EURO MANGANESE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2026 AND 2025

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1. INTRODUCTION

The principal business and current focus of Euro Manganese Inc. (the "Company" or "EMN") is the development of the Chvaletice Manganese Project (the "Project"), in which the Company has a 100% ownership interest. The Project involves the re-processing of a readily leachable manganese deposit hosted in the tailings of a decommissioned mine in the Czech Republic. The Company has also started to progress an opportunity to develop a project to produce high-purity manganese products in Canada for the North American market. The Company's goal is to produce high-purity manganese products in an economically, socially and environmentally-sound manner, principally for use in lithium-ion batteries.

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

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of the Company, prepared as of May 14, 2026, is intended to be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2025 (the "September 2025 Financial Statements"). The Company prepares its financial statements in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The Company's significant accounting policies are set out in Note 3 of the September 30, 2025 Financial Statements.

Additional information relating to the Company, including the Annual Information Form for the year ended September 30, 2025, is available on SEDAR+ at www.sedarplus.ca and on the Company's website www.mn25.ca.

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

This MD&A contains "forward-looking statements" that are subject to risk factors as set out in a cautionary note contained in Section 19. The financial information presented in tables in this MD&A are in thousands of Canadian dollars, except for per share amounts and unless otherwise stated.

2. OVERVIEW

About the Chvaletice Manganese Project

The Chvaletice Manganese Project is located in the Czech Republic, within the townships of Chvaletice and Trnavka, in the Labe River valley, approximately 90 kilometres to the east of the country's capital, Prague. The Project site is adjacent to established infrastructure, including an 820-megawatt power station that supplies the Czech Republic's national grid, a major railway line, a highway, and a natural gas line. The surrounding region is industrialized and skilled labour is expected to be available from local markets. The Project resource is contained in flotation tailings piles, adjacent to the former Chvaletice open pit mine. The tailings were deposited from historical milling operations for the recovery of pyrite used for the production of sulfuric acid. The tailings, which consist of three separate piles ranging from 12 to 28 metres in thickness, cover a cumulative surface area of approximately one square km. The Project is expected to result in the environmental remediation of this former mine tailings site, bringing it into full compliance with modern Czech and European Union environmental standards and regulations.

The Company's wholly-owned subsidiary, Mangan Chvaletice s.r.o. ("Mangan") holds the Mining Lease permit for the Chvaletice Manganese Project which replaces all prior authorizations according to the Mining Act and has no expiry date. It provides the Company with exclusive, unrestricted rights to mineral extraction within the designated area and ensures robust legal protection of the Project area, enabling the Company to proceed with the Project's next phases on an exclusive basis. This Mining Lease was required before applications could be made for permits relating to the construction of infrastructure and operation of a processing facility for commercial extraction and processing activities at the Project.

2. OVERVIEW (continued)

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

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

The Project is targeting production of high-purity electrolytic manganese metal ("HPEMM") with specifications exceeding 99.9% manganese ("Mn") and high-purity manganese sulphate monohydrate ("HPMSM") with a minimum Mn content of 32.34%. These products will be prepared without the use of selenium and will be fluorine, and chromium-free and are designed to contain very low levels of deleterious impurities.

HPEMM and HPMSM are critical components of Lithium-ion ("Li-ion") batteries in several industry sectors. HPEMM is also a key component of certain specialty steel products with importance to the defence industry. As such, demand for high-purity manganese products is growing, fueled largely by the Li-ion and electric vehicle ("EV") markets, including the energy storage systems and use of Li-ion batteries in the defence industry (e.g. in drones, communication devices, submarines and other). There are only a few sources of manganese ore suitable for production of high-purity manganese products and the vast majority of processing these ores into the final products is concentrated in China. Europe and North America are close to 100% dependent on Chinese imports of high-purity manganese products. An overview of the high-purity manganese market can be found in Section 6 of this MD&A.

To date, the Company has entered into five non-binding offtake term sheets for the sale of HPEMM or HPMSM from the Chvaletice Manganese Project with consumers of high-purity manganese products and focusing on converting these term sheets into binding offtake agreements with those customers. In addition, the Company has signed two non-binding offtake term sheets for intermediate by-products, magnesium carbonate and gypsum, that will be produced concurrently with HPEMM and HPMSM. The Company is in active discussions and negotiations with multiple other parties, including battery, chemical, and automobile manufacturers, and anticipates more term sheets will follow. The Company is targeting 80% - 90% of production capacity under offtake contracts to support project finance. There can be no assurance, however, that current discussions will lead to off-take agreements or commercial or strategic relationships in the near term, if at all.

Following the successful operation of its Demonstration Plant, in November 2025 the Company initiated an optimization program to incorporate operational learnings into design of the Commercial Plant. Key workstreams included improved recoveries and metallurgical balancing; optimized equipment-sizing and layout; reduced reagent and consumables use; and enhanced process control. The results of these workstreams were incorporated into the 2026 Preliminary Economic Assessment ("PEA"), the results of which were published on May 14, 2026 (Section 6 of this MD&A).

On March 27, 2024, the Company received the approval of the final Environmental and Social Impact Assessment ("ESIA") for the Project from the Ministry of Environment in the Czech Republic. On January 23, 2025, the Company secured the Mining Lease permit, marking the next critical milestone towards the development of the Project in the Czech Republic. It provides the Company with exclusive, unrestricted rights to mineral extraction within the designated area and ensures robust legal protection of the project area, enabling the Company to proceed with the Project's next phases on an exclusive basis.

2. OVERVIEW (continued)

In April and May 2026, the Company also obtained three additional milestone permits: land planning permit for the processing plant, construction permit for site infrastructure relocation and the construction permit for the technological bridge. The land planning permit for railway and shunting yard has been submitted and is expected to be obtained in the summer of 2026. This milestone further de-risks the project and reflects the strong collaboration with authorities as the Company continues to develop the Project.

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 ($140 million) in non-dilutive financing (the "Funding Package") to advance development of the Project. The Funding Package is split into two US$50 million ($70 million) components: (a) a US$50 million ($70 million) loan facility convertible into a 1.29-1.65% royalty on Project revenues (the "Convertible Loan Facility"), with US$20 million ($28 million) received upon closing on November 29, 2023, and an additional US$30 million ($42 million) to be received upon meeting certain milestones; and (b) receipt of US$50 million ($70 million) in exchange for a 1.93-2.47% royalty on revenues following a final investment decision by the Company's Board of Directors and other conditions precedent typical for this type of financing (the "Royalty Financing"). In connection with the Funding Package, Orion has been granted an off-take option of between 20-22.5% of the Chvaletice Manganese Project's high-purity manganese total production for a term of 10 years from first delivery, matching the commercial terms of the Company's sales. Such right is exercisable until the Company signs 60% of the total Project offtake.

During the fiscal year 2025, the Company amended the terms of the Orion Funding Package 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. The Company was also granted the right to repay, at any time, the Convertible Loan Facility at par, including all accrued and unpaid interest, and may cancel the second tranche of the Convertible Debt Facility without penalty. In addition, the Company also has the right to terminate the Royalty Financing, if the Convertible Loan Facility has been paid in full, for a fee of US$1 million ($1.4 million). On May 28, 2025, in connection with the amendment, the Company issued 22,263,733 warrants to Orion, each entitling Orion to purchase one common share of the Company at an exercise price of $0.225. These warrants expire on November 28, 2026. Under the terms of the amended Orion Convertible Loan Facility, Orion did not have the option to convert the Convertible Loan Facility into a royalty until after November 28, 2025.

