MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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, B.C., Canada. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") and on the OTC Best Market ("OTCQX") 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 13, 2023, is intended to be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2023 (the "September 2023 Financial Statements"), which can be found along with other information of the Company on SEDAR+ at www.sedarplus.ca. The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The Company's significant accounting policies are set out in Note 3 of the September 2023 Financial Statements.

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

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

This MD&A contains "forward-looking statements" that are subject to risk factors as set out in a cautionary note contained in Section 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.

With the option to make one final instalment before the end of calendar 2023, Mangan expects to acquire 100% of a company that 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 rapidly, fueled largely by the Li-ion and electric vehicle ("EV") markets. An overview of the high-purity manganese market can be found in Section 6 of this MD&A.

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

The Company announced the results of the Chvaletice Manganese Project feasibility study on July 27, 2022 ("Feasibility Study"), including the conversion of 98.4% of the Mineral Resources into Mineral Reserves. The results of the Feasibility Study are summarized in Section 6 of this MD&A.

2. Overview (continued)

The Company submitted the final Environmental and Social Impact Assessment (“ESIA”) for the Project to the Ministry of Environment in the Czech Republic, for which approval is anticipated early in calendar 2024.

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

About the Bécancour Plant

The Company is progressing work on its North American growth strategy and is evaluating several opportunities to develop a project to produce high-purity manganese products for the North American market. The Company has entered into an option agreement with the owner of a 15-hectare land parcel at Bécancour, Quebec, Canada, where it proposes 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 Plant”) and WSP Canada Inc. ("WSP") has been selected to complete the feasibility study for the plant, which is subject to financing.

The Company announced the highlights of a positive scoping study for the Bécancour Project on August 9, 2023, which are summarized in Section 6 of this MD&A. At the same time, the Company announced it had signed a memorandum of understanding ("MoU") with Manganese Metal Company ("MMC"), a South African high-purity manganese producer for the supply of 99.9% pure HPEMM, allowing the Bécancour Plant to be fed with this HPEMM and/or with HPEMM from the Chvaletice Project, once operational. The MoU could enable the potential supply of high-purity manganese products to the North American market as early as mid-2027. The Company also announced it had 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, 2023, and to the date of this MD&A:

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

- 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 the year, 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.

3. Financial and Project Highlights (continued)

- 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 and the resubmission of the Project's ESIA which addressed the noise abatement. Approval of the revised final ESIA is expected in early calendar 2024.

- On August 9, 2023, the Company announced key developments on its Bécancour Plant in Québec. These included: releasing highlights of its Scoping Study for the Bécancour Dissolution Plant, signing a strategic memorandum of understanding ("MoU") with the Manganese Mining Company ("MMC"), and signing a Cooperation Agreement with the Grand Council of the Waban-Aki Nation (the "W8banaki Nation" or "W8banaki"). The MoU with MMC provides an opportunity to accelerate the supply of high-purity manganese products to the North American market possibly as early as mid-2027, thus bringing forward cash flows for the Company.

- On June 30, 2023, the Company announced it had awarded the EPCM contract for its Chvaletice Manganese Project to Wood. This followed a rigorous selection process, involving evaluating bids submitted by five international EPCM firms. Wood was selected based on cost of service as well as their proposed project schedule, technical and engineering capability, EU experience, team skill set, and overall execution strategy. The contract is cost reimbursable and is structured in two phases, with an approval stage gate between each phase as well as after a gap analysis review in Phase 1. Completion of Phase 1, involves the gap analysis review, advancing basic engineering design, selection and placing deposits for long lead process equipment, construction permit documentation and a final total installed cost and construction schedule for the plant, with Final Investment Decision ("FID") to be made prior to commencement of Phase 2, being the EPCM phase.

- On January 11, 2023, the Company signed a non-binding term sheet with Verkor, a low-carbon battery manufacturer based in Grenoble, France, for the sale of HPMSM from the Chvaletice Manganese Project. The parties intend to enter into a binding offtake agreement in calendar 2024.

- In fiscal Q1 2023 the Company published its inaugural Sustainability Report which outlines how it is leading the way for sustainable production of high-purity manganese for the EV industry.

- In fiscal Q1 2023 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 starting January 2023, whereas these option payments shall be deducted from the final purchase price of $9,171,200.

- On December 7, 2022, the Company announced positive results of the life cycle assessment study ("LCA") comparing the Global Warming Potential of the Chvaletice Project to the incumbent industry in China, showing an average 60% lower greenhouse emission potential of both products planned for the Project.

4. Outlook

The Company expects that the net proceeds from the first tranche of the Convertible Loan Facility will be sufficient funding to complete the permitting of the Project, complete the commissioning of the demonstration plant and to fund its operation, complete acquisitions of the certain land parcels needed for the Project, initiate certain FEED Phase 1 activities from the EPCM contract and certain site preparation works, and for general and administration expenses for more than 12 months. Upon achieving the conditions precedent to the second tranche of the Convertible Loan Facility, the Company will have available to it a further USD 30 million for the Project, including for the completion of the Phase 1 expenditures of the EPCM contract required to achieve FID. Following an FID by the Company's Board of Directors and upon achieving other conditions precedent under the Royalty Financing, the Company will have available to it a further USD 50 million for the Project to fund procurement, construction, and commissioning of the Chvaletice commercial plant and related infrastructure. Both the Convertible Loan Facility and the Royalty Financing sit alongside, and reduce, the project finance debt and equity required for the full financing of the Project. Funding to progress the Company's North American strategy, including the Bécancour Plant feasibility study, is expected to be provided by the Company's current cash and cash equivalents and future equity raises, and possible funding by strategic industry investors and government programs. (Section 9 of this MD&A).

