EURO MANGANESE

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023

Contents

1. Introduction

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

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

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of the Company, prepared as of February 13, 2024, is intended to be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2023, and the Company's unaudited condensed consolidated interim financial statements for the three months ended December 31, 2023, and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of annual and interim financial statements, including IAS 34 *Interim Financial Reporting*.

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

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

This MD&A contains "forward-looking statements" that are subject to risk factors as set out in a cautionary note contained in Section 14. The financial information presented in this MD&A is in Canadian dollars, unless otherwise stated.

2. Overview

About the Chvaletice Manganese Project

The Chvaletice Manganese Project is located in the Czech Republic, within the townships of Chvaletice and Trnavka, in the Labe River valley, approximately 90 kilometres to the east of the country's capital, Prague. The Project site is adjacent to established infrastructure, including an 820-megawatt power station that supplies the Czech Republic's national grid, a major railway line, a highway, and a natural gas line. The surrounding region is industrialized and skilled labour is expected to be available from local markets. The Project resource is contained in flotation tailings piles, adjacent to the former Chvaletice open pit mine. The tailings, a 27 million tonne Proven and Probable Reserve (98.3% Proven) with a grade averaging 7.41% Mn, were deposited from historical milling operations for the recovery of pyrite used for the production of sulfuric acid. The tailings, which consist of three separate piles ranging from 12 to 28 metres in thickness, cover a cumulative surface area of approximately one square kilometre. The Project is expected to result in the environmental remediation of this former mine tailings site, bringing it into full compliance with modern Czech and European Union environmental standards and regulations.

2. Overview (continued)

The Company's wholly-owned subsidiary, Mangan Chvaletice s.r.o. ("Mangan") holds two licenses covering mineral exploration rights for the Project ("Licenses"), which are both valid until May 31, 2026. Mangan also holds a Preliminary Mining Permit, referred to by the Czech Ministry of Environment as the Prior Consent for the Establishment of a Mining Lease District, which is also valid until May 31, 2026. The Preliminary Mining Permit which represents one of the key steps towards final permitting for the Project, covers the areas included in the Licenses, and secures Mangan's exploration rights for the entire deposit. The establishment of the Mining Lease District, the application for the Final Mining Permit, and applications for permits relating to the construction of infrastructure and operation of a processing facility required for the Project, must be submitted and approved prior to any commercial extraction and processing activities at the Project.

The area of interest for the Project overlies several privately-owned land parcels with surface rights. To date, Mangan has received the consent to conduct exploration activities and to access the site from the landowners whose surface properties underlie the tailings. At present, Mangan does not hold all surface rights to the Project area, which includes those parcels of land underlying and immediately surrounding the three tailings deposits. In June 2022, and in October 2023, Mangan and the Municipality of Chvaletice ("Chvaletice") and ČEZ a.s. ("ČEZ"), respectively, signed land lease agreements, granting the Company access to approximately 85% of the total reserves of the Project (Section 6 of this MD&A). Additionally, Mangan signed a land purchase agreement with the owners of certain land parcels which are adjacent to the tailings area and provides additional room and flexibility for the Chvaletice residue storage facility layout (Section 6 of this MD&A). The Company is currently in commercial negotiations for the acquisition of the remaining surface rights; however, there is no assurance that access to the remaining areas will be secured.

On December 28, 2023, Mangan acquired 100% of a company that owns the land intended for the Project's high-purity processing plant. This land is located immediately south of the highway and rail line that bound the Chvaletice tailings deposit and is adjacent to the Chvaletice power plant and another parcel of land and rail siding that was previously acquired by Mangan. The Company also signed further agreements to acquire rights to several additional strategic parcels of land, completing its land assembly for the proposed Chvaletice commercial plant (Section 6 of this MD&A). All such land parcels for the proposed processing plant are already zoned for industrial use. The land area where the Project's tailings are located, is now formally rezoned for mining use.

The Project is targeting production of high-purity electrolytic manganese metal ("HPEMM") with specifications exceeding 99.9% manganese ("Mn") and high-purity manganese sulphate monohydrate ("HPMSM") with a minimum Mn content of 32.34%. These products will be selenium, fluorine, and chromium-free and are designed to contain very low levels of deleterious impurities.

