Euro Manganese Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019

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1. Introduction

The Company's principal business and current focus is the evaluation and potential development of the Chvaletice Manganese Project (the "Project"), which involves the re-processing of a manganese deposit hosted in historic mine tailings in the Czech Republic in order to produce high-purity manganese products in an economically, socially and environmentally-sound manner.

This management's discussion and analysis ("MD&A") of the financial condition and results of operations of Euro Manganese Inc. ("EMI" or "the Company"), prepared as of August 7, 2019, supplements, but does not form part of the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended June 30, 2019, 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 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, 2018, is available on SEDAR at www.sedar.com, and on the Company's website www.mn25.ca.

All dollar amounts contained in this MD&A are expressed in Canadian dollars and tabular amounts are expressed in thousands of Canadian dollars, unless otherwise indicated. Further, all common share ("Shares") and per Share amounts in this MD&A have been adjusted to reflect the subdivision of Shares on a one-for-five basis, as approved at the Annual General Meeting of the Company on March 20, 2018 (the "Share Split").

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

2. 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 Preliminary Economic Assessment ("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 high-purity electronic manganese metal ("HPEMM") and high-purity manganese sulphate monohydrate ("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 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 availability of equipment and facilities necessary to complete development; (v) the size of future processing plants and future tailings extraction rates; (vi) the cost of consumables and extraction and processing equipment; (vii) unforeseen technological and engineering problems; (viii) currency fluctuations; (ix) changes in laws or regulations; (x) the availability and productivity of skilled labour; and (xi) the regulation of the mining industry by various governmental agencies.

2. 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 Project, the initiating of a feasibility study, the building of the demonstration plant in the Czech Republic, the filing of an environmental impact assessment ("EIA"), related permit applications and a formal project description 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 on the Project that supports the technical feasibility or economic viability of the Project, including the marketability of the high-purity manganese products, extraction method, costs, processing, metal recoveries and any other technical aspects related to the Project, is preliminary in nature and there is no certainty that 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 10, 2018, filed on SEDAR at www.sedar.com under the Company's profile.

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.

3. Overview

The Company was incorporated under the British Columbia Business Corporations Act on November 24, 2014. The Company's corporate offices are located at Suite 1500, 1040 West Georgia Street, 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 and CHESS Depository Interests ("CDIs", with each CDI representing one common share) are traded on the Australia Securities Exchange under the symbols "EMN.V" and "EMN.AX", respectively.

The Company was formed with the objective of acquiring, evaluating, developing and operating the Chvaletice Manganese Project, an anthropogenic manganese deposit hosted in historic mine tailings, in which the Company has a 100% ownership interest, and which is located in the Czech Republic. The Company's wholly-owned subsidiary, Mangan Chvaletice s.r.o. ("Mangan") holds two licences covering mineral exploration rights for the Chvaletice Manganese Project ("Licences"). The original exploration licence was transferred to Mangan effective January 28, 2015, and was valid until September 30, 2019. On December 4, 2018, this licence was extended until May 31, 2023. On May 4, 2018, the Czech Ministry of Environment issued Mangan an additional exploration licence, valid until May 31, 2023, allowing it to drill the slopes on the perimeter of the tailings piles. On April 17, 2018, with effect from April 28, 2018, Mangan was also issued a Preliminary Mining Permit by the Ministry of Environment, referred to by the Ministry of Environment as the prior consent for the establishment of a Mining Lease District. The Preliminary Mining Permit, valid until April 30, 2023, covers the areas included in the Licences and now secures Mangan's exploration rights for the entire deposit.

The Preliminary Mining Permit forms one of the prerequisites for the application for the establishment of the Mining Lease District and represents one of the key steps towards final permitting for the Project. Based on the Preliminary Mining Permit and other documents, including the Environmental Impact Assessment (which may only commence after the Preliminary Mining Permit is issued), Mangan has until April 30, 2023, to apply for the establishment of the Mining Lease District covering the areas included in the Licences. The establishment of the Mining Lease District, the application for the final Mining Permit, and applications for permits relating to the construction of infrastructure required for the Project, are required prior to any extraction and processing activities at the Chvaletice Manganese Project.

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 which comprise the Chvaletice Manganese Project. 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 conduct exploration activities and to access the site from the landowners whose surface properties underlie the tailings. Additionally, Mangan has 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 is currently negotiating the acquisition of these surface rights, leases, rights of way, or other arrangements in additional areas where it intends to develop its operations, site facilities and infrastructure. There is no guarantee that areas needed for these activities and facilities will be secured.

On December 12, 2018, the Company reported an upgraded Mineral Resource Estimate and on January 30, 2019, the Company reported the results of a PEA for the Chvaletice Manganese Project (section 6 of this MD&A). The main activities required for the Chvaletice Manganese Project's full development will incorporate several phases in order to support the construction of a new plant capable of producing HPEMM using a conventional, proven, selenium-free process as well as HPMSM, focusing principally on Europe's rapidly emerging electric vehicle battery industry. The phases include: the completion in the first half of calendar 2020 of a feasibility study incorporating the design of processing facilities and infrastructure; the construction and commissioning of a demonstration plant in the first half of calendar 2020 to produce multi-tonne, high-purity manganese product samples for customer testing and supply-chain qualification; the submission of a Project notification and description to the Czech Ministry of the Environment, the filing of an Environmental Impact Assessment and related permit applications; and the continued market development for the Company's HPEMM and HPMSM products.

4. Financial and Project Highlights

The following is a summary of the Company's highlights during the nine months ended June 30, 2019, and to the date of this MD&A:

- Pursuant to the exercise of broker warrants, the Company issued 592,120 common shares on July 24, 2019 at $0.11 per common share for total proceeds of $65,133 and 2,335,145 common shares on June 14, 2019 also at $0.11 per common share for total proceeds of $256,866.

- On May 13, 2019, the Company issued a total of 1,428,570 common shares at $0.21 per common share as repayment of $300,000 in deferred consideration related to the acquisition of the shares of Mangan. The Company's remaining commitment related to the acquisition of the Mangan shares is for a final issuance of common shares on May 13, 2020 also valued at $300,000. Further details on this commitment are provided in note 7 of the condensed consolidated interim financial statements for the three and nine months ended June 30, 2019.

- Signed a confidential strategic agreement in early May 8, 2019, with a consumer of battery raw materials (the "Party"), which includes a framework for technical cooperation, pursuant to which both parties intend to collaborate so that the Company's proposed Chvaletice Manganese Project plant can be designed and built to meet the Party's long-term requirements for environmentally-superior high purity manganese products. The strategic agreement also provides for potential offtake negotiations.