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

The Company's short-term operating priorities include:

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

5. Significant Transactions During the Year Ended September 30, 2023

The Company did not complete any significant transactions in the year ended September 30, 2023, 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.

- 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%.

6. Review of Operations (continued)

- 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").

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.

6. Review of Operations (continued)

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% renewable, carbon free 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.

Environmental and Social Impact Assessment

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

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 exceeds permitted noise levels at the measurement points, located at the closest residential areas. The revision of the noise study within the ESIA also requested the Company to consider new noise legislation related to traffic noise which came into force in July 2023. The details of this new legislation were released after the ESIA was submitted in December 2022. The necessary work to address the comments related to noise was completed and the revised ESIA was submitted in October 2023. The Company anticipates the issuance of a positive decision on the revised ESIA early in calendar 2024.

Upon approval of the ESIA, the Land Planning Permit can be submitted. The documentation for this application is substantially complete and will be finalized upon receipt of the conditions in the approved ESIA. The Land Planning Permit approval timeline is typically three months once submitted, resulting in an anticipated approval by early calendar Q2 2024. The Construction Permit documentation is a deliverable of the FEED phase of the EPCM work with an expected permit approval timeline of approximately three months post submission, resulting in an anticipated approval in late 2024 or early 2025, subject to securing sufficient funds for the completion of FEED Phase 1.

6. Review of Operations (continued)

Demonstration Plant Progress Update

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

HPEMM at 99.9% purity was produced from the demonstration plant in the second quarter of calendar 2023 and external laboratory testing confirmed that the first sample met the demonstration plant target specifications. Corrosion inside the crystallizer due to a manufacturing fault has resulted in delayed production of on-spec HPMSM material. This issue was addressed and HPMSM was successfully produced from third party metal with similar specifications to HPEMM from the demonstration plant. HPEMM from the Chvaletice demonstration plant will be used to complete commissioning. Deliveries of HPEMM and HPMSM samples to potential customers are expected to commence thereafter. Customer deliveries of the Company's demonstration plant products, however, are not expected to be required for completion of offtake contracts.

The Company estimates that the cost, including fabrication, delivery, commissioning, laboratory set-up, and an operator training program, as well as the cost of operation for one year, will be approximately US$6.5 million ($8.7 million). To the date of this MD&A, the Company made total payments of US$1.8 million ($2.2 million) for the demonstration plant, accrued $0.9 million for the next milestone payments, and incurred additional expenses of $4.5 million for permitting, site preparation and commissioning.

Option Agreement and Land Acquisitions

The Company, through its subsidiary, Mangan, entered into an option agreement dated August 13, 2018 (the "EPCS Option Agreement"), to acquire 100% of the equity of EP Chvaletice s.r.o. ("EPCS"), a small Czech steel fabrication company that owns a 19.94-hectare parcel of land. 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 1.7-hectare parcel of land and rail siding that was previously acquired by the Company. This strategic land parcel encompasses the intended site of its proposed processing plant. The land is zoned for industrial use and contains numerous buildings, including office, warehousing, and other industrial structures, several of which are leased to short-term tenants. The land contains two rail spurs and is served by gas, water, and power.

The Company has the right to acquire EPCS by making payments aggregating 140 million Czech Koruna payable in four cash instalments, the first and second of which were paid on October 17, 2018, and August 13, 2021, respectively, each in the amount of 14 million Czech Koruna ($815,000 and $819,576, respectively). On August 10, 2022, the Company made the third option payment of 42 million Czech Koruna ($2,304,402) together with an extension fee of 2.1 million Czech Koruna ($115,220) for partial deferral of the second instalment. The total value of the instalments, revalued at September 30, 2023, is $4.22 million. Following an amendment to the EPCS Option Agreement dated November 29, 2023, the final payment was split into two instalments. The first instalment of 20,000,000 Czech Koruna ($1.2 million) was paid on November 29, 2023. The Company can complete the acquisition of EPCS by making the final instalment of 50 million Czech Koruna (approximately $2.92 million at September 30, 2023), due no later than December 31, 2023, The extension fee in the amendment is 1,000,000 Czech Koruna (approximately $60,000).

6. Review of Operations (continued)

The Company entered into the following agreements to acquire rights to three additional strategic parcels of land, completing its land assembly for the proposed Chvaletice commercial plant:

i. Purchase on April 15, 2021, from the owner of the nearby Chvaletice power plant, a 1,952 m² section of land encompassing Rail Spur no. 1, through which the proposed Chvaletice process plant will be serviced and connected to existing rail infrastructure, providing greater logistical capacity and flexibility for the Project. The cost of the land was 252,762 Czech Koruna (approximately $14,000).

ii. Purchase of a 49,971 m² parcel of land, including a rail spur extension that will provide additional room and flexibility for the definitive Chvaletice commercial plant layout. The cost of the land is 18,739,125 Czech Koruna (approximately $1.1 million) and can be paid in five 7.5% annual instalments (approximately $80,000 each), followed by the remaining balance of approximately $700,000 in the final year.

iii. Lease of a 3,504 m² right-of-way for a period of 30 years, with a one-month cancellation notice period, to allow the straightening of a proposed conveyor route. Annual rental will be 60,000 Czech Koruna (approximately $3,000) and the Company will retain an option to purchase this land.

