



**Euro
Manganese
Inc.**

Euro Manganese Inc. Third Fiscal Quarter 2023 Call Recording Transcript

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Speakers: **Dr. Matthew James**
President and Chief Executive Officer

Martina Blahova
Chief Financial Officer

Louis Burgess
Senior Director, IR & Communications

Louise Burgess:

Hello everyone.

Okay, Matt. I can see that a number of people are with us now, so if you'd like to get started I will put myself on mute and pass it over to you.

Dr. Matthew James:

Thank you, Louise.

Good morning and good afternoon to everyone. Thank you for joining us to review developments during Euro Manganese's third fiscal quarter. Please note, the slides for today's call can be downloaded from our website.

Before we begin, I must remind you that this presentation involves forward-looking statements. Please refer to our Cautionary Statements here and the risk factors in our Annual Information Form.

Our news release filed on August 14th highlight our third fiscal quarter financial position. This should be read in conjunction with our Management's Discussion & Analysis and financial statements, both of which are available on our website, SEDAR and the ASX.

Joining me today on the call are Martina Blahova, Chief Financial Officer, and Louise Burgess, Senior Director, Investor Relations and Corporate Communications. I'll pass on to Martina in a moment to go through financial highlights for the quarter and the Company's financial position, then I'll run through key developments during the quarter and how we're progressing against key catalysts for 2023. We'll wrap up with a quick questions-and-answer session.

Over to you, Martina.

Martina Blahova:

Thank you, Matt.

Just a reminder that we report to a year end of 30 September, so our Q3 references the period of April through June. We also report in Canadian dollars.

I will briefly comment on our cash position and the intended use of these funds in the coming quarters. We remain funded to deliver certain near-term project milestones and for Corporate G&A for the next six months.

We started the quarter with \$13.8 million in cash; \$1.2 million was spent to advance the commissioning of the demonstration plant which is now close to completion and to make a milestone payment to the plant equipment supplier; \$1.6 million was spent on operating expenditures which covered the advancement of Chvaletice permitting, including preparation of documentation for land planning and construction permits, the scoping study and other due diligence costs for the Bécancour site in Québec, and other corporate costs. We closed the quarter with \$10.9 million in the bank.

Our cash position will allow us to deliver on our near-term project milestones, which include commissioning of the demonstration plant and its initial operation on a batch basis; advancing the permitting for construction of the Chvaletice project; advancing certain land acquisitions for the commercial plant area; initial feed front-end engineering design; and Corporate G&A costs for the next six months.

Additional funding will be required for the EPCM—engineering, procurement, construction management services—for the project, future payments for land acquisitions, and future construction of infrastructure and facilities for the project. Funding will also be required to advance the Company's North American strategy, including land payments and completion of the Bécancour feasibility study. Financing is one of our top priorities and we continue to work diligently on it with our financial advisors.

I will now turn it back to Matt.

Dr. Matthew James:

Thanks, Martina.

Here's an overview of achievements during the quarter and to date. We advanced on both technical and commercial fronts, including our North America strategy, and I'll speak to these in more detail in the coming slides.

Specifically, we remain focused on four key workstreams to deliver our Chvaletice project. These include advancing engineering, permitting, offtakes, and as Martina just mentioned, financing. We made excellent progress on our engineering workstream this quarter. In June, we awarded the engineering, procurement and construction management contract or EPCM to Wood. The contract covers all phases of work through to commissioning and handover of the commercial Chvaletice plant.

Awarding the contract required a rigorous selection process. I'm very pleased to be partnering with such a high-caliber tier 1 company. In addition to Wood's technical and engineering capabilities, it was important to us to work with the team and had experience in the European Union and a proven track record of delivering large scale chemical plants.

The contract is cost reimbursable and structured in two phases. Phase 1 includes a GAAP analysis which is an in-depth review of the Chvaletice plant feasibility study deliverables, including evaluating test work and the flow sheet developed by team. Following this initial piece of work, front-end engineering design or FEED for short, will commence, which include value engineering, identification of long-lead items, vendor engagement and a project implementation strategy, which will inform a baseline schedule for the EPCM phase. Deliverables of Phase 1 also include preparation of the construction permit documentation and an updated capital cost estimate for the plant to a plus or minus 10% accuracy.