- Appointed Bilfinger Tebodin Czech Republic s.r.o. to initiate preparation of the Project's EIA and related permit applications.

- Appointed Tetra Tech Canada Inc. ("Tetra Tech") as the owner's engineering representative, responsible for overseeing the other consultants and service providers in connection with the Project's feasibility study, and to prepare the National Instrument 43-101/JORC Code feasibility study report for the project.

- Acquired five small parcels of land from the operator of the electrical power station adjacent to the Project, which fill small gaps in and around the proposed Project plant site lands, which the Company has the option to acquire.

- On May 11, 2019, the Company signed a purchase contract with the Municipality of Trnavka for a 2.96-hectare parcel of land adjacent to the Project tailings, on which the Company plans to construct a visual and acoustic barrier between Trnavka and the Project tailings. The total amount of 2,026,990 Czech Koruna (approximately $120,000) will be paid in four installments, conditional on the EIA and permitting milestones. The first payment, representing 10% of the total amount, 202,699 Czech Koruna ($11,867) was paid on May 20, 2019.

- In April and May, 2019, the neighbouring municipalities of Chvaletice and Trnavka, on which the Project tailings are located, and which respectively lie just to the west and east of the Project, voted unanimously to approve the initiation of the rezoning process of the lands underlying the Project's tailings deposit under municipal land use plans.

- Reported the results of the Preliminary Economic Analysis ("PEA") for the Chvaletice Manganese Project on January 30, 2019, supporting a 25-year project life with strong economics of an after tax net present value ("NPV") of US$593 million at a 10% discount rate and a 22.6% IRR, and a pre-tax NPV of US$782 million at a 10% real discount rate and a 25.2% IRR.

- Filed an updated NI 43-101 Mineral Resource Estimate for the Chvaletice Manganese Project on SEDAR on January 28, 2019 in which the 27 million tonne of Indicated and Inferred Mineral Resource categories were upgraded to Measured and Indicated Mineral Resource categories with an average grade of 7.33% Mn (98.3% of these were classified as Measured Mineral Resources).

4. Financial and Project Highlights (continued)

- On December 4, 2018, obtained an extension of the exploration licence until May 31, 2023, securing the Company's exploration rights for the entire deposit which is also covered by the Preliminary Mining Permit issued by the Czech Ministry of Environment and valid until April 30, 2023.

- Made the first option payment of 14 million Czech Korunas ($815,000) on October 17, 2018, through the Czech subsidiary Mangan, to acquire 100% of the equity of EP Chvaletice s.r.o. ("EPCS"), a company that owns 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.

- Completed an extensive series of laboratory investigations in one of China's leading metallurgical research and development institutes and in several other laboratories around the world, to determine the optimum process to convert the manganese in the Chvaletice tailings into HPEMM and/or HPMSM, while meeting the safety and environmental standards of the Czech Republic and European Union.

- Completed the Initial Public Offering ("IPO") on the TSX-V ("Canadian Offering") and raised $2,500,000 on October 2, 2018, for the continued evaluation of the Chvaletice Manganese Project. The Company's shares and CHESS Depository Interests ("CDIs") started trading on the TSX Venture Exchange ("TSX-V") and the Australian Securities Exchange ("ASX"), respectively, on October 2, 2018, under the symbol "EMN".

5. Significant Transactions During the Nine Months Ended June 30, 2019

Following the completion of the Australian IPO on September 28, 2018, raising gross proceeds of AUD$6,500,000 ($6,066,342), the Company completed the Canadian IPO on October 2, 2018, raising additional gross proceeds of $2,500,000. Pursuant to an engagement letter with Canadian Agent, fees payable included a corporate finance fee of $70,000, plus 6% of the aggregate gross IPO proceeds in excess of $1,500,000, payable 1% or $10,000 in cash and 5% in fully paid Shares (200,000 Shares valued at $50,000), and warrants entitling agent to purchase 10% of the Shares issued in excess of 6,000,000 Shares (400,000 Shares) at an exercise price of $0.375 per share for a period of 36 months from the date of issue.

The expenses related to the Canadian IPO, including the $10,000 cash fee, the $50,000 value attributed to the 200,000 Shares and the $48,890 value attributed to the Canadian Agent's Warrants were applied against the gross proceeds. Upon completion of the Canadian IPO, on October 2, 2018, the Company's CDIs and Shares commenced trading on the ASX and TSX-V, respectively, under the Symbol "EMN".

Pursuant to the option agreement to acquire 100% of equity of EPCS, the Company made the first option payment of 14 million Czech Korunas ($815,000) on October 17, 2018, through the Czech subsidiary Mangan. EPCS owns a large parcel of industrial zoned land adjacent to the Chvaletice Manganese Project, where the Company proposes to develop its high-purity manganese processing facility.

On February 7, 2019, the Company signed an amendment to the option agreement with EPCS, funding, through EPCS, the purchase of several land parcels from Sev.en EC a.s., adjacent to the land owned by EPCS, and thus increasing the option agreement value by 3,500,000 Czech Koruna ($220,927). Pursuant to the amendment, in the event that EPCS is not ultimately acquired under the option agreement, the ownership of these land parcels will be transferred to Mangan at no additional cost. The amount was fully paid as at June 30, 2019 and was classified as a deposit for land under other non-current assets.

On May 11, 2019, the Company signed a purchase contract with the Municipality of Trnavka for a 2.96-hectare parcel of land adjacent to the Project tailings, on which the Company plans to construct a visual and acoustic barrier between Trnavka and the Project tailings. The Municipality of Trnavka is located adjacent to the Project's tailings and also the majority of the Project tailings are located on its land. The total amount of 2,026,990 Czech Koruna (approximately $120,000) will be paid in four installments, conditional on the EIA and permitting milestones. The first payment, representing 10% of the total amount, 202,699 Czech Koruna ($11,867) was paid on May 20, 2019.

5. Significant Transactions During the Nine Months Ended June 30, 2019 (continued)

On May 13, 2019, the Company issued a total of 1,428,570 common shares at $0.21 per common share as repayment of $300,000 in deferred consideration related to the acquisition of the shares of Mangan. The Company's remaining commitment related to the acquisition of the Mangan shares is for a final issuance of common shares on May 13, 2020 also valued at $300,000. Further details on this commitment are provided in note 7 of the condensed consolidated interim financial statements for the three and nine months ended June 30, 2019.