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

On June 7, 2022, the Company signed an agreement with Helot, spol. s.r.o. and Ing. Martin Vanek to acquire 78,437m² in total consisting of several land parcels adjacent to the tailings area that provide additional room and flexibility for the Chvaletice residue storage facility layout. The total cost of the land is 54,327,751 Czech Koruna (approximately $3.0 million). The first instalment of $516,452 was paid in June 2022. The second instalment of $570,824 was paid in January 2023 and the remaining amount of approximately $2 million is scheduled to be paid in January 2024.

On October 30, 2023, the Company signed the ČEZ 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. 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 being increasingly used in EVs and other energy storage applications. The dominant Li-ion battery cathode chemistry used in EVs in the Western world is nickel-manganese-cobalt (“NMC”), which accounts for nearly half of all Li-ion batteries produced, measured by megawatt hours ("MWh"). The amount of these metals can vary within the NMC family of chemistries, such as NMC811, which is 80% nickel, 10% manganese, and 10% cobalt. With rising battery metal prices, battery companies are seeking ways to reduce the cost of batteries. As the least expensive battery metal, increasing the manganese content in batteries is gaining traction. Both BASF and Umicore have announced plans to scale up production of manganese-rich chemistries, with BASF's NMC370 battery, containing 70% manganese (and no cobalt) and Umicore's High Lithium Manganese ("HLM") battery, which is targeting commercial production in 2026, containing up to 60% manganese.

Additionally, high-purity manganese is now being added to lithium-iron-phosphate (“LFP”) chemistries, creating a new family of lithium-manganese-iron-phosphate (“LMFP”) chemistries with improved performance, with the manganese content of certain LMFP chemistries being as high as 60%. Recent (2023) analysis by Fastmarkets has shown that LMFP batteries are projected to be the lowest cost of all EV batteries on a $/KWh basis (however, this analysis has yet to include manganese- rich chemistries). Contemporary Amperex Technology Co., Limited ("CATL”), China’s largest battery producer and Tesla’s main battery supplier, has reported that they are planning to add manganese to their LFP chemistry, increasing the battery’s voltage, thus boosting its energy density by up to 20%. Other companies progressing with LMFP chemistries include Samsung, Gotion, HCM and a range of smaller start-ups.

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

The dominant form of manganese used in Li-ion batteries is currently High Purity Manganese Sulphate Monohydrate (HPMSM). This very high purity chemical can be manufactured directly from manganese ore or produced by dissolving High Purity Electrolytic Manganese Metal (HPEMM). While HPMSM is projected to remain the dominant form of manganese used in the EV industry, there is a growing interest in other forms of manganese, especially for some of the more innovative battery chemistries such as LMFP, LMNO and Na-ion. These can include manganese carbonate and manganese oxides (Mn3O4). Producing these different manganese salts is likely to be more economic from HPEMM than from HPMSM or similar direct ore purification processes.

In connection with the preparation of the Feasibility Study, the Company commissioned the independent research and consultancy firm, CPM Group, to provide an HPEMM and HPMSM (collectively described as "High-Purity Manganese" or "HPM") product market outlook study for the Project. Highlights are as follows:

- The market for HPMSM and HPEMM is forecast to be radically transformed as a result of the ‘EV revolution’. Most Li-ion batteries that power EVs are expected to use manganese in their cathodes and these manganese-containing battery chemistries are expected to dominate the battery market for the next two decades.

- CPM Group's current (November 2023) forecast sees the demand for high-purity manganese increasing 13 times between 2022 and 2032 (from 100 kt to 1.3 million tonnes of Mn contained). These forecasts do not include the full range of manganese-rich chemistries currently under development (for example Umicore’s HLM) or any demand from Na-ion batteries.

6. Review of Operations (continued)

- The total Mn market in 2022 was approximately 22 million tonnes, with Mn use currently dominated by the steel industry, high-purity manganese suitable for the battery market makes up less than 0.5% of the global manganese market.

- The bottleneck in supply of all forms of high-purity battery grade manganese is the lack of high-purity refining capacity. Known expansions and new projects are unable to satisfy this demand. CPM Group forecasts the 2032 deficit to be 541 kt Mn equivalent. If battery demand continues to grow as expected and no additional new projects come to the market, the forecast deficit would increase to 1 million tonnes by 2037.

According to the International Manganese Institute, China retains its dominant position as a supplier of high-purity manganese products – more than 93% of the HPMSM suitable for the battery industry originates in China. However, China relies heavily on imported ore, mainly from South Africa, Australia, Gabon, and Ghana. A consequence of this is that Chinese HPM has a very high CO2 footprint on a per tonne basis, which is compounded by the production processes used. At present, only about 2.5% of HPMSM suitable for the battery industry is produced in Europe. The Company's prospective customers are increasingly interested in diversifying their strategic raw material sourcing, driven by geopolitical and ESG concerns, and wish to promote the creation of independent, local supply chains, particularly in regions such as Europe, where the automobile manufacturing industry employs over 14 million people directly and indirectly and where the automotive companies have made strong commitments to the electrification of their fleets.

