Euro Manganese Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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1. Introduction

The principal business and current focus of Euro Manganese Inc. (the "Company" or "EMN") is the proposed 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'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 Suite 1700, Park Place, 666 Burrard Street, Vancouver, B.C., Canada. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") and on the OTC Best Market ("OTCQX") under the symbols "EMN.V" and "EMN.AX", respectively. CHESS Depository Interests ("CDIs", with each CDI representing one common share) are also 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, prepared as of December 16, 2021, supplements, but does not form part of the audited consolidated financial statements of the Company for the year ended September 30, 2021 (the "September 2021 Financial Statements"), which can be found along with other information of the Company on SEDAR at www.sedar.com. The Company prepares its financial statements in accordance with the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board (the "IASB"). The Company's significant accounting policies are set out in Note 3 of the September 2021 Financial Statements.

Additional information relating to the Company, including the Annual Information Form for the year ended September 30, 2021, is available on SEDAR at www.sedar.com, and on the Company's website www.mn25.ca.

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

This MD&A contains "forward-looking statements" that are subject to risk factors as set out in a cautionary note contained in section 19. The financial information presented in this MD&A is in Canadian dollars, unless otherwise stated.

2. Overview

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 coal-fired 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 Chvaletice Manganese Project resource is contained in flotation tailings piles that were emplaced on flat terrain immediately below the site of a flotation mill site, adjacent to the former Chvaletice open pit mine. The tailings were deposited during 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 meters in thickness, cover a cumulative surface area of approximately one square kilometer.

2. Overview (continued)

The Company has significantly advanced the Chvaletice Manganese Project since 2015 and believes that the Project's environmentally-friendly tailings reprocessing to produce ultra-high-purity manganese products should enable it to become Europe's only primary producer of such products, with a best-in-class environmental footprint. The Chvaletice Manganese Project is also expected to result in the environmental remediation of a polluted former mine site, bringing it into full compliance with modern Czech and European Union environmental standards and regulations.

The Chvaletice Manganese Project is targeting production of ultra-high-purity electrolytic manganese metal ("HPEMM") with specifications exceeding 99.9% Mn and ultra-high-purity manganese sulphate monohydrate ("HPMSM") with a minimum manganese content of 32.34%, both of which exceed typical industry standards. 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 are suitable for the sustainable and economic 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. The Company has entered into five technical and commercial collaboration memorandums of understanding ("MOU") with consumers of high-purity manganese products, intended to result in the supply chain qualification of the Project's products and the eventual offtake thereof. The Company is also in active discussions and negotiations with several other parties, including battery, chemical and automobile manufacturers, with the intent to enter into additional MOUs. An overview of the high-purity manganese market can be found in section 6 of this MD&A.

The Company's wholly-owned subsidiary, Mangan Chvaletice s.r.o. ("Mangan") holds two licenses covering mineral exploration rights for the Chvaletice Manganese Project ("Licenses"), which are both valid until May 31, 2026. On July 20, 2021, Mangan was also issued a new 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 valid until May 31, 2026. The Preliminary Mining Permit represents one of the key steps towards final permitting for the Chvaletice Manganese 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 Chvaletice Manganese Project, must be submitted and approved prior to any commercial extraction and processing activities at the Project.

The Company has experienced ongoing collaboration and support for the Project at various levels of the Czech Government, which approved the Company's application for certain investment incentives in the form of investment tax credits on eligible project expenditures, and in March 2020, issued a ruling under European Union's Natura 2000, which determined that the Project is not expected to adversely impact endangered and protected species habitat.

The area of interest for the Chvaletice Manganese Project overlies several privately-owned land parcels with surface rights.To date, Mangan has received the consent to access the site from landowners whose surface properties underlie the tailings, for the purpose of conducting exploration and other project development related activities. At present, Mangan does not hold surface rights to the Chvaletice Manganese Project area, which includes those parcels of land underlying and immediately surrounding the three tailings deposits comprising the Chvaletice Manganese Project.

2. Overview (continued)

The Company is currently negotiating the acquisition of the remaining surface rights, leases, rights of way, or other arrangements in those areas where it intends to develop its operations, site facilities and infrastructure. There is no assurance that areas needed for these activities and facilities will be secured. Mangan has, however, signed an option agreement giving it the right to acquire 100% of a company that owns a 19.94-hectare parcel of land intended to be the site of Mangan's ultra-high purity processing plant (section 6 of this MD&A). The Company also agreed to acquire rights to several additional strategic parcels of land, completing its land assembly for the proposed Chvaletice commercial plant.

The land for the proposed processing plant is already zoned for industrial use and the Company has initiated the rezoning process for the tailings land. Both adjoining municipalities have voted unanimously to proceed with the required land-use plan change after an intensive community consultation which has been ongoing for several years, with overwhelmingly positive feedback and has continued to receive valuable local resident project planning and design input.

The Company filed a Technical Report having an effective date of January 29, 2019, prepared by Tetra Tech Canada Inc. ("Tetra Tech"), which reported an updated Mineral Resource estimate and the results of a Preliminary Economic Assessment ("PEA") for the Chvaletice Manganese Project (section 6 of this MD&A).

The Company continues to actively monitor the impact of the COVID-19 pandemic, including the impact on economic activity and on the Chvaletice Manganese Project. Throughout the pandemic, the Company has taken a number of measures to safeguard the health of its employees while continuing to advance work related to the Project. The Company has experienced delays due to the COVID-19 pandemic, largely as a result of travel restrictions and supply chain disruptions. Despite the easing of certain travel restrictions and some improvement in the global economy during 2021, the duration of the pandemic and its impact on the Company's ability to progress the development of its project remain uncertain, especially in light of the recent surge in COVID-19 cases in the Czech Republic. Additionally, while productivity has seen improvements in recent months in part due to widespread vaccinations, the COVID-19 Delta variant outbreaks and the newly-discovered Omicron variant may result in new or extended travel restrictions being implemented which could further impact the Project schedule.

3. Financial and Project Highlights

The following is a summary of the Company's highlights during the year ended September 30, 2021, and to the date of this MD&A:

- In October 2021, the pilot plant, which was originally operated in 2018, was restarted to produce product samples for certain prospective customers to continue or initiate their supply chain qualification work in advance of larger samples delivered from the Project's Demonstration Plant.

- On September 24, 2021, Mangan was issued the construction permit to upgrade two industrial buildings at the planned commercial plant site, which will host the demonstration plant, and the upgrade work commenced in October 2021.

- On September 16, 2021, the Company received the globally recognized ISO 27001 certification for Information Security Management Systems confirming that the Company is in line with information security best practice. The Company also plans to obtain a TISAX certification, which is based on the ISO 27001 standard, in order to be recognized as a trusted service provider to the European automotive industry.

- On October 4, 2021, the Company entered into a Joint Development Agreement with Nano One Materials Corp. Joint activities will focus on developing manganese products expected to be produced by the Company for use in cathode materials made by Nano One Materials Corp., in the context of rapidly rising demand for high-purity manganese products.

3. Financial and Project Highlights (continued)

- On July 26, 2021, the Company received an investment instalment of €125,000 ($185,162) from EIT InnoEnergy, an EU-backed organization. The first installment of €62,500 ($92,850) was made on March 24, 2021. These represent two of the three investment installments in the Project which aggregate €250,000. EIT InnoEnergy will also provide assistance in securing customer off-take agreements and access to Project financing.

