



**EURO
MANGANESE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2025**

Management Discussion & Analysis

Euro Manganese Inc.

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Management Discussion & Analysis

Euro Manganese Inc.

(Expressed in thousands of Canadian dollars, except as otherwise stated)

1. Introduction

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

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

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of the Company, prepared as of August 12, 2025, is intended to be read in conjunction with the Company's condensed interim consolidated financial statements for the three and nine months ended June 30, 2025 (the "Consolidated Financial Statements") which have been prepared in accordance with the International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements, under International Accounting Standard 34 – Interim Financial Reporting. This MD&A should also be read in conjunction with the Company's audited consolidated financial statements and annual MD&A for the year ended September 30, 2024.

Additional information relating to the Company, including the Annual Information Form for the year ended September 30, 2024, is available on SEDAR+ at www.sedarplus.ca and on the Company's website www.mn25.ca.

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

This MD&A contains "forward-looking statements" that are subject to risk factors as set out in a cautionary note contained in Section 14. The financial information presented in tables in this MD&A are in thousands of Canadian dollars, except for per share amounts and unless otherwise stated.

2. Overview

About the Chvaletice Manganese Project

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

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(Expressed in thousands of Canadian dollars, except as otherwise stated)

2. Overview (continued)

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

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

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

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

HPEMM and HPMSM are critical components of Lithium-ion ("Li-ion") batteries and few sources of manganese ore are suitable for production of high-purity manganese products. As such, demand for high-purity manganese products is growing, fueled largely by the Li-ion and electric vehicle ("EV") markets.

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

The Company announced the results of the Chvaletice Manganese Project feasibility study on July 27, 2022 ("Feasibility Study"), including the conversion of 98.4% of the Mineral Resources into Mineral Reserves.

On March 27, 2024, the Company received the approval of the final Environmental and Social Impact Assessment ("ESIA") for the Project from the Ministry of Environment in the Czech.

In July 2024, the Company engaged Wood Australia Pty Ltd ("Wood") as the preferred Engineering, Procurement, and Construction Management Consultant ("EPCM").

Management Discussion & Analysis

Euro Manganese Inc.

(Expressed in thousands of Canadian dollars, except as otherwise stated)

2. Overview (continued)

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

During the current year, the Company amended the terms of the Orion Funding Package whereby, in exchange for waiving certain covenants of the original agreement for up to one year and the deferral of interest payments from January 1, 2025 onwards, the Company will pay 14% interest on the outstanding loan. The Company was also granted the right to repay, at any time, the Convertible Loan Facility at par, including all accrued and unpaid interest, and may cancel the second tranche of the Convertible Debt Facility without penalty. In addition the Company also has the right to terminate the Royalty Financing, if the Convertible Loan Facility has been paid in full, for a fee of US\$1 million. On May 28, 2025, in connection with the amendment, the Company issued 22,263,733 warrants to Orion, each entitling Orion to purchase one common share of the Company at an exercise price of C\$0.225. These warrants expire on November 28, 2026. Under the terms of the amended Orion Convertible Loan Facility, Orion does not have the option to convert the Convertible Loan Facility into a royalty until after November 28, 2025.

About the Bécancour Project

The Company is evaluating its North American growth strategy and is evaluating an opportunity to develop a project to produce high-purity manganese products for the North American market. In December 2022, the Company entered into an option agreement with Société du parc industriel et portuaire de Bécancour ("SPIPB"), the owner of Lot 12, a 15 hectare land parcel at Bécancour, Quebec, Canada, where it proposed to establish its North American facilities, which allows the Company exclusive access to the land parcel and conduct due diligence thereon over a maximum term of 21 months. A scoping study was completed for a metal dissolution plant at the proposed Bécancour site (the "Bécancour Project") and WSP Canada Inc. ("WSP") was selected in September 2023 to complete a feasibility study for the project. The Bécancour Project is planned to be fed with HPEMM from the Chvaletice Project once operational or other third-party providers. The Company also signed a Cooperation Agreement with the Grand Council of the Waban-Aki Nation, a tribal council consisting of the Abenaki Bands of Odanak and Wôlinak, on whose ancestral territory the Bécancour Project would be situated.