HPEMM and HPMSM are critical components of Li-ion batteries and few sources of manganese ore are suitable for production of high-purity manganese products. As such, demand for high-purity manganese products is growing rapidly, fueled largely by the Li-ion and electric vehicle ("EV") markets. An overview of the high-purity manganese market can be found in Section 6 of this MD&A.

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

The Company announced the results of the Chvaletice Manganese Project feasibility study on July 27, 2022 ("Feasibility Study"), including the conversion of 98.4% of the Mineral Resources into Mineral Reserves. The results of the Feasibility Study are summarized in the MD&A for the year ended September 30, 2023.

2. Overview (continued)

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

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

About the Bécancour Plant

The Company is progressing work on its North American growth strategy and is evaluating several opportunities to develop a project to produce high-purity manganese products for the North American market. The Company has entered into an option agreement with the owner of a 15-hectare land parcel at Bécancour, Quebec, Canada, where it proposes to establish its North American facilities, which allows the Company exclusive access to the land parcel and to conduct due diligence thereon over a maximum term of 21 months. A scoping study was completed for a metal dissolution plant at the proposed Bécancour site (the “Bécancour Plant”) and WSP Canada Inc. ("WSP") has been selected to complete the feasibility study for the plant, which is subject to financing.

Highlights of the positive scoping study for the Bécancour Project, announced on August 9, 2023, are summarized in Section 6 of this MD&A. The Company signed a memorandum of understanding ("MoU") with Manganese Metal Company ("MMC"), a South African high-purity manganese producer for the supply of 99.9% pure HPEMM, allowing the Bécancour Plant to be fed with this HPEMM and/or with HPEMM from the Chvaletice Project, once operational. The MoU could enable the potential supply of high-purity manganese products to the North American market as early as 2027. The Company also signed a Cooperation Agreement with the Grand Council of the Waban-Aki Nation, a tribal council consisting of the Abenaki Bands of Odanak and Wôlinak, on whose ancestral territory the Bécancour Project would be situated (see Section 6).

3. Financial and Project Highlights in the Three Months Ended December 31, 2023, and to the Date of this MD&A

- On December 28, 2023, the Company completed the acquisition of EP Chvaletice s.r.o. ("EPCS"), a company that owns the land intended for the Project's high-purity processing plant, bringing the total consideration paid to CZK 143.1 million ($8.5 million). The net working capital adjustment payable to the seller, which is expected to be finalized by March 31, 2024, is estimated at CZK 35.9 million ($2.1 million).

- On November 28, 2023, the Company signed definitive agreements with OMRF (BK) LLC ("Orion"), which is managed by the Orion Resource Partners Group, for US$100 million in non-dilutive financing (the "Funding Package") to advance the development of the Project. The Funding Package is split into two US$50 million components: (a) a US$50 million loan facility convertible into a 1.29-1.65% royalty on Project revenues (the "Convertible Loan Facility"), with US$20 million received upon closing on November 29, 2023, and an additional US$30 million to be received upon meeting certain milestones; and (b) and receipt of US$50 million in exchange for a 1.93-2.47% royalty on revenues following a final investment decision by the Company’s Board of Directors and other conditions precedent typical for this type of financing (the "Royalty Financing"). In connection with the Funding Package, Orion have been granted an off-take option of between 20-22.5% of the Chvaletice Manganese Project’s high-purity manganese total production for a term of 10 years from first delivery, matching the commercial terms of the Company’s sales. Such right is exercisable until the Company signs 60% of the total Project offtake

- On November 13, 2023, the Company announced successful production of on-spec high-purity manganese sulphate monohydrate from the dissolution and crystallization module at the Chvaletice demonstration plant in the Czech Republic. Earlier in 2023, the Company announced that an external laboratory confirmed that HPEMM produced at the demonstration plant met its target specifications of 99.9% manganese metal purity.

3. Financial and Project Highlights in the Three Months Ended December 31, 2023, and to the Date of this MD&A (continued)

- On October 30, 2023, the Company signed a lease agreement with ČEZ for access to land in the tailings area that is required for the development of the Project (the "ČEZ Lease Agreement"). The Company now has access to approximately 85% of the total Proven + Probable manganese Reserves required for the Project.