- On July 20, 2021, the Czech Ministry of the Environment granted Mangan a new Preliminary Mining Permit, valid until May 31, 2026. The permit secures Mangan’s exclusive rights to the Chvaletice tailings resource and the Company’s right to conduct the Project’s Final Environmental and Social Impact Assessment ("Final ESIA"), which is expected to be completed and filed with permitting authorities in the first half of calendar 2022.

- On July 2, 2021, the Czech Ministry of the Environment granted Mangan an extension of its exploration licences by three years to May 31, 2026. The extension allows work to continue on all aspects of the manganese resource development, including the tailings extraction for the Project’s demonstration plant.

- On June 15, 2021, the Company's shares started trading on the OTC Best Market ("OTCQX") under the symbol "EUMNF".

- On May 31, 2021, the Company entered into royalty termination agreements to purchase and extinguish an aggregate 1.2% net smelter royalty interest in the Manganese Chvaletice Project for aggregate consideration of USD4.5 million (approximately $5.5 million) payable in two instalments: USD0.9 million ($1.1 million) which was paid May 31, 2021; and USD3.6 million (approximately $4.5 million), on or before January 31, 2022, by a combination of cash and up to 50% in common shares, at the sole option of the Company, based on a price per share equal to the 20-day volume weighted average price on the TSX-V prior to the date of issuance.

- On May 10, 2021, the Company completed the second tranche of a two-tranche brokered private placement of 50.0 million CDIs at a price of AUD0.60 for aggregate gross proceeds of AUD30.0 million ($28.6 million) and net proceeds of AUD28.5 million ($27.2 million).

- On January 14, 2021, the Company announced the conclusion of a six-month screening of the Project’s preliminary Environmental Impact Assessment ("EIA") conducted by the Czech Ministry of Environment (the “Ministry”). Based on the official notification received from the Ministry, the Company can now proceed with the next stage of the environmental permitting process, which is the preparation of the Final ESIA.

- On January 7, 2021, the Company completed a non-brokered private placement of 444,445 common shares at a price of CAD $0.45 per Share, raising $200,000 for general working capital purposes.

- On November 18, 2020, the Company placed the order for the demonstration plant and resumed the confirmatory test work and various engineering studies for the feasibility study.

- On December 16, 2020, the Company completed the second tranche of a two-tranche brokered private placement of 1.9 million common shares and 58.1 million CDIs, at a price of $0.19 per common share or AUD$0.20 per CDI, respectively for aggregate gross proceeds of $11.3 million (the "Offering") and net proceeds of $10.6 million.

- In December 2020, the Company agreed to acquire rights to three strategic parcels of land, completing its land assembly for the proposed Chvaletice commercial plant.

4. Outlook

During the year ended September 30, 2021, the Company secured what is expected to be sufficient funding to complete the evaluation and pre-development work on the Project, including the completion of its feasibility studies, environmental studies, permitting, the re-start of the pilot plant and the commissioning of the Chvaletice demonstration plant and its operation for one year. Additional funding will be required for the continuous operation of the demonstration plant, additional land acquisitions, as well as the potential future construction of infrastructure and facilities for the Chvaletice Manganese Project (section 9 of this MD&A).

The following are the Company's short-term priorities:

- production and delivery of small samples of high-purity manganese products from the pilot plant to allow prospective customers to continue or initiate their supply chain qualification;

- taking delivery of, installing, commissioning and operating the demonstration plant to allow the Company to produce bulk, multi-tonne finished product samples for prospective customers' supply chain qualification;

- completion of the feasibility study which includes confirmatory test work, associated engineering activities, an updated capital and operating cost estimate and economic analysis;

- completion of the Project's Final ESIA process;

- continuing discussions and negotiations with potential customers, as well as strategic and financial partners and government agencies, including those related to funding the development of the Chvaletice Manganese Project; and

- completion of negotiations for the acquisition of certain land rights and access.

The completion of the Chvaletice demonstration plant, its commissioning and the start of production are targeted for the second quarter of calendar 2022. The completion of the feasibility study and the Final ESIA, are targeted for completion in the first half of calendar 2022. This could potentially enable the final environmental permitting for the Project to be completed late in calendar 2022. However, further disruptions resulting from an extended duration of the COVID-19 pandemic may continue to affect the Company, its suppliers and service providers, and therefore, could result in additional delays in the Company's activities.

As it moves through the feasibility stage and the pre-development stage, the Company intends to evaluate potential value-enhancing opportunities for the Chvaletice Manganese Project, with the aim of reducing costs and technical risks. These may include optimizing building sizing and layout, equipment selection, solid-liquid separation methods, as well as minimizing energy and water consumption. The Company is also evaluating the possibility of producing additional high-purity manganese products.

Once permitted, all remaining land acquisitions have been completed and offtake agreements have been entered into with the Company’s potential customers, along with the completion of a bankable feasibility study demonstrating both the economic and technical viability of the Project, the Company intends to secure project financing in order to commence construction of the full-scale commercial Chvaletice process plant and related infrastructure. The Company believes that the capacity for project financing is likely to compare advantageously to the majority of projects given its safe jurisdiction, quality of potential offtake agreements that are possible in this industry, environmental benefits, and strategic position within the European battery supply chain. The Project’s debt capacity would be influenced by: the bankability of offtake agreements and any available price downside protection; government, Export Development Agency and European Union credit guarantees of debt; sponsorship by customers through advances, prepayments on offtake agreements and / or equity or debt contributions; and any cost overrun protection provided by an Engineering Procurement Construction (“EPC”) counterparty.

5. Significant Transactions During the Year ended September 30, 2021

The Company did not complete any additional transactions in the year ended September 30, 2021, other than the transactions described in section 3 of this MD&A. Significant transactions which occurred subsequent to year end are described in section 15 of this MD&A.

6. Review of Operations - Chvaletice Manganese Project

Mineral Resource Estimate

The Chvaletice Manganese Project's Measured and Indicated Mineral Resources were reported in the NI 43-101 technical report entitled "Technical Report and Preliminary Economic Assessment for the Project, Chvaletice, Czech Republic" ("Technical Report"), with an effective date of January 29, 2019, as prepared by Tetra Tech, released and filed on SEDAR on March 15, 2019. The Technical Report was prepared by Mr. James Barr, P. Geo, Mr. Jianhui (John) Huang, Ph.D., P. Eng., Mr. Mark Horan, P. Eng., Mr. Hassan Ghaffari, P. Eng., and Mr. Chris Johns, P. Eng., all with Tetra Tech and all of whom are Qualified Persons under NI 43-101.