On June 14, 2019, the Company issued 2,335,145 common shares at $0.11 per common share for total proceeds of $256,866 pursuant to the exercise of broker warrants.

On July 24, 2019, the Company issued 592,120 common shares at $0.11 per common share for total proceeds of $65,133 pursuant to the exercise of broker warrants.

6. Review of Operations - 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. The Czech capital city of Prague is located 90 kilometres to the west. The Chvaletice Manganese Project site is adjacent to established infrastructure, including an 820-megawatt coal-fired power station that supplies the Czech Republic's national grid, a railway line, a highway and a gas line. The surrounding region is industrialized, and skilled labor is expected to be available from local markets.

The Chvaletice Manganese Project resource is contained in three 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 and mill. The tailings were deposited from historical milling operations for the recovery of manganese and the extraction of pyrite used for the production of sulfuric acid. The tailings, which are in three separate piles in thickness ranging from 12 to 28 meters, cover a cumulative surface area of approximately one square kilometre.

Mineral Resource Estimate Update

In 2018, the Company conducted additional drilling at the Chvaletice Manganese Project; designed to upgrade the confidence level of the Mineral Resource estimate that was dated April 27, 2018. A total of 80 holes were drilled, totalling 1,510 metres in length, comprising: 54 Sonic drill holes totalling 1410 metres, consisting of 35 vertical holes, totalling 661 metres, and 19 inclined holes, totalling 749 metres (focused on sampling the embankment of the tailings piles, which was largely classified as an inferred resource following the 2017 drill program, as it could not be accessed using vertical drill holes); and 26 hand-auger holes, totalling 100 metres. A total of 767 samples were sent for assaying and various other tests. An additional 63 samples were sent for analysis, as part of a comprehensive quality assurance/quality control program, that included blind insertion of duplicates, blanks and standards, as well as independent check assays.

Final results were received in November 2018 and were incorporated in an updated NI 43:101 technical report entitled "Technical Report and Mineral Resource Estimate for the Chvaletice Manganese Project, Chvaletice, Czech Republic" ("Chvaletice Technical Report") effective as of December 8, 2018, and released on January 28, 2019. The Chvaletice Technical Report was prepared by Mr. James Barr, P. Geo, Senior Geologist, and Mr. Jianhui (John) Huang, Ph.D., P. Eng., Senior Metallurgical Engineer, both with Tetra Tech Canada Inc. ("Tetra Tech"), both of whom are Qualified Persons under NI 43-101.

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

A summary of the Mineral Resource Estimate per the Chvaletice 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

On August 13, 2018, following completion of legal and financial diligence, the Company, through its subsidiary, Mangan, signed an option agreement (the "EPCS Option Agreement"), giving Mangan the right to acquire 100% of the equity of EPCS, a small Czech steel fabrication company that owns a 19.94 hectare parcel of land located immediately south of the highway and rail line that bound the Chvaletice tailings deposit and immediately adjacent to the Chvaletice power plant and 1.7 hectare parcel of land and rail siding that was acquired by the Company in November 2017.

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 Korunas payable in three cash instalments, the first of which was paid on October 17, 2018, in the amount of 14 million Czech Korunas (approx. CAD$815,000). The Company can complete the acquisition of EPCS by making two additional instalments aggregating 126 million Korunas (approx. CAD$7.32 million) as follows:

i. an instalment of 42,000,000 Czech Koruna (approximately $2.46 million at June 30, 2019) ("Second Instalment"), within 60 days of final approval of the environmental impact assessment for the Chvaletice Manganese Project, and no later than three years after signing the EPCS Option Agreement. The three-year term may be extended under certain circumstances by up to one year; and

ii. a final payment of 84,000,000 Czech Koruna (approximately $4.92 million at June 30, 2019) ("Final Payment"), due upon receipt of all development permits for the Chvaletice Manganese Project, and no later than five years after signing the EPCS Option Agreement.

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

The shares of EPCS are being held in escrow pending release of the Final Payment by the Company. To secure the transaction, liens have been placed by the Company on the property and shares of EPCS, while the EPCS Option Agreement is in effect. The vendor of EPCS will continue to operate its steel fabrication business until the Final Payment is received, will retain profits from the business and will remain responsible for any losses incurred by the business during the term of the EPCS Option Agreement. The Company will endeavour to retrain and transition into the proposed Chvaletice Manganese Project's workforce as many of the EPCS employees as possible.

On February 7, 2019, the Company signed an amendment to the Option Agreement (the "Amendment"), funding, through EPCS, the purchase of several land parcels adjacent to the land owned by EPCS (section 5 of this MD&A).

PEA Results

On January 30, 2019, the Company completed and reported the results of the Chvaletice Manganese Project PEA for the production of high-purity manganese products, namely HPEMM and HPMSM. The NI 43-101 technical report entitled "Technical Report and Preliminary Economic Assessment for the Chvaletice Manganese Project, Chvaletice, Czech Republic" ("PEA Technical Report"), with an effective date of January 29, 2019, as prepared by Tetra Tech, was released and filed on SEDAR on March 15, 2019.

The highlights of the PEA are as follows:

- Recycling of a 27 million tonnes 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, two-thirds of which is expected to be converted into HPMSM;

- Saleable product includes 404,100 tonnes of HPEMM and 2.35 million tonnes of HPMSM, focusing principally on Europe's rapidly emerging electric vehicle battery industry;

- Flexibility to supply either HPEMM or HPMSM, to suit customer preference;

- After tax NPV of US$593 million and pre-tax NPV of US$782 million, using a 10% real discount rate, and based on average life-of-project HPEMM (containing 99.9% Mn) price of US$4,617/tonne and an average HPMSM (containing 32% Mn) price of US$2,666/tonne (prices based on a market study prepared for the Company by CPM Group LLC);

- US$404 million in pre-production capital, US$24.8 million in sustaining capital, and US$31 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;

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

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

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

- 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;

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

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

Subject to the availability of funds, the next steps planned for the Chvaletice Manganese Project are the construction and commissioning of a demonstration plant in the first half of calendar 2020 to produce multi-tonne, high-purity manganese product samples for customer testing and qualification, in conjunction with ongoing studies leading to completion of a feasibility study and submission of permit applications that will require further environmental investigations.

HPEMM & HPMSM Market Development

In early May 2019, the Company signed a strategic agreement with a consumer of battery raw materials, which provides a framework for strategic and technical cooperation that is focused on large-scale lithium-ion batteries manufacturing, including the production of high-performance lithium-ion batteries for several market segments, including electric vehicles.