During the current year, the Company amended the terms with SPIPB whereby the Company to acquire 8 hectare property instead of 15 hectare parcel at the Port of Bécancour for total consideration of \$5,111,304 until September 30, 2025. The total funds of \$962,955 paid to date will be applied upon the option exercise against the total purchase price. Certain conditions exist for closing including approval of project plans by SPIPB and obtaining project financing. All work is currently on hold, pending financing.

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3. Financial and Project Highlights

The following is a summary of the Company's highlights during the three months ended June 30, 2025 and to the date of this MD&A:

- Effective July 15, 2025, Ms. Sherry Roberge was appointed as Interim Chief Financial Officer of the Company.
- On May 28, 2025, the Company completed a financing package for total gross proceeds of \$11,076, comprised of the following components: (a) a private placement of 39,671,662 common shares, 14,906,688 Chess Depository Interests (CDIs) and 54,578,350 warrants, for gross proceeds of approximately \$9,736 and (b) a Share Purchase Plan ("SPP") offered to certain eligible shareholders in Australia and New Zealand under the same terms as private placement, raising approximately \$1,340. This financing involves participation from both new and existing investors, including the European Bank for Reconstruction and Development ("EBRD") and Mr. Eric Sprott, through 2176423 Ontario Ltd. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of C\$0.225, expiring on November 28, 2026. In connection with the financing, the Company issued 4,904,478 broker warrants as compensation to agents and intermediaries. Each broker warrant entitles the holder to purchase one common share of the Company at an exercise price of C\$0.225, expiring on May 28, 2027. The Company also incurred additional share issuance costs of \$1,149.
- On June 18, 2025, the Company entered into a non-binding offtake term sheet with UK-based Integrals Power Limited (IPL), a next-generation battery nano-materials company specializing in lithium iron phosphate ("LFP") and lithium manganese iron phosphate ("LMFP") cathode materials. The partnership aims to support the use of Euro Manganese's battery-grade HPMSM in IPL's LMFP cathodes for applications in EVs, grid storage, defense, and more. An initial test program will begin in the third quarter of calendar 2025 to assess the compatibility and performance of the Company's HPMSM in IPL's production process. The Company will share the cost of this initial test work. Successful results will pre-qualify the HPMSM as a feedstock and may lead to further collaboration.

4. Outlook

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

- continuing negotiations with potential customers to enter offtake contracts, as well as with strategic investors and financial partners and government agencies;
- completing the acquisition of, or access to, the remaining land surface rights for the Project;
- applying for and securing funding from grants and incentives available from the EU and Czech state;
- subject to financing, advance the Phase 1 Front End Engineering and Development ("FEED") of the EPCM contract with Wood and;
- securing an optimum financing structure for the Project, which is dependent upon the above milestones being achieved and/ or obtaining alternative and/ or additional financing;

5. Review of Operations

Chvaletice Manganese Project

Engineering, Procurement and Construction Management ("EPCM") Contract

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

5. Review of Operations (continued)

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

Upon making the FID, the Company will enter into the EPCM phase of the contract once conditions precedent are satisfied. Wood will provide overall project and construction management services throughout the EPCM phase of the Project, which includes detailed design, procurement, construction, and commissioning. All work on the FEED phase is currently suspended, pending further financing.

Environmental and Social Impact Assessment ("ESIA") and Mining Lease Permit

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

Following approval of the ESIA, a Land Planning Permit Documentation is required to be submitted. There are two separate submissions required: one for the processing plant documentation and another for the railway and shunting yard documentation. The documentation for both applications are complete. The statements of the concerned authorities of the State administration and opinions of the affected landowners and neighbours are currently being collected. Documentation will be submitted for final proceedings in the third quarter of calendar 2025. There are no objections coming from the relevant authorities. The Land Planning Permit approval timeline is typically three to six months, resulting in an anticipated approval by the end of 2025. The Construction Permit documentation is a deliverable of the FEED phase as a part of the EPCM work with an expected permit approval timeline of approximately three months post submission.

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

Demonstration Plant Progress Update

The Demonstration Plant was fully commissioned in July 2024, with all modules operating on a consistent basis, and producing on-spec products. Two independent external laboratories have confirmed that samples of HPMSM made from HPEMM produced at the Demonstration Plant meet its design target HPMSM specifications with low levels of impurities. On October 16, 2024, the Company successfully completed a 5-day continuous operation program for the production of high-purity electrolytic manganese metal at the Demonstration Plant. The Demonstration Plant operated as-designed and without interruption, achieving 100% reliability over the 5-day program (i.e. no stoppage time) and produced approximately 172 kg of HPEMM.

