Balance, end of the year	**36,935,193**	**0.41**	38,497,584	0.41

During the year ended September 30, 2024, the Company recorded share-based compensation expense of $1,008,319 (2023 - $1,610,576) of which $70,190 (2023 - $166,728) has been allocated to Chvaletice Project evaluation and $938,129 (2023 - $1,443,848) to corporate and administrative.

(expressed in Canadian dollars)

9. Equity (continued)

The balance of options outstanding and exercisable at September 30, 2024, is as follows:

	Options outstanding & exercisable		Options exercisable	
Exercise price ($ per share)	Number of share options	Weighted average remaining contractual life (years)	Number of share options	Weighted average remaining contractual life (years)
0.08	1,150,000	1.6	1,150,000	1.6
0.10	900,000	2.5	900,000	2.5
0.11	6,137,667	4.8	6,137,667	4.8
0.13	500,000	6.0	500,000	6.0
0.20	2,500,000	3.4	2,500,000	3.4
0.25	1,450,000	4.2	1,450,000	4.2
0.28	1,841,666	4.4	1,841,666	4.4
0.48	4,655,860	8.6	1,551,952	8.6
0.59	500,000	6.7	500,000	6.7
0.58	15,850,000	7.2	7,350,000	7.2
0.61	1,450,000	6.5	550,000	6.5
0.41	36,935,193	6.1	24,431,285	5.4

Option pricing models require the input of subjective assumptions. The expected life of the options considered such factors as the average length of time similar option grants in the past have remained outstanding prior to exercise and the vesting period of the grants. The selection of alternative assumptions could have a material impact on the estimated fair value of the options.

In the year ended September 30, 2024, the Company did not grant any stock options. In the year ended September 30, 2023, the Company applied the Black-Scholes option pricing model to determine the value of stock options. These stock options were granted to employees, including directors, and non-employees and valued on the date of grant using the following weighted-average assumptions: risk free interest rate of 2.93%, expected life of 9 years, annualized volatility of 90%, dividend yield of nil%, option exercise price of $0.48 per share option. The average fair value of share options granted was estimated to be $0.15 per share option.

c) Warrants

			Year ended September 30,	
		2024		2023
	Number of warrants	**Weighted-average exercise price**	Number of warrants	Weighted-average exercise price
		$		$
Outstanding, beginning of the year	**6,000,000**	**0.33**	8,500,000	0.40
Expired	**(6,000,000)**	**0.33**	(2,500,000)	0.58
Outstanding, end of the year	**—**	**0.33**	6,000,000	0.33

(expressed in Canadian dollars)

10. Related Party Transactions

a) Key management compensation

The remuneration of directors and those persons having authority and responsibility for planning, directing and controlling activities of the Company are as follows:

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

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

	September 30,	
	2024	2023
	$	$
Salaries and benefits	**27,839**	35,904
Other amounts due to directors and officers	**5,221**	3,010
	33,060	38,914

Other amounts payable to officers and directors represent the reimbursement of office and travel related expenses. These transactions were incurred in the normal course of operations.

11. Fair Value Measurement of Financial Instruments

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

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

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

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

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

The payments made pursuant to the EPCS Option Agreement (Note 4) were a derivative asset. It was a financial instrument measured at fair value through profit and loss using Level 3 inputs as there were no observable market data available. Immediately prior to exercise the Company revalued the option at $8,998,164, taking into consideration the recent transactions related to land purchases in the area and the foreign exchange rate movement between the Czech Koruna and the Canadian dollar. The value of the derivative asset was included in the purchase price of EPCS (Note 4). There were no transfers between the levels of the fair value hierarchy prior to the acquisition.

11. Fair Value Measurement of Financial Instruments (continued)

The Convertible Loan derivative liability which was separated from the host convertible loan contract, is a financial instrument measured at fair value through profit and loss using Level 3 inputs as there is no observable market data available (Note 8). The significant assumptions used in the valuation were the discount rate and the probability of conversion and extension. The initial valuation of the convertible loan derivative liability was prepared by an independent valuation specialist under the direct oversight of the Chief Financial Officer. Discussions of valuation processes and results are reported to the audit committee every three months, in line with the Company's quarterly reporting periods.

