EURO MANGANESE

2023 ANNUAL REPORT

ARBN 627 968 567

Crystallization Module of the Chvaletice Manganese Project Demonstration Plant

TSXV: EMN | ASX: EMN | OTCQX: EUMNF | WWW.MN25.CA

CORPORATE DIRECTORY

Board of Directors	John Webster	Non-Executive Chairman
	Matthew P. James	Director, President & Chief Executive Officer
	David B. Dreisinger	Non-Executive Director
	Gregory P. Martyr	Non-Executive Director
	Hanna E. Schweitz	Non-Executive Director
	Thomas M. Stepien	Non-Executive Director
Management	Matthew P. James	President and Chief Executive Officer
	Martina Blahova	Chief Financial Officer
	Andrea Zaradic	Vice President Operations
	Fausto Taddei	VP Corp. Development and Corp. Secretary
	Jan Votava	Managing Director, Mangan Chvaletice s.r.o.
	James Fraser	Vice President Commercial
Incorporation Details	*Business Corporations Act* (British Columbia)	
Registered Office	Suite 1700 - 666 Burrard Street, Vancouver, British Columbia V6C 2X8 Canada	
Head Office	#709 - 700 West Pender Street, Vancouver, British Columbia, V6C 1G8 Canada	Tel: + 1 604 681 1010
Website	www.mn25.ca	
e-mail	info@mn25.ca	
Share Registry	Australia: Computershare Investor Services Pty Limited Level 4, 60 Carrington Street Sydney NSW 2000, Australia	Canada: Computershare Investor Services Inc. 510 Burrard Street, 3rd Floor Vancouver, British Columbia V6C 3B9 Canada
Legal Counsel	Australia: MinterEllison Level 40, Governor Macquarie Tower 1 Farrer Place Sydney NSW 2000 Australia	Canada: Stikeman Elliott LLP Suite 1700 - 666 Burrard Street, Vancouver, British Columbia V6C 2X8 Canada
Auditors	PricewaterhouseCoopers LLP 250 Howe Street, Suite 1400, Vancouver, British Columbia V6C 3S7 Canada	

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Manganese metal flake from the Chvaletice Demonstration Plant

Signing the EPCM contract with Wood Australia

13 December 2023

Dear Fellow Shareholders,

We achieved a number of significant milestones in 2023 that advanced our flagship Chvaletice Manganese Project (the "Project"). While the team continued to deliver against plans, the global macro environment, particularly rising interest rates, has had a negative impact on equity markets, drastically reducing capital inflows into small-caps. Our share price has suffered as a result. The demand for EVs ("Electric Vehicles") is still growing rapidly, although at a lower rate than forecast. Sales have been impacted by a cooling off of demand combined with battery availability due to supply chain issues. This has seen key battery metal price corrections for lithium, nickel, and cobalt, and continuing softening for high-purity manganese. Our share price has been impacted in-line with our peer battery metal equities. It is a reminder that the energy transition is just that: a transition to new markets, with new challenges, but also new opportunities. Euro Manganese remains very well-positioned to benefit from the energy transition.

Continuing to deliver on key project milestones
We began 2023 with the submission of the Environmental and Social Impact Assessment ("ESIA") to the Czech Ministry of Environment. We received approval from 13 of the 14 authorities for the relevant studies. However, we were required to address comments related to cumulative noise abatement in the local area. We submitted the revised ESIA in the Fall and now expect a positive decision in early 2024. Approval of the ESIA will enable us to submit the Land Planning Permit, followed by the Construction Permit.

Another key milestone was reached by the team with the production of on-spec high-purity electrolytic manganese metal ("HPEMM") and high-purity manganese sulphate monohydrate ("HPMSM") from our Demonstration Plant. These de-risking events for our process flowsheet occurred in April and November, respectively. The team gained valuable insights from operation of the Demonstration Plant, which are leading to engineering and operational process improvements.

We awarded the Engineering, Procurement, and Construction Management ("EPCM") contract for the development of the Chvaletice Commercial Plant to Wood Australia in June. This followed a rigorous selection process and was based on cost of services as well as a proposed project schedule, technical and engineering capability, EU ("European Union") experience and overall execution strategy. The contract is structured in two phases, with an approval stage gate between each phase. Phase 1 is Front End Engineering Design ("FEED") and includes an initial gap analysis followed by FEED. An approval stage gate following the gap analysis has been completed. EPCM Phase 2 includes detailed design, procurement, construction, and commissioning, and commences after a final investment decision by the Board.

Further key project milestones achieved during the year included completion of land rezoning required for the Chvaletice project and finalizing a Lease Agreement with CEZ that provides land access to approximately 60% of the Proven + Probable Manganese Reserves in the historic Chvaletice tailings area. The Lease Agreement is based on a royalty on gross sales from the Project and, together with previously announced land access agreements, secures access to approximately 85% of the total Reserves of the Project. Negotiations with respect to the acquisition of the balance of the surface rights with the remaining landowner are progressing.

Focusing on securing offtake
The team started 2023 by signing a non-binding term sheet for the sale of HPMSM from Chvaletice with Verkor, a French low-carbon battery maker. Term-sheet discussions with large and small players are progressing and volumes under discussion now exceed the annual production capacity of the Chvaletice plant. We are targeting 80% of Chvaletice production capacity under offtake to support project finance debt. Several larger potential customers indicate likelihood for higher tonnages as battery chemistries evolve. Our view is that manganese-rich chemistries will result in a higher demand for our products.

Poised to benefit from regulatory and governmental support
The Chvaletice Project stands to benefit from two key advancements this year. First, the European Commission's proposed Critical Raw Materials Act ("CRMA"), announced in March, included high-purity manganese as a strategic raw material. It also established the concept of Strategic Projects, whereby projects selected would qualify for priority permitting status and support for access to funding and facilitation of offtake agreements. We believe that the Chvaletice Project meets the criteria for recognition as a Strategic Project and intend to submit an application as soon as the process opens.

Second, the Chvaletice Project was selected for support under the inter-governmental Minerals Security Partnership ("MSP"), a collection of 13 countries and the European Union, that aims to catalyze public and private sector investment to build diverse, secure, and responsible critical mineral supply chains globally. Projects are to receive support by leveraging the collective financial and diplomatic resources of the MSP's 14 partners and private sector financiers partnering with the MSP. Sponsorship by the EU and Canada, and selection as a strategic project indicates high-level inter-governmental support from the MSP Partners for the Chvaletice Project. The Project's nomination was also supported by the Czech Republic.

Significant non-dilutive funding package facilitates path to final investment decision
In late November, we signed definitive agreements with Orion Resource Partners for US$100 million in non-dilutive financing to advance the Chvaletice Project. The funding package is split into two US$50 million components: a US$50 million Convertible Loan Facility and a US$50 million Royalty Financing.

The 36-month secured Convertible Loan Facility bears interest at 12% p.a. and is structured in two tranches: US$20 million, which was received upon closing, and an additional US$30 million to be received upon meeting key technical and commercial milestones. The US$50 million Royalty Financing can be drawn following a final investment decision by the Board. All aspects of the funding package were structured to meet Project finance bankability requirements and will sit alongside, and reduce, the project finance debt and equity required for the full Project financing.

In connection with the funding package, Orion have an offtake option of between 20-22.5% of the Project's high-purity manganese total production, for a term of 10 years from first delivery and matching the commercial terms of the Company's sales. Such right is exercisable until the Company signs 60% of the total Project offtake.

Potential growth horizon: advancing Bécancour to supply the North American market
In late 2022, we began exploring an opportunity to develop a high-purity manganese facility in Canada. The Company has an option agreement on a 15-hectare land parcel within the Port of Bécancour in Quebec.

In August, we released the highlights of a positive scoping study for a Bécancour Dissolution Plant. The scoping study delivered strong preliminary project economics, with a post-tax Net Present Value ("NPV") of C$190 million using an 8% discount rate, a post-tax Internal Rate of Return ("IRR") of 26%, and a payback period of approximately 4 years. The Team has selected WSP Canada to complete a feasibility study for the Bécancour Dissolution Plant, which is subject to financing and will further define project design, costs, economics, and customer offtake opportunities.

At the same time, the team announced it had signed a Memorandum of Understanding ("MoU") with the Manganese Metal Company ("MMC") for the supply of HPEMM. This provides feedstock optionality for the Bécancour facility, allowing it to be fed with HPEMM from MMC and/or with HPEMM from the Chvaletice Project.

I am proud of the team for their engagement with the Waban-Aki and for signing a Cooperation Agreement that outlines how both parties intend to communicate openly and work together for the mutually acceptable development of the Bécancour Project, especially during its evaluation and planning.

Managing the balance sheet for project development

The net proceeds from the US$20 million first tranche of the Orion convertible loan facility is expected to be sufficient funding to complete Project permitting, Demonstration Plant commissioning, and acquisition of the remaining land parcels required for the Project. Additionally, we expect to be able to initiate the FEED phase of the EPCM contract and certain site preparation works as well as fund general and administration expenses for more than 12 months. Funding of our North American strategy is expected to be provided by our current cash and cash equivalents, future equity raises, and funding by strategic industry investors and government programs.

Looking forward

We remain focused on delivering on our near-term and 2024 goals, which are:

Chvaletice Project, Czech Republic

- Full commissioning and operating the Demonstration Plant to allow the production of multi-tonne high-purity manganese product samples for prospective customers' supply chain qualification;
- Continuing negotiations with potential customers to enter offtake contracts, as well as with strategic and financial partners and government agencies;
- Completing the acquisition of, or access to, the remaining land surface rights for the Project;
- Initiating the remaining work of Phase 1 (FEED) of the EPCM contract with Wood;
- Securing an optimum financing structure for the Project, which is dependent upon the above milestones being achieved; and
- Initiating the project finance debt process.