As a reminder, our feasibility study for the Chvaletice project outlined an initial CapEx of approximately US\$750 million, which included over \$100 million of contingencies. The feasibility study was completed in mid-2022, when prices for materials were higher than we're seeing today. My point here is our initial CapEx figure is robust, and we may potentially see some benefits from costs returning to more normal levels.

On completion of Phase 1, expected to be in mid-2024, we expect to make a final investment decision prior to entering Phase 2.

Phase 2 is the full engineering, procurement and construction management stage where Wood will provide overall project management services, including detailed design, procurement, construction and commissioning of the main Chvaletice plant.

Over to the permitting workstream, work there is progressing well. On a positive note, 13 of the 14 relevant authorities approved their sections of the study in the environmental and social impact assessment, indicating an overall positive perception of the project. However, we received comments from one authority related to noise abatement during the quarter, and we have now addressed and resubmitted this section to that relevant authority.

For background, our projects anticipated noise level fall well within legislative limits for an industrial project. However, the cumulative effect of noise with other industry in the region marginally exceeded permitted noise levels at the measurement points located have the closest residential areas. We expect to resubmit a full EIA in the coming weeks and anticipating a positive decision on this ESIA before the end of 2023.

In parallel to the work our team has completed the revised ESIA, they have also substantially completed the documentation required for the land planning permit. This permit can be submitted on approval of ESIA. The approval timeline is typically three to four months for the land planning permit. Thereafter, the next key permit stage is the construction permit, which is a deliverable of the FEED phase, the documentation. The approved timeline for that is also three to four months.

Over to the demonstration plant where we produced 99.9% pure high-purity electrolytic manganese metal, or HPEMM, during the quarter, external lab tests confirmed the HPEMM met demonstration plant specifications. This de-risks our process flowsheet. Production of on-spec high-purity manganese sulphate monohydrate or HPMSM has been delayed, and this is due to a manufacturing fault with the crystallizer. An incorrect welding material used by the manufacturer caused corrosion inside the vessel. Our team identified this issue and has addressed the issue, and production of HPMSM has recommenced. Samples need to be tested and assayed by external labs.

I want to remind everyone that HPMSM is an almost pharmaceutical-grade product in terms of purity and therefore, specifications of impurity is tight.

The demonstration plant is a crucial step in our development. Lessons learned can mitigate risk on the commercial plant, and it also provides experience with our production processes for our operators, as well as enabling production of large-scale samples for potential customers. Note, these samples are not expected to be required for completion of offtake contracts.

That's a good segue to our offtake workstream. Our offtake funnel remains full with tonnages under discussion increasing over the quarter and now exceeding our plant capacity by more than 30%. In addition, new offtakers have entered the funnel. We now have 22 parties at the top with more than 50,000 tonnes of HPMSM per annum collectively under discussion in that section. A number of parties have advanced to the middle of the funnel with a total of 11 parties now interested in more than 30,000 tonnes of HPMSM per annum. Obviously, we remain focused on advancing the six parties at the sharp end of the funnel to term sheet stage.

Verkor is the seventh party here with whom we already have a term sheet and are moving forward with full documentation. These seven parties at the sharp end of the funnel now account more than 120,000 tonne of HPMSM per annum, which amounts to 80% of our production capacity. That is a number we are targeting under offtake to underpin our debt financing.

I would mention these are initial tonnages from offtakers. Offtakers have indicated a potential need for higher tonnages as the market grows and as manganese-rich chemistries evolve. We are seeing increased news flow of commercialization of manganese-rich chemistries, including nickel-manganese-cobalt, which are increasing the amount of manganese and decreasing the amount of nickel and cobalt. We're seeing LMFP with manganese being added to the LFP chemistries, and a big announcement that Samsung are now launching an LMFP chemistry. And sodium-ion, a new battery chemistry, also can contain up to 30% manganese.

Additionally, several larger potential customers are still yet to disclose their allocation of tonnage to the Company, however have expressed an expectation to do so in the near future.

Euro Manganese remains very well positioned to meet the increasing need for high purity manganese in lithium-ion batteries. We have the only manganese resource in Europe and stand to benefit from increasing demands for a local, responsibly-produced source of supply.

Switching gears to Bécancour where we made good progress at this growth opportunity in Québec. Bécancour is fast becoming a battery materials hub, and we are well positioned to take advantage of being a heart of a made-in-North America EV supply chain.