12. Financial Risk Management

a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents and accounts and other receivables. Management believes that the credit risk with respect to these instruments is remote as they primarily consist of amounts on deposit with a major financial institution.

b) Liquidity risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation (Note 1). At September 30, 2024 the maturity of accounts payable and the due to related parties balances are under one year. The Company's contractual obligations related to the Convertible Loan and interest are disclosed in Note 8. See Note 1.

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and price risk.

<u>Interest rate risk</u>

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash in savings accounts and GIC's carried at fixed interest rates, invested with major Canadian and Czech banks.

<u>Foreign currency risk</u>

Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency rates. The Company's financial instruments are exposed to currency risk where those instruments are denominated in currencies that are not the functional currency of the entity that holds them. Exchange gains and losses in these situations impact earnings. A 1% increase of the value of the Canadian dollar relative to the U.S. dollar as at September 30, 2024 would result in an additional $200,313 foreign exchange gain (loss) reported in the Company's statement of comprehensive loss for the year ended September 30, 2024 (year ended September 30, 2023: ($60)). A 1% increase of the value of the Canadian dollar relative to the Czech koruna as at September 30, 2024 would result in an additional ($205,389) foreign exchange gain (loss) reported in the Company's statement of comprehensive loss for the year ended September 30, 2024 (year ended September 30, 2023: ($121,728)).

(expressed in Canadian dollars)

13. Segmented Information

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

14. Commitments

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.

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.

15. Supplemental Cash Flow Information

Non-cash financing and investing transactions in the year ended September 30, 2024 and 2023, were as follows:

	Year ended September 30,	
	2024	2023
	$	$
Capital expenditures included in accounts payable	19,472	212,123
Shares issued for deferred equity commitment	—	80,606
Transfer of reserves on exercise of share options	—	146,708

(expressed in Canadian dollars)

16. Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to pursue suitable business opportunities and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the evaluation stage and has not achieved commercial operations from its projects, its principal source of funds is from the issuance of common shares, the convertible financing facility and the operations at EPCS. Further information related to liquidity risk is disclosed in Note 1 and 12.

In the management of capital, the Company includes the components of equity. The Company manages and adjusts its capital structure considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain and adjust the capital structure, the Company may attempt to issue new shares, enter joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary, depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board.

The Company's investment policy is to invest its cash in high-quality, highly liquid short-term interest-bearing investments with maturities of one year or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company is uncertain as to whether its current capital resources will be sufficient to carry on its evaluation and development plans and operations through its current operating period and, accordingly, management is reviewing the timing and scope of current evaluation plans and is also pursuing other financing alternatives to fund the Company's operations. The Company is not currently subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management in the period.

17. Income Taxes

A reconciliation of the income tax expense at the statutory tax rate of 27% (2023 - 27%) is as follows:

		September 30,
	2024	2023
	$	$
Loss for the year	**(18,327,101)**	(12,008,131)
Expected income tax recovery	**(4,948,317)**	(3,242,195)
Non-deductible expenses and other	**567,626**	498,826
Effect of foreign tax rates and tax rate changes	**1,405,299**	846,329
Effect of deductible temporary difference not recognized	**3,065,770**	1,897,040
Income tax expense	**90,378**	—

(expressed in Canadian dollars)

17. Income Taxes (continued)

The Company has not recognized any deferred tax assets as realization is not probable. The significant components of the Company's deferred tax assets are as follows:

		September 30,
	2024	2023
	$	$
Equipment	**48,110**	46,142
Exploration and evaluation costs	**6,140,137**	5,374,006
Share issuance costs	**1,276,256**	1,110,925
Tax operating losses	**7,240,051**	7,405,382
	14,704,554	13,936,455
Unrecognized deferred income tax assets	**(14,704,554)**	(13,936,455)
Deferred income tax assets	**—**	—

At September 30, 2024, the Company had the following estimated tax operating losses available to reduce future taxable income, including losses for which deferred tax assets are not recognized as listed in the table above. Losses expire at various dates and amounts between 2025 and 2044.