On December 11, 2025, the Company announced amendments to the Funding Package. In connection with the amendments, Orion extended the date by which certain milestones were required to June 30, 2026, and Orion may now, at its discretion, convert the outstanding amount drawn under the Convertible Loan Facility and accrued interest into a royalty at any time, subject to the conditions in the Convertible Loan Facility.

About the Bécancour Project

The Company is evaluating its North American growth strategy, an opportunity to develop a project to produce high-purity manganese products for the North American market. In December 2022, the Company entered into an option agreement with Société du parc industriel et portuaire de Bécancour ("SPIPB"), the owner of Lot 12, a 15 hectare land parcel at Bécancour, Quebec, Canada, where it proposed to establish its North American facilities, which allows the Company exclusive access to the land parcel and conduct due diligence thereon over a maximum term of 21 months. A scoping study was completed for a metal dissolution plant at the proposed Bécancour site (the "Bécancour Project") and WSP Canada Inc. ("WSP") was selected in September 2023 to complete a feasibility study for the project.

The Bécancour Project is planned to be fed with HPEMM from the Chvaletice Project once operational or other third-party providers. The Company also signed a Cooperation Agreement with the Grand Council of the Waban-Aki Nation, a tribal council consisting of the Abenaki Bands of Odanak and Wôlinak, on whose ancestral territory the Bécancour Project would be situated.

During the fiscal year 2024 year, the Company amended the terms with SPIPB whereby the Company to acquire 8 hectare property instead of 15 hectare parcel at the Port of Bécancour. The total funds of $963 paid to date will be applied upon the option exercise against the total purchase price. Certain conditions exist for closing including approval of project plans by SPIPB and obtaining project financing. The Company completed due diligence on Lot 3A in September 2024. All work is currently on hold, pending financing.

On September 30, 2025, the Company amended its terms with SPIBP, revising the purchase price to $6,115 and extending the option to September 30, 2026. Additionally, starting July 1, 2026, the Company will be required to make monthly payments of $31 to keep the option active until the end of the option agreement.

3. FINANCIAL AND PROJECT HIGHLIGHTS

The following is a summary of the Company's highlights during the six months ended March 31, 2026 and to the date of this MD&A:

- On May 14, 2026, the Company reported the results of the PEA for the Chvaletice Manganese Project, supporting a 26-year project life with strong projected economics, including a pre-tax NPV of US$740 million and IRR of 16.0%, and an after-tax NPV of US$492 million and IRR of 13.8% (8% discount rate). The PEA reflects robust projected operating margins of approximately 48%, improved recoveries, and lower unit operating costs compared to the 2022 Feasibility Study. Capital costs remain broadly consistent despite higher planned HPMSM production of up to 150,000 tpa. The Project includes a phased development approach, with initial capital of $627.5 million and expansion capital of $197.8 million, and incorporates a magnesium carbonate by-product stream providing incremental value.

- On December 11, 2025, the Company announced amendments to the Funding Package. In connection with the amendments, Orion extended the date by which certain milestones were required to June 30, 2026, and Orion may now, at its discretion, convert the outstanding amount drawn under the Convertible Loan Facility and accrued interest into a royalty at any time, subject to the conditions in the Convertible Loan Facility.

- In October 2025, the Company initiated an optimization program to incorporate operational learnings from the demonstration plant into design of the Commercial Plant. Key workstreams include exploring: improved recoveries and metallurgical balancing; optimized equipment-sizing and layout; reduced reagent and consumables use; and enhanced process control. The outcomes of the optimization program will guide Euro Manganese's next phase of development, including any potential updates to technical studies.

4. OUTLOOK

During the six months ended March 31, 2026, the Company incurred a net loss of $8,059 (2025 - $9,174) and used $4,115 cash (2025- $5,693) for operating activities. As at March 31, 2026, the Company's working capital (current assets less current liabilities) was a deficit of $29,226 (2025 - $22,884). The Company's capital resources are not expected to provide sufficient working capital to fund its corporate and project development costs for at least twelve months from the date of these financial statements. As an early stage development company, it has no material operating revenues and is unable to self-finance its operations. Further, there is no assurance that the evaluation and development activities executed or planned by the Company for the Chvaletice Manganese Project will result in the development of a profitable commercial operation. The Company is expected to operate at a loss while the Company is developing the Chvaletice Manganese Project.

The ability of the Company to arrange such financing in the future will depend principally upon prevailing market conditions and the performance of the Company. Such additional funding may not be available when needed, if at all, or may not be available on terms favorable to the Company. These factors give rise to material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The consolidated financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported revenues and expenses and the balance sheet classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The Company's short-term to medium-term operating priorities include:

- Completion of an updated feasibility study following the completion of the PEA;
- Negotiate additional offtake term sheets with potential customers and subsequently offtake contracts;
- Securing funding for the near and mid-term Project priorities while pursuing and securing strategic financing;
- Completing the acquisition of, or access to, the remaining land surface rights for the Project;
- Continue to de-risk the Project by continuous advancement of permitting; and
- Applying for and securing funding from grants and incentives available from the EU and Czech state.

5. SIGNIFICANT TRANSACTIONS DURING THE SIX MONTHS ENDED MARCH 31, 2026

The Company did not complete any significant transactions in the six months ended March 31, 2026, other than those described in Section 3 of this MD&A.

6. REVIEW OF OPERATIONS

Chvaletice Manganese Project – *Optimization Program and Results of the Preliminary Economic Analysis*

A previous feasibility study of the Chvaletice Manganese Project was completed in 2022 (the "2022 Feasibility Study"). The 2022 Feasibility study outlined a large-scale, 25-year life high-purity manganese project based on the recycling of historic tailings, demonstrating robust economics with strong projected cash flows under the 2022 pricing assumptions. Following the successful operation of its Demonstration Plant in 2024 and 2025, the Company initiated an optimization program to incorporate operational learnings into design of the Commercial Plant.

Key workstreams of the optimization program included exploring:

- Improved recoveries and metallurgical balancing;
- Optimized equipment-sizing and layout;
- Reduced reagent and consumables use; and
- Enhanced process control.

The Company has engaged external engineering specialists, including Tetra Tech Canada, to conduct independent reviews and recommend efficiency upgrades. This structured, best-practice approach mirrors successful programs across the battery and mining sectors that have delivered lower capital intensity and stronger commercial and sustainability outcomes for other companies. Based in the results of this optimization work, the Company performed further work to assess the next-phase development plans and engaged Tetra Tech Canada to complete the updated technical study in the form of the Preliminary Economic Assessment ("PEA").

The PEA confirmed solid preliminary economics of the Project, reflecting the current price and market environment; validated the metal-route as flexible and efficient pathway to supply both HPEMM and HPMSM feedstocks for evolving cathode chemistries for EV batteries, stationary energy systems and defence applications. The proposed staged approach for the commercial plant construction reflects the needs of the HPMSM market and allows for lower initial capital expenditures while minimizing the total increase in total CAPEX. Overall, the optimized project is more competitive with the industry incumbents in China while offering a localized, fully integrated, traceable and sustainably produced high-purity manganese products. The Project offers the only material western near-term option for a supply chain diversification and security.

Preliminary Economic Assessment Results

On May 14, 2026, the Company completed and reported the results of the Chvaletice Manganese Project PEA for the production of high-purity manganese products, namely HPEMM and HPMSM. The PEA Technical Report, as prepared by Tetra Tech, will be released and filed on SEDAR in 45 days after the May 14, 2026 news release.