Pursuant to the confidential strategic agreement, both parties intend to collaborate and to share technical and strategic information, so that the Company's proposed Chvaletice Manganese Project plant can be designed and built to meet the long-term supply requirements of environmentally-superior high purity manganese products of the Party and its customers. Under the terms of the confidential strategic agreement, the Company intends to deliver a specified quantity of HPMSM (the "Demonstration Material") to the Party's facility in the first half of calendar 2020. The Demonstration Material will be produced at the Company's demonstration plant, which will provide bulk, multi-tonne finished product samples for customer testing and evaluation, and which will be made from the Chvaletice tailings. Upon completion of testing and qualification of the Demonstration Material, the parties intend to enter into negotiations with the objective of agreeing on the terms and conditions of an offtake agreement with respect to the supply and purchase of high purity manganese products produced at the Chvaletice Manganese Project.

The Company continues to hold active discussions with several consumers of high-purity manganese products in Asia, Europe and North America, and expects to enter into similar strategic, commercial, technical and/or framework agreements with such companies over the course of 2019 and 2020, for the testing and qualification of the Chvaletice Manganese Project's high-purity manganese products, as well as negotiations of potential offtake agreements and long-term commercial relationships with some or all of these parties.

The Chvaletice Manganese Project is targeting production of ultra-high-purity electrolytic manganese metal with specifications exceeding 99.9% Mn and ultra-high-purity manganese sulphate monohydrate with a minimum manganese content of 32.34%, which exceed typical industry standards. These products will be selenium and chromium-free, and are designed to contain very low levels of deleterious impurities. As such, the Company believes the Chvaletice Manganese Project stands to become an important and environmentally-sustainable part of the international and European lithium-ion battery supply chains.

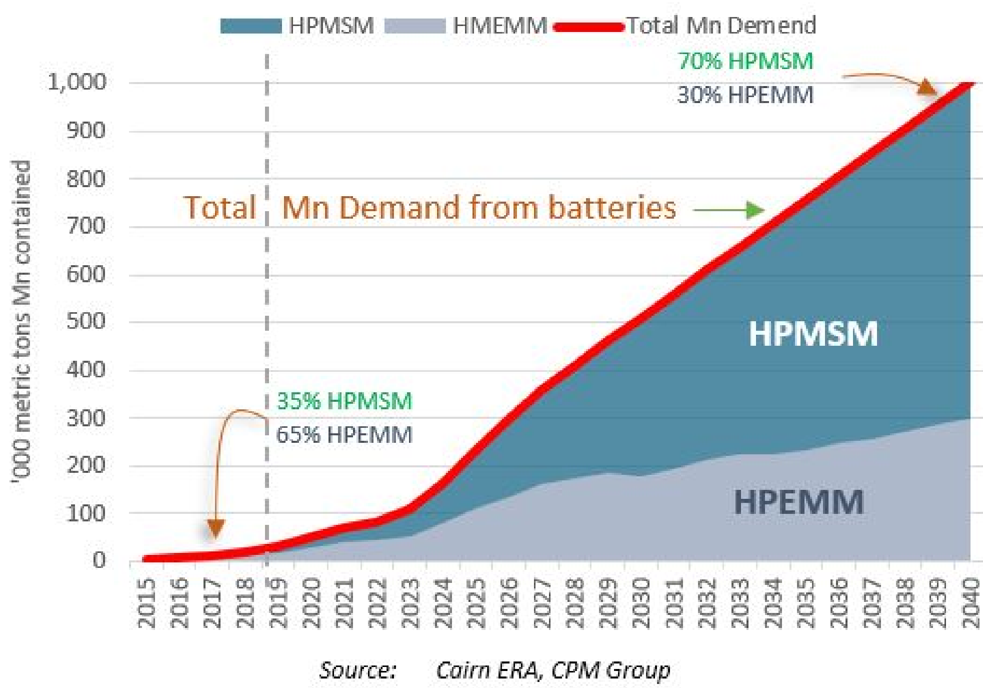
6. Review of Operations - Chvaletice Manganese Project (continued)

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 product market outlook study for the Chvaletice Manganese Project. The CPM Group prepared a comprehensive market research report and provided an extended executive summary of the report that summarizes market information for high purity manganese products, including market demand and supply and projected HPEMM and HPMSM prices. 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,” dated January 21, 2019 is reproduced in Section 19 of the PEA Technical Report.

The CPM Group reported that, by targeting production of some of the highest purity electrolytic manganese metal and manganese sulphate monohydrate available in the world today, the Chvaletice Manganese Project is poised to become a key strategic asset in the heart of Europe, as European consumers are sourcing the majority of their needs from China, which produces over 98% of electrolytic manganese metal and over 85% of high-purity manganese sulfate in the world. The CPM Group reported that it expected a double-digit increase of HPEMM and HPMSM demand driven by the electric vehicle ("EV") Lithium-ion battery industry, and that European demand from the battery sector alone is expected to be around 68 kt of HPEMM annually by 2040 (or 209,000 tpa HPMSM equivalent) - 42% more than the expected maximum proposed output of the Chvaletice Manganese Project plant.

Other highlights of the CPM Group report include:

- Production of rechargeable lithium-ion batteries for EVs is expected to dominate the market for HPEMM and HPMSM over the next two decades dwarfing any other application for these products. Following Cairn ERA’s research into battery markets and combining it with its own research, CPM Group forecasts an 80-fold increase in the use of manganese in rechargeable Li-ion batteries between 2017 and 2037, as shown in following figure.