At September 30, 2024	$
Canada	30,371,800
Czech Republic	8,394,500
Tax operating losses	38,766,300

18. Cost of Goods Sold

		Year ended September 30,
	2024	2023
	$	$
Materials	**1,848,828**	—
Labour costs	**690,057**	—
Depreciation	**1,236,704**	—
	3,775,589	—

(expressed in Canadian dollars)

19. Chvaletice Project Evaluation

	Year ended September 30, 2024	2023
	$	$
Engineering	**2,332,547**	2,477,686
Remuneration	**1,227,824**	1,215,320
Share-based compensation	**70,190**	166,728
Travel	**70,322**	120,760
Legal and professional fees	**900,054**	418,767
Marketing activities	**1,189,870**	107,290
Supplies and rentals	**1,313,923**	690,479
Depreciation	**1,235,170**	142,314
	8,339,900	5,339,344

20. Corporate and Administrative

	Year ended September 30, 2024	2023
	$	$
Remuneration	**2,841,842**	2,973,228
Share-based compensation	**938,129**	1,443,848
Legal and professional fees	**975,569**	1,114,122
Travel	**252,168**	293,983
Filing and compliance fees	**275,050**	301,023
Office and administration	**197,155**	243,773
Insurance	**249,915**	231,673
Conferences	**28,147**	196,022
Investor relations	**325,036**	263,903
Product sales and marketing	**30,782**	87,289
Depreciation	**126,121**	118,859
Accretion	**22,787**	25,157
Foreign exchange	**134,367**	(370,724)
	6,397,068	6,922,156

21. Events after the Reporting Period

a) Orion amendment

Subsequent to year end the Company amended the terms of the Orion agreement (Note 8) 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.

b) Bécancour Option Agreement amendment

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.

c) Options forfeited

Subsequent to the year end, 14,977,739 stock options were forfeited.

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

(expressed in thousands of Canadian dollars, except per share data)	**Years ended September 30, 2024** $	2023 $	2022 $
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.

MINING TENEMENTS AND MINERAL RESOURCE / RESERVE STATEMENT

Mining Tenements Held by the Company and the Percentage Interest held in each Mining Tenement:

Tenement	License Status	Reference	Note	Interest Acquired During Year	Interest Divested During Year	Interest Held at Year-end
Trnávka I	Exploration	631/550/14-Hd	1	-	-	100%
Trnávka II	Exploration	MZP/2018/550/386-HD	2	-	-	100%
Preliminary Mining Permit	Preliminary Mining Permit	MZP/2021/550/768-HD	3	-	-	100%

Notes:

1. Exploration license 631/550/14-Hd, issued by the Czech Ministry of Environment in favour of Mangan Chvaletice s.r.o. ("Mangan") was originally valid until 31 May 2023 and on 2 July 2021, Mangan received an extension of this license until 31 May 2026.
2. Exploration license MZP/2018/550/386-HD, issued by the Czech Ministry of Environment in favour of Mangan was originally valid until 31 May 2023 and on 2 July 2021, Mangan received an extension of this license until 31 May 2026.
3. The Preliminary Mining Permit is the prior consent of the Ministry of Environment of the Czech Republic for the establishment of the Mining Lease District and covers the areas covered by Exploration Licenses Trnávka I and Trnávka II. The Preliminary Mining Permit was originally valid until 30 April 2023 and was replaced by a new Preliminary Mining License valid until 31 May 2026.

Mineral Resource Estimate:

The Company reviews and reports its mineral resources at least annually. The date of reporting is 30 September each year, to coincide with the Company's end of fiscal year. If there are any material changes to its mineral resources over the course of the year, the Company is required to report these changes. s at September 30, 2024 there are no material changes to the Company's Mineral Resource Estimate.

Tetra Tech Canada Inc. ("Tetra Tech") was engaged to oversee the planning and execution of sampling and assaying, to prepare the Resource Estimate for the Company's *Chvaletice Manganese Project,* to prepare the Technical Report in accordance with NI 43-101 - *Standards of Disclosure for Mineral Projects ("NI 43-101"), and to prepare the* independent JORC Code technical report in accordance with the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition ("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").