- On October 11, 2023, the Chvaletice Manganese Project was named as a project to be supported under the inter-governmental Minerals Security Partnership ("MSP"). The MSP is a collection of 13 countries and the European Union, representing over 50 percent of global GDP, that aims to catalyze public and private sector investment to build diverse, secure and responsible critical mineral supply chains globally.

- On October 4, 2023, the Company announced the completion of the rezoning of tailings land and commercial plant land for the intended use and the resubmission of the Project's ESIA which addressed the noise abatement. Approval of the revised final ESIA is expected in the first quarter of calendar 2024.

4. Outlook

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

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

The Company's short-term operating priorities include:

- full commissioning and operating the Demonstration Plant to allow the production of multi-tonne high-purity manganese product samples for prospective customers' supply chain qualification;

- continuing negotiations with potential customers to enter offtake contracts, as well as with strategic and financial partners and government agencies;

- completing the acquisition of, or access to, the remaining land surface rights for the Project;

4. Outlook (continued)

- initiating the remaining work of Phase 1 (FEED) of the EPCM contract with Wood;
- securing an optimum financing structure for the Project, which is dependent upon the above milestones being achieved;
- initiating the project finance debt process; and
- progressing the feasibility study for the Bécancour Dissolution Plant, subject to financing, for the potential production of high-purity manganese products in Canada for the North American EV market.

5. Significant Transactions During the Three Months Ended December 31, 2023

Other than the acquisition of EPCS and the securing of the Funding Package, as described in Section 3 of this MD&A, the Company did not complete any significant transactions in the three months ended December 31, 2023.

6. Review of Operations

Chvaletice Manganese Project

EPCM Contract Award

In July 2023, the Company selected Wood as its EPCM partner for the Project. The contract is cost reimbursable and is structured in two phases, with an approval stage gate between each phase as well as after the gap analysis in Phase 1, with an FID to be made prior to commencement of Phase 2, dependent upon securing outstanding permits and project finance.

The FEED phase includes an initial gap analysis and in-depth review of the Feasibility Study deliverables, including the test work and flowsheet development conducted by the Company over the last seven years.

Following completion of the gap analysis, other key deliverables to be derived over the remainder of Phase 1 include: completion of value engineering; identification of long-lead time equipment; vendor engagement, selection and firm pricing for major equipment items and packages; total installed capital cost estimate to AACE Class 3 estimate accuracy (+/- 10%); project implementation strategy; a baseline schedule for the EPCM phase; and preparation of construction permit documentation.

Upon making the FID, the Company will enter into the EPCM phase of the contract once conditions precedent are satisfied. Wood will provide overall project and construction management services throughout the EPCM phase of the Project, which includes detailed design, procurement, construction, and commissioning.

Environmental and Social Impact Assessment

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

6. Review of Operations (continued)

While the Chvaletice Project's anticipated noise levels are within legislative limits for an industrial project, as neighbouring operations adjacent to the Project site have existing noise emissions, the cumulative effect marginally exceeds permitted noise levels at the measurement points, located at the closest residential areas. The revision of the noise study within the ESIA also requested the Company to consider new noise legislation related to traffic noise which came into force in July 2023. The details of this new legislation were released after the ESIA was submitted in December 2022. The necessary work to address the comments related to noise was completed and the revised ESIA was submitted in October 2023. The Company anticipates the issuance of a positive decision on the revised ESIA the first quarter of calendar 2024.

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

Demonstration Plant Progress Update

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

HPEMM at 99.9% purity was produced from the demonstration plant in the second quarter of calendar 2023 and external laboratory testing confirmed that the first sample met the demonstration plant target specifications. In November 2023, successful production of high-purity HPMSM was achieved from the dissolution and crystallization module at the Chvaletice Demonstration Plant. External laboratories confirmed the samples met the target specifications for HPMSM with low levels of impurities.

The Company estimates that the cost, including fabrication, delivery, commissioning, laboratory set-up, and an operator training program, as well as the cost of operation for one year, will be approximately US$6.5 million ($8.7 million). To the date of this MD&A, the Company made total payments of US$1.8 million ($2.2 million) for the demonstration plant, accrued $0.9 million for the next milestone payments, and incurred additional expenses of $5.1 million for permitting, site preparation and commissioning.