The Demonstration Plant is intended to produce and deliver high-purity manganese products to prospective customers for testing and qualification. The Demonstration Plant will facilitate process optimization and testing to collect and process data for final plant design and for final product development and serve as a testing and training facility for future operators. This will resume once the Company reinitiates the work around FEED.

High-Purity Manganese Market Overview and Product Marketing

High-performance Li-ion batteries are widely used in EVs, including full Battery Electric ("BEV") and Plug-in Hybrid ("PHEV") models as well as other Energy Storage System ("ESS") applications. Among the various chemistries, two dominate, namely those with nickel-manganese-cobalt ("NMC") cathodes and those of LFP family. Globally, LFP batteries now lead the market, accounting for 53% of all Li-ion batteries produced (measured in megawatt-hours), with particularly strong growth in China, where LFP holds nearly 80% market share. In contrast, NMC batteries remain dominant in Western markets. Within the NMC category, the NMC811 formulation—comprising 80% nickel, 10% manganese, and 10% cobalt—is prevalent. However, mid-nickel variants with higher manganese content are resurging due to cost considerations, as manganese is significantly cheaper than nickel. LFP chemistries, which are lower cost and safer, have suffered from lower energy densities but innovations in cell-to-pack design and the introduction of manganese are enabling these batteries to close the performance gap with NMC.

5. Review of Operations (continued)

Despite headwinds, global sales of EVs (BEV and PHEV) continue to grow, albeit with different growth rates evident across regions and by manufacturer. Global sales have grown by approximately 28% in the first half of 2025 compared to 2024.

While performance in 2025 has been strong so far, the outlook for the market remains uncertain. Europe is still struggling to achieve the scale it requires to fully utilize its factories and might see a slowdown in growth of EV sales as the EU relaxes its emissions targets to help its struggling automotive sector. In the US, the introduction of tariffs and the removal of consumer tax credits is starting to impact EV prices which is having a negative impact on demand with growth slowing to just 3%. Analysts predict this growth will turn negative later in 2025 and remain subdued for some time until OEMs can address the fundamental affordability gap between internal combustion engine ("ICE") and EV vehicles.

In face of these uncertainties, combined with ongoing challenges of achieving the necessary capacity utilization, Western original equipment manufacturers ("OEMs") are continuing to focus on driving down unit costs to improve affordability while taking a conservative approach to further expansion plans and capital allocation.

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

Manganese in Battery Chemistries

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

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

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

Supply Chain Dynamics and Offtake strategy

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

5. Review of Operations (continued)

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

Offtake discussions are ongoing with stakeholders across the supply chain, including automotive OEMs, EV battery manufacturers, and CAM/pCAM producers. Conversations are also taking place with non-EV customers (such as ESS or Flow Battery customers) and with those interested in non-battery industrial applications, with the defense sector becoming increasingly prospective (uses include high purity alloys, electronics as well as bespoke military battery applications).

By-products are also being investigated with two offtake term sheets already achieved. Sales of by-products not only have the potential to improve project economics through additional revenue streams but potentially reduce costs through reduction in waste remediation.

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

Regulatory, Policy and Political Developments

On December 11, 2024 NATO published a list of 12 defense critical raw materials, including manganese, essential for the Allied defense industry. These materials are integral to the manufacturing of advanced defense systems and equipment. Given the sector's growing demand, reduced price sensitivity and emphasis on securing local supply, the Company is actively seeking opportunities to engage with this sector.

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

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

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

The Company is also pursuing potential Czech grants and subsidies. As a strategic deposit, the Chvaletice Manganese Project could qualify as production of strategic products and may benefit from both corporate income tax relief and cash grants.

In July 2025, the One Big Beautiful Bill Act was signed into law in the United States. While it eliminated the 30D and 45W consumer tax credits for electric vehicles, it significantly strengthened the restrictions on accessing the remaining incentives based on the level of involvement of Foreign Entities of Concern. These changes underscore the growing importance of developing a supply chain that is independent of China.