The highlights of the PEA are as follows:

- Recycling of a 27 million tonnes Measured and Indicated tailings resource (98.2% Measured) with a combined grade averaging 7.33% Mn, and 1.15% of magnesium; without the requirement of any hard rock mining, crushing or milling;

- Average life-of-project operating margin of 48%;

- 26-year project operating life producing 1.19 million tonnes of HPEMM, which is expected to be converted into HPMSM;

- Saleable product includes 3.652 million tonnes of HPMSM (1,185,000 tonnes on Mn contained basis), focusing principally on the Li-ion battery industry;

- Newly incorporated magnesium carbonate ("$MgCO_3$")resource as a by-product enables production of up to 20 thousand tonnes per annum of $MgCO_3$, adding incremental value with minimal capital;

- After tax NPV of US$492 million and pre-tax NPV of US$740 million, using an 8% real discount rate, and based on average life-of-project average HPMSM (containing 32% Mn) price of US$2,888/tonne (prices based on a market study prepared for the Company by Marketeye Org.);

6. REVIEW OF OPERATIONS (continued)

- US$627.5 million in Phase 1 (50% of production capacity)-initial capital, US$197.8 Phase 2 expansion capital (to achieve 100% production capacity) US$139.1 million in total sustaining capital, with an ungeared, pre-tax 16.0% IRR with a 6.5-year payback, and a post-tax 13.8% IRR with a 7.3-year payback;

- Project maintains flexibility to supply either HPEMM or HPMSM, as the needs of customers evolve;

- Targeting production of ultra-high-purity electrolytic manganese metal with specifications exceeding 99.9% Mn and ultra-high-purity manganese sulphate monohydrate with a minimum manganese content of 32.34%, which exceeds typical industry standards;

- Access to excellent transportation, energy and community infrastructure. Proposed process plant site is located in an industrially-zoned brownfield site, where a historical process plant generated the Chvaletice tailings;

- Strong environmental project credentials with the Project design meeting or exceeding all Czech and European health, safety and environmental standards, resulting in a significant remediation of the Chvaletice tailings site, arresting the ongoing pollution related to historical mining activities;

- Sophisticated, stable and business-friendly European Union jurisdiction that is highly supportive of new and sustainable investment; and

- Opportunities exist to enhance returns through process optimization initiatives and various investment incentives that may be available through the Czech Republic and European Union.

Permitting

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

On January 23, 2025, the Company also secured the Mining Lease permit, marking the next critical milestone towards the development of the Project in the Czech Republic. It provides the Company with exclusive, unrestricted rights to mineral extraction within the designated area and ensures robust legal protection of the project area, enabling the Company to proceed with the Project's next phases on an exclusive basis.

Following approval of the ESIA and the Mining Lease permit, Land Planning Permit Documentation was submitted to the relevant authorities. Two separate applications were prepared and filed: one related to the processing plant and second relates to the railway and shunting yard infrastructure. Documentation for both applications were submitted for processing in December 2025. The applications were supported by coordinated statements from 18 relevant authorities and 27 stakeholders, including, among others, the Town of Chvaletice, the Pardubice Region Road Administration and Maintenance Authority, the Railway Administration, and the Regional Public Health Authority. All administrative comments received to date have been successfully addressed, supporting the progression toward issuance of the related permits.

In addition, the following prerequisite permits required for the processing plant were obtained in advance: a demolition permit for the industrial zone, a tree felling permit, and a construction permit for the 400 kV power line connection. These permits form part of the preparatory approvals supporting the development of the processing plant

The regulatory authorities adopted a phased approach to the permitting process, initially prioritizing the statutory proceedings for the processing plant. Following the issuance of the Land Planning Permit for the processing plant in April 2026, the authorities initiated the subsequent permitting proceedings related to the railway and shunting yard infrastructure.

Additional construction permit applications were submitted for final administrative proceedings in 2025 in respect of infrastructure relocation works and the construction of a technological bridge, enabling the connection between the tailings area and the industrial plant area.

The Construction Permit for infrastructure relocation was obtained in April 2026. This permit represents a mandatory regulatory prerequisite for the execution of utility diversion works and constitutes a critical path milestone for the project. The permit enables the relocation of sub-surface infrastructure in compliance with applicable safety standards and statutory requirements established by the relevant utility providers.

6. REVIEW OF OPERATIONS (continued)

The Construction Permit for the technological bridge facility was also obtained in April 2026. The technological bridge establishes a strategic connection between the tailings area and the processing plant and will accommodate a specialized pipeline system for the conveyance of raw materials. This infrastructure is expected to eliminate reliance on heavy goods vehicle (HGV) transport between these areas, thereby improving site logistics and supporting a reduction in the project's carbon footprint.

The Construction Permit documentation combined for the processing plant and railway shunting yard, is a deliverable of the Front-end engineering and design ("FEED") phase of the Project with an expected permit approval timeline of approximately three months post submission.

The final stage of the permitting process for tailings extraction is the Permit for opening, preparation, and extraction. The documentation contract for this permit has been awarded, and a draft of the documentation has been prepared and submitted for the Company's internal review. Finalization and submission of the documentation are expected in the second half of 2026.
Chvaletice Demonstration Plant

The Demonstration Plant was fully commissioned in July 2024, with all modules operating on a consistent basis, and producing on-spec products. Two independent external laboratories have confirmed that samples of HPMSM made from HPEMM produced at the Demonstration Plant meet its design target HPMSM specifications with low levels of impurities.

On October 16, 2024, the Company successfully completed a 5-day continuous operation program for the production of high-purity electrolytic manganese metal at the Demonstration Plant to demonstrate reliability and consistent production capacity and quality. The Demonstration Plant operated as-designed and without interruption, achieving 100% reliability over the 5-day program (i.e. no stoppage time). Overall, 172 kg of HPEMM was produced, exceeding target production capacity by over 30%.

The demonstration plant was intended to produce and deliver high-purity manganese products to prospective customers for testing and qualification. The Demonstration Plant replicates the process flowsheet used in the Feasibility Study and has been designed as a semi-batch, manually operated system of interconnected modules that can be utilized as a circuit or as stand-alone components. The demonstration plant also enables process optimization and testing for final product development and will be used as a testing and training facility for future operators. Learnings from the operation of the Demonstration Plant are used for the next stages of the project preparation.

Land Acquisitions and Land Access Rights

On December 2023, the Company, through its Czech subsidiary Mangan, completed the acquisition of 100% interest in EPCS. EPCS is a Czech operating company, whose current operations are the fabrication of specialty steel products and whose principal asset was 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.

On December 18, 2020, the Company entered into an agreement with Správa Nemovitostí Kirchdorfer CZ s.r.o. to acquire a parcel of land, including a rail spur extension, to provide additional space and flexibility for the Chvaletice commercial plant layout. The total purchase price for the land is Euro 726 ($1,168). As of December 31, 2025, the Company paid Euro 326 ($515). The remaining balance of Euro 400 ($655) is payable on October 10, 2026. This acquisition will complete the land assembly for the commercial plant.

The area of interest for the Project overlies several privately-owned land parcels with surface rights. To date, Mangan has received the consent to access the site from the landowners whose surface properties underlie the tailings. On June 6, 2022, the Company and the Municipality of Chvaletice, being one of the landowners, signed a Land Access Agreement via rental of the land to the Company until the earlier of a 40-year period or upon remediation of the land. The annual rental is currently 9.50 million Czech Koruna ($630), adjusted for inflation based on the average annual Czech consumer price index for the 12 months of the previous calendar year. The land rental agreement was effective July 1, 2022.