Acquisition of EP Chvaletice and Land Acquisitions

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

The Company made total payments of 72.1 million Czech Koruna ($4.22 million) from October 17, 2018, to September 30, 2023. In the three months ended December 31, 2023, the Company completed the purchase of EPCS by making two additional payments of 20 million Czech Koruna ($1.2 million) and 51 million Czech Koruna ($3.0 million) on November 29, 2023, and December 28, 2023, respectively.

6. Review of Operations (continued)

The option payments made prior to the acquisition of EPCS were a derivative classified as FVTPL due to the following: i) the option was for the acquisition of shares of EPCS rather than a non-monetary asset; ii) it did not meet any of the scope exceptions from recognition as a derivative asset under IFRS 9 *Financial Instruments*; iii) control of EPCS was not present until the last option payment is made. The remaining payment is dependent on the Board's approval and is not legally enforceable by the shareholder of EPCS.

On the acquisition date on December 28, 2023, the option was revalued based on a third party valuation of acquired assets at $9.0 million, resulting in $0.3 million increase in the value of the option and corresponding gain in the statement of loss and comprehensive loss.

The acquisition was accounted for as a purchase of assets as it met the concentration test under IFRS 3 *Business combinations*. The cost of the acquisition was approximately $11.1 million (216.1 million Czech Koruna), consisting of the cash payments made to date of $11.1 million (143.1 million Czech Koruna), the increase in fair value of the derivative of $0.3 million (37.1 million Czech Koruna) and a $2.1 million (35.9 million Czech Koruna) of working capital adjustment. The purchase price was allocated to the assets acquired and the liabilities assumed in accordance with their relative fair value. The value of the land was determined using the comparative method to reflect the real estate prices achievable for comparable undeveloped land plots in the market at the time of valuation, decreased by the demolition costs of existing buildings which are not in use. The buildings currently in use by EPCS were valued using the income method, assuming rent rates for similar spaces in nearby areas. The valuation of movable assets (machinery equipment and vehicles) was based on historical prices, reflecting the technical value and saleability factor.

The Company has agreements to acquire rights to three additional strategic parcels of land, completing its land assembly for the proposed Chvaletice commercial plant.

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

On June 7, 2022, the Company signed an agreement with Helot, spol. s.r.o. and Ing. Martin Vanek to acquire 78,437m² in total consisting of several land parcels adjacent to the tailings area that provide additional room and flexibility for the Chvaletice residue storage facility layout. The total cost of the land is 54,327,751 Czech Koruna (approximately $3.0 million). The first instalment of $516,452 was paid in June 2022. The second instalment of $580,318 was paid in January 2023 and the remaining amount of $2,038,007 was paid in January 2024.

On October 30, 2023, the Company signed the ČEZ Lease Agreement with ČEZ granting it access to approximately 60% of the reserves in the Project's tailings area, including for mining infrastructure and tailings transportation. Together with the land access agreement with the Municipality of Chvaletice, the Company now has access to approximately 85% of the total Proven + Probable manganese Reserves required for the Project. Pursuant to the ČEZ Lease Agreement, land access has been granted for the life of the Project and during the subsequent period in which reclamation and revitalization of the premises is to take place, in return for a royalty on the Project's gross sales. During the period in which Project is expected to have project finance debt (the "Debt Period"), estimated to be seven years, the royalty will operate on a sliding scale from 0.2% to 1.8%, dependent on the average prices received for the Project's high-purity manganese products. Post the Debt Period, the royalty will be 1.8% of gross sales. Additionally, the ČEZ Lease Agreement also requires the Company to pay, commencing in 2027, a Minimum Rent of CZK 625,000 per calendar quarter (approximately $37,000), adjusted annually commencing in 2028, based on inflation during the immediately preceding year.

6. Review of Operations (continued)

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

High-Purity Manganese Market Overview and Product Marketing

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

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

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

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

In connection with the preparation of the Feasibility Study, the Company commissioned the independent research and consultancy firm, CPM Group, to provide an HPEMM and HPMSM (collectively described as "High-Purity Manganese" or "HPM") product market outlook study for the Project. CPM Group's recent forecast sees the demand for high-purity manganese increasing 13 times between 2022 and 2032 (from 100 kt to 1.3 million tonnes of Mn contained). These forecasts do not include the full range of manganese-rich chemistries currently under development (for example Umicore’s HLM) or any demand from Na-ion batteries. The bottleneck in supply of all forms of high-purity battery grade manganese is the lack of high-purity refining capacity. Known expansions and new projects are unable to satisfy this demand.