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5. Review of Operations (continued)

Bécancour Project

The Company entered into an option agreement with SPIPB, a Québec provincial enterprise and owner of a 15 hectare land parcel within Bécancour (the “Bécancour Option Agreement”) where the Company proposed to establish its North American facilities. The Bécancour Option Agreement allowed the Company to exclusively access the land parcel and conduct due diligence. During the current period, the Bécancour Option Agreement was amended to acquire an 8 hectare property rather than a 15 hectare land parcel at the Port of Bécancour for total consideration of \$5.1 million until September 30, 2025. As at June 30, 2025, the Company has made payments aggregating \$1.0 million and no further option payments are required. The amounts paid to date will be applied upon the option exercise against the total purchase price. Certain conditions exist for closing including approval of project plans by SPIPB and obtaining project financing.

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

6. Quarterly Financial Review

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

As at the end of or for the period ending	Jun-25	Mar-25	Dec-24	Sep-24	Jun-24	Mar-24	Dec-23	Sep-23
	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	10,873	2,822	5,368	9,364	13,201	20,099	24,293	7,650
Total assets	38,787	32,326	35,601	40,468	45,640	51,918	55,223	29,953
Working capital (1)	9,319	1,034	3,184	7,982	11,718	15,549	22,075	5,691
Current liabilities	2,890	3,871	3,944	2,972	3,247	5,922	4,758	2,852
Revenue	1,532	874	1,038	705	1,314	1,198	—	—
Loss for the period	(3,653)	(3,998)	(5,176)	(5,097)	(4,389)	(5,999)	(2,842)	(3,224)
Other comprehensive income (loss) for the period	97	110	92	150	110	(226)	—	—
Loss and comprehensive loss for the period	(3,556)	(3,888)	(5,084)	(4,448)	(4,279)	(6,225)	(2,842)	(3,224)
Basic and diluted loss per common share	0.03	0.05	0.06	0.06	0.05	0.07	0.04	0.04

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

(2) Figures may not add to annual results due to rounding.

Summary of major variations in quarterly financial activities:

- Cash and cash equivalents, total assets and working capital:

During the quarter ended December 2023, the Company received \$20 million pursuant to the initial tranche of financing from Orion, which resulted in an increase in cash and cash equivalent in December 2023. In subsequent quarters, the cash and cash equivalent was used for Chvaletice project evaluation, acquisition of EPCS, land option and land acquisition payments and corporate expenditures. A quarter on quarter decrease in total assets and working capital resulted from decrease in cash and cash equivalents.

During the quarter ended June 30, 2025, the Company completed a financing package comprising the private place and SPP generating net cash of \$9,927.

- Revenue: The Company completed the acquisition of EPCS during the quarter ended December 31, 2023. During the subsequent quarters the Company recognized revenue from the sale of specialty steel products by EPCS.
- Loss for the period of the last eight quarters were impacted by the timing of Chvaletice project expenditures, other evaluation expenditures, foreign exchange gain or loss and derivative gain or loss.

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6. Quarterly Financial Review (continued)

Periods ended June 30, 2025, compared to the periods ended June 30, 2024

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Revenue	1,532	1,314	3,444	2,512
Cost of goods sold	(1,499)	(1,478)	(4,048)	(2,997)
Gross income (loss)	33	(164)	(604)	(485)
Operating expenses				
Chvaletice Project evaluation	(1,667)	(1,826)	(5,439)	(5,747)
Other evaluation expenses	—	(2)	(8)	(26)
Corporate and administrative expenses	(1,265)	(1,443)	(2,560)	(5,128)
Foreign exchange gain (loss)	1,496	(161)	(75)	(292)
Operating loss	(1,403)	(3,596)	(8,686)	(11,678)
Gain (loss) on derivative instruments	(94)	67	1,148	316
Modification loss on convertible loan facility	(1,024)	—	(1,927)	—
Interest income	12	191	119	303
Finance expense	(1,119)	(1,050)	(3,335)	(2,170)
Loss before income tax	(3,628)	(4,388)	(12,681)	(13,229)
Income tax expense	(25)	—	(146)	—
Loss for the period	(3,653)	(4,388)	(12,827)	(13,229)
Other comprehensive income (loss) for the period	97	110	299	(116)
Loss and comprehensive loss for the period	(3,556)	(4,278)	(12,528)	(13,345)
Basic and diluted loss per common share	\$0.03	\$0.05	\$0.14	\$0.17

