EURO MANGANESE

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

# Contents

### Financial Statements



### Notes to the Consolidated Financial Statements

## Management's Responsibility for Financial Reporting

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

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

Management has established processes that are in place to provide management with sufficient knowledge to support its opinion that it has exercised reasonable diligence such that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, the results of operations and cash flows of the Company, as of the date and for the period presented by the consolidated financial statements.

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

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

December 18, 2024

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

# Independent auditor's report

To the Shareholders of Euro Manganese Inc.

## Our opinion

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

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

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

## Basis for opinion

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

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

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

## Material uncertainty related to going concern

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

PricewaterhouseCoopers LLP
PwC Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T.: +1 604 806 7000, F.: +1 604 806 7806, Fax to mail: ca_vancouver_main_fax@pwc.com

## Key audit matters

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

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

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

## Other information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants

Vancouver, British Columbia
December 18, 2024

## Consolidated Statements of Financial Position

Euro Manganese Inc.
(expressed in Canadian dollars)

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

Going Concern (Note 1)

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

| | |
|---|---|
| *"Martina Blahova"* | *"John Webster"* |
| Martina Blahova, Interim CEO | John Webster, Director |

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

## Consolidated Statements of Loss and Comprehensive Loss

Euro Manganese Inc.
(expressed in Canadian dollars)

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

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

## Consolidated Statements of Changes in Shareholders' Equity

Euro Manganese Inc.
(expressed in Canadian dollars)

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

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

## Consolidated Statements of Cash Flows

Euro Manganese Inc.
(expressed in Canadian dollars)

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

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

## 1. Nature of Operations and Going Concern

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

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

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

As an early stage development company, EMN has no material operating revenues and is unable to self-finance its operations. During the year ended September 30, 2024, the Company incurred a net loss of $18,327,101 and used $13,585,155 cash for operating activities and $6,907,927 for investing activities. As at September 30, 2024, the Company's working capital (current assets less current liabilities) was $7,982,450 however the Company's capital resources are not expected to provide sufficient working capital to fund its corporate and project development costs for at least twelve months from the date of these financial statements. Further, there is no assurance that the evaluation and development activities executed or planned by the Company for the Chvaletice Manganese Project will result in the development of a profitable commercial operation. The Company is expected to operate at a loss while the Company is developing the Chvaletice Manganese Project.

The Company has deferred its interest payments with Orion (Note 21(a)) to provide additional liquidity however it is anticipated that the Company will be required to obtain financing from the sale of equity and/ or another form of financing. The ability of the Company to arrange such financing in the future will depend principally upon prevailing market conditions and the performance of the Company. Such additional funding may not be available when needed, if at all, or may not be available on terms favorable to the Company. These factors give rise to material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The consolidated financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported revenues and expenses and the balance sheet classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

## 2. Basis of Preparation

***2.1 Statement of compliance***

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

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

***2.2 Basis of measurement***

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

***2.3 Principles of consolidation***

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

## 3. Material Accounting Policies, Estimates and Judgments

***3.1 Foreign currency translation***

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

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

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

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

***3.2 Exploration and evaluation costs***

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

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

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

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

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

***3.3 Impairment of non-financial assets***

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

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

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

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

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

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

***3.4 Property, plant and equipment***

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

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

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

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

***3.5 Cash and cash equivalents***

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

***3.6 Share and warrant based compensation***

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

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

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

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

### *3.7 Income taxes*

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

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

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

### *3.8 Financial instruments*

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

*i)* *Classification*

Classification of financial instruments is determined at initial recognition.

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

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

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

*ii) Measurement*

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

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

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

*iii) Impairment of financial assets*

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

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

*iv) Derecognition*

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

*v) Fair value of financial instruments*

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

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

***3.9 Leases***

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

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

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

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

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

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

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

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

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

***3.10 Related party transactions***

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

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

### *3.11 Loss per share*

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

### *3.12 Asset Retirement Obligation*

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

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

### *3.13 Accounting for government grants and disclosure of government assistance*

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

### *3.14 Critical Estimates and Judgments*

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

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

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

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

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

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

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

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

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

### *3.15 Newly Adopted Policies*

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

*Business combinations*

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

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

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

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

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

*Inventory*

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

*Revenue*

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

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

***3.16 New Accounting Standards Issued But Not Yet Effective***

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

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

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

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

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

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

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

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

(expressed in Canadian dollars)

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

The final purchase price consideration was as follows:

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

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

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

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

## 5. Exploration and Evaluation Assets

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

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

(expressed in Canadian dollars)

## 6. Property, Plant and Equipment

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

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

(expressed in Canadian dollars)

## 6. Property, Plant and Equipment (continued)

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

## 7. Other Assets

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

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

## 7. Other Assets (continued)

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

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

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

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

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

## 8. Convertible Loan Facility

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

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

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

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

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

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

(expressed in Canadian dollars)

## 8. Convertible Loan Facility (continued)

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

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

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

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

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

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

(expressed in Canadian dollars)

## 9. Equity

### a) Common shares

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

### b) Share options

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

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

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

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

(expressed in Canadian dollars)

## 9. Equity (continued)

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

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

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

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

### c) Warrants

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

(expressed in Canadian dollars)

## 10. Related Party Transactions

### a) Key management compensation

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

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

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

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

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

## 11. Fair Value Measurement of Financial Instruments

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

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

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

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

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

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

## 11. Fair Value Measurement of Financial Instruments (continued)

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

## 12. Financial Risk Management

**a) Credit risk**

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

**b) Liquidity risk**

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

**c) Market risk**

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

Interest rate risk

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

Foreign currency risk

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

(expressed in Canadian dollars)

## 13. Segmented Information

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

## 14. Commitments

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

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

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

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

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

## 15. Supplemental Cash Flow Information

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

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

(expressed in Canadian dollars)

## 16. Management of Capital

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

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

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

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

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

## 17. Income Taxes

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

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

(expressed in Canadian dollars)

## 17. Income Taxes (continued)

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

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

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

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

## 18. Cost of Goods Sold

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

(expressed in Canadian dollars)

## 19. Chvaletice Project Evaluation

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

## 20. Corporate and Administrative

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

## 21. Events after the Reporting Period

### a) Orion amendment

Subsequent to year end the Company amended the terms of the Orion agreement (Note 8) whereby, in exchange for waiving certain covenants of the original agreement for up to one year and the deferral of interest payments from January 1, 2025 onwards, the Company will pay 14% interest on the outstanding loan and will issue warrants of the Company matching the same terms for a future financing as if Orion had participated for US$2,800,000 in that financing. The Company has also been granted the right to repay the convertible loan at par, including all accrued and unpaid interest, and may cancel the second tranche of the Orion convertible debt financing without penalty. In addition the Company also has the right to terminate the royalty conversion and financing at any time prior to the satisfaction of the conditions precedent for the royalty for a fee of US$1 million, provided that the outstanding loan amounts (and all accrued and unpaid interest) have been repaid in full at such time. The warrants are subject to regulatory approval.

### b) Bécancour Option Agreement amendment

Subsequent to year end the Company amended the terms with SPIPB whereby the Company now has the option to acquire an 8 hectare property at the Port of Bécancour for total consideration of $5,111,304 until September 30, 2025. The total funds of $962,955 paid to date will be applied upon the option exercise against the total purchase price. Certain conditions exist for closing including approval of project plans by SPIPB and obtaining project financing.

### c) Options forfeited

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