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

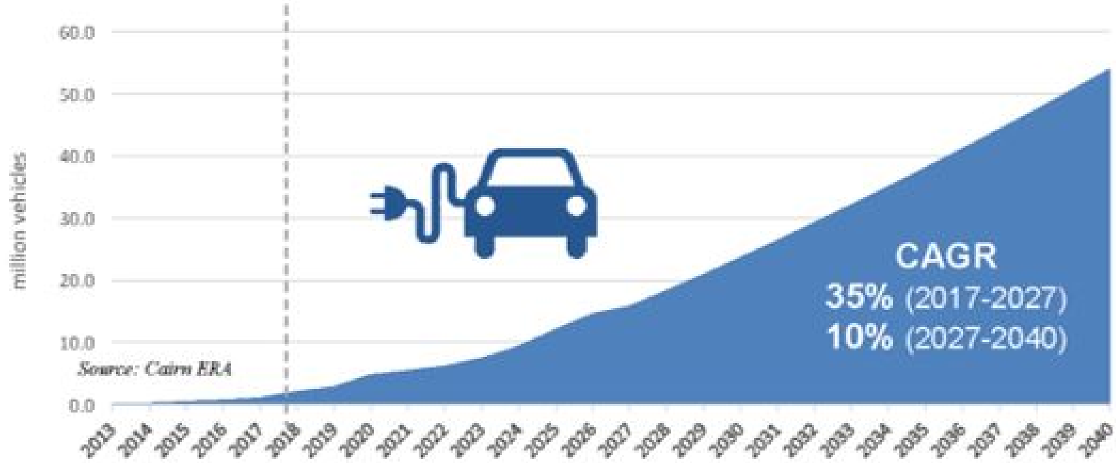
- Europe is expected to play an important part in this ‘electric vehicle revolution’ with nine battery and battery precursor factories, with no fewer than twelve electric car factories already under construction or announced recently. Europe is expected to become the second most important centre (after China) of the global electric car and battery industries. The Chvaletice Manganese Project is in close geographical proximity of the major battery factories being built in Europe: six large plants that will consume manganese inputs are located within 400 km of Chvaletice, and the distance to three Polish factories is approximately 200 km. Refer to the following figure:

Source: Cairn ERA, CPM Group

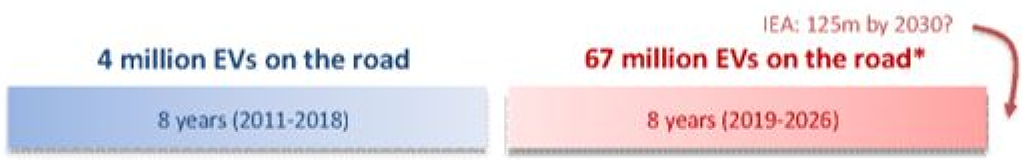
- The CPM Group believes that the entire planned output of the Chvaletice Manganese Project can be consumed by the growing lithium-battery sector in Europe. Local supply chains are being built in Europe and apart from the convenient logistics, companies located within the European single market benefit from frictionless trading and additional benefits (e.g. imported MSM is subject to a 5% EU import tariff.)

- Data from the motor vehicle industry indicates that the number of EVs on the roads of the world surpassed the 3 million mark in 2017 with 1/3rd of this number sold in 2017 alone. In 2018, China on its own produced more than a million EVs and is expected to double this amount by 2020. The following figure represents the annual forecast EV annual sales forecast to 2040 (including plug-in hybrids) with a cumulative annual growth rate (CAGR) of 35% from 2017 to 2027, and 10% from 2027 to 2040.

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



The CPM Group reports that EV production is ramping up rapidly and that accelerating market demand will lead to stronger sales during the next two decades, based on the forecasts from Cairn ERA and the International Energy Agency (IEA).



Source: CPM Group calculation based on Cairn ERA EV sales forecast; * assuming the oldest EV on the road in 2026 is 11 years old.

7. Outlook

Planning and preparation of the Chvaletice Manganese Project's environmental impact assessment and related permit application has been initiated. The Company has appointed Bilfinger Tebodin Czech Republic s.r.o., to lead the preparation and filing of the Project Description/Notification with the Czech Ministry of the Environment. The Project Description/Notification will include 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/measures; socio-economic impacts on local communities; and reclamation plans/objectives.

The Project Description will be available to local communities, residents, organizations and regulators, during a public comment and consultation period. The Project Description and the input and comments received, as well as any requirements for changes, will serve as the basis of further environmental studies, if required, and will form the basis for the last stage of the environmental permitting process. The Company expects the filing of the Project Description/Notification with the Czech Ministry of the Environment to be made in early calendar 2020 and that the complete Environmental Impact Assessment (EIA) documentation will be submitted to the Czech Ministry of the Environment by the third quarter of calendar 2020.

7. Outlook (continued)

Following the completion of the PEA during the first half of calendar 2019, the Company has decided to advance the Chvaletice Manganese Project to the feasibility stage, and has solicited and received proposals from a short list of engineering firms in the quarter ended June 30, 2019. The Company has appointed Tetra Tech as the owner's engineering representative for the feasibility study, responsible for overseeing the other consultants and service providers in connection with the feasibility study, and to prepare the National Instrument 43-101/JORC feasibility study report for the Project. The Company is currently evaluating proposals for the lead process plant engineer role, who will be expected to work closely with Tetra Tech and the Company's other consultants. Together, these firms will conduct the excavation design, process plant design, tailings/residue storage facility design, and other related studies for the project and compile the necessary feasibility study inputs. As a result, subject to the awarding of any remaining feasibility study contracts, the Company expects the feasibility study to be completed in the first half of calendar 2020.

As it moves through the feasibility stage, the Company expects to continue evaluating potential value-enhancing opportunities for the Chvaletice Manganese Project. These include the potential for on-site production of sulphuric acid, optimizing building sizing and layout, equipment selection, solid-liquid separation methods, alternative magnesium removal methods, manganese sulphate crystallization technologies, leaching methods, waste generation minimization and recycling, as well as minimizing energy and water consumption. In collaboration with one or more potential consumers of high-purity manganese products, the Company also intends to evaluate the feasibility of building one or more satellite manganese metal dissolution plants to be located at customer NMC precursor plants. This would allow the Company to sell manganese sulphate solution instead of granulated manganese sulphate monohydrate, eliminating the energy-intensive crystallization step. The Company also plans to evaluate the possibility of selling by-product magnesium sulfate for agricultural use. These opportunities and others will be evaluated within the scope of work of design studies of the feasibility study.

Planning is also underway to design, build and commission a demonstration plant in the Czech Republic that will provide bulk, multi-tonne finished product samples for customer evaluation. The plant is intended to replicate the entire process flowsheet proposed in the PEA and to produce the equivalent of 100kg per day of manganese sulphate monohydrate. Several parties have expressed interest in testing and qualifying these products in order to design precursor and cathode formulations in combination with available nickel, cobalt and lithium products. The demonstration plant will also enable process optimization and testing for the final products development. In addition, it is expected to serve as a testing and training facility for future operators. Design work was initiated and largely completed during the quarter and the Company is currently evaluating and fine-tuning a proposal for the supply of a turnkey plant, backed by completion and performance guarantees, and is targeting the award of the contract thereon during the fourth quarter of calendar 2019. The Company is targeting the completion of the plant construction and the delivery of the first finished product samples to potential customers during the first half of calendar 2020.