Our 15-acre site on which we have an option agreement to purchase is strategically located adjacent to a cluster of planned cathode acting material manufacturing plants. These include investments by GM-Posco, BASF and, just recently announced, Ford-EcoPro. After the quarter end, we released highlights of a scoping study that evaluated the development of a high-purity metal dissolution plant in Bécancour capable of producing just over 48,000 tonnes per annum of HPMSM based on sufficient supply of HPEMM feedstock.

Now, just a reminder, a metal dissolution plant uses HPEMM as the feedstock. The scoping study delivers strong preliminary economics with a post-tax NPV, net present value, of CA\$190 million using an 8% discount rate, a post-tax IRR internal rate of return of 26%, and a payback period of approximately four years. The economic analysis was run on a constant dollar basis with no inflation. No government rights were included and it was unlevered. Initial capital was estimated at CA\$110 million, including contingencies of CA\$15 million.

A key aspect of the plant is the short build time. The scoping study estimated an approximate two-year engineering and construction duration from the end of Bécancour feasibility study. Minimum infrastructure is required with off-site infrastructure limited to just power line connection to potential development of a rail spur from the Bécancour site railway line. On-site infrastructure includes road, plant and administrative buildings, power distribution, storage buildings for metal feedstock solution, and sulphite products.

Parallel to this, we continue to engage with both the Quebec provincial and Canadian federal governments on the incentive support programs available for the plant. Residents in the region indicate the Bécancour plant may be eligible to receive support for up to 40% of CapEx. Additionally, we are investigating whether the recent announced Clean Technology Manufacturing Tax Credit, which would refund 30% of the cost of machinery and equipment used to process critical raw materials essential to the clean technology supply chains would be available for the plant.

We have appointed WSP Canada out of Montreal to complete a feasibility study for the Bécancour plant which will further refine costs, economics and customer offtake opportunities. The feasibility study is expected to be completed in mid-2024, subject to financing. We aim to advance permitting in parallel with the feasibility study.

In addition to the initial economics, what makes Bécancour an attractive opportunity is the feedstock optionality that the MOU with the Manganese Metal Company offers. MMC, as they are known, is the leading producer of selenium-free 99.9% HPEMM, and they're based in South Africa. The MOU allows the Bécancour plant to be set with HPEMM from MMC and/or from our Chvaletice project. It allows for flexibility on the supply of HPEMM, depending on market demand, MMC product availability, and Chvaletice metal sales.

The MOU is strategically significant as this metal feedstock enables the potential acceleration of Bécancour plant to supply the North American market as early as mid-2026. This potentially enables us to be the first to market and also to bring cash flows forward for the Company by at least a year.

As a reminder, North American demand for high-purity manganese is expected to be over 200,000 tonnes by 2031, however, there are no current processing facilities in North America.

MMC has provided HPEMM samples for test work as part of the feasibility study, and we intend to work together to conclude a definitive agreement.

I'm also very pleased with the Cooperation Agreement we signed last month with the Grand Conseil de la Nation Waban-Aki, a tribal council of the Abenaki communities on whose ancestral territory the Bécancour plant will be situated. This agreement defines how we intend to communicate openly and regularly, and to work together for the mutually acceptable development of Bécancour plant, especially during the evaluation and planning phases.

Perhaps a few words on the Bécancour process flowsheet before wrapping up. The plant design allows for production of both high-purity manganese sulphate solution or HPMSS, which will be for local consumption, and high purity manganese sulphate monohydrate powder, which provides custom offtake flexibility. Reducing HPMSS provides both cost and environmental benefits as delivering a solution locally eliminates the need to crystallize, dry and package and HPMSM powder product. The plant design leverages extensive process development and engineering work already completed for the Chvaletice project.

Moving on to our 2023 key catalysts, I've given an update on most of these deliverables today. One to note is the commencement of formal debt process by the commercial project finance banks. This is

expected to commence in Q4 this year. The European Bank for Reconstruction and Development and the European Investment Bank have already commenced their due diligence processes. We remain focused on our flagship project in Europe, producing on-spec HPMSM from the demonstration plant, inviting the remaining land access agreements, and you'll see that they have remained at 3 of 5, which has been the case for the last two quarters or so. But I would like to stress that significant progress has been made on these commercial agreements during these last few quarters.

Obviously, securing more offtake terms sheets and driving customers through that offtake funnel and to contracts is important.

And finally, securing finance.