Bécancour Facility, Quebec, Canada

- Progressing the feasibility study for the Bécancour Dissolution Plant, subject to financing, for the potential production of high-purity manganese products in Canada for the North American EV market.

I would like to express my gratitude for the team's efforts over the past year and for the ongoing support of our shareholders, particularly in these tough markets, as well as the support of national and local governments, community members, partners, suppliers, and prospective customers. We look forward to a positive, healthy, and productive 2024.

Yours faithfully,

(Signed) "*John Webster*"
Non-Executive Chairman

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2023

Financial Statements

Notes to the Consolidated Financial Statements

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Euro Manganese Inc. (the "Company") were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 3 to these consolidated financial statements.

Management has established processes that are in place to provide management with sufficient knowledge to support its opinion that it has exercised reasonable diligence such that (i) the consolidated financial statements 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, as of the date of and for the periods presented by the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, the results of operations and cash flows of the Company, as of the date and for the period presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

13 December 2023

(Signed) ***"Matthew P. James"***	**(Signed)** ***"Martina Blahova"***
President and Chief Executive Officer	Chief Financial Officer

pwc

Independent auditor’s report

To the Shareholders of Euro Manganese Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Euro Manganese Inc. and its subsidiary (together, the Company) as at September 30, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company’s consolidated financial statements comprise:

- the consolidated statements of financial position as at September 30, 2023 and 2022;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders’ equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
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“PwC” refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended September 30, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of exploration and evaluation assets *Refer to note 3 – Significant accounting policies, estimates and judgments and note 4 – Exploration and evaluation assets, to the consolidated financial statements.* The carrying value of exploration and evaluation assets amounted to $6.8 million as at September 30, 2023. At each reporting period, management assesses exploration and evaluation assets to determine whether there are any indicators of impairment. In making the assessment, management is required to make judgments as to whether impairment indicators exist when assessing the following factors: the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future, substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, sufficient data exists to support that extracting the resources will not be technically feasible or commercially viable and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Management has determined that there were no impairment indicators present for the exploration and evaluation assets and as such, no impairment test was performed as at September 30, 2023. We considered this a key audit matter due to (i) the significance of the exploration and evaluation assets balance and (ii) the judgments made by	Our approach to addressing the matter included the following procedures, among others: • Evaluated the reasonableness of management’s assessment of indicators of impairment related to exploration and evaluation assets, which included the following: – Obtained evidence to support (i) the right to explore the area and (ii) property licence expiration dates by reference to government registries. – Read Board of Directors’ minutes and obtained budget approvals to evidence continued and planned substantive expenditure on further exploration for and evaluation of mineral resources in the specific area. – Assessed whether sufficient data exists to support that extracting the resources will not be technically feasible or commercially viable and facts and circumstances suggest that the carrying amount of exploration and evaluation assets exceeds the recoverable amount, based on evidence obtained in other areas of the audit.

management in its assessment of indicators of impairment related to exploration and evaluation assets, which have resulted in a high degree of subjectivity in performing procedures related to these judgments applied by management.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Leonard Wadsworth.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
December 13, 2023

Consolidated Statements of Financial Position

Euro Manganese Inc.
(Expressed in Canadian dollars)

	Note	September 30, 2023	September 30, 2022
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**7,649,711**	21,560,561
Prepaid expenses		**523,014**	447,215
Accounts receivable		**370,964**	186,267
		8,543,689	22,194,043
Non-current assets			
Exploration and evaluation assets	4	**6,773,544**	6,773,544
Property, plant and equipment	5	**8,385,293**	5,951,249
Other assets	6	**2,034,147**	1,041,134
Option	6	**4,215,881**	3,935,804
Total assets		**29,952,554**	39,895,774
LIABILITIES			
Current liabilities			
Accounts payable		**2,641,155**	1,778,308
Due to related parties	9	**38,914**	409,466
Liability for land deposits	6	**—**	77,636
Lease liability		**172,417**	174,780
		2,852,486	**2,440,190**
Non-current liabilities			
Lease liability		**—**	165,611
Total liabilities		**2,852,486**	2,605,801
EQUITY			
Share capital	8	**78,733,328**	78,298,364
Equity reserve		**9,023,890**	7,640,628
Deficit		**(60,657,150)**	(48,649,019)
Total shareholders' equity		**27,100,068**	37,289,973
Total liabilities and shareholders' equity		**29,952,554**	39,895,774

Events after the Reporting Period (Note 17)

Approved on behalf of the Board of Directors on December 13, 2023.

"Matthew James"	*"John Webster"*
Matthew P. James, Director	John Webster, Director

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Loss and Comprehensive Loss

Euro Manganese Inc.
(Expressed in Canadian dollars)

	Note	Year ended September 30, 2023 $	2022 $
Chvaletice Project evaluation expenses			
Engineering		**2,477,686**	2,518,262
Remuneration		**1,215,320**	1,584,963
Share-based compensation	**8**	**166,728**	488,518
Travel		**120,760**	102,628
Legal and professional fees		**418,767**	405,365
Market studies		**107,290**	221,465
Supplies and rentals		**690,479**	245,029
Geological		**—**	57,173
Metallurgical		**—**	47,939
		5,197,030	5,671,342
Other evaluation expenses			
Engineering		**169,801**	122,919
Legal and professional fees		**237,154**	291,209
Travel		**22,747**	56,538
Other income	**7**	**(48,005)**	(14,897)
		381,697	455,769
Other expenses			
Remuneration		**2,973,228**	2,493,515
Share-based compensation	**8**	**1,443,848**	2,252,709
Total remuneration		**4,417,076**	4,746,224
Legal and professional fees		**1,114,122**	808,931
Investor relations		**263,903**	372,239
Product sales and marketing		**87,289**	23,273
Travel		**293,983**	293,132
Filing and compliance fees		**301,023**	371,145
Office, general and administrative		**243,773**	157,294
Insurance		**231,673**	245,226
Conferences		**196,022**	118,966
Depreciation		**261,173**	191,129
Accretion expense		**25,157**	25,963
Interest income		**(635,066)**	(170,676)
Foreign exchange		**(370,724)**	147,416
		6,429,404	7,330,262
Loss and comprehensive loss for the year		**12,008,131**	13,457,373
Weighted average number of common shares outstanding - basic and diluted		**402,342,620**	392,682,285
Basic and diluted loss per common share		**$0.03**	$0.03

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity

Euro Manganese Inc.
(Expressed in Canadian dollars)

		Attributable to equity shareholders of the Company				
		Share Capital	**Share Capital**	**Equity Reserves**	**Deficit**	**Shareholders' Equity (Deficit)**
	Note	**#**	**$**	**$**	**$**	**$**
Balance at September 30, 2021		377,483,415	67,498,015	5,096,807	(35,191,646)	37,403,176
Shares issued in private placement, net of expenses		17,800,000	8,244,257	—	—	8,244,257
Shares issued as a finder's fee		534,000	—	—	—	—
Shares issued to settle deferred share consideration		478,027	278,012	(278,012)	—	—
Deferred share consideration		—	—	80,606	—	80,606
Shares issued as partial consideration for royalty buy-back		4,820,109	2,278,080	—	—	2,278,080
Share-based compensation		—	—	2,741,227	—	2,741,227
Loss and comprehensive loss for the year		—	—	—	(13,457,373)	(13,457,373)
Balance at September 30, 2022		**401,115,551**	**78,298,364**	**7,640,628**	**(48,649,019)**	**37,289,973**
Options exercised	8	1,316,599	354,358	(146,708)	—	207,650
Shares issued to settle deferred share consideration	8	237,077	80,606	(80,606)	—	—
Share-based compensation		—	—	1,610,576	—	1,610,576
Loss and comprehensive loss for the year		—	—	—	(12,008,131)	(12,008,131)
Balance at September 30, 2023		**402,669,227**	**78,733,328**	**9,023,890**	**(60,657,150)**	**27,100,068**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

Euro Manganese Inc.
(Expressed in Canadian dollars)

	Note	Year ended September 30, 2023	2022
		$	$
Operating activities			
Net loss for the year		**(12,008,131)**	(13,457,373)
Less non-cash transactions:			
Share-based compensation		**1,610,576**	2,741,227
Depreciation		**261,173**	191,129
Lease liability accretion		**25,157**	25,963
Non-cash foreign exchange (gain) loss		**(313,231)**	16,329
Interest income		**(635,066)**	(170,676)
		(11,059,522)	(10,653,401)
Changes in non-cash working capital items:			
Accounts payable		**650,724**	722,056
Accounts receivable		**10,952**	(6,933)
Prepaid expenses		**(75,801)**	(82,321)
Due to related parties		**(370,552)**	360,665
Cash used in operating activities		**(10,844,199)**	(9,659,934)
Financing activities			
Common shares issued for cash	8	**—**	8,499,500
Share issue costs paid	8	**—**	(255,243)
Share subscriptions received	8	**—**	80,606
Exercise of stock options	8	**207,650**	—
Lease principal and interest payments		**(210,171)**	(195,594)
Cash generated from financing activities		**(2,521)**	8,129,269
Investing activities			
Property and equipment acquisition	5	**(2,467,219)**	(2,981,984)
Proceeds from sale of equipment	5	**1,464**	—
Payment for royalty buy back	4	**—**	(2,340,965)
Option, deposit for land and land acquisition		**(1,070,649)**	(2,916,916)
Interest received		**439,121**	170,676
Cash used in investing activities		**(3,097,283)**	(8,069,189)
Effect of exchange rate change on cash and cash equivalents		**33,153**	(58,167)
Decrease in Cash		**(13,910,850)**	(9,658,021)
Cash and cash equivalents - beginning of year		**21,560,561**	31,218,582
Cash and cash equivalents - end of year		**7,649,711**	21,560,561

Supplemental cash flow information (Note 14)

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations and Liquidity Risk

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

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

There is no assurance that the evaluation and acquisition activities executed or planned by the Company for the Chvaletice Manganese Project will result in the development of a profitable commercial operation. The Company is expected to operate at a loss while the Company is developing the Chvaletice Manganese Project.

These consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ability to continue as a going concern beyond the next 12 months will be dependent upon its ability to obtain additional financing for its general operating expenses and the development of its projects. Although the Company has been successful in the past in obtaining financing (Note 17(b)), there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms favorable to the Company.

2. Basis of Preparation

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). The accounting policies presented in Note 3 were consistently applied to all periods presented.

These consolidated financial statements were prepared by management and approved by the Board of Directors of the Company (the "Board") on December 13, 2022.

2.2 Basis of measurement

These consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. In addition, these consolidated financial statements have been prepared on the historical cost basis.

2. Basis of Preparation (continued)

2.3 Basis of consolidation

These consolidated financial statements incorporate the accounts of the Company and the entity controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements include the accounts of the Company's subsidiaries from the date of control commences until the date that control ceases. The financial statements of its wholly-owned subsidiary, Mangan Chvaletice s.r.o. ("Mangan"), are included in the consolidated financial statements for both periods presented. All significant intercompany transactions and balances have been eliminated.

3. Significant Accounting Policies, Estimates and Judgments

3.1 Foreign currency translation

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange prevailing at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

3.2 Exploration and evaluation costs

Exploration and evaluation costs include costs to acquire the rights to explore, geological studies, exploratory drilling and sampling, royalty buy back costs, and directly attributable management costs.

Exploration and evaluation expenditures with the exception of acquisition costs, are charged to profit or loss in the period in which they are incurred. Acquisition costs are capitalized to exploration and evaluation assets and classified as non-current. Costs related to the acquisition of mineral properties are capitalized on a property-by-property basis until such a time as the property is placed in production, sold, abandoned or determined to be impaired.

Once it is probable that future economic benefits will flow to the Company, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment. The following criteria are used to assess the economic recoverability and probability of future economic benefits:

(i) Viability: a Proven and/or Probable Mineral Reserve has been established that demonstrates a positive financial return; and

(ii) Authorizations: necessary permits, access to critical resources and environmental programs exist or are reasonably obtainable

Proceeds from the sale of properties or projects, or cash proceeds received from option payments, are recorded as a reduction of the cost of the related mineral interest.

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

3.3 Impairment of non-financial assets

At each financial position reporting date, the carrying amounts of the Company's non-current non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. The recoverable amount is the higher of fair value less costs of disposal and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arms-length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the prevailing market assessment of the time-value of money and the risks specific to the asset. Future cash flows are based on forecast estimates of production, product prices, and operating, capital, and reclamation costs.

Assumptions underlying future cash flow estimates are subject to risks and uncertainties. Any differences between assumptions used and actual market conditions and the Company's performance, could have a material effect on the Company's financial position and results of operations.

Impairment is normally assessed at the level of cash generating units, which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of comprehensive loss for the period.

When an impairment loss reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, provided such revised estimate does not exceed the carrying value of the asset less depreciation that would have been recorded had the asset not been impaired. A reversal of an impairment loss is recognized immediately in the statement of comprehensive loss.

3.4 Property, Plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Assets in the course of construction are capitalized as construction in progress. On completion, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences when the asset is available for its intended use. The carrying amount of a replaced asset is derecognized when replaced. Information technology hardware and software, and equipment and furniture are amortized on a straight-line basis over three years. Land is not depreciated.

The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and separately depreciates each such part. Residual values, method of amortization, and useful lives of the assets are reviewed annually and adjusted if appropriate. Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the statement of comprehensive loss.

Amounts received from selling items produced while preparing the asset for its intended use are not deducted from the cost of property, plant and equipment. Instead, amounts received are recognized as sales proceeds and the related cost is recognized in the statement of profit or loss

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

3.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

3.6 Share and warrant based compensation

Where equity-settled share-based payments are granted to employees, the fair value of the payments is measured using the Black-Scholes or other option pricing models, at the date of grant, and expensed over the vesting period using the graded vesting method. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of equity instruments that eventually vest. Charges for options that are forfeited before vesting are reversed from equity reserves (Note 8(b)).

Where equity-settled share-based payments are granted to non-employees, they are measured at the fair value of the goods or services received. However, if the value of goods or services received in exchange for the share-based payments cannot be reliably estimated, they are measured using the Black-Scholes option pricing model.

All equity-settled share-based payments are reflected in equity reserves, until exercised. Upon exercise, shares are issued and the amount reflected in equity reserves is credited to share capital, together with any consideration received.

3.7 Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable or recoverable on the taxable income for the period, using tax rates enacted or substantially enacted at the end of the reporting period.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantially enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized only to the extent where it is probable that the future taxable profits or capital gains of the relevant entity or group of entities in a particular jurisdiction will be available, against which the assets can be utilized. Deferred tax assets and liabilities, where recognized, are presented as non-current.

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

3.8 Financial instruments

The Company's financial instruments consist of cash, receivables, accounts payable, due to related parties and liabilities for land deposits.

i) Classification

Classification of financial instruments is determined at initial recognition.

A financial asset is classified as measured at: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. Payments made to date to purchase the shares of E.P. Chvaletice s.r.o. ("EPCS") are classified as FVTPL (Note 6(a)). The Company's cash and cash equivalents and accounts receivable are classified as measured at amortized cost.

A financial liability is measured at amortized cost, unless it is required to be measured at FVTPL such as instruments held for trading or derivatives, or the Company opted to measure the liability as FVTPL. The Company's accounts payable, due to related parties, and liabilities for land deposits are classified as measured at amortized cost.

ii) Measurement

Financial assets and liabilities at FVTPL - Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in the consolidated statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in the consolidated statement of loss in the period in which they arise. Where the Company has opted to designate a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income ("OCI").

Financial assets at FVOCI - Investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes from initial recognition recognized in OCI.

Financial assets and liabilities at amortized cost - Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

iii) Impairment of financial assets

An expected credit loss ("ECL") model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The application of the simplified approach to measuring the ECL, uses a lifetime expected loss allowance for all trade receivables. This has no impact on the carrying amounts of the Company's financial assets given the accounts receivable are mostly taxes receivable and therefore outside of scope of IFRS 9 *Financial instruments* ("IFRS 9").

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

iv) Derecognition

Financial assets are derecognized when the investments mature or are sold, and substantially all the risks and rewards of ownership have been transferred. A financial liability is derecognized when the obligation under the liability is discharged, canceled or expired. Gains and losses on derecognition are recognized within finance income and finance costs, respectively. Gains or losses on financial assets classified as FVOCI remain within accumulated OCI.

v) Fair value of financial instruments

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the financial asset's specific circumstances.

3.9 Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Company recognizes a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU assets are subsequently depreciated to the earlier of the end of the useful life of the ROU asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

Lease payments included in the measurement of the lease liability comprise: fixed payments; variable lease payments that depend on an index or a rate; amounts expected to be payable under any residual value guarantee, and the exercise price under any purchase option that the Company would be reasonably certain to exercise; lease payments in any optional renewal period if the Company is reasonably certain to exercise an extension option; and penalties for any early termination of a lease unless the Company is reasonably certain not to terminate early.

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

The Company elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to the statement of loss on a straight-line basis over the lease term.

3.10 Related party transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

3.11 Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. If the Company incurs a net loss in a fiscal period, basic and diluted loss per share are the same.

3.12 Asset Retirement Obligation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development and ongoing production of a mineral interest by or on behalf of the Company. Costs for restoration of site disturbances are initially recognized and recorded as a provision based on estimated future cash flows discounted at a risk-free rate. These asset retirement obligations are adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the discount rate.

The asset retirement obligation is also accreted to full value over time through periodic charges to profit or loss. The amount of the asset retirement obligation initially recognized is capitalized as part of the related asset’s carrying value. The method of depreciation follows that of the underlying asset. As at September 30, 2023 and 2022, the Company does not have any asset retirement obligations.

3.13 Accounting for government grants and disclosure of government assistance

A forgivable loan is treated as a government grant when there is reasonable assurance that the entity will meet the terms for forgiveness of the loan. The benefit of a government loan at a below-market rate of interest is treated as a government grant which is recognized and measured in accordance with IFRS 9. The benefit of the below-market rate of interest is the difference between the initial carrying value of the loan, discounted over the term of the loan using the incremental borrowing rate for the Company, and the proceeds received.

3.14 Recent accounting pronouncements

Certain new standards, interpretations, amendments and improvements to existing IFRS were issued but not yet adopted by the Company. The Company is currently assessing the impact of the following pronouncement on the consolidated financial statements:

Amendments to IAS 12 *Income Taxes* ("IAS 12")*:* Deferred Tax related to Assets and Liabilities arising from a Single Transaction clarifies the accounting for deferred tax on transactions such as leases and decommissioning obligations by removing the initial recognition exemption for transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company plans to adopt this amendment beginning October 1, 2023.

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

3.15 Critical 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. The estimates and the underlying assumptions are based on the judgment of management, including historical experience and other factors that management believes to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. A revision to an accounting estimate is recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

The following are critical judgments and estimates that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

a) Management is required to assess exploration and evaluation assets for impairment at each period end. The triggering events are defined in IFRS 6 *Exploration for and Evaluation of Mineral Resources* ("IFRS 6"). In making the assessment, management is required to make judgments as to whether impairment indicators exist when assessing the following factors: the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future, substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, sufficient data exists to support that extracting the resources will not be technically feasible or commercially viable and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The nature of exploration and evaluation activity is such that only a small proportion of projects are ultimately successful, and some assets are likely to become impaired in future periods.