Europe is rapidly becoming a major hub in the global electric car and battery industries, with seven battery cell gigafactories (defined as >1GWh/annum of battery production) in operation now. According to announcements from the battery makers, by 2030, Europe could have 56 battery gigafactories, with more than 1,458 GWh of production capacity installed (30% of global capacity, second after China). CPM Group believes that the entire planned output of the Project can be consumed by the growing Li-ion-battery sector in Europe.

In March 2023, the European Commission published the European Critical Raw Materials Act ("CRMA"), classifying battery-grade manganese as a strategic raw material and outlining targets for extraction, processing and recycling of critical raw materials within the European Union. Specifically, to reduce the European Union's reliance on a single supply country for certain raw materials, the CRMA would require that, by 2030, no more than 65% of any strategic raw materials come from a single third country. The Chvaletice Project expects to deliver almost 50,000 tonnes of HPEMM per year when in full production, meeting approximately 25% of European demand and helping the EU reduce its trade reliance on this strategic raw material. In addition, the US Department of Treasury published a clarification to the Inflation Reduction Act on how manufacturers may satisfy the critical mineral and battery component requirements of the clean vehicle tax credit. Specifically, beginning in 2025, an eligible clean vehicle may not contain any critical minerals that were extracted, processed, or recycled by a foreign entity of concern.

The above announcements have triggered a noticeable change in dynamics with potential customers, with off-takers reaching out proactively, and a growing acknowledgement of price premiums for western extracted and processed products. This has resulted in the off-take tender process initiated by the Company having more than 190,000 tonnes of Chvaletice HPMSM (over 100% of annual production capacity) under discussion as part of the process. Discussions are progressing with potential customers across the battery supply chain, including cathode active material ("CAM") and the precursor product ("pCAM") producers, battery makers and automobile manufacturers. In addition, several larger potential customers are yet to provide an allocation of tonnage to the Company but have expressed an expectation to do so.

6. Review of Operations (continued)

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

Bécancour Plant

In response to encouraging discussions with automotive OEMs, battery and cathode manufacturers seeking to procure local, responsibly produced high-purity manganese in North America, the Company commenced work on a North American growth strategy. The Company selected a site at the Port of Bécancour, Québec, which is emerging as an important hub for the supply of low-carbon battery materials to the EV supply chain in North America due to its numerous advantages, including a year-round deep-water port, extensive road and rail infrastructure, access to low-cost hydro-electric power, strong governmental support, sophisticated local service, equipment and reagent suppliers, and a qualified work force.

The Company entered into an option agreement with the Société du parc industriel et portuaire de Bécancour "SPIPB"), a Québec provincial enterprise and owner of a 15-hectare land parcel within Bécancour (the “Bécancour Option Agreement”) where the Company proposes to establish its North American facilities. The Bécancour Option Agreement allows the Company to exclusively access the land parcel and conduct due diligence thereon over a maximum term of 21 months, during which the Company has the opportunity to purchase the site. The Bécancour Option Agreement provides that the Company pay $45,855 per month for this option starting January 2023. These option payments are to be deducted from the final purchase price of $9,171,200. As at September 30, 2023, the Company has made nine payments aggregating $412,695.

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

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

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

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

6. Review of Operations (continued)

The plant design allows for production of both HPMSM and high-purity manganese sulphate solution ("HPMSS"), allowing for customer offtake flexibility. Producing HPMSS provides both cost and environmental benefits, as an HPMSS product could be pumped as a solution to nearby pCAM manufacturers, which eliminates the need to crystallize, dry and package a powdered HPMSM product. HPMSM is ultimately dissolved in water by pCAM plants, therefore delivering a solution saves costs for both parties, reduces water consumption and CO_2 emissions.

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

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

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

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

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

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

7. Annual Financial Review

(expressed in thousands of Canadian dollars, except per share data)	Years ended September 30, 2023 $	2022 $	2021 $
Revenue	**—**	—	—
Chvaletice Project evaluation expenses	**5,197**	5,671	4,950
Other evaluation expenses	**382**	456	—
Other expenses	**6,429**	7,330	4,590
Net loss for the year attributable to shareholders	**12,008**	13,457	9,540
Basic and diluted loss per share attributable to shareholders [(1)]	**$0.03**	$0.03	$0.03

	As at September 30, 2023 $	2022 $	2021 $
Cash and cash equivalents	**7,650**	21,561	31,219
Total assets [(2)]	**29,953**	39,896	43,336
Non-current financial liabilities [(2)]	**—**	166	248

[(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.
[(2)] Total assets for each year shown include $1,249,086 in mineral property interest related to the acquisition of the Chvaletice Manganese Project on May 13, 2016, and at September 30, 2023 and 2022, total assets also include the net smelter royalty buy back from the original owners of Mangan in the amount of $5,424,458.