Thank you everyone for tuning in today. I'll now open it up to questions.

Louise Burgess:

Thank you, Matt. We'll pause for just a moment while people wish to enter questions. Please use the chat function—the Q&A, I apologize—at the bottom of your screen to enter your questions. We'll just take a moment now.

Dr. Matthew James:

One question that we had via email before the call was on progress of the land access agreements. As I mentioned earlier, we have made significant progress in those negotiations, and we expect those to be completed in the near term.

Louise Burgess:

Thank you, Matt. It is looking like we don't have any other questions at this time, so unless you'd like to enter a question now, we may well wrap up. Alternatively, please do send us questions by email if you have any.

Sorry, apologies; one has just popped in here. Matt, perhaps you can take this one? Can you talk about what you've learned about the high-purity manganese industry in China and investments in capacity expansion there?

Dr. Matthew James:

Yes. We have obviously been—we monitor what's happening in China. I think all the forecast for global demand for HPMSM, indicating a deficit in supply globally including China. There have been announcements by a number of Chinese for, both incumbent producers and new producers announcing planned investments in capacity. We haven't seen any groundbreaking activity as yet. There is a small amount of surplus as demand grows; we are not yet in that deficit situation, so I think we're probably wait and see, I think, to see that deficit for you'll see new investments in China.

I want to also say that the market is definitely splitting between in-China and non-China from a demand perspective, and demand for local sourced material, both in Europe and the U.S., is obviously where our focus is. And we're hearing from customers there needs to be a demand for locally-sourced material. Whilst I do not underestimate the Chinese ability to grow production capacity quickly, they won't be able to supply all the requirements of a North American and European market from a legislative or incentive perspective.

The second question: If all the remaining six term sheets are signed, what will be the impact on the financial requirement for the European project?

If all of those are signed, then it means we will have met the requirements of the project finance banks because they require 80% of our production to be under contract, because in this market where you cannot hedge like a gold or nickel or copper production, they need to see offtake contracts secured by 80% of the product. So it will be a very significant impact and a positive impact on the financing for the European project.

Louise Burgess:

I have another one here, Matt. What level of premium do you envisage for an EU and U.S. price compared to current Chinese battery-grade manganese sulphate?

Dr. Matthew James:

It's a great question. Thank you.

If you look at the only index which is available for manganese sulphate, it's a Chinese ex-works index. So if we start with that as our baseline, when you look at that index is actually a mixture of different

qualities including agricultural-grade material, which is still considered in China high purity. Then if you look at the battery-grade within that index, we see that at about \$1,600 a ton ex-works China. You then add transport costs to bring it into a European or a U.S. context, and you're adding about \$250 per tonne. Now, just to be clear, if you go into a freight offshore website, you'll probably see container costs are about \$150. Then you've got inland transport and then inland costs and customs costs and processing cost, etc. That adds about another \$100 dollars, so about \$250. So we're at about \$2,000, close to \$2,000 once you've added transport.

We're seeing the local market in Europe today, current pricing at around \$2,500. In fact, recent information we got from the market was Japanese material landing at around \$3,000. So about \$2,000 to \$3,000 represents a premium above effectively a Chinese project landing in Europe for \$2,000. So it's a 20% to 40%—about a 25% to 50% premium. At the lower end of that is what we are also seeing in markets like rare earths, for example, where non-Chinese supply of rare earths is commanding about a 25% premium. We're also seeing it in steel, interestingly, in Europe, the green steel, low CO2 steel is commanding about a 20% premium to non-green steel. So there are a number of analogies we can draw parallels to, to confirm that premium is a reasonable premium in the market context.

Louise Burgess:

Thanks, Matt. Perhaps maybe staying on pricing, another question here. Can you remind us, offtake pricing is not necessarily fixed. Can it be relative to a benchmark? Can you perhaps talk a little bit more about the pricing dynamic within offtakes?

Dr. Matthew James:

Yes. What we announced with our Verkor term sheet is a good example. We have agreed that a Western price level—and we will link it to the Chinese index in such a way that has a Chinese index rise and falls, the Western price we have will rise and fall proportionately, subject to a floor price that we have—and that floor price is required again by the project finance banks. So it's not just 80% offtake, but they require a floor price in those offtake contracts, which meets their debt service covenants. That's an important conversation that we're having with all of our customers, and they understand that this is effectively an incentive price for new production outside of China.