6. Review of Operations (continued)

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

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

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

Bécancour Plant

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

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

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

6. Review of Operations (continued)

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

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

The plant design allows for production of both HPMSM and high-purity manganese sulphate solution ("HPMSS"), allowing for customer offtake flexibility. Producing HPMSS provides both cost and environmental benefits, as an HPMSS product could be pumped as a solution to nearby pCAM manufacturers, which eliminates the need to crystallize, dry and package a powdered HPMSM product. HPMSM is ultimately dissolved in water by pCAM plants, therefore delivering a solution saves costs for both parties, reduces water consumption and CO2 emissions.

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

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

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

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

In 2023, the Company signed a Cooperation Agreement with the Grand Council of the Waban-Aki Nation, a tribal council consisting of the Abenaki Bands of Odanak and Wôlinak, on whose ancestral territory the Bécancour Plant would be situated. The Agreement outlines how the Company and the W8banaki intend to communicate openly and regularly, and work together for the mutually acceptable development of the Bécancour Plant, especially during the evaluation and planning phases.

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

7. Quarterly Financial Review

The following table summarizes selected financial information for each of the eight most recently completed quarters, expressed in thousands of Canadian dollars, except for per share amounts:

As at the end of or for the period ending	Oct to Dec'23	Jul to Sep'23	Apr to Jun'23	Jan to Mar'23	Oct to Dec'22	Jul to Sep'22	Apr to Jun'22	Jan to Mar'22
	$	$	$	$	$	$	$	$
Cash and cash equivalents	**24,293**	7,650	10,896	13,805	18,305	21,561	28,026	32,070
Total assets	**55,223**	29,953	32,603	34,956	38,212	39,896	42,280	44,800
Working capital (1)	**22,075**	5,691	9,187	11,191	16,129	19,754	26,839	30,676
Current liabilities	**4,758**	2,852	2,333	3,008	2,758	2,440	1,630	1,823
Revenue	**—**	—	—	—	—	—	—	—
Chvaletice Project evaluation expenses	**1,109**	1,853	604	1,722	1,018	1,739	1,023	1,511
Other evaluation expenses	**51**	34	51	87	210	95	280	71
Other administrative expenses	**1,682**	1,337	1,449	2,161	1,480	2,089	1,804	1,673
Net loss attributable to shareholders	**2,842**	3,224	2,104	3,970	2,708	3,923	3,106	3,255
Net loss per share, basic and diluted, attributable to shareholders	**0.01**	0.01	0.01	0.01	0.01	0.01	0.01	0.01

(1) The additional non-GAAP financial measure of working capital is calculated as current assets less current liabilities.

Summary of major variations in quarterly financial activities:

The variation in quarterly evaluation expenditures is mainly attributed to the following:

- In the three quarters from January to September 2022, the Company focused on progressing and completing the Feasibility Study, preparation work and permitting of the demonstration plant, and the preparation of the final ESIA. The Company completed the Feasibility Study in the quarter ended September 2022. The number of employees at the Project site has risen continuously in relation to the demonstration plant site preparation and commissioning. In the three quarters from January to December 2023, the Company focused on awarding the EPCM contract and initiating Phase 1 with the gap analysis work.

- In the two quarters from October 2022 to December 2023, the Company continued the work related to the preparation and submission of the final ESIA and to the gap analysis performed by Wood on the Project's feasibility study.

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

7. Quarterly Financial Review (continued)

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

- For the three quarters from January to September 2022, other administrative expenses steadily increased mostly as a result of a higher number of employees in the corporate office in Canada and higher share-based compensation expenses.