During the three months ended June 30, 2025, the Company reported a net loss and comprehensive loss of \$3,556 (\$0.03 basic and diluted loss per common share), compared to a net loss of \$4,278 in the three months ended June 30, 2024 (\$0.05 basic and diluted loss per common share). The change is primarily due to the following:

- Revenue for the three months ended June 30, 2025 and 2024, was \$1,532 and \$1,314, respectively. Revenue was generated from the sale of specialty steel products by EPCS, which was acquired at the end of the quarter ended December 2023. During the three months ended June 30, 2025 the earned gross income of \$33. In the same period in 2024, the Company incurred a gross loss of \$164. The lower gross income or gross loss is primarily attributable to depreciation on buildings and equipment acquired through the EPCS acquisition. These assets are being depreciated over a short useful life, as the land is expected to be prepared for the Project upon FID.

6. Quarterly Financial Review (continued)

- Chvaletice Project evaluation for the three months ended June 30, 2025 and 2024, were \$1,667 and \$1,826, respectively. During the three months ended June 30, 2025, the Company recognized depreciation expense of \$578 related to its demonstration plant. No depreciation was recognized during the same period in 2024, as the Demonstration plant was commissioned on July 1, 2024. During the three months ended June 30, 2024, the Company incurred \$1,075 in engineering cost for EPCM work, primarily related to early FEED activities, as well as \$170 in expenses for consulting services and \$70 for legal fees related to the marketing of the Project's product. These expenditures were not incurred during the three months ended June 30, 2025.
- Corporate and administrative expenses for the three months ended June 30, 2025 and 2024, were \$1,265 and \$1,443, respectively. The decrease in expenses during the three months ended June 30, 2025, was primarily attributable to reduced remuneration expenses due to a lower number of employees compared to the three months ended June 30, 2024.
- During the three months ended June 30, 2025, the Company recognized a loss of \$94 on derivative related to the convertible loan facility as compared to a loss of \$67 recognized in same period in the three months ended June 30, 2024.
- During the three months ended June 30, 2025, the Company recognized a modification loss of \$1,024, reflecting the fair value of warrants issued to Orion during the quarter.
- Finance expense for the three months ended June 30, 2025 and 2024, were \$1,119 and \$1,050, respectively. The increase in finance expense during the three months ended June 30, 2025, was primarily due to an increase in the coupon interest rate on the convertible loan facility with Orion.

During the nine months ended June 30, 2025, the Company reported a net loss and comprehensive loss of \$12,528 (\$0.14 basic and diluted loss per common share), compared to a net loss of \$13,345 in the nine months ended June 30, 2024 (\$0.17 basic and diluted loss per common share). The change is primarily due to the following:

- Revenue for the nine months ended June 30, 2025 and 2024, was \$3,444 and \$2,512, respectively. Revenue was generated from the sale of specialty steel products by EPCS, which was acquired at the end of the quarter ended December 2023. Gross losses for the nine months ended June 30, 2025 and 2024, were \$604 and \$485, respectively. The gross loss is primarily attributable to depreciation on building and equipment acquired through the EPCS acquisition. These assets are being depreciated over a short useful life, as the land is expected to be prepared for the Project upon FID.
- Chvaletice Project evaluation for the nine months ended June 30, 2025 and 2024, were \$5,439 and \$5,747, respectively. During the nine months ended June 30, 2025, the Company recognized depreciation expense of \$1,740 related to its demonstration plant. No depreciation was recorded during the same period in 2024, as the Demonstration plant was commissioned on July 1, 2024. During the nine months ended June 30, 2024, the Company incurred \$1,075 in engineering cost for EPCM work, primarily related to early FEED activities, as well as \$1,190 in expenses for consulting services and \$628 for professional fees related to the marketing of the Project's product. These expenditures were not incurred during the nine months ended June 30, 2025.
- Corporate and administrative expenses for the nine months ended June 30, 2025 and 2024, were \$2,560 and \$5,128, respectively. The decrease in expenses during the nine months ended June 30, 2025, was primarily attributable to: (i) reduced remuneration expenses due to a lower number of employees compared to the nine months ended June 30, 2024; and (ii) a share-based compensation recovery of \$1,597, which arose due to a significant number of stock options being forfeited during the nine months ended June 30, 2025.