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

6. REVIEW OF OPERATIONS (continued)

On October 30, 2023, the Company signed a lease agreement with ČEZ granting it access to approximately 60% of the reserves in the 2022 Feasibility Study in the Project's tailings area, including for mining infrastructure and tailings transportation (the "ČEZ Lease Agreement"). Together with the land access agreement with the Municipality of Chvaletice, the Company now has access to approximately 85% of the resources required for the Project. Pursuant to the ČEZ Lease Agreement, land access has been granted for the life of the Project and during the subsequent period in which reclamation and revitalization of the premises is to take place, in return for a royalty on the Project's gross sales. During the period in which Project is expected to have project finance debt (the "Debt Period"), estimated to be seven years, the royalty will operate on a sliding scale from 0.2% to 1.8%, depending 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 per calendar quarter (approximately $37), adjusted annually commencing in 2028, based on inflation during the immediately preceding year.

The Company continues to negotiate the acquisition of the balance of the surface rights with the remaining landowner. Remaining part of the land introduces only 15% of the land underneath the tailing. Upon acquisition of such surface rights with the remaining owner, the Company will have access to all the surface rights to the Project area, which include those lands of original ground elevation surrounding, and those parcels of original ground underlying and immediately surrounding, the three tailings deposits which comprise the Chvaletice Manganese Project. There can be no assurance that access to the remaining area will be secured by the Company.

High-Purity Manganese Market Overview

High-performance Li-ion batteries are widely used in EVs, including full Battery Electric ("BEV") and Plug-in Hybrid ("PHEV") models as well as Battery Energy Storage Systems ("BESS") applications. High-purity manganese is also on NATO's list of defence-critical raw materials, as it is essential for technologies such as radar systems, electronic warfare equipment (drones), and precision guidance electronics. These systems rely on high-purity manganese for specialised alloys (HPEMM) and electronic components (HPMSM in Li-ion batteries for electrified military vehicles, portable power systems, unmanned aerial and ground systems and secure energy storage).

Among the various chemistries, two dominate: nickel-manganese-cobalt ("NMC") cathodes and those of the LFP family. Globally, according to Rho Motion, LFP batteries now lead the market, accounting for around 55% of all Li-ion batteries produced (measured in megawatt-hours), with particularly strong growth in China, where LFP holds over 80% market share. In contrast, NMC batteries remain dominant in Western markets (95% in North America, and 87% in Europe), with NCA also important in North America. Within the NMC category, the NMC-811 formulation—comprising 80% nickel, 10% manganese, and 10% cobalt—is the most widely used, although mid-nickel varieties such as NMC 622, which have twice the manganese content of NMC-811, remain increasingly important due to cost advantages (manganese being significantly cheaper than nickel). LFP chemistries, which are lower-cost and safer, have suffered from lower energy densities, but innovations in cell-to-pack design and higher tap density have closed the gap with NMC, and the introduction of manganese into LMFP offers further performance gains, with up to 20% higher energy density than pure LFP. In addition to the NMC and LFP families, other chemistries show promise, including LMNO, NCMA, and, most recently, LMR (Lithium Manganese Rich). This last variety is similar to NMC but contains almost no cobalt and very high levels of manganese. LMR is of great interest to the industry, as it offers performance similar to NMC batteries with the cost efficiency of LFP batteries.

Despite ongoing uncertainty, global sales of EVs (BEV and PHEV) continue to grow, albeit at different rates across regions and manufacturers. Global sales have grown by approximately 22% in the calendar year 2025 compared to 2024 (to 21.6 million units). In the first quarter of 2026, global EV sales reached 4 million units. This is 3% lower than in 2025 and has been influenced by a massive 34% drop in EV sales in the USA and a 21% drop in China. First quarters are usually lower in China due to a slowdown of economic activity during the Chinese New Year holiday period. Europe has emerged as the clear engine of growth, recording its strongest month on record in March 2026, with over half a million units sold. Sales rose 72% month-on-month and 37% year-on-year, supported by subsidy schemes and rising petrol prices, according to Benchmark Minerals. In Q1 2026, all major European markets delivered double-digit year-on-year performance: France +40%, Germany +34%, and the UK +22%.

The strong performance in 2025 and a slight decline in the first quarter of 2026 indicate an uncertain outlook, but many analysts still expect 8%-15% growth in EV sales in 2026. March 2026 results indicate an upward trend, with month-on-month global sales up nearly 70% and China's BEV sales up 102%.

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6. REVIEW OF OPERATIONS (continued)

Europe started growing quite rapidly in Q1 2026, but may still struggle to utilize its full capacity in battery and EV production as the EU relaxes its emissions targets to help its struggling automotive sector. However, certain countries are introducing incentives to support the energy transition. In January 2026, Germany introduced a new EUR 3 billion four-year incentive program for the purchase or leasing of new electric vehicles. In the US, the introduction of tariffs and the removal of consumer tax credits are starting to affect EV prices, which is negatively impacting demand.

Analysts predict demand in North America will remain subdued in 2026 as subsidies were removed in 2025 and until the original equipment manufacturers ("OEMs") can address the affordability gap between internal combustion engine ("ICE") and EV vehicles. One way to reduce this gap is to lower the cost of batteries powering EVs.

To achieve this, Ford and General Motors, working closely with LGES, LG Chem, and Posco, are planning a mass adoption of LMR batteries in their vehicles from 2028. The LMR chemistry, with 65%+ Mn in its cathode, is about 7 times more manganese-intensive than the current mainstream NMC-811 batteries. Other battery materials producers, such as Umicore and BASF, also have high-manganese chemistries in their portfolios.

Another "black horse" of manganese use are sodium-ion batteries. Out of the three main types of these batteries (layered oxide, polyanionic, and Prussian Blue Analogue) the first two are expected to account for 60% - 75% of future Na-ion demand. They both use manganese and are quite Mn-intensive, requiring up to 13 times as much Mn as NMC-811

There is a growing consensus that sodium-ion battery production capacity may reach 620 GWh by 2030. The majority of those Mn-intensive Na-ion batteries will be deployed in BESS installations, thereby opening these applications to Mn-rich batteries. To date, the overwhelming majority of BESS applications have used LFP batteries, which don't contain manganese. 620 GWh of Na-ion batteries could mean an *additional* HP Mn demand of up to 496 kt of Mn – more than three times the 2025 global production of HPMSM. This Na-ion production capacity is not in place yet, but is expected to be operational by 2030. According to an agreement signed in April 2026 by CATL, the leading Chinese battery maker, and HyperStrong, one of the top five BESS providers globally, the two companies will deliver 200 GWh of BESS storage capacity from 2026 to 2028.

First EV models powered by sodium-ion batteries are already on the market in China.

And last, but not least, the LMFP chemistry continues to be developed by the Chinese and European companies. The partial replacement of iron with manganese (60% to 80% in some cases) provides a performance boost compared to pure LFP cells and, on a $/kWh basis, lowers costs – LMFP batteries are projected to be the lowest-cost EV batteries. While some technical challenges remain before we see large-scale adoption of this technology, commercial LMFP batteries are being produced and installed in EVs today by the likes of Gotion and HCM. Because LMFPs can be produced on LFP lines, they are usually not mentioned separately in Gigafactory capacity announcements but included in the overall LFP figure. LMFPs use 4 to 8 times more Mn per kWh than NMC-811.

In the face of continued uncertainties and ongoing challenges in achieving the necessary capacity utilisation, Western OEMs are continuing to focus on driving down unit costs to improve affordability while taking a conservative approach to further expansion plans and capital allocation. However, there is a recognition of the need for diversification of supply for the critical battery and other raw materials, including high-purity manganese. This is supported by the policies put in place in Europe and other regions, as noted below.

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

On the battery raw material front, HPMSM continues to be favoured by the battery makers over trimanganese tetraoxide (Mn_3O_4), another important HP-Mn feedstock.