A summary of the mineral resource estimate for the Chvaletice Manganese Project included in the Technical Report is presented in the table below:

Tailings Cell #	Classification	Dry In-situ Bulk Density (t/m^3)	Volume (m^3)	Tonnage (metric tonnes)	Total Mn (%)	Soluble Mn (%)
#1	Measured	1.52	6,577,000	10,029,000	7.95	6.49
	Indicated	1.47	160,000	236,000	8.35	6.67
#2	Measured	1.53	7,990,000	12,201,000	6.79	5.42
	Indicated	1.55	123,000	189,000	7.22	5.30
#3	Measured	1.45	2,942,000	4,265,000	7.35	5.63
	Indicated	1.45	27,000	39,000	7.9	5.89
Total	Measured	1.51	17,509,000	26,496,000	7.32	5.86
	Indicated	1.50	309,000	464,000	7.85	6.05
Combined	Measured and Indicated	1.51	17,818,000	26,960,000	7.33	5.86

Note (1): Numbers may not add exactly due to rounding.
Note (2): Mineral Resources do not have demonstrated economic viability but have reasonable prospects for eventual economic extraction. Indicated Resources have lower confidence than Measured Resources. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

Option Agreement and Land Acquisitions

The Company, through its subsidiary, Mangan, has entered into an option agreement dated August 13, 2018 (the "EPCS Option Agreement") to acquire 100% of the equity of EP Chvaletice s.r.o. ("EPCS"), a small Czech steel fabrication company that owns a 19.94 hectare parcel of land. This land is located immediately south of the highway and rail line that bound the Chvaletice tailings deposit. It is also adjacent to the Chvaletice power plant and 1.7-hectare parcel of land and rail siding that was previously acquired by the Company. This strategic land parcel encompasses the intended site of its proposed processing plant. The land is zoned for industrial use and contains numerous buildings, including office, warehousing and other industrial structures, several of which are leased to short-term tenants. The land also contains two rail spurs and is served by gas, water and power. The Company will have the right to acquire EPCS by making payments aggregating 140 million Czech Koruna payable in four cash instalments, the first and second of which were paid on October 17, 2018, and August 13, 2021, respectively, each in the amount of 14 million Czech Koruna ($815,000 and $819,576, respectively).

6. Review of Operations - Chvaletice Manganese Project (continued)

The Company can complete the acquisition of EPCS by making two additional instalments aggregating 112 million Czech Koruna (approximately $6.48 million). The next instalment of 42 million Czech Koruna (approximately $2.43 million) is due within 60 days of approval of the Final ESIA for the Chvaletice Manganese Project, but no later than on August 13, 2022. The payment date was extended by one year for an additional payment of 2.1 million Czech Koruna (approximately $0.12 million), payable together with the deferred instalment in 2022. The last instalment of 70 million Czech Koruna (approximately $4.05 million) is due upon receipt of all development permits for the Chvaletice Manganese Project, but no later than five years after signing the EPCS Option Agreement.

During the year ended September 30, 2021, the Company entered into the following agreements to acquire rights to three additional strategic parcels of land, competing its land assembly for the proposed Chvaletice commercial plant:

i. Purchase from the owner of the nearby Chvaletice power plant, a 1,952 m² section of land encompassing Rail Spur no. 1, through which the proposed Chvaletice process plant will be serviced and connected to existing rail infrastructure. This acquisition is particularly important for the Project, as it provides the Company with a second rail connection, through the existing rail siding of the neighboring power plant. This is expected to provide greater logistical capacity and flexibility for the project. The cost of the land is 252,762 Czech Koruna (approximately $14,000). The acquisition of this section of land was completed on April 15, 2021.

ii. Purchase of a 49,971 m² parcel of land, including a rail spur extension that will provide additional room and flexibility for the definitive Chvaletice commercial plant layout. The cost of the land is 18,739,125 Czech Koruna (approximately $1.1 million) and can be paid in five 7.5% annual installments (approximately $80,000), followed by the remaining balance of approximately $700,000 in the final year. The first installment was refundable, subject to a positive environmental due diligence of the site, which was obtained in January 2021. Thereafter, the Company has the option to terminate the contract after the third installment. At September 30, 2021, the Company recognized a liability for the two payments due in October 2021 and 2022 in the total amount of $164,304.

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

PEA Results

The main highlights of the PEA results, as summarized from the Technical Report, are as follows:

- Recycling of a 27 million tonne Measured and Indicated tailings resource (98.3% Measured) with a combined grade averaging 7.33% Mn, without the requirement of any hard rock mining, crushing or milling;

- 25-year project operating life producing 1.19 million tonnes of HPEMM, with two-thirds expected to be converted into HPMSM with the flexibility to supply either product, to suit customer preference;

- Saleable product includes 404,100 tonnes of HPEMM and 2.35 million tonnes of HPMSM;

- After-tax NPV of USD593 million and pre-tax NPV of USD782 million, using a 10% real discount rate, and based on average life-of-project HPEMM (containing 99.9% Mn) price of USD4,617/tonne and an average HPMSM (containing 32.34% Mn) price of USD2,666/tonne (prices based on a market study prepared for the Company by CPM Group LLC);

6. Review of Operations - Chvaletice Manganese Project (continued)

- USD404 million in pre-production capital, USD24.8 million in sustaining capital, and USD31 million in working capital, with an ungeared, pre-tax 25.2% IRR with a 4.5-year payback, and a post-tax 22.6% IRR with a 4.9-year payback;

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

- Exceptional green project credentials resulting in a significant remediation of the Chvaletice tailings site, arresting the ongoing pollution related to historical tailings disposal activities; and

- Opportunities exist to enhance returns through process optimization initiatives and various government investment incentives and financial support programs that may be available.

Feasibility Study and Environmental Impact Assessment

In 2019, the Company appointed Tetra Tech Canada as the owner's engineering representative for the feasibility study, responsible for overseeing the consultants and service providers in connection with the feasibility study, and for the preparation of the NI 43-101/JORC feasibility study report for the Chvaletice Manganese Project. The Company also appointed BGRIMM Technology Group as the lead process plant engineer, which is working closely with Tetra Tech and the Company's other consultants. Together, these firms are conducting the excavation design, process plant design, tailings/residue storage facility design, and other related studies for the Project. Tetra Tech is compiling the necessary feasibility study inputs.

Work on the basic design for the rail siding system that will be required as part of the construction, commissioning and operations of the main commercial plant is underway. As of October 31, 2021, the feasibility study was approximately 78% complete and on budget, with verification and testing work completed and good progress being made on the engineering studies. The Company is also preparing a reagent supply chain strategy plan for the Project, along with an assessment of power supply options both within the Czech Republic and the surrounding EU countries with an emphasis on options to acquire long term zero-carbon and renewable energy. The Company is targeting completion of the feasibility study in the first half of calendar 2022.

The Company has engaged consulting firms Minviro Ltd. and RCS Global Group to conduct a joint Life Cycle Assessment of the Chvaletice Manganese Project as part of the Company's commitment to environmental excellence and transparency.

In January 2021, the Company received the comments from the Czech Ministry of Environment on the Preliminary EIA, which included the Project Description. The Project Description and Preliminary EIA, which were publicly available for comment to local communities, residents, organizations and regulators, included a description of: the manganese production process and resulting environmental footprint; results of baseline and other studies conducted to date; health, safety and environmental management plans; impact assessment, impact mitigation and avoidance plans and measures; socio-economic impacts on local communities; and reclamation plans and objectives.

The Project Description and the input and comments received, will form the basis for the last stage of the environmental permitting process, in the form of a Final ESIA. The preparation of the Final ESIA and related permit application is also underway. The Company appointed GET s.r.o. in the Czech Republic to prepare the Final ESIA. Subject to the continued advancement of the feasibility study, the Company expects the timely completion of the Final ESIA documentation to be submitted to the Czech Ministry of the Environment in the first half of calendar 2022 which could potentially enable final environmental permitting for the Project later in 2022.

6. Review of Operations - Chvaletice Manganese Project (continued)

Commercial and Demonstration Plant Progress Update

Several prospective customers have expressed interest in procuring high-purity manganese products from the Chvaletice Manganese Project and in testing and qualifying the products of the proposed Chvaletice demonstration plant. These parties have included manufacturers of electric vehicle batteries and related chemicals, who aim to design precursor and cathode formulations in combination with available nickel, cobalt and lithium products, and chemical, aluminum and steel companies, as well as electric vehicle manufacturers.