6. Quarterly Financial Review (continued)

- The Company and Orion amended the convertible loan facility to increase the coupon interest rate to 14% and defer the payments of quarterly interest to loan maturity. These amendments resulted in a modification of the convertible loan, generating a modification loss of \$903 during the nine months ended June 30, 2025. Additionally, the Company recognized a modification loss of \$1,024, reflecting the fair value of warrants issued to Orion during the quarter.
- During the nine months ended June 30, 2025, the Company recognized a gain of \$1,148 on derivative related to the convertible loan facility as compared to \$316 recognized in same period in 2023.
- Finance expense for the nine months ended June 30, 2025 and 2024, were \$3,335 and \$2,170, respectively. In 2024, finance expenses related to the convertible loan facility with Orion were recognized over a seven-month period, as the proceeds were received in November 2024. In contrast, finance expenses were recognized for the full nine-month period in 2025. The increase in finance expenses during the nine months ended June 30, 2025 was also impacted by a higher coupon interest rate on the convertible loan facility and the depreciation of the Canadian dollar relative to the U.S. dollar.

7. Liquidity and Capital Resources

As an early stage development company, the Company has no material operating revenues and is unable to self-finance its operations. During the period ended June 30, 2025, the Company incurred a net loss of \$12,827 and used \$6,867 cash for operating activities. As at June 30, 2025, the Company's working capital (current assets less current liabilities) was \$9,319.

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

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

While this financing has strengthened the Company's near-term liquidity, current capital resources are not expected to be sufficient to fund corporate and project development activities for the next twelve months from the reporting date. The Company continues to evaluate financing options to support its ongoing operations and the advancement of the Chvaletice Manganese Project.

During the first quarter ended December 31, 2024, the Company amended the terms of the Orion agreement whereby, in exchange for waiving certain covenants of the original agreement for up to one year and the deferral of interest payments from January 1, 2025 onwards, the Company will pay 14% interest on the outstanding loan. The Company has also been granted the right to repay, at any time, the Convertible Loan Facility at par, including all accrued and unpaid interest, and may cancel the second tranche of the Convertible Debt Facility without penalty. In addition the Company also has the right to terminate the Royalty Financing, if the Convertible Loan Facility has been paid in full, for a fee of US\$1 million. In connection with this amendment, on May 28, 2025, the Company issued 22,263,733 warrants to Orion. Each warrant entitles Orion to purchase one common share of the Company at an exercise price of C\$0.225. These warrants will expire on November 28, 2026. Under the terms of the amended Orion Convertible Loan Facility, Orion does not have the option to convert the Convertible Loan Facility into a royalty until after November 28, 2025.

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7. Liquidity and Capital Resources (continued)

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

8. Related Party Transactions

For the three and nine months ended June 30, 2025 and 2024, 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, 2025, 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 and the Managing Director of the Company's Czech subsidiary.

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Remuneration to officers and directors of the Company	320	753	1,040	1,324
Final payments to the former CEO	—	—	521	—
Directors and officers' stock-based compensation	12	317	287	712
Stock based compensation gain resulted from forfeiture of options	—	—	(1,647)	—
	332	1,070	201	2,036

Certain directors and members of management of the Company participated. The aggregate subscription amount by related parties was \$113. The securities issued to related parties were on the same terms and conditions as those issued to arm's length investors.

These transactions were incurred in the normal course of operations.

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9. Commitments

As at June 30, 2025, the Company was committed to make the minimum annual cash payments, as follows:

	Payments due by period	
	Total	Less than one year
	\$	\$
Minimum rent payments	113	113
Operating expenditure commitments	78	78
Total contractual obligations	191	191

Pursuant to the ČEZ Lease Agreement, land access has been granted for the life of the Project in return for a royalty on the Project's gross sales. During the period in which Project is expected to have project finance debt (the "Debt Period"), which is estimated to be seven years, the royalty will operate on a sliding scale from 0.2% to 1.8%, dependent on the average prices received for the Project's high-purity manganese products. Post the Debt Period, the royalty will be 1.8% of gross sales. Additionally, the ČEZ Lease Agreement also requires the Company to pay, commencing in 2027, a Minimum Rent of CZK 625 thousand per calendar quarter (approximately \$37), adjusted annually commencing in 2028, based on inflation during the immediately preceding year.