7. Annual Financial Review (continued)

Year ended September 30, 2023, compared to the year ended September 30, 2022

The loss for the year ended September 30, 2023, of $12,008,131 compared to a loss of $13,457,373 for the year ended September 30, 2022, represents a decrease of $1,449,242 or 10.8%. Basic and fully diluted loss per share in the current period remain unchanged at $0.03 per common share. An overview of the project evaluation and other expenses, and an explanation of the significant variances is as follows:

	Year ended September 30,	
	2023	2022
(expressed in thousands of Canadian dollars, except per share data)	**$**	$
Chvaletice Project evaluation expenses		
Engineering	**2,478**	2,518
Remuneration	**1,215**	1,585
Share-based compensation	**167**	489
Metallurgical	**—**	48
Travel	**121**	103
Legal and professional fees	**419**	405
Geological	**—**	57
Market studies	**107**	221
Supplies and rentals	**690**	245
	5,197	5,671
Other evaluation expenses		
Engineering	**170**	123
Legal and professional fees	**237**	291
Travel	**23**	57
Other income	**(48)**	(15)
	382	456
Other expenses		
Remuneration	**2,973**	2,494
Share-based compensation	**1,444**	2,253
Total remuneration	**4,417**	4,747
Legal and professional fees	**1,114**	809
Investor relations	**264**	372
Product sales and marketing	**87**	23
Travel	**294**	293
Filing and compliance fees	**301**	371
Office, general and administrative	**244**	157
Insurance	**232**	245
Conferences	**196**	120
Depreciation	**261**	191
Accretion expense	**25**	26
Interest income	**(635)**	(171)
Foreign exchange	**(371)**	147
	6,429	7,330
Loss and comprehensive loss for the year	**12,008**	13,457
Basic and diluted loss per common share	**$0.03**	$0.03

7. Annual Financial Review (continued)

Chvaletice Project evaluation costs for the year ended September 30, 2023 and 2022, were $5,197,030 and $5,671,342, respectively. The decrease from the comparative year is due to the reduction of the level of work required on the Project as the Feasibility Study work was completed in the last quarter of fiscal 2022. During the year ended September 30, 2023, the Company focused on EPCM and the preparation and submission of the ESIA. Accordingly, the Chvaletice Project evaluation costs were 8% lower in fiscal 2023 than in fiscal 2022.

The main cost variances include: a decrease of $369,643 in remuneration as a result of the higher labour costs related to mobilization for the commissioning of the demonstration plant in fiscal 2022 while in the current year, these costs were partially capitalized from the commencement of the commissioning; a decrease of $321,790 in share-based compensation due to the partial vesting of a share option grant in the comparative year and smaller options grant in the current year; a decrease of $114,175 in market studies due to fewer studies and lower costs for services; and decreases of $57,173, $47,939 and $40,576 in geological, metallurgical and engineering costs, respectively, as these parts of the Feasibility Study work were completed in the previous fiscal year. The overall decrease in the Chvaletice Project evaluation costs was partially offset by a $445,450 increase in supplies and rentals due to land rental from the Municipality of Chvaletice; an increase of $18,132 in travel expenses in the current year versus the comparative year due to more travel to site; and an increase of $13,402 in legal and professional fees mainly related to land purchase negotiations and documentation.

Other evaluation costs for the year ended September 30, 2023 and 2022, were $381,697 and $455,769, 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 site in Québec, Canada. The decrease in costs over the comparative year is mainly attributable to a decrease of $54,055 and $33,791 in professional fees and travel expenses, respectively, due to a lower volume of consulting work and less travel to the site. The overall decrease in the other evaluation costs was partially offset by an increase of $46,882 in engineering costs mainly due to the scoping study conducted in fiscal 2023. Additionally, the Company has progressed work on the initiatives with Nano One Materials Corp. ("Nano One") and it has received $48,005 from the National Research Council of Canada's Industrial Research Assistance Program ("IRAP") in the year ended September 30, 2023, offsetting a portion of these costs. The IRAP funding is shown as other income within other evaluation costs.

The $900,858 decrease in administrative costs for the year ended September 30, 2023, over the same period in 2022 is mainly attributable to: a decrease of $808,861 in share-based compensation due to the partial vesting of a share option grant in the comparative year; a $108,336 decrease in investor relations expenses due to fewer campaigns and promotional activities; and a decrease of $70,122 in filing and compliance fees due to lower annual general meeting costs in the current fiscal year, as well as higher listing fees incurred in the comparative year for share issuances related to the royalty buyback. The overall decrease in administrative costs was partially offset by a $479,713 increase in remuneration mainly due to a higher number of employees in the corporate office in Canada and short-term incentive payments made during the fiscal year; a $305,191 increase in legal and professional expenses related to costs for the project financial advisor; an increase of $86,479 in general and administrative expenses due to increased IT, communications, and other administrative expenses; an increase of $77,056 in conferences due to more in-person events attended; an increase of $70,044 in depreciation due to the new lease of two buildings at the project site which hosts the demonstration plant; and an increase of $64,016 in marketing resulting from an increase engagement with customers. Additionally, there was an increase of $464,390 from interest earned on the Company's bank deposits, and a change of $518,140 in foreign exchange due to a gain of $370,724 in this fiscal year compared to a loss of $147,416 in the previous fiscal year, mainly arising from the revaluation of the EPCS Option.