The Chvaletice demonstration plant, which is intended to replicate the entire process flowsheet proposed in the PEA and to produce the equivalent of 100kg per day of HPMSM, will also enable process optimization and testing for final product development and serve as a testing and training facility for future operators.

The Company signed a fixed-price, turnkey contract for the supply and commissioning of a technology, equipment package for the demonstration plant, which includes performance guarantees, as well as commissioning services and an operator training program. The equipment procurement and fabrication of the demonstration plant is underway. Its delivery at site in the Czech Republic is expected in the first quarter of calendar 2022, followed by completion of commissioning and start of production in the second quarter of calendar 2022. In September 2021, Mangan was issued the construction permit to upgrade two leased industrial buildings at the planned commercial plant site, which will host the demonstration plant, and the upgrade work commenced in October 2021.

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 USD5 million ($7.0 million). To the date of this MD&A, the Company made total payments of USD1.6 million ($1.9 million) for the demonstration plant and incurred additional expenses of $0.2 million for permitting and site preparation.

To date, approximately 55% of the demonstration plant’s planned first year production has been allocated to several customers for testing and qualification. These parties and their markets include: a global leading participant in the lithium-ion battery supply chain, for use in NMC cathodes; a company focused on large scale lithium-ion battery manufacturing, for use in NMC cathodes; a global chemicals and specialty materials company, for use in metal hydride for hybrid automobile anodes; and JFE Corporation, a leading Japanese steel producer, for use in specialty steel applications.

Upon successful completion of testing and evaluation by these and other parties, and subject to a production decision being made based on the results of a feasibility study, the Company intends to work towards establishing long-term commercial offtake arrangements for the supply of its high-purity manganese products. However, there can be no assurance that these discussions will lead to offtake agreements or commercial or strategic relationships in the near term, if at all.

The Company continues to hold active discussions and negotiations with several consumers of high-purity manganese products, which include battery, chemical and automobile manufacturers, in Asia, Europe and North America, and expects to allocate the remainder of the demonstration plant’s initial year of production in the near term. The Company is also considering extending the life of the demonstration plant to two or possibly three years.

Following discussions with prospective customers, the Company re-started its pilot plant to deliver product samples in early 2022, in advance of the production from the demonstration plant. This will allow prospective customers to continue or initiate their supply chain qualification of the Company's products in advance of larger samples delivered from the Project’s demonstration plant.

6. Review of Operations - Chvaletice Manganese Project (continued)

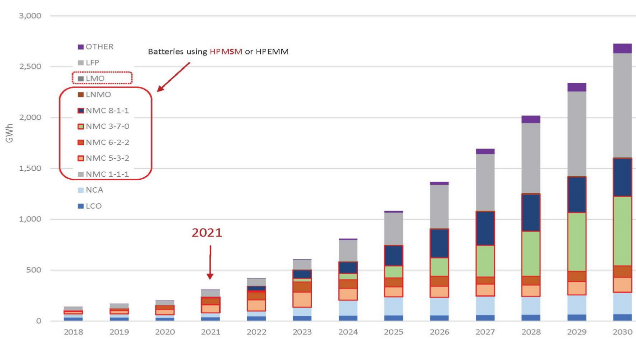
High Purity Manganese Market Overview

In connection with the preparation of the PEA, the Company commissioned the independent research and consultancy firm of CPM Group LLC ("CPM Group") to provide an HPEMM and HPMSM (collectively described as "High-Purity Manganese" or "HPM") product market outlook study for the Chvaletice Manganese Project. Cairn Energy Research Advisors ("Cairn ERA") contributed technical and battery industry inputs to the CPM Group report. The extended executive summary of the CPM market outlook entitled "Market Outlook for High-Purity Electrolytic Manganese Metal and High-Purity Manganese Sulfate Monohydrate" is reproduced in section 19 of the Technical Report. Since their initial reports, HPM demand figures were updated upwards by Cairn ERA and CPM Group during 2020 and 2021, with the latest update dated October 2021.

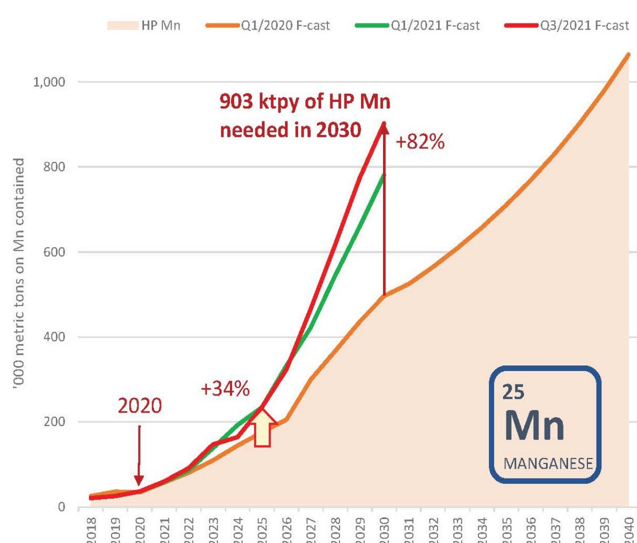
High-performance NMC Li-ion batteries are being increasingly used in EVs and other energy storage applications. In 2020 and to date in 2021, this battery chemistry accounted for nearly half of all Li-ion batteries produced, if measured by MWh. The manufacturing processes and formulations for Li-ion batteries require reliable, high-purity sources of manganese and other battery raw materials to ensure that the batteries meet increasingly demanding performance, safety and durability standards. The high-purity manganese materials for the precursor cathode materials of NMC batteries can be supplied in the form of HPEMM and HPMSM.

Demand for high purity manganese is growing rapidly around the world, driven by the growth of EV sales and the Li-ion battery industry. In the second half of 2020 and the first three quarters of calendar 2021, four major electric vehicles manufacturers, Tesla, Volkswagen, Stellantis and Renault, made public commitments to manganese-based batteries for their mass-market vehicles going forward, causing a major upward revision of the HPM demand projection forecasts, as illustrated on the graphs below. However, only certain manganese ores can feasibly and sustainably be used for the specialty, high end products of the battery industry. A critical factor is availability of the right quality ore in the right location. Carbonate ores, which are rare, are ideal for the production of high-purity manganese, although oxides can be used after roasting or chemical treatment using current commercial processes, resulting in a higher cost of reagents and energy, which can also cause environmental issues.

In the third quarter of calendar 2021, Cairn ERA and CPM Group updated their forecasts of total rechargeable (or secondary) Li-ion battery demand (below, left), as well as HPM demand (below, right), which is now expected to grow from 36,800 tonnes in 2020 to approximately 903,000 tonnes in 2030.