Manganese in Battery Chemistries

The use of manganese in battery materials is gaining traction as a cost-reduction strategy. Within the NMC family there is growing interest in mid-nickel high voltage batteries which can use 3-5 times the manganese compared to some of the higher nickel (811 or 9.5.5) varieties. This switch is driven by the cost advantage of manganese over nickel and concerns regarding the Environmental, Social, and Governance profile of nickel mining and refining.

6. REVIEW OF OPERATIONS (continued)

Within the LFP family there is a growing focus improving the density of the LFP batteries, as well as on Lithium-Iron-Manganese-Phosphate ("LMFP") chemistries. The partial replacement of iron with manganese (60% to 80% replacement in some cases) provides a performance boost compared to pure LFP cells and, on a $/kWh basis, drives down costs – LMFP batteries are projected to be the lowest-cost EV batteries on a $/kWh basis. While some technical challenges remain before we see large scale adoption of this technology, commercial LMFP batteries are being produced and installed in EVs today by the likes of Gotion and HCM.

In addition, there are several other innovative chemistries under development using significant amounts of manganese such as Lithium Manganese Rich ("LMR"), Highly Lithiated Manganese ("HLM"), NMX (Cobalt free varieties of NMC) and Lithium-Manganese-Nickel Oxide ("LMNO). Of the other chemistries it is worth highlighting LMNO, which offers very high voltage, and LMR, which both Ford and General Motors have announced plans to adopt, offering a good combination of performance and affordability. GM are targeting large scale roll out of LMR batteries in their mid-size pickups and larger SUVs by 2028, underscoring the importance of manganese and close to being a commercial reality. Both LMR and LMNO chemistries are heavy in manganese with analysts estimating it could exceed 50% of the cathode. Some varieties of Sodium-Ion (Na-ion) are also starting to use significant amounts of manganese and are gaining attention in view of their safety and cost advantages over Li-ion batteries.

Supply Chain Dynamics and Offtake Strategy

The medium to long term outlook for battery-grade manganese continues to be robust with demand projected to outstrip supply by the end of this decade, driven by the continuing growth in the EV market and the rise of more manganese-rich chemistries to deliver lower cost batteries.

Currently, HPMSM is the dominant form of manganese used in Li-ion batteries and is projected to remain so going forward. However, other forms of manganese salts are increasingly used in the synthesis of pCAM and CAM for newer chemistries including manganese carbonate, phosphate, and oxides (Mn_2O_3 and Mn_3O_4). As a result, HPEMM is getting traction as a preferred feed stock due to its cost-effectiveness. This makes it an attractive intermediate material for producing a variety of manganese salts, compared to using the finished product, HPMSM. Additionally, HPEMM offers geographic flexibility, as it is more economical and practical to transport metal than HPMSM. Term sheets signed to date with prospective customers demonstrate the growing interest in HPEMM with volumes increasing significantly in later years.

Offtake discussions are ongoing with stakeholders across the supply chain, including automotive OEMs, battery manufacturers, and CAM/pCAM producers. Conversations are also taking place with non-EV customers (such as ESS or Flow Battery customers) and with those interested in non-battery industrial applications, with the defence sector becoming increasingly prospective (uses include high purity alloys, electronics as well as bespoke military battery applications). To date, the Company has signed five non-binding offtake term sheets for the sale of HPEMM and HPMSM.

The Company aims to secure offtake contracts for 80%-90% of its production capacity to support project financing and remains well-positioned to capitalize on the growing demand for manganese in the evolving battery market.

In addition, in early May 2024, the US Department of Treasury published the final rules for the Inflation Reduction Act on how manufacturers may satisfy the critical mineral and battery component requirements of the clean vehicle tax credit. Specifically, the rules clarify that an eligible clean vehicle may not contain any critical minerals that were extracted, processed, or recycled by a foreign entity of concern (with the exception of graphite). Additionally, manufacturing companies will have the obligation to undertake full traceability of the supply chain to ensure there is no involvement of a foreign entity of concern at any stage. In July 2025, the One Big Beautiful Bill Act was signed into law in the United States. While it eliminated the majority of consumer tax credits for electric vehicles, it significantly strengthened the restrictions on accessing the remaining incentives based on the level of involvement of Foreign Entities of Concern. These changes underscore the growing importance of developing a supply chain that is independent of China.

Regulatory, Policy and Political Developments

Across the United States and Europe, there is growing recognition of the risks associated with over-reliance on China for critical battery materials, including high-purity manganese.

6. REVIEW OF OPERATIONS (continued)

On December 11, 2024 NATO published a list of 12 defence critical raw materials, including manganese, essential for the Allied defence industry. These materials are integral to the manufacture of advanced defence systems and equipment.

On March 19, 2025 the Chvaletice Manganese deposit was designated a Strategic Deposit by the Czech government under the Czech Mining Act amendments. This designation recognizes the importance of manganese as both a strategic and critical raw material for the Czech Republic and expedites and enhances the predictability of the permitting process. Obtaining this status is the crucial prerequisite for receiving certain investment incentives.

Furthermore on March 26, 2025 the Chvaletice Project was designated as a Strategic Project under the EU Critical Raw Materials Act ("CRMA"). The benefits of being a Strategic Project include:

i. Allowing Project developers to gain access to financing, taking into account private and public sources of funding with relevant national promotional banks, the European Investment Bank, EBRD and private financial institutions. Strategic Projects may receive preferential financing terms.
ii. Allowing regional and national authorities to make use of funding from the European Development Fund and Cohesion Fund to support the relevant project, in line with the new Strategic Technologies for Europe Platform regulations. These funds are administered by regional and national authorities and the European Commission makes sure that the projects are successfully concluded.
iii. Benefiting from preset time frames for permitting.

It provides The Company stronger opportunity to pursue potential Czech grants and subsidies. As a strategic deposit, the Chvaletice Manganese Project could qualify as production of strategic products and may benefit from both corporate income tax relief and cash grants.

On December 3, 2025, the European Commission announced its RESourceEU Action Plan. Under the plan, a new critical raw materials financing hub will coordinate fragmented funding and provide technical assistance for projects along the value chain, mobilizing significant EU funds to accelerate Strategic Projects under the CRMA. This plan also commits European downstream industrial sectors to supply diversification, where large companies will need to assess supply chain risks and adopt mitigation measures supported by incentives. The plan also aims to support streamlining and simplifying permitting and increasing the demand for EU raw materials.

In early May 2024, the US Department of Treasury published the final rules for the Inflation Reduction Act on how manufacturers may satisfy the critical mineral and battery component requirements of the clean vehicle tax credit. Specifically, the rules clarify that an eligible clean vehicle may not contain any critical minerals that were extracted, processed, or recycled by a foreign entity of concern (with the exception of graphite). Additionally, manufacturing companies will have the obligation to undertake full traceability of the supply chain to ensure there is no involvement of a foreign entity of concern at any stage. In July 2025, the One Big Beautiful Bill Act was signed into law in the United States. While it eliminated the majority of consumer tax credits for electric vehicles, it significantly strengthened the restrictions on accessing the remaining incentives based on the level of involvement of Foreign Entities of Concern. These changes underscore the growing importance of developing a supply chain that is independent of China.

This bill has had a significant impact on EV demand, with a spike in purchasing in August and September 2025 before the tax credits were removed on September 30th. Subsequently in last quarter of 2025 saw the EV sales fall by 5.8% vs the previous quarter and by 2 % vs the comparative year. In addition, tariffs have been applied to foreign made automobiles and components, which has hit US OEMs who have in previous years off-shored production to countries that are now subject to these new tariffs (e.g. Canada, Mexico). While these tariffs have been subject to frequent revision, it unlikely they will be entirely removed for the foreseeable future creating more uncertainty for the North American market.