In mid-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 the NI 43-101/JORC Code feasibility study report for 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 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. These reports were prepared by Mr. James Barr, P. Geo, Senior Geologist, Mr. Jianhui (John) Huang, Ph.D., P. Eng., Senior Metallurgical Engineer, Mr. Hassan Ghaffari, P. Eng., M.A.Sc., Senior Process Engineer, Mr. Chris Johns, P. Eng., Senior Geotechnical Engineer, and Mrs. Maureen Marks, P. Eng., Senior Mining Engineer.

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 below.

Chvaletice Mineral Resource Statement (effective July 1, 2022)

Historic Tailings Cell	In-situ Dry Bulk Density (t/m^3)	Volume (x1,000 m^3)	Tonnage (kt)	Grade Mn (% total Mn)
Cell #1				
Measured	1.52	6,577	10,029	7.95
Indicated	1.47	160	236	8.35
Cell #2				
Measured	1.53	7,990	12,201	6.79
Indicated	1.55	123	189	7.22
Cell #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**
Total Indicated	**1.50**	**309**	**464**	**7.85**
Combined Measured + 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 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% tMn 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.

RESERVE ESTIMATE

Mineral Reserves for the Chvaletice Manganese 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 which are materially identical to the JORC Code. 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 Chvaletice Manganese Project's combined Proven and Probable Mineral Reserve amount to 26,644,000 tonnes, grading at 7.41% total manganese as detailed below.

Chvaletice Mineral Reserve Statement (effective July 14, 2022)

Historic Tailings Cell	In-situ Dry Bulk Density (t/m³)	Volume (x1,000 m³)	Tonnage (kt)	Grade Mn (% total Mn)
Cell #1				
Proven	1.51	6,651	10,132	7.83
Probable	1.52	141	208	8.24
Cell #2				
Proven	1.53	7,929	12,106	6.91
Probable	1.54	119	183	7.35
Cell #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**
Total Probable	**1.51**	**284**	**427**	**7.84**
Combined Proven + 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 $6.47/t feed, leaching and refining operating cost estimates of $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.

Governance Arrangements and Internal Controls: The Company has ensured that the mineral resources quoted are subject to good governance arrangements and internal controls. The mineral resources and reserves reported have been based on information compiled by Mr. James Barr, P. Geo, Senior Geologist, Mrs. Maureen Marks, P.Eng., and Mr. Jianhui (John) Huang, Ph.D., P. Eng., Senior Metallurgical Engineer, all with, or formerly with, Tetra Tech. Mr. Huang, and Mrs. Marks were consultants to the Company during the preparation of the technical report and have sufficient experience in the field of activity being reported to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves, and both are Qualified Persons under National Instrument 43-101 – 'Standards of Disclosure for Mineral Projects'. The consultants have also undertaken reviews of the quality and suitability of the underlying information used to generate the resource estimation. In addition, technical information concerning the Chvaletice Manganese Project is reviewed by Ms. Andrea Zaradic, P. Eng., the Company's Vice President Operations, and a Qualified Person under NI 43-101. Ms. Zaradic is not independent within the meaning of NI 43-101.

Competent Persons and Qualifying Person Statements

The information in this annual report that relates to Mineral Resources and Mineral Reserves in relation to the Chvaletice Manganese Project is based on information compiled by Messrs. Barr and Huang, and Mrs. Marks, of Tetra Tech, all of whom are members of the Engineers and Geoscientists of British Columbia. Messrs. Barr and Huang, and Mrs. Marks, were consultants to the Company during the preparation of the NI43-101 technical report and have sufficient experience in the style of mineralisation and to the activity undertaken to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves and are Qualified Persons under National Instrument 43-101 – 'Standards of Disclosure for Mineral Projects'. Mr. Huang, and Mrs. Marks consent to the inclusion in the annual report of the matters based on this information in the form and context in which it appears.