   Management has determined that there were no triggering events present as defined in IFRS 6 for the exploration and evaluation assets and as such, no impairment test was performed at September 30, 2023.

b) The Company applied significant judgment in determining the fair value of the option payments made pursuant to an option agreement with EPCS ("EPCS Option Agreement") and their classification as a financial instrument at FVTPL (Note 6(a)).

4. Exploration and Evaluation Assets

The Company holds two exploration licenses for the Chvaletice Manganese Project (the “Licenses”). The Company was also issued a Preliminary Mining Permit by the Czech Ministry of Environment, referred to by the Ministry as the prior consent of the establishment of the Mining Lease District (the "Preliminary Mining Permit"). The Preliminary Mining Permit covers the areas included in the Licenses and secures the Company's 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. 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 operation at the Chvaletice Manganese Project. The Licenses and the Preliminary Mining Permit are valid until May 31, 2026.

The acquisition of Mangan included the grant of a 1.2% net smelter royalty interest ("NSR"). On May 31, 2021, the Company entered into royalty termination agreements with the original owners of Mangan to purchase and extinguish the NSR in the Chvaletice Manganese Project for an aggregate consideration of USD4,500,000 ($5,424,458), payable in two instalments: 20% in cash, amounting to USD900,000 ($1,085,698) which was paid May 31, 2021; and 80%, amounting to USD3,600,000, on or before January 31, 2022, by a combination of cash and up to 50% in common shares. On January 31, 2022, the Company completed the royalty buy back by issuing 4,820,109 common shares at a price of $0.47262 per common share valued at $2,278,080 (USD1,800,000) and paid USD1,800,000 ($2,340,965) in cash. In connection with the royalty buy back transaction, the Company incurred $20,000 and $80,000 in transaction costs in the years ended September 30, 2021 and 2022, respectively.

The total carrying value of the Company’s exploration and evaluation assets of $6,773,544 includes the fair value of the initial share consideration following the acquisition date of Mangan on May 13, 2016, as well as the discounted value of the deferred share consideration, as determined by the Company on the acquisition date. The exploration and evaluation assets will be tested for impairment and then reclassified to mineral property and development assets within property, plant and equipment, once the Company has secured access to all required land parcels for the Chvaletice Manganese Project, has obtained certain agreements with customers confirming the economic viability and secured all necessary permits.

(Expressed in Canadian dollars)

5. Property, Plant and Equipment

	September 30, 2023				
	Demonstration plant under construction	**Equipment**	**Land**	**Lease assets**	**Total**
	$	**$**	**$**	**$**	**$**
Cost					
October 1, 2022	5,216,357	144,334	333,331	586,094	6,280,116
Additions	2,641,156	38,188	—	17,337	2,696,681
Disposals	—	(3,312)	—	—	(3,312)
September 30, 2023	**7,857,513**	**179,210**	**333,331**	**603,431**	**8,973,485**
Accumulated depreciation					
October 1, 2022	—	(100,454)	—	(228,413)	(328,867)
Additions	—	(27,725)	—	(233,448)	(261,173)
Disposals	—	1,848	—	—	1,848
September 30, 2023	**—**	**(126,331)**	**—**	**(461,861)**	**(588,192)**
Net Book Value					
October 1, 2022	5,216,357	43,880	333,331	357,681	5,951,249
September 30, 2023	**7,857,513**	**52,879**	**333,331**	**141,570**	**8,385,293**

	September 30, 2022				
	Demonstration plant under construction	Equipment	Land	Lease assets	Total
	$	$	$	$	$
Cost					
October 1, 2021	2,064,835	112,503	333,331	364,231	2,874,900
Additions	3,151,522	31,831	—	221,863	3,405,216
September 30, 2022	5,216,357	144,334	333,331	586,094	6,280,116
Accumulated depreciation					
October 1, 2021	—	(79,306)	—	(58,432)	(137,738)
Additions	—	(21,148)	—	(169,981)	(191,129)
September 30, 2022	—	(100,454)	—	(228,413)	(328,867)
Net Book Value					
October 1, 2021	2,064,835	33,197	333,331	305,799	2,737,162
September 30, 2022	5,216,357	43,880	333,331	357,681	5,951,249

(Expressed in Canadian dollars)

6. EPCS Option and Other Assets

a) Option

On October 17, 2018, the Company, through its Czech subsidiary Mangan, made the first option payment of 14 million Czech Koruna ($815,000) pursuant to an option agreement for the purchase of a 100% interest in EP Chvaletice s.r.o. ("EPCS") dated August 13, 2018. EPCS is a Czech operating company whose principal asset is a large parcel of industrial zoned land adjacent to the Chvaletice Manganese Project, where the Company proposes to develop its high-purity manganese processing facility. On August 13, 2021, the Company exercised the option to extend the payment terms of the subsequent option payments by one year and made a payment of 14 million Czech Koruna ($819,576) to EPCS.

On August 10, 2022, the Company made the third option payment of 42 million Czech Koruna ($2,304,402) together with the fee for the extension of 2.1 million Czech Koruna ($115,220).

Pursuant to the EPCS Option Agreement, the Company had the right to acquire a 100% interest in EPCS by making the final option payment of 70 million Czech Koruna (approximately $4.09 million at September 30, 2023), due upon receipt of all development permits for the Chvaletice Manganese Project, but no later than August 13, 2023. Following an amendment to the EPCS Option Agreement dated November 29, 2023, the final payment was split into two instalments. The first instalment of 20 million Czech Koruna ($1.2 million) was paid on November 29, 2023. The Company can complete the acquisition of EPCS by paying the final instalment of 50 million Czech Koruna (approximately $2.92 million at September 30, 2023), no later than December 31, 2023. The extension fee in the amendment is 1 million Czech Koruna (approximately $60,000).

The first, second, and third option payments made on October 17, 2018, August 13, 2021, and August 10, 2022, respectively, are a derivative classified as FVTPL due to the following:

i) The option is for the acquisition of shares of EPCS rather than a non-monetary asset;

ii) It does not meet any of the scope exceptions from recognition as a derivative asset under IFRS 9 *Financial Instruments*;

iii) Control of EPCS is not present until the last option payment is made. The remaining payment is dependent on the Board's approval and is not legally enforceable by the shareholder of EPCS.

At September 30, 2023, the option was revalued at $4,215,881, resulting in $280,077 of foreign exchange gain. There was no other change in the fair value of the option in the year ended September 30, 2023.

b) Other assets

Other assets, representing deposits for additional land purchases and payments under land option agreements, are as follows:

		September 30,	
		2022	2021
		$	$
Miscellaneous land parcels and second railway switch (plant area)	i)	**227,667**	227,667
Land for buffer zone and infrastructure corridor (tailings area)	ii)	**28,951**	28,951
Additional land and rail spur extension (plant area)	iii)	**268,064**	268,064
Additional land parcels for residue storage facility (tailings area)	iv)	**1,096,770**	516,452
		2,034,147	1,041,134

6. EPCS Option and Other Assets (continued)

i. On February 7, 2019, the Company signed an amendment to the EPCS Option Agreement (the "Amendment"), funding, through EPCS, the purchase of several land parcels adjacent to the land owned by EPCS, and thus increasing the Option Agreement value by 3,500,000 Czech Koruna ($203,220). Pursuant to the Amendment, in the event that EPCS is not ultimately acquired under the EPCS Option Agreement, the ownership of these land parcels will be transferred to Mangan at no additional cost. The Company also capitalized transaction costs of $24,447.

ii. 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 Chvaletice Manganese Project tailings, on which the Company plans to construct a visual and acoustic barrier between Trnavka and the Chvaletice Manganese Project tailings. The first payment, representing 10% of the total amount, 202,699 Czech Koruna ($11,867) was paid on May 20, 2019. Subsequent payments totaling 1,824,291 Czech Koruna (approximately $106,000) are based on permitting milestones over the period to March 2029. On April 13, 2022, following the rezoning approval for mining use of the land area under the jurisdiction of the Trnavka Municipality, on which 85% of the Chvaletice Manganese Project's tailings are located, the Company made the second payment of 304,409 Czech Koruna ($17,038) to the Municipality of Trnavka.

iii. On December 18, 2020, the Company paid the first instalment of $86,373 pursuant to an agreement with Sprava Nemovitosti Kirchdorfer CZ s.r.o. to acquire a parcel of land, including a rail spur extension that provides additional room and flexibility for the Chvaletice commercial plant layout. The cost of the land is 18,739,125 Czech Koruna (approximately $1.1 million) and is to be paid in five annual instalments of approximately $80,000, followed by the remaining balance of approximately $700,000 in the final year. To date, the Company made the first three payments under the agreement and capitalized transaction costs of $20,834. In October 2023, the Company paid the fourth annual instalment.

iv. On June 7, 2022, the Company signed an agreement with a private landowner to acquire several land parcels. These land parcels are adjacent to the tailings area and provide additional room and flexibility for the Chvaletice residue storage facility layout. The total cost of the land is 54,327,751 Czech Koruna (approximately $3.0 million). The first instalment of $516,452 was paid in June 2022. The second instalment of $580,318 was paid in January 2023 and the remaining amount of approximately $2,207,000 is to be paid in January 2024.

v. On December 16, 2022, the Company entered into an option agreement with The Société du parc industriel et portuaire de Bécancour ("SPIPB"), a Québec state enterprise and owner of a 15-hectare land parcel within Bécancour (the "Bécancour Option Agreement") where the Company proposes to establish its North American facilities. The Bécancour Option Agreement allows the Company to exclusively access the land parcel and conduct due diligence thereon over a maximum term of 21 months, during which the Company has the opportunity to purchase the site. The Bécancour Option Agreement provides that the Company pay $45,855 per month for this option, whereas these option payments shall be deducted from the final purchase price of $9,171,200. As at September 30, 2023, the Company has made nine payments aggregating $412,695.