During the quarter ended June 30, 2019, the Company entered into a confidential strategic agreement with an undisclosed party, pursuant to which the companies agreed to collaborate, and to share technical and strategic information, so that the Chvaletice Manganese Project plant can be designed and built to meet the long-term supply of environmentally-superior high purity manganese products of the Party and its customers. Following testing and qualification of the Demonstration Material, the parties intend to negotiate an offtake agreement for the supply and purchase of HPMSM, and possibly other high-purity manganese products.

The Company has held and continues to hold discussions with several other consumers of high-purity manganese products in Asia, Europe and North America, centered around the possibility of the Chvaletice Manganese Project's future production providing a competitive, high-purity, environmentally-superior and reliable long-term supply of HPEMM and/or HPMSM. The Company expects to enter into agreements with such companies over the course of 2019 and 2020, that may be similar to the initial strategic agreement, and to enter into negotiations of offtake agreements with these parties. However, given that the Chvaletice Manganese Project is still in the evaluation stage, and still requires financing and permits, 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.

7. Outlook (continued)

The Company does not expect that its current capital resources will be sufficient to fully fund the feasibility study and the demonstration plant and any new commitments it may make with respect to additional acquisitions of land or surface rights. Accordingly, the Company expects it will be required to raise additional funding for its next stage of development (see section 10 - "Liquidity and Capital Resources”).

8. Select Quarterly Financial Information

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	**April to June'19**	Jan to March'19	Oct to Dec'18	July to Sept'18	April to June'18	Jan to March'18	Oct to Dec'17	July to Sept'17
	$	$	$	$	$	$	$	$
Cash	**5,512**	7,093	9,013	10,368	6,194	7,648	1,536	2,861
Total assets	**8,390**	10,029	11,773	12,273	7,928	9,381	3,302	4,321
Working capital (1)	**4,814**	6,416	8,385	9,119	5,450	6,973	721	2,333
Current liabilities	**902**	1,001	957	1,536	891	825	1,005	730
Revenue	**—**	—	—	—	—	—	—	—
Project evaluation expenses	**1,056**	1,176	1,544	1,451	1,049	969	1,119	1,488
Other expenses	**949**	950	833	631	452	515	348	347
Net loss attributable to shareholders	**2,005**	2,126	2,377	2,082	1,501	1,485	1,467	1,835
Net loss per share, basic and diluted, attributable to shareholders	**0.01**	0.01	0.01	0.02	0.01	0.01	0.02	0.03

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

<u>Summary of major variations in quarterly financial activities:</u>

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

Project evaluation expenses

- In 2017, the Company embarked on a growth phase which marked a significant increase in project related activities. As a result, starting April 2017, the level of quarterly project evaluation expenditures significantly increased.

- In June 2017, the Company initiated a drilling and assay program as the first step of a series of studies to be incorporated into the final PEA report. At the same time, the Company also commissioned, from Canadian, European and Chinese engineering consulting firms, various engineering, sampling and surveys, and metallurgical studies, the results of which were ultimately included in the PEA. The timing during the year, when studies are performed and or when milestones payments become due, account for the significant movements in project activities on a quarterly and annual basis.

- In order to manage the increased level of engineering consultants and other project activities within the Czech Republic, in October 2017, the Company started hiring local full-time personnel, starting with a full-time Managing Director of Mangan subsequently followed by the hiring of additional technical and administrative personnel. Around the same time, the Company also raised its presence in the country with the opening of offices in Prague and a Project Information Centre in the town of Chvaletice.

8. Select Quarterly Financial Information (continued)

- Beginning January 2018, project related costs reflect the hiring of a full-time Vice President, Project Development, to oversee process engineering and overall project development planning.

- The increased involvement of outside advisors in the management of technical issues allowed senior management to concentrate their efforts on raising additional capital for the Company. Consequently, starting at the beginning of October 2017, no additional administrative and overhead charges were allocated to project exploration and evaluation activities.

- Expenditures in the second half of the fiscal year ended September 30, 2018, reflect legal and professional fees associated with negotiating land purchase agreements and the quarter ended September 30, 2018, also reflects the costs of the 2018 drilling program which was initiated in July 2018.

- Costs incurred from mid-2018 to March 31, 2019, include the significant metallurgical test work, geological, engineering and other consultant fees, market studies, process and infrastructure design studies, and extensive environmental studies, all in support of the PEA on the Chvaletice Manganese Project.

- In the most recent quarter, the Company commissioned studies for the demonstration plant and initiated the planning stage of the feasibility study and advanced the work on the EIA.

Other expenses

- The increase in the level of quarterly administrative expenditures is mainly attributed to the combination of:

    - Increased remuneration beginning in January 2018, due to a higher number of full-time employees;

    - Additional legal and professional costs resulting from the Company being a publicly listed entity from October 2, 2018;

    - Increased non-cash share-based compensation related to option grants to directors, management and employees; and

    - Increased investor relations costs following the Company listing on the ASX and TSX-V in October 2018.

9. Results of Operations

Three months ended June 30, 2019 compared to the three months ended June 30, 2018

The loss for the three months ended June 30, 2019 of $2,004,679 compares to a loss of $1,501,078 for the three months ended June 30, 2018, representing an increase of $503,601 or 33.5%. Basic and fully diluted loss per share in each period was $0.01. A summary of the project evaluation and other expenses, and an explanation of the significant variances is as follows:

	Three months ended June 30,	
	2019	2018
(expressed in thousands of Canadian dollars, except per share data)	**$**	$
Project evaluation expenses		
Engineering	**395**	325
Drilling, sampling and surveys	**—**	30
Metallurgical	**28**	76
Remuneration	**279**	163
Share-based compensation	**72**	34
Travel	**16**	61
Legal and professional fees	**97**	220
Geological	**61**	32
Market studies	**63**	23
Project management	**—**	33
Supplies and rentals	**45**	52
	1,056	1,049
Other expenses		
Remuneration	**282**	207
Share-based compensation	**135**	71
Total remuneration	**417**	278
Legal and professional fees	**63**	43
Travel	**125**	45
Filing fees	**4**	—
Accretion expense	**14**	22
Office, general and administrative	**99**	38
Insurance	**27**	10
Office rent	**13**	8
Conferences	**9**	7
Investor relations	**174**	—
Depreciation	**4**	1
	949	452
Loss and comprehensive loss for the year	**2,005**	1,501
Basic and diluted loss per common share	**$0.01**	$0.01

9. Results of Operations (continued)

Project evaluation costs for the three months ended June 30, 2019 and 2018, were $1,055,598 and $1,049,506 respectively. The main cost variances include: a $122,937 decrease in legal and professional fees relating to significant land purchase negotiations in the comparative quarter and a decrease of $45,021 in travel expenses as greater portion of Project activities in the current quarter were performed in the Czech Republic. This was partially offset by a net increase of $136,854 in engineering, remuneration and metallurgical costs related to increased local staff and planning work for the feasibility study and the demonstration plant; an increase in market studies of $40,214 as various marketing studies were performed in the current quarter.