Louise Burgess:

Martina, I'll perhaps pass this one your way. You mentioned the potential of Canadian government support for the Bécancour plant. Can you share any kind of more colour around those discussions?

Martina Blahova:

From what we can share, I can say that we are in active discussions with both the provincial and the federal governments. There are several sources of funding that can be used for the project and they come in different ways. It could be loans, partially forgivable. It could be tax rebates, power cost rebates. For us to advance and secure the financing and any support from the Canadian or provincial government, we need to also progress the project, meaning we need to advance or complete the feasibility study on Bécancour, but as we progress we'll get more certainty on any funding. So we're actively doing that, and there's a good chance because of what the project is, where it fits in and fits into the mandate of both governments, there's a good chance that we will secure some of that financing.

Louise Burgess:

Thank you, Martina. I'll also perhaps start this one and send this your way, and Matt, you can jump in as required.

Martina, might you be able to speak to the percentage of our shares that are owned by the EIB, is the question? The European Investment Bank.

Martina Blahova:

So EIB, the European Investment Bank doesn't own any of our shares. I might be referring to the European Bank for Reconstruction and Development. They invested last year about CA\$8.5 million, representing 4.4% of our shares. But 9% to 10% of our shares are held by management and the Board, and up to another 3% by our former Board members and management members. We do have about 20% held by institutions. That's about 40%, and then the rest of it, it's not as transparent, but we believe that some of that is institutional shareholders.

Dr. Matthew James:

I would say we have a very supportive shareholder group, particularly from the institutionals. There are a number which are very supportive, been visiting sites and have been building their positions.

Martina Blahova:

We have a lot of long-term shareholders that are either increasing their shareholding and waiting for further financing to become—to increase their shareholding and to be part of the equity financing as well.

Louise Burgess:

Thank you both. I'll perhaps take a step back into a broader question here.

Are you aware of producers within the manganese supply chain for steel, particularly in other alloys and that area, moving toward production of battery-ready manganese? Matt, perhaps you might be able to comment on that one?

Dr. Matthew James:

Yes. The manganese supply for the steel industry is a lower grade product. It's actually 99.7%, which doesn't sound a lot, but again, just coming back to the level of impurities that we are producing to, particularly pharmaceutical grade, the difference between our product and 99.7% product is quite significant. The production of 99.7% product, they add selenium into the electrowinning circuit because it lowers the power consumption. That material cannot be purified down to a sulphate level, as far as we are aware, and we've studied that in quite a lot of detail.

We actually have some companies which are producing agricultural-grade material—for example, sulphate—come to us to say they've been trying to produce battery-grade for a number of years. They can't do it. Can't get down to the specifications required. Can you help us? And again, it points to that plant we are building or going to build in the Czech Republic, that \$750 million investment, about 90% of that is in the production plant. Only 10% of it is on the tailings reclamation side. It just shows you the level of process and cost in that process required to get to these levels of impurities is significant. So we have not seen any producers of manganese for steel go towards production of battery-ready manganese.

There are some higher-purity manganese metal producers that have announced they plan to produce sulphate and we are, again, monitoring that closely. But the scale of their production will be relatively limited compared to the market mark. And again, we are producing into an extremely strong growing market, so there is plenty of room in this market. In fact we need it to give the OEMs confidence that

they can increase their manganese content in their batteries to lower their battery costs because that is one of the key ways that EVs are going to go to become more affordable.

Louise Burgess:

Thank you, Matt. One other question here. I just remind everybody if they'd like to ask any further questions, please use the Q&A function at the bottom of your screen.

At what point, Matt, in the process would a strategic partner at the project level be considered?

Dr. Matthew James:

We didn't put the financing side in this presentation because we've been over it a couple of times, but in that financing structure, the strategy of our financing structure, we are working with the Bank of Montreal out of New York already to seek a strategic partner at the project level. Ideally, a OEM associated with offtake or someone in the industry, although we are also considering critical metals focused funds who would be interested in becoming a project level partner. That is ongoing. It's part of our discussions. I won't put a timeline on that. Obviously, a strategic partner that's bringing an investment is going to take longer than just an offtake contract. But those discussions are ongoing at the moment.

Louise Burgess:

Fantastic. I think that wraps up all of the questions for today. I really appreciate those of you who have asked some fantastic questions.