7. Government Grant

In August 2022, the Company was approved to receive advisory services and up to $165,000 ($61,752 received in total to September 30, 2023, of which $48,005 was received in the twelve months ended September 30, 2023) from National Research Council of Canada's Industrial Research Assistance Program ("IRAP"). The funding supports the initiative the Company is undertaking with Nano One Materials Corp., the Metal direct to Cathode Active Material process, as well as the evaluation of the manganese metal by-product from the battery black mass recycling. The funding covers a portion of the internal and external labour costs in relation to these projects. The grant income is recorded separately on the income statement.

8. Equity

a) **Common shares**

The Company has unlimited authorized common shares with no par value.

During the year ended September 30, 2023, 1,316,599 stock options were exercised for proceeds to the Company of $207,650.

On February 22, 2021, the Company entered into an agreement with EIT InnoEnergy, securing their support for the Chvaletice Manganese Project. In connection with their support, EIT InnoEnergy was to invest €250,000 over three instalments that would go towards the Chvaletice feasibility study and demonstration plant. The first and second investment tranches of €62,500 ($92,850) and €125,000 ($185,162) were advanced on March 24, 2021, and July 26, 2021, respectively. Accordingly, on January 6, 2022, the Company issued 147,380 and 330,647 common shares to EIT InnoEnergy at the price of $0.63 and $0.56 per share, respectively, in connection with the first two instalment tranches. The third instalment tranche of €62,500 ($80,606) was made on August 26, 2022, and 237,077 common shares at the price of $0.34 per share were issued on January 5, 2023 in connection with the final instalment.

b) **Share options**

The Company has a rolling share-based compensation plan (the "Plan") allowing for the reservation of a maximum 10% of the common shares issued and outstanding at any given time for issuance under the Plan. Under the Plan, all share options are granted at the discretion of the Company's Board. The term of any option granted may not exceed ten years and the exercise price may not be less than the market value of the Company shares at the date of the grant.

Current outstanding options have an expiry date of ten years and vest over a period of 36 months, except for 900,000 options granted to certain officers of the Company which vest in 5 years from the date of grant and 350,000 options granted to a consultant, vesting one-third on the date of grant and one-third on each of the four and eight-month anniversaries of the date of grant. Additionally, 9,000,000 options granted to the President and CEO of the Company include market conditions and non-market performance vesting conditions. The performance vesting conditions are based on achieving project development milestones and the price-vesting thresholds are based on a daily volume weighted average share price of the Company. A continuity summary of the share options granted and outstanding under the Plan for the year ended September 30, 2023 and 2022, is presented below:

(Expressed in Canadian dollars)

8. Equity (continued)

	Year ended September 30,			
		2023		2021
	Number of share options	**Weighted average exercise price ($ per share)**	Number of share options	Weighted average exercise price ($ per share)
Balance, beginning of the year	**35,312,664**	0.40	18,970,998	0.23
Options granted	**5,118,251**	0.48	16,800,000	0.58
Options exercised	**(1,316,599)**	0.16	—	—
Options expired	**(566,732)**	0.60	(325,000)	0.12
Options forfeited	**(50,000)**	0.58	(133,334)	0.60
Balance, end of the year	**38,497,584**	0.41	35,312,664	0.40

During the year ended September 30, 2023, the Company recorded share-based compensation expense of $1,610,576 (2022 - $2,741,227) of which $166,728 has been allocated to project expenses (2022 - $488,518) and $1,443,848 to administrative expenses (2022 - $2,252,709).

The balance of options outstanding and exercisable at September 30, 2023, is as follows:

	Options outstanding & exercisable		**Options exercisable**	
Exercise price ($ per share)	Number of share options	Weighted average remaining contractual life (years)	Number of share options	Weighted average remaining contractual life (years)
0.08	1,150,000	2.6	1,150,000	2.6
0.10	900,000	3.5	900,000	3.5
0.11	6,137,667	5.8	6,137,667	5.8
0.13	500,000	7.0	500,000	7.0
0.20	2,500,000	4.4	2,500,000	4.4
0.25	1,450,000	5.2	1,450,000	5.2
0.28	1,841,666	5.4	1,841,666	5.4
0.48	5,768,251	9.5	216,666	8.6
0.59	500,000	7.7	500,000	7.7
0.58	15,950,000	8.2	3,633,327	8.2
0.61	1,800,000	7.5	900,000	7.5
0.41	38,497,584	7.2	19,729,326	5.9

Option pricing models require the input of subjective assumptions. The expected life of the options considered such factors as the average length of time similar option grants in the past have remained outstanding prior to exercise and the vesting period of the grants. The selection of alternative assumptions could have a material impact on the estimated fair value of the options.

(Expressed in Canadian dollars)

8. Equity (continued)

In the years ended September 30, 2023 and 2022, the Company applied the Black-Scholes option pricing model to determine the value of 5,118,251 and 13,800,000 stock options, respectively. These stock options were granted to employees, including directors, and non-employees and valued on the date of grant using the following weighted-average assumptions:

	Year ended September 30,	
	2023	2022
Risk free rate	**2.93%**	0.99%
Expected life (years)	**9.0**	7.9
Annualized volatility	**90%**	90%
Dividend yield	**—%**	—%
Option exercise price	**$0.48**	$0.58
Grant date fair value	**$0.15**	$0.31

The weighted average fair value of 3,000,000 share options granted in the year ended September 30, 2022, which include market conditions for vesting, was estimated to be $0.32 per share option. To determine the fair value of these options on the grant date, the Company used the Monte Carlo Simulation Method with the following assumptions: risk free interest rate of 1.920%, expected life of 10.0 years, annualized volatility of 90%, dividend and forfeiture rates at nil%, and option exercise price of $0.58 per share option.

c) **Warrants**

	Year ended September 30,			
		2023		2022
	Number of warrants	**Weighted-average exercise price**	Number of warrants	Weighted-average exercise price
		$		$
Outstanding, beginning of the year	**8,500,000**	**0.40**	8,500,000	0.40
Exercised	**(2,500,000)**	**0.58**	—	—
Outstanding, end of the year	**6,000,000**	**0.33**	8,500,000	0.40

As at September 30, 2023, the following warrants were outstanding:

Expiry date	**Weighted average exercise price**	**Number of warrants**	**Weighted average remaining contractual life (years)**
December 16, 2023	0.30	3,000,000	0.2
December 16, 2023	0.35	3,000,000	0.2
	0.33	6,000,000	0.2

(Expressed in Canadian dollars)

9. Related Party Transactions

Transactions between the Company and its subsidiary have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below. Related parties include the Board and the Company's officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

a) Key management compensation

Key management personnel include the Board, President and Chief Executive Officer, Chief Financial Officer, Vice President, Commercial, Vice President, Corporate Development and Corporate Secretary, Vice President, Operations, and the Managing Director of the Company's Czech subsidiary. During the years ended September 30, 2023 and 2022, the Company incurred the following compensation expenses to key management of the Company and director fees:

	Year ended September 30,	
	2023	2022
	$	$
Salaries and fees	**2,379,749**	2,162,807
Share-based compensation	**1,314,075**	2,051,389
	3,693,824	4,214,196

b) The balances payable to key management and other related parties at the period ends were as follows:

		September 30,
	2023	2022
	$	$
Salaries and fees payable	**35,904**	378,373
Outstanding payables due to directors and officers	**3,010**	31,093
	38,914	409,466

The salaries and fees payable at both year ends include a salary and bonuses owing to the Managing Director of Mangan. Other amounts payable to officers and directors represent the reimbursement of office and travel related expenses. These transactions were incurred in the normal course of operations.

10. Fair Value Measurement of Financial Instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

10. Fair Value Measurement of Financial Instruments (continued)

Level 3: Inputs that are not based on observable market data.

The fair values of the Company's cash and cash equivalents, accounts receivable, accounts payable, due to related parties, and land deposits approximate carrying values recorded on the consolidated statements of financial position due to their short-term nature.

The payments made pursuant to the EPCS Option Agreement (Note 6(a)) are a derivative asset. It is a financial instrument measured at fair value through profit and loss using Level 3 inputs as there is no observable market data available. The option was initially recognized at fair value which equaled the initial cash payment of $815,000 under the EPCS Option Agreement. The option increased by $819,576 on August 13, 2021, with the second option payment. The option further increased by $2,419,622 on August 10, 2022, with the third option payment. At September 30, 2023, the Company revalued the option at $4,215,881, taking into consideration the recent transactions related to land purchases in the area and the foreign exchange rate movement between the Czech Koruna and the Canadian dollar. There were no transfers between the levels of the fair value hierarchy in the year ended September 30, 2023.

11. Financial Risk Management

a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents. Management believes that the credit risk with respect to these instruments is remote as they primarily consist of amounts on deposit with a major financial institution.

At September 30, 2023 and 2022, the Company's maximum exposure to credit risk was its cash and cash equivalents balance of $7,649,711 and $21,560,561, respectively.

b) Liquidity risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation (Note 1). At September 30, 2023, the maturity of accounts payable and the due to related parties balances are under one year. Subsequent to the year end, the Company entered into a financing agreement (Note 17(b)).

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and price risk.

<u>Interest rate risk</u>

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash in savings accounts and GIC's carried at fixed interest rates, invested with major Canadian and Czech banks.

(Expressed in Canadian dollars)

11. Financial Risk Management (continued)

Foreign currency risk

Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency rates. The Company's financial instruments are exposed to currency risk where those instruments are denominated in currencies that are not the functional currency of the entity that holds them. Exchange gains and losses in these situations impact earnings.

12. Segmented Information

The Company has one operating segment, the development of the Chvaletice Manganese Project in the Czech Republic.

13. Commitments

At September 30, 2023, the Company was committed to make the minimum annual cash payments as follows:

	Payments due by period		
	Total	Less than one year	1 - 2 years
	$	$	$
Minimum lease payments (1)	528,333	240,820	287,513
Land acquisition payments (2)	2,077,678	2,077,678	—
Operating expenditure commitments	461,863	456,413	5,450
Total contractual obligations	3,067,874	2,774,911	292,963

(1) The Company has signed a non-cancellable office lease, with the option to sublet the premises, that will commence in 2024.