Source: Cairn ERA, CPM



Source: Cairn ERA, CPM

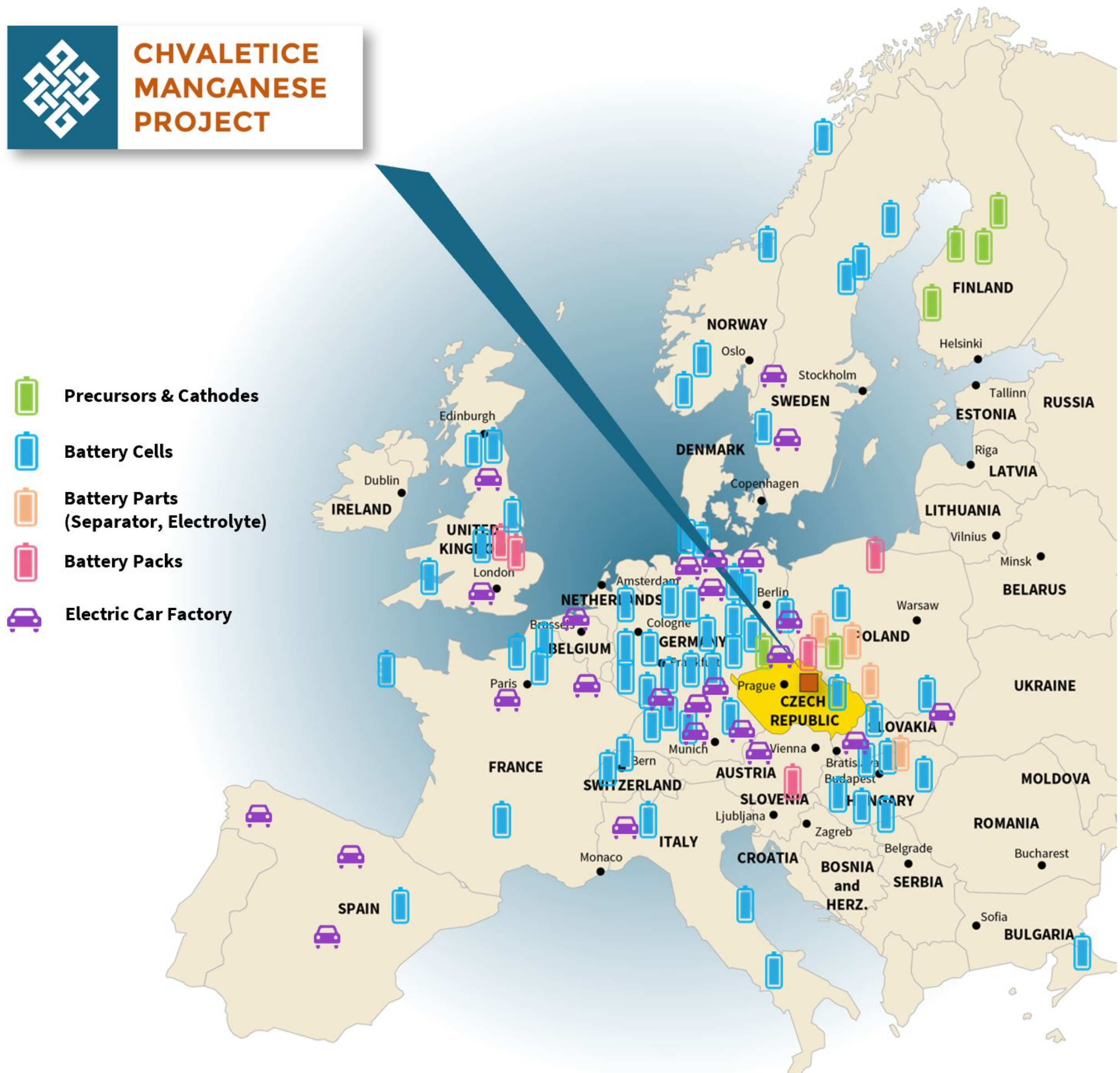
6. Review of Operations - Chvaletice Manganese Project (continued)

According to the International Manganese Institute, China produced only 4.2% of the 2020 global output of manganese ore (down 33% from previous year), while retaining its dominant position as a supplier of high-purity manganese products – more than 80% of the HPMSM suitable for the battery industry originated in China in 2020. China relies heavily on imported ore, mainly from South Africa, Australia, Gabon and Ghana. The global output situation remains similar in 2021 and at present, only about 3% of HPMSM suitable for the battery industry is produced in Europe. In discussions with prospective customers, the Company has learned that they are increasingly interested in diversifying their strategic raw material sourcing and wish to promote the creation of independent, local supply chains, particularly in regions such as Europe, where the automobile manufacturing industry employs over 14 million people directly and indirectly and where the automotive companies have made strong commitments to the electrification of their fleets.

Europe is rapidly becoming a major hub in the global electric car and battery industries, with 7 battery cell gigafactories (defined as >1GWh/annum of battery production) operating now and a further 50 gigafactories expected to be in operation by 2030. Local supply chains are being built in Europe and apart from the convenient logistics, companies located within the European single market benefit from frictionless trading and additional benefits (e.g. imported manganese sulphate monohydrate is currently subject to a 5% EU import tariff). According to announcements from the battery makers, by 2030 Europe should have 57 battery gigafactories, with more than 1,458 GWh of production capacity installed (30% of global capacity, second after China). CPM Group reports that the entire planned output of the Chvaletice Manganese Project can be consumed by the growing lithium-battery sector in Europe.

In addition to the highest and most consistent product purity possible, European consumers of HPM expect the products they use to be traceable and to have ‘green credentials’, with a preference for locally made materials. The local supply chain in Europe is growing rapidly, and, in addition to the battery gigafactories under construction, will soon include 6 precursor makers, 5 electrolyte and separator factories, and 8 battery pack assembly plants. Around forty of the gigafactories that consume manganese inputs are or will be located between 200 km and 500 km of the Chvaletice Manganese Project, as shown below.

6. Review of Operations - Chvaletice Manganese Project (continued)



Source: Cairn Energy Research Advisors and CPM Group ©2021

6. Review of Operations - Chvaletice Manganese Project (continued)

Environmental, Social and Governance Performance

The Company seeks to maintain a safe and secure working environment for all of its employees, contractors and consultants, and recognizes the critical importance of operating in a sustainable manner. The Company has adopted a Code of Ethics and Business Conduct (the "Code"), setting out the standards which guide the conduct of its business and the behavior of its directors, officers, employees and consultants. All new employees must read and commit to abide by the Code. The Code, among other things, sets out standards in areas relating to the Company's: commitment to health and safety in its business operations; compliance with applicable occupational health and safety laws and regulations; promoting and providing a work environment in which individuals are treated with respect, and is free of all forms of discrimination and abusive and harassing conduct; providing employees with equal opportunity; and ethical and transparent business conduct and legal compliance. The Company is also committed to gender pay parity.

The Code also requires the Company to conduct its exploration, development and commercial operations using environmental best practices, with a goal of protecting human health, minimizing impact on ecosystems and local communities, and to always remain in compliance with applicable environmental laws and regulations. Further, the Code requires that the Company conduct its operations with a view to respecting and enhancing the economic and social well-being of the communities in which the Company operates.

The Company's whistleblower policy (the “Policy") provides employees and consultants of the Company with the mechanics by which they may raise concerns with respect to falsification of financial records, unethical conduct, harassment, theft, and violation of the Code, or any other "wrong-doing" in a confidential, anonymous process. The Policy also provides employees and contractors with information regarding who to contact with a complaint, how the Company will respond to a complaint, and timeframes for the Company to respond. The Company will respect the confidentiality of any whistle blowing complaint received where the complainant requests that confidentiality.