Additionally, recent policy developments—such as the U.S. National Defence Authorization Act (NDAA), which mandates that batteries used in Department of War applications be sourced from compliant, non Chinese supply chains—underscore the urgency of securing alternative, transparent, and geopolitically stable sources. Against this backdrop, Euro Manganese's Chvaletice Project, which represents Europe's largest and only significant future producer of battery-grade source of high purity manganese, is increasingly well positioned to support the region's strategic autonomy in battery materials. As governments and manufacturers accelerate efforts to diversify supply, Euro Manganese stands to play a central role in strengthening resilient, sustainable, and fully traceable value chains for the electric vehicle and energy storage sectors.

6. REVIEW OF OPERATIONS (continued)

Bécancour Project

The site of the Bécancour Project is strategically located adjacent to a cluster of planned CAM manufacturing plants, including Ultium CAM (GM/Posco). The Company entered into an option agreement with SPIPB, a Québec provincial enterprise and owner of a 15 hectare land parcel within Bécancour (the "Bécancour Option Agreement") where the Company proposed to establish its North American facilities. The Bécancour Option Agreement allowed the Company to exclusively access the land parcel and conduct due diligence. During the current period, the Bécancour Option Agreement was amended to acquire an 8 hectare property rather than a 15 hectare land parcel at the Port of Bécancour for total consideration of $5,111. As at September 30, 2025, the Company has made payments aggregating $963. On September 30, 2025, the Company further amended the agreement, revising the purchase price to $6,115 and extending the option period to September 30, 2026. Beginning July 1, 2026, the Company will be required to make monthly payments of $31 to maintain the option until its expiry.

The amounts 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. All work on the Bécancour project remains on hold, including permitting and a planned feasibility study, until such time as the Company is financed adequately to move the project forward.

7. OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

A summary of the Company's performance based on and derived from the Financial Statements, is as follows:

	Three months ended March 31,		Six months ended March 31,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Revenues	**1,253**	874	**2,400**	1,912
Cost of goods sold	**(1,272)**	(1,151)	**(2,782)**	(2,549)
Gross profit (loss)	**(19)**	(277)	**(382)**	(637)
Operating expenses				
Chvaletice Project evaluation	**(1,938)**	(1,806)	**(3,435)**	(3,772)
Other evaluation	**-**	-	**-**	(8)
Corporate and administrative	**(846)**	(1,109)	**(1,946)**	(1,295)
Foreign exchange gain (loss)	**(481)**	(122)	**(68)**	(1,571)
Operating loss	**(3,284)**	(3,314)	**(5,831)**	(7,283)
Other income (expenses)				
Gain on derivative instruments	**-**	336	**-**	1,242
Modification loss on convertible loan facility	**-**	-	**-**	(903)
Interest income	**33**	31	**77**	107
Finance expense	**(1,171)**	(1,027)	**(2,343)**	(2,216)
Loss before income taxes	**(4,422)**	(3,974)	**(8,097)**	(9,053)
Income tax recovery (expense)	**(4)**	(24)	**38**	(121)
Net loss	**(4,426)**	(3,998)	**(8,059)**	(9,174)
Other comprehensive income (loss)	**(49)**	110	**(64)**	202
Total comprehensive loss	**(4,475)**	(3,888)	**(8,123)**	(8,972)

7. OVERALL PERFORMANCE AND RESULTS OF OPERATIONS (continued)

Three months ended March 31, 2026 and March 31, 2025

The Company reported a net loss of $4,426 for the three months ended March 31, 2026 compared to a net loss of $3,998 for the three months ended March 31, 2025. The primary drivers of this decrease in the net loss were as follows:

Revenue

Revenue was $1,253 as compared to $874 in the comparative period; an increase of $379 or 43%. Revenue was generated from the sale and service of specialty steel products by EPCS, which was acquired in December 2023. The year-over-year increase primarily reflects the type and scale of projects executed during the period, with 2026 including higher-value projects compared to 2025.

Cost of goods sold

Cost of goods sold was $1,272 compared to $1,151 in 2025, an increase of $121 or 11%. Cost of sales is primarily driven by production output levels and is comprised mainly of raw materials, direct labour, and depreciation of production assets.

Chvaletice Project evaluation

During the three months ended March 31, 2026, the Company incurred Chvaletice Project evaluation expenditures of $1,938 compared to $1,806 in 2025, representing an increase of $132 or 7%. This increase was primarily driven by engineering activities in the current period related to the updated PEA, offset by a reduction in supplies and rental as the activities of the demonstration plant were reduced in the current period.

Corporate and administrative

During 2026, the Company incurred corporate and administrative expenses of $846 compared to $1,109 in 2025, representing a decrease of $263 or 24%.The decrease was primarily related to remuneration of $366 compared to $626 in the comparative period, as the Company reduced management and administrative compensation costs following organizational changes implemented earlier in the year, resulting in a lower overall expense level for the period. Legal and professional fees decreased to $88 from $166 in 2025, representing a decrease of $78 or 47% as the company continued to optimize its use of external legal and professional advisors.

Gain on derivative instruments

During 2026, the Company did not recognize a gain or loss on the derivative liability related to the convertible loan facility, compared to a gain of $336 in the same period of 2025. Gains and losses on the derivative instrument are driven by changes in market interest rates, timing of expected cash flows, and management's judgment regarding the probability of converting the convertible loan facility to a royalty.

Finance expense

Finance expenses for 2026 were $1,171 compared to $1,027 in 2025 representing an increase of $144 or 14%. Finance expenses represent amortization and accretion of deferred transactions costs as well as interest expenses and the impact of foreign exchange.

7. OVERALL PERFORMANCE AND RESULTS OF OPERATIONS (continued)

Six months ended March 31, 2026 and March 31, 2025

The Company reported a net loss of $8,059 for the six months ended March 31, 2026 compared to a net loss of $9,174 for the six months ended March 31, 2025. The primary drivers of this decrease in the net loss were as follows:

Revenue

Revenue was $2,400 as compared to $1,912 in the comparative period; an increase of $488 or 26%. Revenue is generated from the sale and service of specialty steel products by EPCS, which was acquired in December 2023. Variances reflect the type and scale of projects executed during the period, with 2026 including higher-value projects compared to 2025.

Cost of goods sold

Cost of goods sold was $2,782 compared to $2,549 in 2025, an increase of $233 or 9%. Cost of sales is primarily driven by production output levels and is comprised mainly of raw materials, direct labour, and depreciation of production assets. The increase in cost of sales compared to the prior year is primarily due to higher repair and maintenance expenditures required to address machinery issues, an increase in administrative support costs allocated to production activities, and greater consumption of small tools and production supplies driven by operational needs.

Chvaletice Project evaluation

During the six months ended March 31, 2026, the Company incurred Chvaletice Project evaluation expenditures of $3,435 compared to $3,772 in 2025, representing a decrease of $337 or 9%. This decrease was primarily driven by a reduction in supplies and rental as the activities of the demonstration plant were reduced in the current period offset by increased engineering activities in the current period related to the updated PEA.

Corporate and administrative

During 2026, the Company incurred corporate and administrative expenses of $1,946 compared to $1,295 in 2025, representing an increase of $651 or 50%. The increase was primarily related to a net share-based compensation recovery of $1,546 which arose due to a significant number of stock options being forfeited during the comparative period. Excluding the impact of share-based compensation, the corporate and administrative costs were $1,747 compared to $2,842 in 2025 representing a decrease of $1,095 or 39%. The decrease was primarily related to remuneration of $788 compared to $1,733 in the comparative period, as the Company reduced management and administrative compensation costs following organizational changes implemented earlier in the year, resulting in a lower overall expense level for the period.