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

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

7. Quarterly Financial Review (continued)

Three months ended December 31, 2023, compared to the three months ended December 31, 2022

	Three Months Ended December 31,	
	2023	2022
(expressed in thousands of Canadian dollars, except per share data)	**$**	$
Chvaletice Project evaluation expenses		
Engineering	**429**	416
Remuneration	**261**	215
Share-based compensation	**33**	69
Travel	**18**	16
Legal and professional fees	**203**	62
Market studies	**20**	28
Supplies and rentals	**145**	211
	1,109	1,017
Other evaluation expenses		
Engineering	**22**	129
Legal and professional fees	**36**	90
Travel	**7**	9
Other income	**(14)**	(18)
	51	210
Other expenses		
Remuneration	**689**	638
Share-based compensation	**434**	586
Total remuneration	**1,123**	1,224
Legal and professional fees	**198**	279
Investor relations	**49**	84
Product sales and marketing	**20**	27
Travel	**81**	58
Filing and compliance fees	**67**	81
Office, general and administrative	**71**	103
Insurance	**62**	57
Conferences	**5**	12
Depreciation	**105**	63
Accretion expense	**5**	8
Interest expense	**286**	—
Financing costs	**71**	—
Interest income	**(61)**	(159)
Foreign exchange	**(77)**	(356)
Gain on derivative instruments	**(323)**	—
	1,682	1,481
Loss and comprehensive loss for the period	**2,842**	2,708
Basic and diluted loss per common share	**$0.01**	$0.01

7. Quarterly Financial Review (continued)

Chvaletice Project evaluation expenses for the three months ended December 31, 2023 and 2022, were $1,108,650 and $1,017,630, respectively. The level of expenses is comparable between the comparative quarters, and mainly related to the preparation of the EPCM contract, documentation and studies for the environmental and other permits. The current quarter ended December 31, 2023, also includes the gap analysis work as part of the EPCM Phase 1 work. The main variances include: a $140,139 increase in legal and professional fees mainly related to land purchase and land access negotiations and documentation; an increase of $45,633 in remuneration, reflecting high inflation in the Czech Republic; and an increase of $13,009 in engineering costs due to the gap analysis work required for Phase 1 of the EPCM. The overall increase in the Chvaletice Project evaluation costs was partially offset by a decrease in supplies and rentals of $65,991 due to site preparation costs in the comparative period; and a decrease of $35,482 in share-based compensation due to the partial vesting of a share option grant in the comparative quarter.

Other evaluation costs for the three months ended December 31, 2023 and 2022, were $50,972 and $209,794, respectively. These costs mostly represent the scoping study and due diligence related to the Company's evaluation of opportunities in the North American market, particularly the potential Port of Bécancour dissolution plant in Québec, Canada. The decrease in costs over the comparative quarter is mainly attributable to a decrease of $107,283 in engineering costs due to fewer engineering studies performed in the current period and a decrease of $53,470 in professional fees due to a lower volume of consulting work. Additionally, the Company has progressed work on the research initiatives and has received $14,308 from the National Research Council of Canada’s Industrial Research Assistance Program ("IRAP") offsetting a portion of these costs, as compared to $17,570 in the same quarter in 2022. The IRAP funding is shown as other income within other evaluation costs.

The $201,603 increase in administrative costs for the three months ended December 31, 2023, compared to the same quarter in 2022, is mainly attributable to: a $71,260 increase in financing costs and an interest expense of $285,670 were incurred in relation to the Funding Package; a $50,478 increase in remuneration due to an inflation and slightly higher number of employees in the corporate office in Canada; a $41,976 increase in depreciation of the remaining lease asset relating to a land parcel at the project site adjacent to the tailings area which was subsequently acquired; and a $22,599 increase in travel expenses in the current quarter relating to the gap analysis and travel to site. The overall increase in administrative costs was partially offset by a decrease of $152,092 in share-based compensation due to partial vesting of a share option grant in the comparative quarter; an $81,413 decrease in legal and professional expenses due to lower volume of consulting work compared to the previous period; a decrease of $7,891 in conference expenses due to the attendance of fewer conferences in the current period; a decrease of $34,476 in investor relations expenses due to fewer campaigns and promotional activities; and a $14,198 decrease in filing and compliance fees in the current period. Additionally, the Company recorded a $323,124 gain on reevaluation of the EPCS Option prior to the completion of the EPCS acquisition; a $278,639 lower foreign exchange gain; and a decrease of $98,436 in interest earned on the Company's bank deposits.

8. Liquidity and Capital Resources

As at December 31, 2023, the Company held cash and cash equivalents of approximately $24.3 million. Cash and cash equivalents are held with reputable financial institutions and are invested in highly liquid short-term investments with maturities of one year or less. The funds are not exposed to significant liquidity risk and there are no restrictions on the ability of the Company to use these funds to meet its obligations.