The technical reports and competent persons' reports relating to Mineral Resources and Mineral Reserves are available to view on the Company's website at www.mn25.com and the ASX Market Announcement Platform, respectively. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions in the market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' and Qualifying Persons' findings are presented have not been materially modified from the original market announcements.

OTHER ASX ANNUAL REPORT INFORMATION

The following information is provided pursuant to ASX Listing Rule 4.10, of Chapter 4 – Periodic Disclosure, and is complete unless the specific requirement is not applicable to Euro Manganese Inc. or unless the Company has received a waiver with respect to such requirement:

Corporate Governance Statement

The Company's Corporate Governance Statement is provided on the Company's website at https://www.mn25.ca/corporate-governance-statement

Names of Substantial Shareholders

There are no substantial holders of the Company as of 30 November 2024.

Number of Holders of Each Class of Securities[(1)]

The Company's authorized share capital consists of an unlimited number of Shares without par value. As of 30 November 2024, 402,669,227 Shares (including CDIs) were issued and outstanding and held by 5,737 shareholders, one of which (CDS & Co.) held 175,235,476 Shares on behalf of 27 nominee and depository entities. As of 18 December 2024, the number of Shares issued and outstanding remained at 402,669,227 and there were 21,957,454 Shares issuable on the exercise of incentive stock options held by twenty-six option holders.

Voting Rights

All of the Shares (including CDIs) rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders, with each Share carrying the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the payment by the Company of all of its liabilities. The holders of Shares are entitled to receive dividends as and when declared by the Board in respect of the Shares on a pro rata basis. The Shares do not carry any pre-emptive, subscription, redemption or conversion rights.

Distribution of Holders[(1)]

As of 30 November 2024, the distribution of shareholders was as follows:

Size of holding	Number of holders	Percentage
1 – 1,000	703	12.25%
1,000 – 5,000	2,216	38.63%
5,001 – 10,000	966	16.84%
10,001 – 100,000	1,575	27.45%
100,001 and over	277	4.83%
Total	**5,737**	**100.00%**

Holders with Less than a Marketable Parcel of the Company's Main Class of Securities[(1)]

As of 30 November 2024, there were approximately 3,980 holders of the Company's Shares/CDIs with less than a Marketable Parcel, based on the closing price of the CDIs on the ASX as of that date of A$0.044.

Name of Corporate Secretary

Laurel Petryk is Chief Legal Officer and Corporate Secretary.

Address and Telephone Number of the Company's Registered Office in Australia and its Principal Administrative Office

The Company has no registered or administrative offices in Australia. The Company's registered and principal administrative offices are located at:

Registered Office: Suite 1700 - 666 Burrard Street, Vancouver, British Columbia V6C 2X8 Canada	Canada: #709 - 700 West Pender Street, Vancouver, British Columbia, V6C 1G8 Canada Tel: + 1 604 681 1010

Address and Telephone Number of Each Office at which a Register of Securities is Kept

The Register of securities is kept at the following offices

Australia: Computershare Investor Services Pty Limited Level 4, 60 Carrington Street Sydney NSW 2000, Australia Toll Free 1300 855 080 Toll +61 (03) 9415 4000	Canada: Computershare Investor Services Inc. 510 Burrard Street, 3rd Floor Vancouver, British Columbia V6C 3B9 Canada Tel: + 1 604 661 9400

A list of Other Stock Exchanges on which any of the Company's Securities are Quoted

The Company's Common Shares are quoted on the TSX Venture Exchange ("TSXV") under the symbol "EMN" and on the OTCQB Venture Market ("OTCQB") under the symbol "EUMNF."

Number and Class of Restricted Securities

As of 30 November 2023, there are no restricted securities.

Particulars of Unquoted Equity Securities

Unquoted equity securities include options and warrants to purchase shares.

The Board has adopted a stock option plan (the "Stock Option Plan") whereby the maximum number of Shares that may be reserved for issuance under outstanding stock options is 10% of the Company's issued and outstanding Shares on a non-diluted basis, as constituted on the date of any grant of options under the Stock Option Plan. The purpose of the Stock Option Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the Company's shareholders.