The Company also adheres to strict governance practices, overseen by a Board of Directors (the "Board") whose majority are independent from management. The entire Board makes every reasonable effort to meet as often as possible in-person or by video conference. The Board receives comprehensive briefings from management in advance of meetings. Meeting frequency ranges from monthly to quarterly, or more frequently when circumstances dictate. Board meetings are generally attended by the entire management team, other than in camera meetings, which are attended only by independent directors. Three committees of the Board focus on specific aspects of corporate governance. All committees are chaired and populated by a majority of independent directors. The committees are as follows: 1) Audit Committee, 2) Governance, Compensation, Nomination and Sustainability Committee and 3) Technical Committee. The Board Charter, Committee Mandates, Code and Policy are publicly posted on the Company’s website.

The Board receives an environmental, health and safety ("EHS") report from management at each scheduled quarterly Board meeting. The EHS report covers all activities at the Company’s worksites. During the past year, the Company experienced zero lost time accidents or incidents, and zero environmental violations or incidents.

Starting in 2022, the Company plans to publish its first annual Environmental, Social and Governance Report, where it will publicly report on its performance against stated goals and objective criteria.

7. Annual Financial Review

	Years ended September 30,		
	2021	2020	2019
(expressed in thousands of Canadian dollars, except per share data)	**$**	$	$
Revenue	**—**	—	—
Chvaletice Project evaluation expenses	**4,950**	3,199	4,947
Other expenses	**4,590**	3,178	3,370
Net loss for the year attributable to shareholders	**9,540**	6,377	8,317
Basic and diluted loss per share attributable to shareholders (1)	**$0.03**	$0.03	$0.05
	As at September 30,		
	2021	2020	2019
	$	$	$
Cash	**31,219**	2,731	4,085
Total assets (2)	**43,336**	5,808	6,909
Non-current financial liabilities (2)	**248**	40	—

(1) Fully diluted weighted average common shares outstanding, used in the calculation of diluted net loss per share in each of the periods presented, are not reflective of the outstanding stock options and warrants at that time as their exercises would be anti-dilutive in the net loss per share calculation.
(2)Total assets for each year shown include $1,249,086 in mineral property interest related to the acquisition of the Chvaletice Manganese Project on May 13, 2016 and at September 30, 2021, total assets also include the net smelter royalty buy back from the original owners of Mangan in the amount of $4,338,760.

7. Annual Financial Review (continued)

Year ended September 30, 2021, compared to the year ended September 30, 2020

The loss for the year ended September 30, 2021, of $9,540,421 compares to a loss of $6,375,493 for the year ended September 30, 2020, representing an increase of $3,164,928 or 49.6%. Basic and fully diluted loss per share in the current period remain unchanged at $0.03 per common share. A summary of the project evaluation and other expenses, and an explanation of the significant variances is as follows:

	Year ended September 30,	
	2021	2020
(expressed in thousands of Canadian dollars, except per share data)	**$**	$
Exploration and evaluation expenses		
Engineering	**2,982**	1,664
Remuneration	**782**	944
Share-based compensation	**416**	138
Drilling, sampling and surveys	**133**	4
Metallurgical	**—**	41
Travel	**13**	64
Legal and professional fees	**373**	155
Geological	**122**	79
Market studies	**96**	83
Supplies and rentals	**33**	27
	4,950	**3,199**
Other expenses		
Remuneration	**1,532**	1,022
Share-based compensation	**418**	272
Total remuneration	**1,950**	1,294
Legal and professional fees	**752**	567
Investor relations	**606**	228
Product sales and marketing	**130**	284
Travel	**17**	84
Filing and compliance fees	**401**	293
Accretion expense	**21**	102
Office, general and administrative	**157**	91
Insurance	**119**	109
Conferences	**39**	28
Depreciation	**103**	72
Foreign exchange	**295**	26
	4,590	3,178
Total loss for the year attributable to shareholders	**9,540**	6,377
Loss per share attributable to shareholders	**$0.03**	$0.03

7. Annual Financial Review (continued)

Project evaluation costs for the year ended September 30, 2021 and 2020, were $4,950,474 and $3,197,961 respectively. These activities represent work conducted on the Project's feasibility study, the EIA and the Final ESIA, and planning and permitting work related to and procurement of the Chvaletice demonstration plant. Project evaluation activities were impacted by the COVID-19 pandemic commencing in mid-March 2020 and continued throughout most of calendar 2020. Work on the feasibility study resumed in November 2020, following the completion of the first tranche of an $11 million private placement in late October 2020, and was fully underway again starting the first quarter of calendar 2021. Accordingly, project evaluation costs were 55% higher in the year ended September 30, 2021 than in the comparative period in fiscal 2020. The main cost variances include: an increase of $1,318,060 in engineering costs which include environmental costs, which in both periods related mainly to the preparation of the EIA Notification and the feasibility study; a $129,770 increase in drilling, sampling and survey costs, a $43,007 increase in geological costs; and an increase of $277,629 in share-based compensation due to stock options grants in the second quarter of fiscal 2021. There was also a $219,039 increase in legal and professional fees, relating to land purchase activities. The overall increase in project evaluation costs was partially offset by a decrease in remuneration of $161,999 as a result of the cost cutting measures in the Czech Republic in 2020 and a decrease in travel costs of $50,664 due to the global COVID-19 pandemic travel restrictions.

The $1,412,415 increase in administrative costs for the year ended September 30, 2021, over the same period in 2020, is mainly attributable to: a $509,716 increase in remuneration due to a higher number of employees in the corporate office in Canada and the impact of COVID-19 related cost cutting measures in the comparative period; a $377,914 increase in investor relations expenses due to the engagement of investor relations services in Australia and Canada in the current year; a $185,117 increase in legal and professional fees related to the OTCQX listing, the CEO succession plan process, ISO 27001 certification and general legal matters; a $146,014 increase in share-based compensation due to options grants at higher value in the current period; an increase of $107,355 in filing and compliance fees as a result of two private placements in the current year; a $65,823 increase in general and administrative expenses due to the Company's office move and increased IT costs; and a $269,095 increase in foreign exchange loss arising mainly from revaluation of the liabilities for the royalty buy back and land acquisition deposits at year end. The overall increase in administrative costs was partially offset by: a decrease of $66,492 in travel resulting from COVID-19 related restrictions; a $153,714 decrease in product sales and marketing expenses; and a $81,317 decrease in accretion expense primarily due to the decrease in the amortization of leases.

8. Quarterly Financial Review

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

As at the end of or for the period ending	**July to Sept'21**	April to June'21	Jan to March'21	Oct to Dec'20	July to Sept'20	April to June'20	Jan to March'20	Oct to Dec'19
	$	$	$	$	$	$	$	$
Cash	**31,219**	33,457	33,118	11,394	2,731	442	1,266	2,236
Total assets	**43,336**	44,472	37,276	15,449	5,808	3,488	4,531	5,562
Working capital (1)	**26,078**	27,821	32,877	11,372	2,922	11	(347)	1,504
Current liabilities	**5,685**	6,025	624	454	217	791	2,136	1,297
Revenue	**—**	—	—	—	—	—	—	—
Project evaluation expenses	**1,437**	1,724	1,305	484	409	408	1,062	1,319
Other expenses	**1,256**	1,342	1,165	826	894	636	868	780
Net loss attributable to shareholders	**2,693**	3,066	2,470	1,310	1,303	1,044	1,930	2,099
Net loss per share, basic and diluted, attributable to shareholders	**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.