The Company and the Municipality of Chvaletice, being the land owners, signed a land access agreement via rental of a parcel of land that underlies the tailings to the Company until the earlier of a 40-year period or upon remediation of the land. The agreement grants the Company access to a portion of the tailings surface area. The annual rental is 9.5 million Czech Koruna (approximately \$576), adjusted for inflation based on the average annual Czech consumer price index for the 12 months of the previous calendar year. The land rental agreement was effective July 1, 2022.

10. Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value. The following common shares, stock options and warrants were outstanding at August 12, 2025:

	Number of securities
Issued and outstanding common shares	142,804,504
Share purchase options	11,046,481
Warrants	89,438,868

11. Significant Accounting Policies, Estimates and Judgments

Basis of preparation and accounting policies

The Company's annual consolidated financial statements were prepared in accordance with IFRS. 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, 2024. Changes to the existing and new accounting policies can be found in the the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended June 30, 2025, which were prepared in accordance with IFRS as issued by the IASB, including IAS 34 Interim Financial Reporting.

Significant accounting estimates and judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. Areas of judgment and key sources of estimation uncertainty that have the most significant effect are disclosed in Note 3 of the Company's consolidated financial statements for the year ended September 30, 2024, and in Note 3 of the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended June 30, 2025.

12. Financial Instruments and Financial Risk Management

A description of the Company's financial instruments and financial risks that the Company is exposed to and management of these risks can be found in Notes 11 and 12, respectively, of consolidated financial statements for the year ended September 30, 2024.

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

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that: (i) the condensed interim consolidated financial statements for the three and nine months ended June 30, 2025, 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 interim consolidated financial statements for the three and nine months ended June 30, 2025, 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, 2025, that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Disclosure Controls and Procedures

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

There was no change in the Company's disclosure controls and procedures that occurred during the three and nine months ended June 30, 2025, that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures.

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

Limitations of Controls and Procedures

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

14. Forward-Looking Statements and Risks Notice

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

Forward looking information includes: statements regarding the Company's intentions regarding the development of the Chvaletice Project; that the Company will be able to raise financing that it requires, and that it will meet conditions of its secured credit facility; statements regarding the ability of the Company to obtain remaining surface rights; ability to enter into any new offtake term sheets or agreements; any anticipated benefits from sale of by-products; the ability to obtain any other regulatory approvals and permits; the ability of the Company to obtain any support from European financial institutions; any benefits of the strategic project status under CRMA or strategic deposit under Czech legislation, ability to find a strategic investor, and the ability to obtain any grants, subsidies, or funding from the European Union, Czech state, or under any government program or legislation, and ability to progress FEED work upon receipt of any funding. In addition, forward looking statements include: statements about the growth, increasing demand and development of the high purity manganese products market; the desirability of the Company's products; statements about the effects of tariff or other economic factors; the state of the EV industry; the state of global markets and the use of manganese in batteries.

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

Factors that could cause actual results or events to differ materially from current expectations include, among other things: insufficient working capital for the next twelve months which could result in delay, indefinite postponement or curtailment of the Chvaletice Manganese Project or the ability of the Company to continue as a going concern; lack of additional funding to continue operations as planned and failure to secure any grants, subsidies or other benefits from government programs; the inability to develop adequate processing capacity and production; the inability to secure sufficient offtake agreements; the inability to meet conditions under the Company's secured credit facility and risks related to granting security; risks and uncertainties related to the ability to obtain, amend, or maintain necessary licenses, or permits; risks related to acquisition of surface rights; the potential for unknown or unexpected events to cause contractual conditions to not be satisfied; the price of HPEMM and HPMSM; total costs of production; and changes in project parameters as plans evolve.

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

Additional factors that could cause results or events to differ materially from current expectations include: execution risk; increase in competition, development in EV battery markets and chemistries; risks related to supply chain production capacity; risks and uncertainties related to interruptions in production; unforeseen technological and engineering problems; the adequacy of infrastructure; social unrest or war; the possibility that future results will not be consistent with the Company's expectations; risks related to fluctuations in currency exchange rates; changes in laws or regulations; and regulation by various governmental agencies and changes or deterioration in market and general economic conditions.

For a further discussion of risks relevant to the Company, see "Risk Factors" in the Company's annual information form for the year ended September 30, 2024, available on the Company's SEDAR+ profile at www.sedarplus.ca.

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