Gain on derivative instruments

During 2026, the Company did not recognize a gain or loss on the derivative liability related to the convertible loan facility, compared to a gain of $1,242 in the same period of 2025. Gains and losses on the derivative instrument are driven by changes in market interest rates, timing of expected cash flows, and management's judgment regarding the probability of converting the convertible loan facility to a royalty.

Finance expense

Finance expenses for 2026 were $2,343 compared to $2,216 in 2025 representing an increase of $127 or 6%. Finance expenses represent amortization and accretion of deferred transactions costs as well as interest expenses and the impact of foreign exchange.

8. QUARTERLY FINANCIAL REVIEW

A summary of the Company's financial results for the eight most recently completed quarters is as follows:

	Q2 2026 Mar-26	Q1 2026 Dec-25	Q4 2025 Sep-25	Q3 2025 June 25	Q2 2025 Mar-25	Q1 2025 Dec-24	Q4 2024 Sept-24	Q3 2024 June-24
	$	$	$	$	$	$	$	$
Cash and cash equivalents	**5,388**	7,000	9,491	10,873	2,822	5,368	9,364	13,201
Total assets	**31,455**	33,544	36,778	38,787	32,326	35,601	40,468	45,640
Working capital [(1)]	**(29,226)**	(25,666)	(22,884)	9,319	1,034	3,184	(19,561)	11,718
Current liabilities	**36,434**	34,220	33,919	2,890	3,871	3,944	30,513	3,247
Revenue	**1,253**	1,147	943	1,532	874	1,038	705	1,314
Cost of goods sold	**(1,272)**	(1,510)	(1,078)	(1,499)	(1,151)	(1,398)	(779)	(1,478)
Chvaletice Project evaluation	**(1,938)**	(1,497)	(1,371)	(1,667)	(1,806)	(1,966)	2,592	(1,826)
Other evaluation	-	-	-	-	-	(8)	(69)	(2)
Corporate and administrative	**(846)**	(1,100)	(1,154)	(1,265)	(1,109)	(186)	(1,123)	(1,443)
Income (loss) for the period	**(4,426)**	(3,633)	(4,759)	(3,653)	(3,998)	(5,176)	(5,097)	(4,389)
Other comprehensive income for the year	**(49)**	(15)	115	97	110	92	150	110
Total comprehensive loss	**(4,475)**	(3,648)	(4,644)	(3,556)	(3,888)	(5,084)	(4,947)	(4,279)
Basic and diluted loss per share attributable to shareholders	**(0.03)**	(0.03)	(0.03)	(0.03)	(0.05)	(0.06)	(0.07)	(0.05)

(1) Working capital is non-IFRS measure which is calculated by subtracting current liabilities from current assets. Management believes that working capital is a useful indicator of the liquidity of the Company.
(2) Figures may not add to annual results due to rounding.

- The Company received US$20 million ($28 million) from Orion's initial financing tranche in the first quarter of 2024, increasing cash and cash equivalents, total assets, and working capital at December 31, 2023. Subsequent use of these funds for project evaluation, EPCS acquisition, land payments, and corporate costs led to quarter-over-quarter decreases. In the third quarter of 2025, the Company completed a financing package through a private placement and SPP, generating net cash of $11,076 and increasing cash, total assets, and working capital.

- Revenue: The Company completed the acquisition of EPCS during the quarter ended December 31, 2023. During the subsequent quarters the Company recognized revenue from the sale of specialty steel products by EPCS. The quarter-over-quarter fluctuation primarily reflects the type and scale of projects executed during the period.

- Loss for the period of the last eight quarters were primarily impacted by the timing of Chvaletice project expenditures, other evaluation expenditures, foreign exchange gain or loss and derivative gain or loss related to the Convertible Loan Facility

9. LIQUIDITY AND CAPITAL RESOURCES

As an early-stage development company, the Company has no material operating revenues and is unable to self-finance its operations. Further, there is no assurance that the evaluation and development activities executed or planned by the Company for the Chvaletice Manganese Project will result in the development of a profitable commercial operation.

During the six months ended March 31, 2026 and 2025 the Company incurred a net loss of $8,059 and 9,174, respectively, and used $4,115 and $5,693 cash, respectively, for operating activities. At March 31, 2026, the Company's working capital (current assets less current liabilities) was a deficit of $29,226. The Company's capital resources are not expected to provide sufficient working capital to fund its corporate and project development costs for at least twelve months from the date of these financial statements. The Company anticipates continued operating losses while advancing the Chvaletice Manganese Project. The ability of the Company to complete any financing in the future will depend principally upon prevailing market conditions and the performance of the Company. Such 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.

9. LIQUIDITY AND CAPITAL RESOURCES (continued)

On December 11, 2025, the Company announced amendments to the Funding Package. In connection with the amendments, Orion extended the date by which certain milestones were required to June 30, 2026, and Orion may now, at its discretion, convert the outstanding amount drawn under the Convertible Loan Facility and accrued interest into a royalty at any time, subject to the conditions in the Convertible Loan Facility.

On May 28, 2025, the Company completed a financing package for total gross proceeds of $11,076, comprised of the following components: (a) a private placement of 39,671,662 common shares, 14,906,688 Chess Depository Interests (CDIs) and 54,578,350 warrants, for a gross proceeds of approximately $9,736 and (b) a Share Purchase Plan ("SPP") offered to with certain eligible shareholders under the same terms as private placement, raising approximately $1,340. This financing involves participation from both new and existing investors, including the EBRD and Mr. Eric Sprott, through 2176423 Ontario Ltd.

Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.225, expiring on November 28, 2026. In connection with the financing, the Company issued 4,904,478 broker warrants as compensation to agents and intermediaries. Each broker warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.225, expiring on May 28, 2027. The Company also incurred additional share issuance costs of $1,149.

While the financing has strengthened the Company's near-term liquidity, current capital resources are not expected to be sufficient to fund corporate and project development activities for the next twelve months from the reporting date. The Company continues to evaluate financing options to support its ongoing operations and the advancement of the Chvaletice Manganese Project. The Company anticipates continued operating losses while advancing the Chvaletice Manganese Project. The ability of the Company to complete any financing in the future will depend principally upon prevailing market conditions and the performance of the Company. Such 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 September 2025 Financial Statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported revenues and expenses and the balance sheet classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The Company's commitments at March 31, 2026, are shown in Section 12 of this MD&A.

10. OFF BALANCE SHEET ARRANGEMENTS

As at March 31, 2026, there are no off-balance sheet arrangements which could have a material impact on current or future results of operations or the financial condition of the Company.

11. RELATED PARTY TRANSACTIONS

For the three and six months ended March 31, 2026 and 2025, amounts paid to related parties were incurred in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the transacting parties.

At March 31, 2026, key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole, and consisted of the Company's Board of Directors, President and Chief Executive Officer, Interim Chief Financial Officer, Chief Legal Officer and Corporate Secretary, and the Managing Director of the Company's Czech subsidiary.

A summary of the amounts the Company paid to its directors and officers is as follows:

	Three months ended March 31,		Six months ended March 31,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Salaries and benefits to officers and directors of the Company	**446**	320	**910**	709
Final payments to the former CEO	**-**	-	**-**	521
Share-based compensation	**100**	12	**178**	24
Share-based compensation gain resulted from forfeiture of options	**-**	-	**-**	(1,647)
	546	332	**1,088**	(393)

As at March 31, 2026, accounts payable and accrued liabilities included $54 (September 30, 2025 - $53) is payable to related parties.