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'23**	Apr to Jun'23	Jan to Mar'23	Oct to Dec'22	Jul to Sep'22	Apr to Jun'22	Jan to Mar'22	Oct to Dec'21
	$	$	$	$	$	$	$	$
Cash and cash equivalents	**7,650**	10,896	13,805	18,305	21,561	28,026	32,070	29,129
Total assets	**29,953**	32,603	34,956	38,212	39,896	42,280	44,800	41,589
Working capital (1)	**5,691**	9,187	11,191	16,129	19,754	26,839	30,676	23,341
Current liabilities	**2,852**	2,333	3,008	2,758	2,440	1,630	1,823	6,549
Revenue	**—**	—	—	—	—	—	—	—
Chvaletice Project evaluation expenses	**1,853**	604	1,722	1,018	1,739	1,023	1,511	1,399
Other evaluation expenses	**34**	51	87	210	95	280	71	10
Other administrative expenses	**1,337**	1,449	2,161	1,480	2,089	1,804	1,673	1,763
Net loss attributable to shareholders	**3,224**	2,104	3,970	2,708	3,923	3,106	3,255	3,172
Net loss per share, basic and diluted, attributable to shareholders (2)	**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 four quarters from October 2021 to September 2022, the Company focused on progressing and completing the Feasibility Study, preparation work and permitting of the demonstration plant, and the preparation of the final ESIA. The Company completed the Feasibility Study in the quarter ended September 2022. The number of employees at the Project site has risen continuously in relation to the demonstration plant site preparation and commissioning. In the three quarters from January to September 2023, the Company focused on awarding the EPCM contract and initiating Phase 1 with the gap analysis work.

- In the two quarters from October 2022 to March 2023, the Company continued the work related to the preparation and submission of the final ESIA.

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

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

- For the four quarters from October 2021 to September 2022, other administrative expenses steadily increased mostly as a result of a higher number of employees in the corporate office in Canada and higher share-based compensation expenses. In the quarter ended December 2021, increased remuneration costs are attributable to the change in the Company's CEO and to non-cash share-based expenses in the period.

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

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

8. Quarterly Financial Review (continued)

Three months ended September 30, 2023, compared to the three months ended September 30, 2022

The loss for the three months ended September 30, 2023, of $3,225,594 compared to a loss of $3,922,555 for the three months ended September 30, 2022, represents a decrease of $696,961 or 17.8%. 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,	
	2023	2022
(expressed in thousands of Canadian dollars, except per share data)	**$**	$
Chvaletice Project evaluation expenses		
Engineering	**1,058**	512
Remuneration	**370**	727
Share-based compensation	**38**	77
Metallurgical	**—**	2
Travel	**36**	37
Legal and professional fees	**169**	69
Geological	**—**	(1)
Market studies	**19**	110
Supplies and rentals	**163**	206
	1,853	1,739
Other evaluation expenses		
Engineering	**9**	20
Legal and professional fees	**33**	80
Travel	**(6)**	10
Other income	**(2)**	(15)
	34	95
Other expenses		
Remuneration	**622**	569
Share-based compensation	**18**	599
Total remuneration	**640**	1,168
Legal and professional fees	**236**	365
Investor relations	**57**	107
Product sales and marketing	**20**	14
Travel	**81**	85
Filing and compliance fees	**49**	57
Office, general and administrative	**57**	13
Insurance	**61**	73
Conferences	**20**	44
Depreciation	**68**	63
Accretion expense	**5**	9
Interest income	**(116)**	(75)
Foreign exchange	**159**	166
	1,337	2,089
Loss and comprehensive loss for the period	**3,224**	3,923
Basic and diluted loss per common share	**$0.01**	$0.01

8. Quarterly Financial Review (continued)

Chvaletice Project evaluation costs for the three months ended September 30, 2023 and 2022, were $1,853,245 and $1,737,667, respectively. The increase over the comparative quarter in fiscal 2022 is mainly due to the gap analysis work which is part of the EPCM work and due to permitting costs. The main cost variances include: an increase of $546,532 in engineering costs due to the gap analysis work required for Phase 1 of the EPCM; and a $100,346 increase in legal and professional fees mainly related to land purchase negotiations and documentation. The overall increase in the Chvaletice Project evaluation costs was partially offset by a decrease in remuneration of $356,987 as a result of higher amount of labour costs related to mobilization for the commissioning of the demonstration plant in the comparative period; a decrease of $89,966 in market studies due to lower costs for services; a $43,031 decrease in supplies and rentals due to site preparation costs in the comparative period; and a $39,581 decrease in share-based compensation due to the partial vesting of a share option grant in the comparative period.

Other evaluation costs for the three months ended September 30, 2023 and 2022, were $33,720 and $95,103, 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 site in Québec, Canada. The decrease in costs over the comparative period is mainly attributable to a decrease of $47,940 in professional fees due to a lower volume of consulting work; a decrease of $15,847 in travel expenses due to fewer trips to site; and a decrease of $10,393 in engineering costs due to fewer engineering studies performed in the current period. Additionally, the Company has progressed work on the initiatives with Nano One and the Company has received $2,100 from IRAP in the three months ended September 30, 2023, offsetting a portion of these costs. The IRAP funding is shown as other income within other evaluation costs.

The $751,156 decrease in administrative costs for the three months ended September 30, 2023, compared to the same period in 2022 is mainly attributable to: a decrease of $580,526 in share-based compensation due to the partial vesting of a large share option grant in the comparative period; a decrease of $49,811 in investor relations expenses due to fewer campaigns and promotional activities; a $128,617 decrease in legal and professional expenses due to lower volume of consulting work compared to the previous period; and a $23,554 decrease in conferences due to the attendance of fewer conferences in the current period. The overall decrease in administrative costs was partially offset by a $52,971 increase in remuneration due to a higher number of employees in the corporate office in Canada; and a $44,428 increase in office, general and administrative costs due to increased IT, communications, and other administrative expenses. Additionally, there was a $7,911 change in foreign exchange loss mainly arising from revaluation of the EPCS Option; and a $41,509 increase in interest earned on the Company's bank deposits.