(2) Land acquisition payments related to land parcels described in Note 6(b)(iv).

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

The Company and the Municipality of Chvaletice, being the land owners, signed a land access agreement via rental of the land to the Company until the earlier of a 40-year period or upon remediation of the land. The annual rental effective as of July 1, 2022 is 7.46 million Czech Koruna (approximately $420,000), adjusted for inflation based on the average annual Czech consumer price index for the 12 months of the previous calendar year.

(Expressed in Canadian dollars)

14. Supplemental Cash Flow Information

Non-cash financing and investing transactions in the year ended September 30, 2023 and 2022 were as follows:

	Year ended September 30,	
	2023	2022
	$	$
Capital expenditures included in accounts payable	**212,123**	201,367
Shares issued for deferred equity commitment	**80,606**	278,012
Shares issued to settle the royalty buy back	**—**	2,278,080
Transfer of reserves on exercise of share options	**146,708**	—

15. Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to pursue suitable business opportunities and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the evaluation stage and has not achieved commercial operations from its projects, its principal source of funds is from the issuance of common shares. Further information related to liquidity risk is disclosed in Note 1 and 11.

In the management of capital, the Company includes the components of equity. The Company manages and adjusts its capital structure considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain and adjust the capital structure, the Company may attempt to issue new shares, enter joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary, depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board.

The Company's investment policy is to invest its cash in high-quality, highly liquid short-term interest-bearing investments with maturities of one year or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company is uncertain as to whether its current capital resources will be sufficient to carry on its evaluation and development plans and operations through its current operating period and, accordingly, management is reviewing the timing and scope of current evaluation plans and is also pursuing other financing alternatives to fund the Company's operations. The Company is not currently subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management in the period.

(Expressed in Canadian dollars)

16. Income Taxes

A reconciliation of the income tax recoveries at the statutory tax rate of 27% (2022 - 27%) is as follows:

		September 30,
	2023	2022
	$	$
Loss for the year	**(12,008,131)**	(13,457,373)
Expected income tax recovery	**(3,242,195)**	(3,633,491)
Non-deductible expenses and other	**498,826**	759,665
Effect of foreign tax rates and tax rate changes	**846,329**	1,385,080
Effect of deductible temporary difference not recognized	**1,897,7040**	1,488,746
Income tax recovery	**—**	—

The Company has not recognized any deferred tax assets as realization is not probable. The significant components of the Company's deferred tax assets are as follows:

		September 30,
	2023	2022
	$	$
Equipment	**46,142**	**36,234**
Exploration and evaluation assets	**5,374,006**	**4,566,103**
Share issuance costs	**1,110,925**	**934,204**
Tax operating losses	**7,405,382**	**5,119,654**
	13,936,455	**10,656,195**
Unrecognized deferred income tax assets	**(13,936,455)**	**(10,656,195)**
Deferred income tax assets	**—**	—

At September 30, 2023, the Company had the following estimated tax operating losses available to reduce future taxable income, including losses for which deferred tax assets are not recognized as listed in the table above. Losses expire at various dates and amounts between 2024 and 2043.

At September 30, 2023	$
Canada	25,138,200
Czech Republic	8,233,300
Tax operating losses	33,371,500

17. Events after the Reporting Period

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

b) 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 financing (the "Funding Package") to advance the development of the Project. The US$100 million Funding 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 milestones; and (b) and receipt of US$50 million in exchange for a 1.93-2.47% royalty on Project revenues following a final investment decision by the Company's Board of Directors and other conditions precedents typical for this type of financing (the "Royalty Financing").

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

   In connection with the Funding Package, Orion has been granted comprehensive security over the assets and rights of the Project. Conditions precedent to the US$30 million tranche of the Convertible Loan Facility include completion of offtake agreements for 40% of the Project's high-purity manganese production for the first five years of production and securing a strategic investor. Covenants and events of default include customary covenants and undertakings and events of default for a secured financing of this nature, including, but not limited to, completion of key commercial agreements, securing a strategic investor, and completion of various technical milestones aligned with the Company's progress to final investment decision.

   In connection with the Funding Package, Orion have been granted an off-take option of between 20-22.5% of the 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.

1. Introduction

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

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

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of the Company, prepared as of December 13, 2023, is intended to be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2023 (the "September 2023 Financial Statements"), which can be found along with other information of the Company on SEDAR+ at www.sedarplus.ca. The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The Company's significant accounting policies are set out in Note 3 of the September 2023 Financial Statements.

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

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

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

2. Overview

About the Chvaletice Manganese Project

The Chvaletice Manganese Project is located in the Czech Republic, within the townships of Chvaletice and Trnavka, in the Labe River valley, approximately 90 kilometres to the east of the country's capital, Prague. The Project site is adjacent to established infrastructure, including an 820-megawatt power station that supplies the Czech Republic's national grid, a major railway line, a highway, and a natural gas line. The surrounding region is industrialized and skilled labour is expected to be available from local markets.

The Project resource is contained in flotation tailings piles, adjacent to the former Chvaletice open pit mine. The tailings were deposited from historical milling operations for the recovery of pyrite used for the production of sulfuric acid. The tailings, which consist of three separate piles ranging from 12 to 28 metres in thickness, cover a cumulative surface area of approximately one square kilometre. The Project is expected to result in the environmental remediation of this former mine tailings site, bringing it into full compliance with modern Czech and European Union environmental standards and regulations.

2. Overview (continued)

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

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

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

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

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

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

The Company announced the results of the Chvaletice Manganese Project feasibility study on July 27, 2022 ("Feasibility Study"), including the conversion of 98.4% of the Mineral Resources into Mineral Reserves. The results of the Feasibility Study are summarized in Section 6 of this MD&A.

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

2. Overview (continued)

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

About the Bécancour Plant

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

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

3. Financial and Project Highlights

The following is a summary of the Company's highlights during the year ended September 30, 2023, and to the date of this MD&A:

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

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

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

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

3. Financial and Project Highlights (continued)

- On October 4, 2023, the Company announced the completion of the rezoning of tailings land and commercial plant land for the intended use and the resubmission of the Project's ESIA which addressed the noise abatement. Approval of the revised final ESIA is expected in early calendar 2024.
- On August 9, 2023, the Company announced key developments on its Bécancour Plant in Québec. These included: releasing highlights of its Scoping Study for the Bécancour Dissolution Plant, signing a strategic memorandum of understanding ("MoU") with the Manganese Mining Company ("MMC"), and signing a Cooperation Agreement with the Grand Council of the Waban-Aki Nation (the "W8banaki Nation" or "W8banaki"). The MoU with MMC provides an opportunity to accelerate the supply of high-purity manganese products to the North American market possibly as early as mid-2027, thus bringing forward cash flows for the Company.
- On June 30, 2023, the Company announced it had awarded the EPCM contract for its Chvaletice Manganese Project to Wood. This followed a rigorous selection process, involving evaluating bids submitted by five international EPCM firms. Wood was selected based on cost of service as well as their proposed project schedule, technical and engineering capability, EU experience, team skill set, and overall execution strategy. The contract is cost reimbursable and is structured in two phases, with an approval stage gate between each phase as well as after a gap analysis review in Phase 1. Completion of Phase 1, involves the gap analysis review, advancing basic engineering design, selection and placing deposits for long lead process equipment, construction permit documentation and a final total installed cost and construction schedule for the plant, with Final Investment Decision ("FID") to be made prior to commencement of Phase 2, being the EPCM phase.
- On January 11, 2023, the Company signed a non-binding term sheet with Verkor, a low-carbon battery manufacturer based in Grenoble, France, for the sale of HPMSM from the Chvaletice Manganese Project. The parties intend to enter into a binding offtake agreement in calendar 2024.
- In fiscal Q1 2023 the Company published its inaugural Sustainability Report which outlines how it is leading the way for sustainable production of high-purity manganese for the EV industry.
- In fiscal Q1 2023 the Company entered into an option agreement with The Société du parc industriel et portuaire de Bécancour ("SPIPB"), a Québec state enterprise and owner of a 15-hectare land parcel within Bécancour (the "Bécancour Option Agreement") where the Company proposes to establish its North American facilities. The Bécancour Option Agreement allows the Company to exclusively access the land parcel and conduct due diligence thereon over a maximum term of 21 months, during which the Company has the opportunity to purchase the site. The Bécancour Option Agreement provides that the Company pay $45,855 per month for this option starting January 2023, whereas these option payments shall be deducted from the final purchase price of $9,171,200.
- On December 7, 2022, the Company announced positive results of the life cycle assessment study ("LCA") comparing the Global Warming Potential of the Chvaletice Project to the incumbent industry in China, showing an average 60% lower greenhouse emission potential of both products planned for the Project.

4. Outlook

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

4. Outlook (continued)

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

The Company's short-term operating priorities include:

- Full commissioning and operating the demonstration plant to allow production of multi-tonne high-purity manganese product samples for prospective customers' supply chain qualification;
- continuing negotiations with potential customers to enter offtake contracts, as well as with strategic and financial partners and government agencies;
- completing the acquisition of, or access to, the remaining land surface rights fort he Project;
- initiating the remaining work of Phase 1 (FEED) of the EPCM contract with Wood;
- securing an optimum financing structure for the Project, which is dependent upon the above milestones being achieved; and
- initiating the project finance debt process; and
- progressing the feasibility study for the Bécancour Dissolution Plant, subject to financing, for the potential production of high-purity manganese products in Canada for the North American EV market.

5. Significant Transactions During the Year Ended September 30, 2023

The Company did not complete any additional transactions in the year ended September 30, 2023, other than the transactions described in Section 3 of this MD&A.