Matt, I'll pass it over to you for any kind of final comments and wrap up.

Martina Blahova:

There is one other question. (cross-talking 41:01). One last question popped up.

Dr. Matthew James:

I'll read it out. What is your read of the LMFP supply chain developments in China as differentiated from MMC? I've heard rumors of using different feed source than sulphate or metal.

Our understanding is producers of LMFP may use a different salt as their precursor. We have also seen LMFP producers who do use sulphate. If a market moves to a different salt, like a carbonate for example, our plant has the flexibility to adapt to that. which I think is important. And one of the key reasons that we have that flexibility is that we go through a metal first as part of our processing. We don't go straight from ore to sulphate. We go from ore to metal. We have a very good, high-purity intermediate product, and we would have the flexibility to take that to a carbonate if required. At the moment, all of our offtake discussions for over 200,000 tonnes of our product are sulphate-based.

Okay. I think we'll wrap it up there. I really appreciate your attendance, your insightful questions. Thank you for your support, and we look forward to updating you at our next quarterly call. And wish everyone all the best.

Second Call Q&A

Louise Burgess:

I am seeing just a couple of comments in terms of thanks around the update. There is one actually that has just come in as well. It is, could you comment a little bit, Matt and Martina, on how we plan to fund construction? Is that an equity? JV? Project finance, etc.?

Martina Blahova:

I can start on that. I assume you're referring to the Chvaletice project in the Czech Republic. We didn't include the slide in this presentation but it is in our corporate presentation; we have engaged financial advisors for the debt process. We do have, as Matt mentioned, interest from the European Investment Bank and the European Bank for Reconstruction and Development to be part of the debt financing. Then there has been inbound interest from commercial banks. There are some green funds and other sources of debt. On the equity side, we've engaged advisors to help with a potential strategic investor and also with the equity public and private raise.

Louise Burgess:

Would you like to comment as well, just in terms of how the equity portion is expected to be kind of constructed in terms of being as nondilutive as possible? Kind of going through, perhaps, those different stages.

Martina Blahova:

So the strategic investor, if they come in—and that could be an OEM preferably with link to an offtake, or another good partner would come in at the project level, which would not dilute the current shareholders, and then hopefully throughout completing all these catalysts that Matt mentioned, the share price should respond positively to our progress, and the equity raise would then follow that at a better share price than now.

With the debt, obviously the equity piece has to be in place before we raise any of the debt, but we hope to get to a final investment decision and we have the financing in place in the second half of next year.

Dr. Matthew James:

Just to complement what Martina said, we are working on the debt side, and we will have a with term sheets ready to go prior to putting the equity piece in place, but the equity will have to be and spent first followed by the debt. But the debt providers will want to see that the project is fully funded before they allow access to those funds.

Louise Burgess:

Another question here on land access and permitting. Any major challenges to get the permits themselves? Now, I know you kind of went through a little bit of an overview there, but are any other comments you'd like to add? And perhaps maybe a comment on land access too.

Dr. Matthew James:

Yes. So as I mentioned, the land access agreements, three have been completed. We have two remaining. We have made significant progress on those agreements. I can't give you a date of when those will be signed but I think in the near term.

The permitting, I think we're pleased that whilst we got comments from one authority which needed some work to be done, we are confident that we will get the environmental permit by the end of the year, and then that will allow us to go to the next stage, which is the land planning permit. And again, as I mentioned before, all the documentation is complete for that. There may be some conditions coming out of the ESIA that we have to just update those specific documents, but they should be ready to go pretty much straight away once we receive the EIA.

Louise Burgess:

Matt, do you want to mention just a little bit about social support for the project, given it's a reclamation project, etc.?

Dr. Matthew James:

I'd encourage you to go onto our website if you're not familiar with the actual project itself. We do have a tailings project in the Czech Republic; it's currently a polluting site. As part of our processing of these tailings, we actually remediate that site, stopping that ongoing pollution from the sulfides, which are actually in the tailings. This used to be an iron pyrite mine to produce sulfuric acid in the 50's to 70's. That fact that we are remediating, together with right from the very start, significant and local stakeholder engagement means we have very good support from the local community, the municipalities in the region, and as well as the federal government have been very supportive in the project. We have a tax break from the current government. That needs to be renewed in the next year or so, but we have no hesitation in saying that, that should be renewed by the government to allow us to have that tax break once we start operations.