Engineering, remuneration, geological and metallurgical costs for three months ended June 30, 2019, represent approximately 72% (three months ended June 30, 2018 - 57%) of the total project evaluation costs. In the current quarter, these project evaluation costs were related to the advancement of the EIA, the planning of the feasibility study and the studies for the demonstration plant. In the comparative quarter, such project evaluation costs related to a number of activities supporting the completion of the PEA, including: a tailings/residue facility design study; studies related to test work, process and infrastructure design; the initiation of a wide range of bench and pilot scale tests and investigations to determine the optimum process to recover manganese to produce HPEMM and HPMSM; scoping and pre-feasibility-level process design studies; evaluating plant and site infrastructure layout alternatives; developing preliminary capital and operating cost estimates; planning and carrying out extensive environmental studies; and conducting widespread community consultations.

The $497,509 increase in administrative costs for the three months ended June 30, 2019, compared to the same period in 2018, is mainly attributable to: a $75,294 increase in remuneration due to hiring more full time employees rather than engaging consultants; a $63,987 increase in non-cash share-based compensation related to new options granted to directors and officers during 2018; a $174,129 increase in investor relations expenses; a $79,844 increase in travel costs as a result of increased manganese market development and investor relations activities; $60,804 increase in general administration expenses due to higher IT related costs and foreign exchange loss and a $20,573 increase in legal and professional fees due to increased regulatory compliance requirements.

9. Results of Operations (continued)

Nine months ended June 30, 2019, compared to the nine months ended June 30, 2018

The loss for the nine months ended June 30, 2019, of $6,507,998 compares to a loss of $4,452,516 for the nine months ended June 30, 2018, representing an increase of $2,055,482 or 46.2%. Basic and fully diluted loss per share in each period was $0.04. A summary of the project evaluation and other expenses, and an explanation of the significant variances is as follows:

	Nine months ended June 30,	
	2019	2018
(expressed in thousands of Canadian dollars, except per share data)	**$**	$
Project evaluation expenses		
Engineering	**1,551**	1,473
Drilling, sampling and surveys	**209**	30
Metallurgical	**250**	110
Remuneration	**775**	486
Share-based compensation	**209**	132
Travel	**87**	172
Legal and professional fees	**276**	274
Geological	**196**	111
Market studies	**169**	181
Project management	**—**	85
Supplies and rentals	**96**	85
	3,818	3,139
Other expenses		
Remuneration	**983**	594
Share-based compensation	**401**	286
Total remuneration	**1,384**	880
Legal and professional fees	**188**	100
Travel	**247**	99
Filing fees	**66**	—
Accretion expense	**50**	73
Office, general and administrative	**147**	78
Insurance	**77**	33
Office rent	**47**	21
Conferences	**11**	21
Investor relations	**457**	5
Depreciation	**16**	4
	2,690	1,314
Loss and comprehensive loss for the year	**6,508**	4,453
Basic and diluted loss per common share	**$0.04**	$0.04

9. Results of Operations (continued)

Project evaluation costs for the nine months ended June 30, 2019 and 2018, were $3,817,719 and $3,137,901 respectively. The main cost variances include: increases of $289,065 in remuneration and $140,017 in metallurgical costs, both related to the PEA; a $179,141 increase in drilling, sampling and surveys attributable to the completion of the 2018 drilling program; an increase in geological costs of $85,291 due to a hydro-geological study of the Project; and a $77,769 increase in share-based compensation allocated to project personnel. This was partially offset by a decrease in travel of $84,764 as a greater portion of Project activities were performed in the Czech Republic in the current period, a decrease of $85,539 in external project management costs following the hiring of a full time Managing Director of Mangan, and a decrease in market studies of $12,518 as such marketing studies were primarily conducted in the comparative period.

Engineering, remuneration, geological and metallurgical costs for nine months ended June 30, 2019, represent approximately 73% (nine months ended June 30, 2018 - 69%) of the total project evaluation costs for the period and are related to: a number of activities supporting the completion of the PEA and the future development of the Project, including: a tailings/residue facility design study; studies related to test work, process and infrastructure design; the initiation of a wide range of bench and pilot scale tests and investigations to determine the optimum process to recover manganese to produce HPEMM and HPMSM; scoping and pre-feasibility-level process design studies, evaluating plant and site infrastructure layout alternatives, developing preliminary capital and operating cost estimates, planning and carrying out extensive environmental studies, and conducting widespread community consultations. In the current period, we also incurred costs relating to the planning stage of the feasibility study and commenced work on the EIA and commissioned studies for the demonstration plant. In the comparative period, in addition to the aforementioned activities, these costs also include an extensive geotechnical and hydrogeological study, initiated in January 2018, of the tailings and certain lands under consideration for a potential plant site.

The $1,375,664 increase in administrative costs for the nine months ended June 30, 2019, over the same period in 2018, is mainly attributable to total remuneration which increased $504,127, of which $114,697 was an increase in share-based compensation related to options granted to directors and officers during 2018. The increase in total remuneration was attributable to the growth of the Company, the hiring of more full-time employees rather than the engagement of consultants, quarterly directors' fees paid of $40,000, and to bonuses paid in December 2018 of $70,000. Other significant increases in administrative costs for the nine months ended June 30, 2019, over the corresponding quarter in 2018 included: a $451,204 increase in investor relations expenses following the listings on the TSX-V and ASX and the hiring of manganese market development and investor relations consultants in Europe and Australia; a $88,009 increase in legal and professional fees mainly due to the regulatory filing requirements in Canada and Australia; a $147,670 increase in travel costs related to increased investor relations activities; $68,637 increase in general administration expenses due to higher IT related costs and foreign exchange loss and a $66,046 increase in filing fees payable to the TSX-V and the ASX following the Company's public listing fees.

10. Liquidity and Capital Resources

As at June 30, 2019, the Company held cash of approximately $5.5 million. Cash is held with reputable financial institutions and is invested in 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.