6. Review of Operations

Chvaletice Manganese Project

Feasibility Study

The Feasibility Study results are based on a Proven and Probable Reserve Estimate that is detailed in the NI 43-101 and JORC Code Technical Reports on the Chvaletice Manganese Project. The 43-101 technical report, entitled "Technical Report and Feasibility Study for the Chvaletice Manganese Project, Chvaletice, Czech Republic", with an effective date of July 27, 2022, was filed on SEDAR+ at www.sedarplus.ca on September 9, 2022, and the JORC Code technical report, entitled "Public Report and Feasibility Study for the Chvaletice Manganese Project, Chvaletice, Czech Republic", with an effective date of July 27, 2022, was lodged on the ASX announcement platform on September 14, 2022 (together, the "Feasibility Study Technical Reports").

The highlights of the Feasibility Study are as follows:

- Conversion of the Mineral Resource to a 27 million tonne Proven and Probable Reserve (98.3% Proven) with a grade averaging 7.41% Mn. Recycling of the historic tailings without the requirement of any hard rock mining, crushing or milling.
- 25-year project operating life producing 1.19 million tonnes of HPEMM, approximately two-thirds of which is expected to be converted into HPMSM.
- Saleable product includes 2.5 million tonnes of HPMSM (32.34% Mn) and 372,300 tonnes of HPEMM (99.9% Mn) over the life of project, averaging 98,600 tonnes of HPMSM and 14,890 tonnes of HPEMM annually, principally focused on Europe's rapidly growing EV battery industry.

6. Review of Operations (continued)

- Saleable product includes 2.5 million tonnes of HPMSM (32.34% Mn) and 372,300 tonnes of HPEMM (99.9% Mn) over the life of project, averaging 98,600 tonnes of HPMSM and 14,890 tonnes of HPEMM annually, principally focused on Europe's rapidly growing EV battery industry.

- Base case after-tax NPV of US$1.34 billion and pre-tax NPV of US$1.75 billion, using an 8% real discount rate and risk-adjusted base case price forecast.

- Ungeared after-tax Internal IRR of 21.9% with a 4.1-year payback period; and an ungeared pre-tax IRR of 24.9% with a 3.6-year payback period.

- Initial capital ("Capex") of US$757.3 million, including contingencies of US$103.2 million (US$78.4 million on direct costs and US$24.8 million of growth allowance) and sustaining capital ("Sustaining Capex") of US$117.0 million over the 25-year life of project.

- Life of project revenues of US$13.9 billion with gross revenues expected to average US$554 million per year over the 25-year project life.

- Project earnings before interest, taxes, depreciation and amortization ("EBITDA") and annual average EBITDA forecasted to be US$8.1 billion and US$326 million respectively, averaging 58.8% EBITDA over the life of project.

- Base case project economics are based on Tetra Tech adoption of a risk-adjusted short-term price forecast that follows CPM Group's forecast for HPMSM and HPEMM to 2031 and then holds prices flat over the remaining life of project, resulting in average prices of $4,019 per tonne of HPMSM containing 32.34% Mn and $10,545/t of HPEMM containing 99.9% Mn.

- CPM Group's unaltered price forecast was used as the upside case in the Feasibility Study sensitivity analysis with average life of project prices of $4,509/t for HPMSM and $12,075/t for HPEMM.

- Using the CPM Group price forecast for HPMSM and HPEMM, after-tax $NPV_{8\%}$ increases to US$1.79 billion, with an ungeared IRR of 24.1%.

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

- Exceptional green project credentials resulting in a significant remediation of the Chvaletice tailings site, arresting the ongoing pollution related to historical tailings disposal activities with opportunities to enhance returns through process optimization initiatives and various government investment incentives and financial support programs that may be available.

Resource and Reserve Estimate

a. Resource Estimate

Tetra Tech was engaged in 2018 to prepare the Resource Estimate for EMN's Chvaletice Manganese Project and to prepare technical reports in accordance with NI 43-101 and the JORC Code. The 43-101 Technical Report, entitled "Technical Report and Mineral Resource Estimate for the Chvaletice Manganese Project, Chvaletice, Czech Republic", with an effective date of December 8, 2018, was filed on SEDAR on January 28, 2019, and the JORC Code Technical Report, entitled "Public Report and Mineral Resource Estimate for the Chvaletice Manganese Project, Chvaletice, Czech Republic", with an effective date of December 8, 2018, was lodged on the ASX announcement platform on February 6, 2019 (together, the "Mineral Resource Estimate").

In 2019, the Company appointed Tetra Tech as the owner's engineering representative for the Feasibility Study, responsible for overseeing the consultants and service providers in connection with the Feasibility Study, and for the preparation of Feasibility Study Technical Reports. No additional drilling or data collection pertaining to the technical disclosure of mineral inventory has been undertaken since the completion of the Mineral Resource Estimate, and the effective date for the Mineral Resource Estimate is revised to July 1, 2022. The Project's combined Measured and Indicated Mineral Resources amount to 26,960,000 tonnes, grading 7.33% total manganese as detailed in the table below.

6. Review of Operations (continued)

Tailings Cell #	Classification	Dry In-situ Bulk Density (t/m^3)	Volume ($x1,000\ m^3$)	Tonnage (kt)	Total Mn (%)
#1	Measured	1.52	6,577	10,029	7.95
	Indicated	1.47	160	236	8.35
#2	Measured	1.53	7,990	12,201	6.79
	Indicated	1.55	123	189	7.22
#3	Measured	1.45	2,942	4,265	7.35
	Indicated	1.45	27	39	7.90
Total	Measured	1.51	17,509	26,496	7.32
	Indicated	1.50	309	464	7.85
Combined	Measured and Indicated	1.51	17,818	26,960	7.33

Notes:

1. Estimated in accordance with the Canadian Institution of Mining ("CIM") Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended, which are materially identical to the JORC Code.
2. The Chvaletice Mineral Resource has a reasonable prospect for eventual economic extraction. Mineral Resources do not have demonstrated economic viability.
3. Indicated Resources have lower confidence than Measured Resources.
4. A break-even grade of 2.18% total Mn has been estimated for the Chvaletice deposit based on preliminary pre-concentration operating costs of US$6.47/t feed, leaching and refining operating cost estimates of US$188/t feed, total recovery to HPEMM and HPMSM of approximately 60.5% and 58.9%, respectively, and product prices of US$9.60 kg/t for HPEMM and US$3.72 kg/t for HPMSM (CPM Group Report, June 2022). The actual commodity price for these products may vary.
5. A cut-off grade has not been applied to the block model. The estimated break-even cut-off grade falls below the grade of most of the blocks (excluding 5,000 tonnes which have grades less than 2.18% total Mn). It is assumed that material segregation will not be possible during extraction due to inherent difficulty of grade control and selective mining for this deposit type.
6. Grade capping has not been applied.
7. Numbers may not add exactly due to rounding.

b. Reserve Estimate

Mineral Reserves for the Project are based on the Measured and Indicated Resource and adhere to the guidelines set by the Canadian Institute of Mining ("CIM"), NI 43-101 and the CIM Best Practices. Material economic modifying factors were applied to each block in the block model including mined grade, contained metal, recovery rates for HPEMM and HPMSM, mining operating cost, processing cost (including EMM to MSM conversion cost), residue placement cost, general and administrative costs, site service costs, water treatment, shipping cost, product insurance, and royalties. The Project's combined Proven and Probable Mineral Reserve (effective July 14, 2022) amount to 26,644,000 tonnes, grading at 7.41% total manganese as detailed in the following table:

6. Review of Operations (continued)

Tailings Cell #	Classification	Dry In-situ Bulk Density (t/m^3)	Volume (m^3)	Tonnage (metric tonnes)	Total Mn (%)
#1	Proven	1.51	6,651	10,132	7.83
	Probable	1.52	141	208	8.24
#2	Proven	1.53	7,929	12,106	6.91
	Probable	1.54	199	183	7.35
#3	Proven	1.46	2,744	3,979	7.49
	Probable	1.46	25	36	7.98
Total	Proven	1.50	17,325	26,217	7.35
	Probable	1.51	284	427	7.84
Combined	Proven and Probable	1.51	17,609	26,644	7.41

Notes:

1. Estimated in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended, which are materially identical to the JORC Code.
2. The Mineral Resource is inclusive of the Mineral Reserves.
3. Probable Reserves have lower confidence than Proven Reserves. Inferred Resources have not been included in the Reserves.
4. A break-even grade of 2.18% total Mn has been estimated for the Chvaletice deposit based on preliminary pre-concentration operating costs of US$6.47/t feed, leaching and refining operating cost estimates of US$188/t feed, total recovery to HPEMM and HPMSM of approximately 60.5% and 58.9% respectively and product prices of US$9.60 kg/t for HPEMM and US$3.72 kg/t for HPMSM (CPM Group Report, June 2022). The actual commodity price for these products may vary.
5. Grade capping has not been applied.
6. Numbers may not add exactly due to rounding.
7. Minimal dilution and losses of <1% are expected to occur at the interface between the lower bounds of the tailings cells and original ground as the surface is uneven.

Life Cycle Assessment

During fiscal 2022, the Company released the highlights from its Life Cycle Assessment study ("LCA") for the Project. Euro Manganese engaged Minviro Ltd. ("Minviro"), a UK-based and globally recognized sustainability and life cycle assessment consultancy, and RCS Global Ltd. ("RCS Global"), a leading global auditor of battery material supply chains, to conduct a cradle-to-gate, critically reviewed study quantifying the environmental impacts, including the carbon footprint, of producing high-purity manganese products at the Project.

The results of the LCA validate the environmental value proposition of the Project including multiple environmental benefits from the remediation of the historic tailings area, particularly in terms of soil quality and freshwater quality as the remediation avoids the current leaching of metals and reduces the impacts of the historic tailings to soil and water streams. The Company plans to use 100% renewable, carbon free electricity, which reduces the GWP of the Project by half compared to the use of non-renewable electricity.