8. Liquidity and Capital Resources (continued)

The increase in cash of $16.6 million during the three months ended December 31, 2023, is a result of $22.9 million of cash generated from financing activities, which mainly represents the net proceeds from the the initial USD 20 million tranche of the Convertible Loan Facility. This increase was partially offset by $3.8 million of cash used in investing activities. The Company made payments in total of $4.3 million to finalize the acquisition of EPCS and acquired $0.9 million of cash in the transaction. $2.9 million of cash used in operating activities, which included the final payments for the EPCS Option and certain land related payments. Working capital increased by $42.2 million during the three months ended December 31, 2023, to $22.1 million from $5.7 million at September 30, 2023.

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

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

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

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

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

8. Liquidity and Capital Resources (continued)

Contractual Commitments

As at December 31, 2023, the Company was committed to make the minimum annual cash payments, as follows:

		Payments due by period	
	Total	Less than one year	1 - 2 years
	$	$	$
Minimum lease payments [1]	424,785	154,351	270,434
Land acquisition payments [2]	2,090,956	2,090,956	—
Operating expenditure commitments	435,614	432,411	3,203
Total contractual obligations	2,951,355	2,677,718	273,637

(1) The Company has signed a non-cancellable office lease, with the option to sublet the premises, that will commence in 2024.
(2) Land acquisition payments relate to land parcels for the residue storage facility layout.

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

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

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

9. Related Party Transactions

For the three months ended December 31, 2023 and 2022, amounts paid to related parties were incurred in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the transacting parties.

At December 31, 2023, key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole, and consisted of the Company's Board of Directors, President and Chief Executive Officer, Chief Financial Officer, Vice President, Commercial, Vice President, Corporate Development and Corporate Secretary, Vice President, Operations, and the Managing Director of the Company's Czech subsidiary.

	Three months ended December 31,	
	2023	2022
	$	$
Salaries and fees	**571,779**	488,290
Share-based compensation	**394,306**	560,170
	966,085	1,048,460

9. Related Party Transactions (continued)

At December 31, 2023, amounts owing to directors and officers of the Company for salaries and directors' fees amounted to $39,574 (September 30, 2023 - $35,904), and includes salary owing to the Managing Director of Mangan. At both period ends, the amounts also included bonuses owing to the Managing Director of Mangan. Other amounts payable to officers and directors at December 31, 2023, for the reimbursement of office and travel related expenses were $2,171 (September 30, 2023 - $3,010).

10. Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value. The following common shares, stock options and share purchase warrants were outstanding at February 13, 2024:

	Number of securities
Issued and outstanding common shares	402,669,227
Share options	37,527,584
Warrants	—

Following the period end, on January 31, 2024, 970,000 share options were forfeited and cancelled which is already reflected in the table above.

11. Significant Accounting Policies, Estimates and Judgments

Basis of preparation and accounting policies

The Company's annual consolidated financial statements were prepared in accordance with IFRS as issued by the IASB. Detailed description of the Company's significant accounting policies can be found in Note 3 of the Company's audited consolidated financial statements for the year ended September 30, 2023. Changes to the existing and new accounting policies can be found in the Company's unaudited condensed consolidated interim financial statements for the three months ended December 31, 2023, which were prepared in accordance with IFRS as issued by the IASB, including IAS 34 *Interim Financial Reporting*. The impact of future accounting changes is disclosed in Note 3.3 to the unaudited condensed consolidated interim financial statements for the three months ended December 31, 2023.

Significant accounting estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas of judgment and key sources of estimation uncertainty that have the most significant effect are disclosed in Note 3.15 of the Company's consolidated financial statements for the year ended September 30, 2023, and in Note 3.2 of the Company's unaudited condensed consolidated interim financial statements for the three months ended December 31, 2023.

12. Financial Instruments and Financial Risk Management

A description of the Company's financial instruments and financial risks that the Company is exposed to and management of these risks can be found in Notes 10 and 11, respectively, of the Company's consolidated financial statements for the year ended September 30, 2023, and Note 12 of the Company's unaudited condensed consolidated interim financial statements for the three months ended December 31, 2023.