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

- At the end of the quarter ended December 31, 2020, the work on the feasibility study resumed and was continuing at full capacity in the following three quarters.
- During the five quarters leading up to the resumption of the feasibility study work and ordering of the demonstration plant in the last quarter of calendar 2020, the Company incurred project evaluation costs related to the commissioning of studies for the demonstration plant, the initiation of the planning stage of the feasibility study, and the advancement of the work on the EIA. The preliminary EIA Notification was filed at the end of the quarter ended June 30, 2020, and the results of the review process were received in January 2021.
- The quarters ended June 30, 2020, September 30, 2020, and December 31, 2020 were impacted by the COVID-19 pandemic, causing delays and deferrals of feasibility study work and significant cost cutting measures.
- In the three most recent quarters, the Company focused on progressing the feasibility study, preparation work and permitting of the demonstration plant and the preparation of the Final ESIA.

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

- Other expenses for the quarter ended March 31, 2020 are higher than the prior quarter as a result of increased professional fees resulting from the hiring of a financial adviser, increased investor relations, and higher product sales and marketing expenses relating to the MoUs signed by the Company.
- The quarters ended June 30, 2020, September 30, 2020, and December 31, 2020 were impacted by the COVID-19 pandemic, which resulted in significant cost cutting measures, including temporary salary adjustments, re-negotiations, cancellations or interruptions of contracts and restricted travel.

8. Quarterly Financial Review (continued)

- Other expenses for the most recent three quarters are higher as a result of increased investor relations expenses due to the engagement of service providers in Australia, due to an increase in filing and compliance fees relating to the private placements completed in the year ended September 30, 2021 and also due to higher number of employees in the corporate office in Canada.

Three months ended September 30, 2021, compared to the three months ended September 30, 2020

	Three months ended September 30,	
	2021	2020
(expressed in thousands of Canadian dollars, except per share data)	**$**	$
Exploration and evaluation expenses		
Engineering	**685**	111
Remuneration	**261**	222
Share-based compensation	**86**	50
Drilling, sampling and surveys	**86**	—
Travel	**13**	—
Legal and professional fees	**244**	17
Geological	**18**	—
Market studies	**32**	—
Supplies and rentals	**12**	9
	1,437	409
Other expenses		
Remuneration	**434**	249
Share-based compensation	**103**	110
Total remuneration	**537**	359
Legal and professional fees	**249**	215
Investor relations	**95**	94
Product sales and marketing	**19**	46
Travel	**14**	(1)
Filing and compliance fees	**92**	129
Accretion expense	**6**	10
Office, general and administrative	**21**	(20)
Insurance	**34**	35
Conferences	**12**	5
Depreciation	**39**	16
Foreign exchange	**138**	6
	1,256	894
Total loss for the quarter	**2,693**	1,303
Basic and diluted loss per common share	**$0.01**	$0.01

8. Quarterly Financial Review (continued)

Project evaluation costs for the three months ended September 30, 2021 and 2020, were $1,437,890 and $408,983 respectively. The increase over the comparative quarter in fiscal 2020 is due to the impact of COVID-19 in 2020 on the level of work conducted in connection with the advancement of the feasibility study work and the planning, permitting and other studies related to the demonstration plant. The delay in securing financing and COVID-19 restrictions prevented the Company from advancing the Project significantly in the three months ended September 30, 2020. The main cost variances include: an increase of $574,303 in engineering costs which include environmental costs; an increase of $85,961 in geotechnical drilling, sampling and survey costs; an increase of $17,572 in geological costs; an increase in remuneration of $39,641 due to the hiring of employees in the Czech Republic; an increase of $35,949 in share-based compensation due to option grants in the second quarter of fiscal 2021; and an increase of $226,780 in legal and professional fees related mainly to land purchase negotiations. Also, market studies resumed after being temporarily suspended in 2020 which resulted in an increase of $32,164 in the current quarter.

The $364,135 increase in administrative costs for the three months ended September 30, 2021, compared to the same period in 2020, is mainly attributable to: a $184,129 increase in remuneration due to a higher number of employees in the corporate office in Canada and the impact of COVID-19 related cost cutting measures in the comparative period; a $34,429 increase in legal and professional expenses related to the OTCQX listing and the CEO succession plan process in the current period; a $15,883 increase in travel; a $7,809 increase in conferences as more EV related events, mainly virtual, were available in the current period, an increase of $40,753 in office, general and administrative costs due to the Company's office move and increased IT costs; and an increase of $132,131 in foreign exchange loss arising from revaluation of the liabilities for the royalty buy back and land deposits at period end. The overall increase in administrative costs was partially offset by: a $26,926 decrease in product sales and marketing; and a decrease of $36,613 in filing and compliance fees as a result of the private placement in the fourth quarter of fiscal 2020.

9. Liquidity and Capital Resources

As at September 30, 2021, the Company held cash of approximately $31.2 million. Cash is held with reputable financial institutions and is invested in high-quality, highly liquid short-term investments with maturities of three months 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.

The increase in cash of $28.5 million during the year ended September 30, 2021, is a result of $40.4 million of cash generated from financing activities, which included two private placements in fiscal 2021 and certain warrant and share option exercises. This increase was partially offset by cash used in operating and investing activities of $7.8 million and $4.2 million, respectively. The use of cash in investing activities represents the first two instalments paid for the demonstration plant, the first instalment for the net smelter royalty buy back, the second payment of the EPCS Option and certain land related payments. Working capital increased by $23.2 million during the year ended September 30, 2021, to $26.1 million from $2.9 million at September 30, 2020.

Additional funding will be required for the potential future construction of infrastructure and facilities for the Chvaletice Manganese Project. The ability of the Company to arrange such equity financings will depend principally upon prevailing market conditions, the business performance of the Company, and other factors such as further disruptions resulting from an extended duration of the COVID-19 pandemic. Such funding may not be available when needed, if at all, or be available on terms favourable to the Company and its shareholders. Failure to obtain such additional financing could result in a delay, indefinite postponement or curtailment of further evaluation and development of the Company’s principal property.

The Company’s commitments at September 30, 2021, are shown in section 12 of this MD&A.

10. Off Balance Sheet Arrangements

As at September 30, 2021, 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 year ended September 30, 2021, amounts paid to related parties were incurred in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the transacting parties.

At September 30, 2021, 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, Corporate Development and Corporate Secretary, Vice President, Operations, Chief Technology Officer and the Managing Director of the Company's Czech subsidiary.

	Year ended September 30,	
	2021	2020
	$	$
Salaries and fees	**1,787,234**	1,160,479
Share-based compensation	**192,908**	243,663
	1,980,142	1,404,142

Fees provided by PRK Partners s.r.o. ("PRK"), a legal firm associated with a former director of the Company, for the year ended September 30, 2021, amounted to $27,757 (2020 - $149,519). The current and prior year fees related to general legal services and various land purchase negotiations. Fees paid to the advisory board members for the year ended September 30, 2021, amounted to $25,000 (2020 - $9,314).

At September 30, 2021, amounts owing to officers of the Company for salaries amounted to $33,803 (2020 - $16,158) and represented salary owing to the Managing Director of Mangan. At September 30, 2021, no fees were owing to the directors of the Company. At September 30, 2020, fees owing to PRK as a related party amounted to $576. Other amounts payable to officers and directors for the reimbursement of travel related expenses were $14,998 at September 30, 2021 (2020 - $3,983).