Related party transactions were incurred in the normal course of operations.

12. CONTRACTUAL COMMITMENTS

At March 31, 2026, the Company was committed to make the minimum annual cash payments as follows:

	Less than one year	Total
	$	$
Minimum rent payments	111	111
Operating expenditure commitments	53	53
Total contractual obligations	**164**	**164**

Pursuant to the ČEZ Lease Agreement, land access has been granted for the life of the Project 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"), which is 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 625 Czech Koruna ($42) per calendar quarter, 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 Czech Koruna ($4).

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 9.5 million Czech Koruna ($635), adjusted for inflation based on the average annual Czech consumer price index for the 12 months of the previous calendar year. The land rental agreement was effective July 1, 2022.

13. OUTSTANDING SHARE DATA

The Company's authorized share capital consists of an unlimited number of common shares without par value. A summary of the number of the Company's issued and outstanding securities is as follows:

	March 31, 2026	MD&A Date
	#	#
Issued and outstanding common shares	142,954,504	142,954,504
Share purchase options	9,620,411	9,620,411
Warrants	89,288,868	89,288,868

14. PROPOSED TRANSACTIONS

At March 31, 2026, there is no proposed asset or business acquisition or disposition being considered that would affect the financial condition, financial performance or cash flows of the Company.

15. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

Basis of preparation and accounting policies

The Company's annual consolidated financial statements were prepared in accordance with IFRS Accounting Standards. Detailed description of the Company's significant accounting policies can be found in Note 3 of the September 2025 Financial Statements. The impact of future accounting pronouncements is disclosed in Note 3 of the September 2025 Financial Statements.

Significant accounting estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas of judgment and key sources of estimation uncertainty that have the most significant effect are disclosed in Note 3 of September 2025 Financial Statements.

16. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

A description of the Company's financial instruments and financial risks that the Company is exposed to and management of these risks can be found in Notes 11 and 12, respectively, of September 2025 Financial Statements.

17. INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that: (i) the consolidated financial statements for the three months ended March 31, 2026, do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made; and (ii) the consolidated financial statements for the six months ended March 31, 2026, fairly present in all material respects the financial condition, results of operations and cash flow of the Company.

There was no change in the Company's internal controls over financial reporting that occurred during the six months ended March 31, 2026, that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Disclosure Controls and Procedures

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

There was no change in the Company's disclosure controls and procedures that occurred during the six months ended March 31, 2026, that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures.

Limitations of Controls and Procedures

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

18. FORWARD-LOOKING STATEMENTS AND RISKS NOTICE

Certain statements in this MD&A constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws. Such statements and information involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Euro Manganese Inc. (the "Company"), its Chvaletice Manganese Project, its proposed Bécancour Project or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict" and other similar terminology, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Regarding the Chvaletice Manganese Project, results of the PEA constitutes forward-looking information or statements, including but not limited to IRR, payback periods, NPV, future production, estimates of cash cost, assumed prices for HPEMM and HPMSM and by-products, proposed extraction plans and methods, operating life estimates, cash flow forecasts, recoveries and estimates of capital and operating costs, and statements regarding completing a feasibility study following completion of the PEA. Such forward-looking information or statements also include, the anticipated timing of various regulatory approvals, statements regarding the ability of the Company to obtain remaining surface rights, statements regarding the timeline for the land planning permit for railway and shunting to be obtained in summer 2026, the ability to enter into offtake agreements with potential customers, ability to gain any benefits from testing of its products, the benefits of remediating the historic tailings areas, the ability of the Company to meet the conditions of its secured financing, the growth and development of the high purity manganese products market and any potential benefits to the Company, the desirability of the Company's products, any anticipated changes in battery chemistries and associated cost benefits for chemistries using manganese, the ability to benefit from growth in energy storage solutions, the ability to benefit from defence applications; any expected benefits from companies diversifying away from a single source of supply of battery materials, the growth of the EV industry, the use of manganese in batteries, the manganese project supply line, support from European financial institutions, any anticipated benefits from strategic project or strategic project status or other legislation, and the Company's ability to sustain sufficient working capital and obtain financing, or obtain any government funding.

18. FORWARD-LOOKING STATEMENTS AND RISKS NOTICE (continued)

Forward-looking statements in connection with the Bécancour Project include, but are not limited to, statements concerning the Company's plans for advancing the Bécancour Project, statements regarding anticipated completion of the Bécancour feasibility study, the Company's ability to acquire the Bécancour land parcel, the Company's estimated engineering/construction timelines to build the Bécancour Project and ability to arrange necessary infrastructure, the Company's ability to provide HPEMM feedstock to the Bécancour Project from the Chvaletice Project and source other feedstock, the technical capability of the Bécancour Project and the Company's ability to operate the Bécancour Project and produce both HPMSM products and any associated cash flow and timelines for cash flow, the projected growth of the North American demand for high-purity manganese products, any benefits of legislation, the Company's ability to secure offtake agreements from North American customers, the Company's ability to raise the necessary financing, and the timing of any permit application submissions and approvals and continuing successful cooperation with the W8banaki Nation.

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

All forward-looking statements are made based on the Company's current beliefs including various assumptions made by the Company, including that the Chvaletice Project will be developed and operate as planned, the results of the PEA are reliable, that the Company will have sufficient financing to continue operations, and that the Company will be able to meet the conditions of its secured financing. Factors that could cause actual results or events to differ materially from current expectations include, among other things for the Chvaletice Project, lack of sufficient funding; the inability to meet conditions under the Company's secured credit facility and risks related to granting security; poor market conditions; results of the PEA are not accurate; the inability to develop adequate processing capacity and production; the availability of equipment, facilities, and suppliers necessary to complete development; risks and uncertainties related to the ability to obtain, amend, or maintain necessary licenses, or permits, risks related to acquisition of surface rights; the potential for unknown or unexpected events to cause contractual conditions to not be satisfied; the failure of parties to contract with the Company to perform as agreed; risks and uncertainties related to the accuracy of mineral resource estimates, variations in rates of recovery and extraction, the price of HPEMM and HPMSM; the inability to secure offtake agreements; results from optimization program not being favorable, and changes in project parameters as plans continue to be refined. For the Bécancour Project, factors include, among other things: assumptions in the scoping study not proving accurate over time and negatively affecting results; an inability to obtain financing, unanticipated operational difficulties including failure of the Bécancour Project; inability to secure offtake agreements; a delay or inability to obtain or maintain necessary licenses or permits; the potential for unknown or unexpected events to cause contractual conditions to not be satisfied; inability to complete feasibility study or other technical studies or unexpected results; and risks and uncertainties related to limited feedstock supply options.

Additional factors that could cause results or events to differ materially from current expectations include risks related to developments in EV battery markets and chemistries and decreasing demand for manganese; global epidemics or pandemics and other health crises; availability and productivity of skilled labour; risks and uncertainties related to interruptions in production; unforeseen technological and engineering problems; the adequacy of infrastructure; risks related to working conditions, accidents or labour disputes; social unrest or war; the possibility that future results will not be consistent with the Company's expectations; increase in competition; risks related to fluctuations in currency exchange rates, changes in laws or regulations; and regulation by various governmental agencies and changes or deterioration in general economic conditions.

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

18. FORWARD-LOOKING STATEMENTS AND RISKS NOTICE (continued)

For a further discussion of risks relevant to the Company, see "Risk Factors" in the Company's annual information form for the year ended September 30, 2025, available on the Company's SEDAR+ profile at www.sedarplus.ca.

Although the forward-looking statements contained in this MD&A are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this MD&A.