9. Liquidity and Capital Resources

As at September 30, 2023, the Company held cash and cash equivalents of approximately $7.6 million. Cash and cash equivalents are held with reputable financial institutions and are invested in highly liquid short-term investments with maturities of one year or less. The funds are not exposed to significant credit risk and there are no restrictions on the ability of the Company to use these funds to meet its obligations.

The decrease in cash of $13.9 million during the year ended September 30, 2023, is a result of $10.8 million used in operating activities and $3.1 million used in investing activities, which included the payment for demonstration plant costs and certain land related payments. Working capital decreased by $14.1 million during the year ended September 30, 2023, to $5.7 million from $19.8 million at September 30, 2022.

9. Liquidity and Capital Resources (continued)

As described in Sections 3 and 4 of this MD&A, the Company signed definitive agreements on November 28, 2023 with Orion for a non-dilutive USD 100 million Funding Package, which included a two-tranche USD 50 million Convertible Loan Facility and a USD 50 million Royalty Financing. The Company closed the initial tranche USD 20 million of the Convertible Loan Facility on November 29, 2023. Conditions precedent to the USD 30 million tranche of the Convertible Loan Facility include completion of offtake agreements for 40% of the Chvaletice Manganese Project's high-purity manganese production for the first five years of production and securing a strategic investor. Conditions precedent to drawing the USD 50 million Royalty Financing a final investment decision by the Company's Board of Directors and other conditions precedents typical for this type of financing.

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

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

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

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

The Company's commitments at September 30, 2023, are shown in Section 12 of this MD&A.

10. Off Balance Sheet Arrangements

As at September 30, 2023, 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 twelve months ended September 30, 2023 and 2022, 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, 2023, 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,	
	2023	2022
	$	$
Salaries and fees	**2,379,749**	2,162,807
Share-based compensation	**1,314,075**	2,051,389
	3,693,824	4,214,196

At September 30, 2023, amounts owing to directors and officers of the Company for salaries and directors' fees amounted to $35,904 (2022 - $378,373). 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, 2023, for the reimbursement of office and travel related expenses were $3,010 (2022 - $31,093).

12. Contractual Commitments

As at September 30, 2023, the Company was committed to make the minimum annual cash payments, as follows:

	Payments due by period		
	Total	Less than one year	1 - 2 years
	$	$	$
Minimum lease payments (1)	528,333	240,820	287,513
Land acquisition payments (2)	2,077,678	2,077,678	—
Operating expenditure commitments	461,863	456,413	5,450
Total contractual obligations	3,067,874	2,774,911	292,963

(1) The Company has signed a non-cancellable office lease, with the option to sublet the premises, that will commence in 2024.
(2) Land acquisition payments related to land parcels described in Section 6 of this MD&A.

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

Annual rental payments pursuant to the land access agreement with the Municipality of Chvaletice, which became effective in July 2022, and Minimum Rent payments due under the CEZ Lease Agreement, which become effective in 2027, are described in Section 6 of this MD&A.

The Company is not subject to any externally imposed capital requirements.

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 13, 2023:

	Number of securities
Issued and outstanding common shares	402,669,227
Share purchase options	38,497,584
Warrants	6,000,000

14. Proposed Transactions

As at September 30, 2023, 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, other than the Funding Package entered into with Orion as described in Section 9 of this MD&A.

15. Events After the Reporting Period

There were no additional events after the reporting period other than the Funding Package entered into with Orion and the ČEZ Lease Agreement as described in Section 9 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 as issued by the IASB. Detailed description of the Company's significant accounting policies can be found in Note 3 of the Company's audited consolidated financial statements for the year ended September 30, 2023. The impact of future accounting pronouncements is disclosed in Note 3.14 of the September 2023 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 3.15 of the September 2023 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 10 and 11, respectively, of the September 2023 Financial Statements.

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

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.

Management, including the CEO and CFO, has evaluated the design and operating effectiveness of the Company's disclosure controls and procedures as of September 30, 2023. Based on this evaluation, management concluded that the Company's disclosure controls and procedures, as defined in NI 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings*, are effective to achieve the purpose for which they have been designed.

Internal Controls Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company uses the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") internal control framework to design internal controls over financial reporting.

Internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and disposition of assets, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. The design, maintenance and testing of any system of controls is based in part upon certain assumptions about the likelihood of future events, and any control system may not succeed in achieving its stated goals under all potential future conditions.

Management, under the supervision and with the participation of our CEO and CFO, has evaluated the effectiveness of the design and operating effectiveness of the Company's internal control over financial reporting as of September 30, 2023. Based on its evaluation, management concluded that the Company's internal controls over financial reporting, as defined in NI 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, are effective to achieve the purpose for which they have been designed.