12. Contractual Commitments

Contractual committed undiscounted cash flow requirements as at September 30, 2021, are as follows:

		Payments due by period	
	Total	Less than one year	1 - 2 years
	$	$	$
Minimum office lease payments (1)	7,496	5,657	1,839
Operating expenditure commitments (2)	43,355	43,355	—
Total contractual obligations	50,851	49,012	1,839

1) The Company has one non-cancellable operating office leases expiring within two years.

(2) Operating expenditure commitments relate to the evaluation work on the Chvaletice Manganese Project.

12. Contractual Commitments (continued)

In addition to the commitments disclosed above, the Company has entered into various agreements related to the feasibility study and the demonstration plant. These contracts can be canceled by the Company upon notice without penalty, subject to the costs incurred up to and in respect of the cancellation.

The Company has entered into employment agreements with its executive officers in which the individuals are entitled to a combination of base salary, extended benefits, specified milestones payments, and may be eligible for annual performance-based bonus as determined by the Board in its sole discretion. Following termination without cause, executive officers are also entitled to 12-month written notice or pay in lieu of notice of termination equivalent to 12 months' salary. Further, upon a change of control, as defined in their employment agreements, certain executives are entitled to lump sum payments of twenty-four months of their base salaries. Total maximum commitment upon change of control would amount to $1.5 million.

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

13. Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value. The following common shares, stock options and share purchase warrants were outstanding at December 16, 2021:

	Number of securities
Issued and outstanding common shares	377,843,415
Share options	18,970,998
Warrants	8,500,000

Pursuant to two investment instalments received from EIT InnoEnergy in the aggregate amount of €187,500 ($278,012), the Company expects to issue 478,027 common shares to EIT InnoEnergy in January 2022, at an average price of $0.5816 per share. Additionally, pursuant to the royalty termination agreements entered into on May 31, 2021, the Company, at its sole option, may pay up to 50% of the remaining obligations due thereunder, in the aggregate amount of USD3.6 million (approximately $4.5 million), in common shares based on a price per share equal to the 20-day weighted volume average on the TSX-V prior to the date of issuance (section 3 of this MD&A).

14. Proposed Transactions

As at September 30, 2021, 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 consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB. A detailed description of the Company's significant accounting policies can be found in note 3 of the Company's September 2021 Financial Statements. The impact of future accounting changes is disclosed in Note 3.13. to the September 2021 Financial Statements.

15. Significant Accounting Policies, Estimates and Judgments (continued)

Critical 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 3.14. of the September 2021 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 10 and 11, respectively, of the Company's September 2021 Financial Statements.

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

Disclosure Controls and Procedures

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

Management, including the CEO and CFO, has evaluated the design and operating effectiveness of the Company’s disclosure controls and procedures as of September 30, 2021. Based on this evaluation, management concluded that the Company’s disclosure controls and procedures, as defined in NI 52-109 - Certification of Disclosure in Issuer’s Annual and Interim Filings, are effective to achieve the purpose for which they have been designed.

Internal Controls Over Financial Reporting

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

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

17. Internal Controls over Financial Reporting and Disclosure Controls and Procedures (continued)

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

Management, under the supervision and with the participation of our CEO and CFO, has evaluated the effectiveness of the design and operating effectiveness of the Company's internal control over financial reporting as of September 30, 2021. Based on its evaluation, management concluded that the Company's internal controls over financial reporting, as defined in NI 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, are effective to achieve the purpose for which they have been designed.

18. Forward-Looking Statements and Risks Notice

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes forward-looking statements or forward-looking information. Forward-looking statements or information typically include words and phrases about the future, such as: "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "will likely result", "are expected to", "will continue", "is anticipated", "believes", "estimated", "intends", "plans", "projection", "outlook" and similar expressions. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes there is a reasonable basis for the expectations reflected in the forward-looking statements, however no assurance can be given that these expectations will prove to be correct and the forward-looking statements included herein should not be unduly relied upon.

All of the results of the PEA constitute forward-looking information or statements, including estimates of internal rates of return, payback periods, net present values, future production, estimates of cash cost, assumed long term prices for HPEMM and HPMSM, proposed extraction plans and methods, operating life estimates, cash flow forecasts, metal recoveries and estimates of capital and operating costs. Furthermore, with respect to this specific forward-looking information concerning the development of the Chvaletice Manganese Project, the Company has based its assumptions and analysis on certain factors that are inherently uncertain. Uncertainties include among others: (i) the adequacy of infrastructure; (ii) the ability to develop adequate processing capacity; (iii) the price of HPEMM and HPMSM; (iv) the ability to acquire or obtain access to the surface rights to the lands under the Chvaletice tailings; (v)the availability of equipment and facilities necessary to complete development; (vi) the size of future processing plants and future tailings extraction rates; (vii) the cost of consumables and extraction and processing equipment; (viii) unforeseen technological and engineering problems; (ix) currency fluctuations; (x) changes in laws or regulations; (xi) the availability and productivity of skilled labour; and (xii) the regulation of the mining industry by various governmental agencies.

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

Such forward-looking information or statements also include, without limitation, statements regarding the Company’s intentions regarding the Project in the Czech Republic, including without limitation, the continued evaluation and development of the Chvaletice Manganese Project, the completion of a feasibility study, the building of the demonstration plant in the Czech Republic, the Company's ability to secure additional financing and/or strategic partners for the ongoing development of the Chvaletice Manganese Project, its ability to acquire or obtain access to the remaining land or surface rights needed for the Chvaletice Manganese Project, the filing of a Final EIA and related permit applications with the Czech regulatory agencies and local communities, the growth and development of the high-purity manganese products market and any other matters relating to the evaluation, planning and development of the Project. The Company also cautions readers that the PEA supporting the technical feasibility or economic viability of the Chvaletice Manganese Project, including the marketability of the high-purity manganese products, extraction method, costs, processing, metal recoveries and any other technical aspects related to the Chvaletice Manganese Project, is preliminary in nature and there is no certainty that the results in the PEA will be realized.

This MD&A also contains references to estimates of Mineral Resources. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Mineral Resource estimates may have to be re-estimated based on, among other things: (i) fluctuations in manganese or other mineral prices; (ii) results of drilling; (iii) results of metallurgical testing and other studies; (iv) changes to proposed extraction operations, including recoveries and dilution; (v) the evaluation of extraction and operating plans subsequent to the date of any estimates; and (vi) the possible failure to receive required permits, approvals and licences.

The Company is engaged in the evaluation, exploration and development of mineral projects which, by their nature, are speculative. Accordingly, the Company is subject to risks associated with its industry and business, including but not limited to: risks inherent in the mineral exploration and evaluation and mineral extraction business; commodity price fluctuations; competition for mineral properties; mineral resources and reserves and recovery estimates; currency fluctuations; interest rate risk; financing risk; environmental risk; country risk; permitting risk; political risk; legal proceedings; and numerous other risks. A summary of the risks relating to the business of the Company and industry-related risks, and risks relating to the Company’s Shares is included in the Company’s Annual Information Form dated December 16, 2021, filed on SEDAR at www.sedar.com under the Company’s profile. Additional risks associated with the COVID-19 global pandemic are discussed in section 2 of this MD&A.

If any of such risks or uncertainties actually occur, the Company’s business, financial condition or operating results could be harmed substantially and could differ materially from the plans and other forward-looking statements discussed in this MD&A. The Company will not necessarily update this information unless it is required to by securities laws.