Particulars of Unquoted Equity Securities *(continued)*

As of 30 November 2024, there were 35,066,150 Shares issuable on the exercise of incentive stock options held by thirty-three option holders, having the following exercise prices and expiry dates:

Number of Options	Exercise Prices (CAD$)	Expiry Date
1,000,000	$0.08	16 May 2026
625,000	$0.10	06 April 2027
1,500,000	$0.11	22 September 2027
475,000	$0.11	14 December 2027
1,650,000	$0.20	21 February 2028
500,000	$0.20	20 March 2028
1,000,000	$0.25	15 August 2028
1,691,666	$0.28	14 February 2029
150,000	$0.25	14 May 2029
150,000	$0.25	12 August 2029
150,000	$0.25	06 April 2030
3,547,667	$0.11	11 September 2030
500,000	$0.125	22 September 2030
1,450,000	$0.61	30 March 2031
400,000	$0.59	22 June 2031
3,700,000	$0.58	20 December 2031
120,000	$0.4775	16 August 2032
250,000	$0.4775	20 February 2033
3,098,121	$0.4775	15 May 2033

Review of Operations and Activities for the Reporting Period

A review of operations of the consolidated entity for the reporting period ended 30 September 2024 is provided in Management's Discussion and Analysis included in this Annual Report immediately following the consolidated financial statements for the same period.

Additional information on the Company, its directors and executive management, and risk factors faced by the Company can be found in the Company's Annual Information Form for the year ended 30 September 2024, dated 18 December 2024, a copy of which is lodged with ASX (www.asx.com.au) and on SEDAR+ (at www.sedarplus.ca), both under the Company's profile.

Details of director and executive compensation will be included in the Management's Information Circular for the Annual General Meeting of shareholders.

Details of a Current On-market Buy-back

None.

Shares and Options Issued under the Stock Option Plan

The following table represents the number of Shares issued and the number of Options expired, forfeited and granted under the Company's Stock Option Plan for the reporting period ended 30 September 2024:

Date of Issue	Number of Securities	Issue Price (CAD$)	Description
31 January 2024	620,000 Options	0.4775	Forfeiture of Options
31 January 2024	350,000 Options	0.61	Forfeiture of Options
29-February-2024	338,315 Options	0.4775	Forfeiture of Options
31-July-2024	100,000 Options	0.58	Forfeiture of Options
31-July-2024	154,076 Options	0.4775	Forfeiture of Options

Summary of Securities Approved for the purposes of Item 7 of section 611 of the Corporations Act which have not yet been completed:

None.

Details of Securities Purchased On-market during the Reporting Period:

None.

Names of any Person having a Beneficial Ownership of more than 10% of any Class of Securities of Voting or Equity Securities and the Number of Securities in which each Substantial Holder has an interest:

To the best of the Company's knowledge, there are no persons having beneficial ownership of more than 10% of any class of any securities of the Company.

Other Information:

The Company was incorporated under the *Business Corporations Act* (British Columbia) on 24 November 2014.

The Company is not subject to chapters 6, 6A, 6B and 6C of the *Corporations Act* (Australia) dealing with the acquisition of its shares (including substantial holdings and takeovers).

There are no limitations on the acquisition of securities imposed by the jurisdiction in which the Company is incorporated and registered, and there are no limitations on the acquisition of securities imposed under the Company's articles of incorporation.

Note 1: In Canada, in order for shares to settle and trade on the TSXV, shares must be held through a nominee or depository that is a participant in the Canadian Depository for Securities ("CDS"). Participants in CDS include brokers in Canada and other registered entities. Through participant accounts in CDS, the ultimate shareholder is able to make and settle trades on TSXV. As of 30 November 2024, 175,235,476 shares were held through CDS in 27 participant accounts. The Company is not readily able to determine the range of distribution for these 175,235,476 shares held in CDS and how many shareholders, if any, hold less than a marketable parcel of the Company's shares. Accordingly, the distribution of shareholders and the number of shareholders with less than a marketable parcel of the Company's shares/CDIs may not be accurate.