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 mineral project, its proposed Bécancour Plant or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate”, “scheduled”, “forecast”, “predict” and other similar terminology, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Regarding the Chvaletice Project, results of the Feasibility Study constitutes forward-looking information or statements, including but not limited to estimates of internal rates of return payback periods, net present values, future production, assumed prices for HPMSM and HPEMM, ability of the Company to achieve a pricing premium for its products, proposed extraction plans and methods, operating life estimates, cash flow forecasts, metal recoveries and estimates of capital and operating costs. In addition, forward-looking information or statements also include, but are not limited to, statements regarding the ability of the Company to deliver on samples meeting specifications to potential customers from the demonstration plant, the timing for each phase of the EPCM contract, timing of final investment decision, the acceptability of the revised ESIA documentation by the Czech Ministry of Environment and the anticipated timing of various regulatory approvals, statements regarding the ability of the Company to obtain remaining surface rights and various permits, the benefits of remediating the historic tailings areas, statements regarding the expectation of the Company that the net proceeds from the first tranche of the Convertible Loan Facility will be sufficient funding to complete the permitting of the Chvaletice mineral project, complete the commissioning of the demonstration plant and its operation, complete the acquisition of certain land parcels needed for the Project, and certain site preparation works, and for general and administration expenses for more than 12 months, 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, the growth of the EV industry, the use of manganese in batteries, the manganese project supply line, support from European financial institutions, any anticipated benefits from legislation and the Company’s ability to obtain financing.

Regarding the Bécancour Plant, forward-looking statements include, but are not limited to, statements concerning the Company’s plans for advancing the Bécancour Plant and results of the Scoping Study including estimates of internal rates of return, net present values, and estimates of costs. Such forward-looking information or statements also include, but are not limited to, statements regarding the timing for completion of the Bécancour feasibility study, the Company’s ability to acquire the Bécancour land parcel, the Company’s ability to reach a definitive agreement with MMC to supply feedstock, the Company’s estimated engineering/ construction timelines to build the Bécancour Plant and ability to arrange necessary infrastructure, the Company’s ability to provide supplemental HPEMM feedstock to the Bécancour Plant from the Chvaletice Project and source other feedstock, the technical capability of the Bécancour Plant and the Company’s ability to operate the Bécancour Plant and produce both HPMSS and HPMSM and any associated cash flow and timelines for cash flow, the projected growth of the North American demand for high-purity manganese products, any benefits of legislation, the economic and environmental benefits of producing HPMSS, 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 for the Chvaletice Project, lack of sufficient funding, the ability to develop adequate processing capacity and production; the availability of equipment, facilities, and suppliers necessary to complete development; the cost of consumables and extraction and processing equipment; risks and uncertainties related to the ability to obtain, amend, or maintain necessary licenses, or permits, risks related to acquisition of surface rights; the potential for unknown or unexpected events to cause contractual conditions to not be satisfied; the failure of parties to contract with the Company to perform as agreed; risks and uncertainties related to the accuracy of mineral resource and reserve estimates, variations in rates of recovery and extraction, the price of HPEMM and HPMSM, power supply sources and price, reagent supply resources and prices, future cash flow, total costs of production, and diminishing quantities or grades of mineral resources and reserves; the inability to secure sufficient offtake agreements; the inability to meet conditions under the Company's secured credit facility and risks related to granting security; a delay or inability to get the ESIA approved by relevant authorities; unexpected results or unsuccessful completion of the various stages of the EPCM contract; and changes in project parameters as plans continue to be refined. For the Bécancour Plant, factors include, among other things: assumptions in the scoping study not proving accurate over time and negatively affecting results; an inability to obtain financing, unanticipated operational difficulties including failure of the Bécancour Plant; cost escalation for reagents, labour, power and other cost increases; inability to secure key reagents; a delay or inability to obtain or maintain necessary licenses or permits; the potential for unknown or unexpected events to cause contractual conditions to not be satisfied; inability to complete feasibility study or other technical studies or unexpected results; and risks and uncertainties related to limited feedstock supply options.

Additional factors that could cause results or events to differ materially from current expectations include risks related to global epidemics or pandemics and other health crises; availability and productivity of skilled labour; risks and uncertainties related to interruptions in production; unforeseen technological and engineering problems; the adequacy of infrastructure; risks related to working conditions, accidents or labour disputes; social unrest or war; the possibility that future results will not be consistent with the Company's expectations; increase in competition, developments in EV battery markets and chemistries; risks related to fluctuations in currency exchange rates, changes in laws or regulations; and regulation by various governmental agencies and changes or deterioration in general economic conditions. For a further discussion of risks relevant to the Company, see "Risk Factors" in the Company's annual information form for the year ended September 30, 2023, available on the Company's SEDAR profile at www.sedarplus.ca.

All forward-looking statements are made based on the Company's current beliefs as well as various assumptions made by the Company and information currently available to the Company. For the Chvaletice Manganese Project, these assumptions include, among others: the presence of and continuity of manganese at estimated grades; the ability of the Company to obtain all necessary land access rights and permits; the availability of personnel, machinery, and equipment at estimated prices and within estimated delivery times, and the successful completion of the various stages of the EPCM contract. For the Bécancour Plant, assumptions include demand for products develops as anticipated, that customers and other counterparties perform their contractual obligations, that operating and capital plans will not be disrupted by issues like lack of availability of personnel, machinery, equipment, there are no material variations in costs, successful completion and positive outcome of the feasibility study, and that the Company will obtain required environmental and other permits. In addition, general assumptions include currency exchange rates; manganese sales prices; growth in the manganese market; appropriate discount rates applied to the cash flows in economic analyses; tax rates and royalty rates applicable to the proposed operations; the availability of acceptable financing; success in realizing proposed operations; and favorable regulatory environment.

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.