13. 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 condensed consolidated interim financial statements for the three months ended December 31, 2023, 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 condensed consolidated interim financial statements for the three months ended December 31, 2023, 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 three months ended December 31, 2023, that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Disclosure Controls and Procedures

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

There was no change in the Company's disclosure controls and procedures that occurred during the three months ended December 31, 2023, that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures.

Limitations of Controls and Procedures

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

14. Forward-Looking Statements and Risks Notice

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

14. Forward-Looking Statements and Risks Notice (continued)

Forward looking information includes statements regarding the ability of the Company to deliver on samples meeting specifications to potential customers from the demonstration plant, the timing for FEED under the EPCM contract, final investment decision, ESIA approval and other various regulatory approvals, statements regarding the ability of the Company to obtain remaining surface rights and various permits, the benefits of remediating the historic tailings areas, statements regarding the expectation of the Company that the net proceeds from the first tranche of the Convertible Loan Facility will be sufficient funding to complete the permitting of the Chvaletice mineral project, complete the commissioning of the demonstration plant and its operation, initiation of FEED, complete the acquisition of certain land parcels needed for the Project, and certain site preparation works, and for general and administration expenses for more than 12 months; statements regarding the Company's ability to achieve conditions precedent to access further funding from the Convertible Loan Facility or Royalty Financing, the growth and development of the high purity manganese products market, the desirability of the Company’s products, the ability of the Company to enter into binding offtake agreements with potential customers on favorable terms or at all, the growth of the EV industry, the use of manganese in batteries, the manganese project supply line, support from European financial institutions and any government funding, any anticipated benefits from legislation and the Company’s ability to obtain financing.

Regarding the Bécancour Plant, forward-looking statements include, but are not limited to, statements concerning the Company’s plans for advancing the Bécancour Plant and results of the Scoping Study including estimates of internal rates of return, net present values, and estimates of costs. Such forward-looking information or statements also include, but are not limited to, statements regarding the timing for completion of the Bécancour feasibility study, the Company’s ability to reach a definitive agreement with MMC to supply feedstock, the Company’s ability to operate the Bécancour Plant and associated production, the projected growth of the North American demand for high-purity manganese products, any benefits of legislation, the Company’s ability to secure offtake from North American customers, the Company’s ability to raise the necessary financing, and the timing of any permit application submissions and approvals and continuing successful cooperation with the W8banaki Nation.

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

14. Forward-Looking Statements and Risks Notice (continued)

Factors that could cause actual results or events to differ materially from current expectations include, among other things for the Chvaletice Project, lack of sufficient funding; the inability to develop adequate processing capacity and production; the availability of equipment, facilities, and suppliers necessary to complete development; the cost of consumables and extraction and processing equipment; risks and uncertainties related to the ability to obtain, amend, or maintain necessary licenses, or permits, risks related to acquisition of surface rights; the potential for unknown or unexpected events to cause contractual conditions to not be satisfied; the failure of parties to contract with the Company to perform as agreed; risks and uncertainties related to the accuracy of mineral resource and reserve estimates, variations in rates of recovery and extraction, the price of HPEMM and HPMSM, power supply sources and price, reagent supply resources and prices, future cash flow, total costs of production, and diminishing quantities or grades of mineral resources and reserves; the inability to secure sufficient offtake agreements; the inability to meet conditions under the Company’s secured credit facility and risks related to granting security; a delay or inability to get the ESIA approved by relevant authorities; unexpected results or unsuccessful completion of the various stages of the EPCM contract; and changes in project parameters as plans continue to be refined. For the Bécancour Plant, factors include, among other things: assumptions in the scoping study not proving accurate over time and negatively affecting results; an inability to obtain financing, unanticipated operational difficulties including failure of the Bécancour Plant; cost escalation for reagents, labour, power and other cost increases; inability to secure key reagents; a delay or inability to obtain or maintain necessary licenses or permits; the potential for unknown or unexpected events to cause contractual conditions to not be satisfied; inability to complete feasibility study or other technical studies or unexpected results; and risks and uncertainties related to limited feedstock supply options.

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

For a further discussion of risks relevant to The Company, see "Risk Factors" in the Company's annual information form for the year ended September 30, 2023, available on the Company's SEDAR+ profile at www.sedarplus.ca.

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.