Cash decreased by $4.9 million during the nine months ended June 30, 2019, primarily due to cash used in operating activities of $6.1 million and cash used in investing activities of $1.1 million, representing mainly the payment of the first instalment on the EPCS Option Agreement. This was partially offset by the proceeds from the Canadian Offering, which raised $2.5 million, less cash expenses of $0.4 million, and the exercise of broker warrants which raised $0.3 million.

10. Liquidity and Capital Resources (continued)

As at June 30, 2019, the Company had working capital of $4.8 million, which compares to working capital at September 30, 2018 of $9.1 million. The decrease in working capital was due to operating expenditures and the first EPCS Option payment, offset by the proceeds from the Canadian IPO and the exercise of broker warrants, as described above.

The Company's capital resources at June 30, 2019, are expected to provide sufficient working capital to fund its corporate and administrative expenses and its current project development commitments for at least 12 months. These include minimum office lease payments and project development commitments of $622,377 as shown below. However, having completed the PEA, the Company is advancing the Chvaletice Manganese Project to the feasibility study stage, which will require significant additional expenditures. The Company has appointed Tetra Tech as the owner's engineering representative, responsible for overseeing the other consultants and service providers in connection with the feasibility study, and later in 2019 expects to appoint the lead process plant engineer. The Company also intends to build a demonstration plant to produce bulk product samples for customer testing and qualification, commencing in the first half of calendar 2020, and is evaluating proposals related thereto. Accordingly, the Company does not expect that its current capital resources will be sufficient to fully fund all these activities, along with any new commitments it may make with respect to additional acquisitions of land or surface rights. Once the capital requirements for the feasibility study, the demonstration plant and land acquisition costs are known, the Company will be required to raise additional funding for these activities.

As an early stage corporation, the Company does not own any properties with established Mineral Reserves and has no operating revenues and is unable to self-finance its operations. Accordingly, the only source of future funds presently available to the Company is through the issuance of share capital. Additional funding will also be required for the potential future construction of infrastructure and facilities for the Chvaletice Project. The ability of the Company to arrange such equity financings will depend principally upon prevailing market conditions and the business performance of the Company. Such funding may not be available when needed, if at all, or be available on terms favorable 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 and could result in material adjustments to the carrying values of assets.

Contractual commitments

As at June 30, 2019, 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	2 - 3 years	After 3 years
	$	$	$	$	$
Minimum office lease payments [1]	211,865	129,934	78,211	2,480	1,240
Operating expenditure commitments [2]	410,512	410,512	—	—	—
Total contractual obligations	622,377	540,446	78,211	2,480	1,240

[1] The Company has three non-cancellable operating office leases expiring within 2 to 4 years.
[2] Operating expenditure commitments relate to the evaluation work on the Chvaletice Project.

The Company is not subject to any externally imposed capital requirements. Detailed description of the Company's additional commitments can be found in note 12, of the Company's audited consolidated financial statements for the year ended September 30, 2018.

11. Off-Balance Sheet Arrangements

As at June 30, 2019, 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.

12. Related Party Transactions

For the three and nine months ended June 30, 2019 and 2018, 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 June 30, 2019, 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 directors and officers, including its non-executive Chairman, President and Chief Executive Officer, Chief Financial Officer, Corporate Secretary and Vice President, Corporate Development, Vice President, Project Development, and the Managing Director of Mangan.

During the three and nine months ended June 30, 2019, and 2018, the Company incurred the following expenses to officers or directors of the Company or companies with common directors:

	Three months ended June 30,		Nine months ended June 30,	
	2019	2018	**2019**	2018
	$	$	**$**	$
Salaries and consulting fees payable to officers and directors of the Company	**377,806**	313,231	**1,136,786**	962,651
Directors and officers' stock-based compensation	**87,451**	76,819	**387,822**	307,232
Total remuneration	**465,257**	390,050	**1,524,608**	1,269,883

A Company's director is associated with PRK Partners s.r.o. ("PRK"), a legal firm based in the Czech Republic. During the three and nine months ended June 30, 2019, PRK's legal fees charged to the Company totaled $28,114 and $168,370 respectively (three and nine months ended June 30, 2018 - $209,796 and $257,352, respectively).

At June 30, 2019, amounts owing to directors and officers of the Company for salaries and directors fees amounted to $72,768 (September 30, 2018 - $64,895) and fees owing to PRK amounted to $24,440 (September 30, 2018 - $237,246). Other amounts payable to officers and directors at June 30, 2019 for the reimbursement of travel related expenses were $33,850 (September 30, 2018 - $18,498).

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 August 7, 2019:

	Number of securities
Issued and outstanding common shares	175,065,435
Share options	15,650,000
Warrants	5,756,750

Certain of the Share and stock options are subject to escrow pursuant to National Policy 46-201 - Escrow for Initial Public Offerings, the TSX-V's Seed Share Resale Restrictions, and the ASX Listing Rules. For detail on the number of escrowed securities and the timing of their release refer to note 8 a) ii) of the Company's condensed consolidated interim financial statements for the three and nine months ended June 30, 2019.

14. Proposed Transactions

At June 30, 2019, there are no proposed asset or business acquisitions, or disposition being considered that would affect the financial condition, financial performance or cash flows of the Company.

15. Significant Accounting Policies, Estimates and Judgments

Basis of preparation and accounting policies

The Company's annual consolidated financial statements have been 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, 2018, and changes to the existing and new accounting policies can be found in the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended June 30, 2019. The impact of future accounting changes is disclosed in note 3.3 to our unaudited condensed consolidated interim financial statements for the three and nine months ended June 30, 2019.

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 3.13 of the Company's consolidated financial statements for the year ended September 30, 2018, and in the note 3.2 of the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended June 30, 2019.

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 9 and 10, respectively, of the Company's consolidated financial statements for the year ended September 30, 2018.

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

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that: (i) the condensed consolidated interim financial statements for the three and nine months ended June 30, 2019, 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 and nine months ended June 30, 2019, 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 and nine months ended June 30, 2019, that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company's is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. The Company's President and Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the design of the disclosure controls and procedures that as of June 30, 2019, the Company's disclosure controls and procedures provide reasonable assurance that material information is made known to them by others within the Company are appropriately designed.

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

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.

18. Events after the Reporting Period

On July 25, 2019, the Company received $65,133 on the exercise of 592,120 broker warrants at $0.11 per share that would have otherwise expired on July 31, 2019 and August 18, 2019.