The LCA provides EMN with an independently verified assessment for financiers and customers. RCS Global also reviewed and commented on the LCA study. Minviro has also completed a benchmarking exercise of the Project's GWP against similar projects and operations producing high-purity manganese products. The results of the benchmarking exercise show that the high-purity manganese products from the Chvaletice Project have a carbon footprint that is approximately one-third of the China-based incumbent industry.

6. Review of Operations (continued)

EPCM Contract Award

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

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

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

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

Environmental and Social Impact Assessment

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

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

Upon approval of the ESIA, the Land Planning Permit can be submitted. The documentation for this application is substantially complete and will be finalized upon receipt of the conditions in the approved ESIA. The Land Planning Permit approval timeline is typically three months once submitted, resulting in an anticipated approval by early calendar Q2 2024. The Construction Permit documentation is a deliverable of the FEED phase of the EPCM work with an expected permit approval timeline of approximately three months post submission, resulting in an anticipated approval in late 2024 or early 2025, subject to securing sufficient funds for the completion of FEED Phase 1.

Demonstration Plant Progress Update

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

6. Review of Operations - (continued)

HPEMM at 99.9% purity was produced from the demonstration plant in the second quarter of calendar 2023 and external laboratory testing confirmed that the first sample met the demonstration plant target specifications. Corrosion inside the crystallizer due to a manufacturing fault has resulted in delayed production of on-spec HPMSM material. This issue was addressed and HPMSM was successfully produced from third party metal with similar specifications to HPEMM from the demonstration plant. HPEMM from the Chvaletice demonstration plant will be used to complete commissioning. Deliveries of HPEMM and HPMSM samples to potential customers are expected to commence thereafter. Customer deliveries of the Company's demonstration plant products, however, are not expected to be required for completion of offtake contracts.

The Company estimates that the cost, including fabrication, delivery, commissioning, laboratory set-up, and an operator training program, as well as the cost of operation for one year, will be approximately US$6.5 million ($8.7 million). To the date of this MD&A, the Company made total payments of US$1.8 million ($2.2 million) for the demonstration plant, accrued $0.9 million for the next milestone payments, and incurred additional expenses of $4.5 million for permitting, site preparation and commissioning.

Option Agreement and Land Acquisitions

The Company, through its subsidiary, Mangan, entered into an option agreement dated August 13, 2018 (the "EPCS Option Agreement"), to acquire 100% of the equity of EP Chvaletice s.r.o. ("EPCS"), a small Czech steel fabrication company that owns a 19.94-hectare parcel of land. This land is located immediately south of the highway and rail line that bound the Chvaletice tailings deposit and is adjacent to the Chvaletice power plant and 1.7-hectare parcel of land and rail siding that was previously acquired by the Company. This strategic land parcel encompasses the intended site of its proposed processing plant. The land is zoned for industrial use and contains numerous buildings, including office, warehousing, and other industrial structures, several of which are leased to short-term tenants. The land contains two rail spurs and is served by gas, water, and power.

The Company has the right to acquire EPCS by making payments aggregating 140 million Czech Koruna payable in four cash instalments, the first and second of which were paid on October 17, 2018, and August 13, 2021, respectively, each in the amount of 14 million Czech Koruna ($815,000 and $819,576, respectively). On August 10, 2022, the Company made the third option payment of 42 million Czech Koruna ($2,304,402) together with an extension fee of 2.1 million Czech Koruna ($115,220) for partial deferral of the second instalment. The total value of the instalments, revalued at September 30, 2023, is $4.22 million. Following an amendment to the EPCS Option Agreement dated November 29, 2023, the final payment was split into two instalments. The first instalment of 20,000,000 Czech Koruna ($1.2 million) was paid on November 29, 2023. The Company can complete the acquisition of EPCS by making the final instalment of 50 million Czech Koruna (approximately $2.92 million at September 30, 2023), due no later than December 31, 2023, The extension fee in the amendment is 1,000,000 Czech Koruna (approximately $60,000).

The Company entered into the following agreements to acquire rights to three additional strategic parcels of land, completing its land assembly for the proposed Chvaletice commercial plant:

i. Purchase on April 15, 2021, from the owner of the nearby Chvaletice power plant, a 1,952 m² section of land encompassing Rail Spur no. 1, through which the proposed Chvaletice process plant will be serviced and connected to existing rail infrastructure, providing greater logistical capacity and flexibility for the Project. The cost of the land was 252,762 Czech Koruna (approximately $14,000).

ii. Purchase of a 49,971 m² parcel of land, including a rail spur extension that will provide additional room and flexibility for the definitive Chvaletice commercial plant layout. The cost of the land is 18,739,125 Czech Koruna (approximately $1.1 million) and can be paid in five 7.5% annual instalments (approximately $80,000 each), followed by the remaining balance of approximately $700,000 in the final year.

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

6. Review of Operations (continued)

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

On June 7, 2022, the Company signed an agreement with Helot, spol. s.r.o. and Ing. Martin Vanek to acquire 78,437m^2 in total consisting of several land parcels adjacent to the tailings area that provide additional room and flexibility for the Chvaletice residue storage facility layout. The total cost of the land is 54,327,751 Czech Koruna (approximately $3.0 million). The first instalment of $516,452 was paid in June 2022. The second instalment of $570,824 was paid in January 2023 and the remaining amount of approximately $2 million is scheduled to be paid in January 2024.

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

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

High-Purity Manganese Market Overview and Product Marketing

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

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

6. Review of Operations (continued)

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

The dominant form of manganese used in Li-ion batteries is currently High Purity Manganese Sulphate Monohydrate (HPMSM). This very high purity chemical can be manufactured directly from manganese ore or produced by dissolving High Purity Electrolytic Manganese Metal (HPEMM). While HPMSM is projected to remain the dominant form of manganese used in the EV industry, there is a growing interest in other forms of manganese, especially for some of the more innovative battery chemistries such as LMFP, LMNO and Na-ion. These can include manganese carbonate and manganese oxides (Mn_3O_4). Producing these different manganese salts is likely to be more economic from HPEMM than from HPMSM or similar direct ore purification processes.

In connection with the preparation of the Feasibility Study, the Company commissioned the independent research and consultancy firm, CPM Group, to provide an HPEMM and HPMSM (collectively described as "High-Purity Manganese" or "HPM") product market outlook study for the Project. Highlights are as follows:

- The market for HPMSM and HPEMM is forecast to be radically transformed as a result of the 'EV revolution'. Most Li-ion batteries that power EVs are expected to use manganese in their cathodes and these manganese-containing battery chemistries are expected to dominate the battery market for the next two decades.
- CPM Group's current (November 2023) forecast sees the demand for high-purity manganese increasing 13 times between 2022 and 2032 (from 100 kt to 1.3 million tonnes of Mn contained). These forecasts do not include the full range of manganese-rich chemistries currently under development (for example Umicore's HLM) or any demand from Na-ion batteries.
- The total Mn market in 2022 was approximately 22 million tonnes, with Mn use currently dominated by the steel industry, high-purity manganese suitable for the battery market makes up less than 0.5% of the global manganese market.
- The bottleneck in supply of all forms of high-purity battery grade manganese is the lack of high-purity refining capacity. Known expansions and new projects are unable to satisfy this demand. CPM Group forecasts the 2032 deficit to be 541 kt Mn equivalent. If battery demand continues to grow as expected and no additional new projects come to the market, the forecast deficit would increase to 1 million tonnes by 2037.

According to the International Manganese Institute, China retains its dominant position as a supplier of high-purity manganese products – more than 93% of the HPMSM suitable for the battery industry originates in China. However, China relies heavily on imported ore, mainly from South Africa, Australia, Gabon, and Ghana. A consequence of this is that Chinese HPM has a very high CO_2 footprint on a per tonne basis, which is compounded by the production processes used. At present, only about 2.5% of HPMSM suitable for the battery industry is produced in Europe. The Company's prospective customers are increasingly interested in diversifying their strategic raw material sourcing, driven by geopolitical and ESG concerns, and wish to promote the creation of independent, local supply chains, particularly in regions such as Europe, where the automobile manufacturing industry employs over 14 million people directly and indirectly and where the automotive companies have made strong commitments to the electrification of their fleets.

Europe is rapidly becoming a major hub in the global electric car and battery industries, with seven battery cell gigafactories (defined as >1GWh/annum of battery production) in operation now. According to announcements from the battery makers, by 2030, Europe could have 56 battery gigafactories, with more than 1,458 GWh of production capacity installed (30% of global capacity, second after China). CPM Group believes that the entire planned output of the Project can be consumed by the growing Li-ion-battery sector in Europe.

6. Review of Operations (continued)

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

The above announcements have triggered a noticeable change in dynamics with potential customers, with off-takers reaching out proactively, and a growing acknowledgement of price premiums for western extracted and processed products. This has resulted in the off-take tender process initiated by the Company having more than 190,000 tonnes of Chvaletice HPMSM (over 100% of annual production capacity) under discussion as part of the process. Discussions are progressing with potential customers across the battery supply chain, including cathode active material ("CAM") and the precursor product ("pCAM") producers, battery makers and automobile manufacturers. In addition, several larger potential customers are yet to provide an allocation of tonnage to the Company but have expressed an expectation to do so.

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

Bécancour Plant

In response to encouraging discussions with automotive OEMs, battery and cathode manufacturers seeking to procure local, responsibly produced high-purity manganese in North America, the Company commenced work on a North American growth strategy. The Company selected a site at the Port of Bécancour, Québec, which is emerging as an important hub for the supply of low-carbon battery materials to the EV supply chain in North America due to its numerous advantages, including a year-round deep-water port, extensive road and rail infrastructure, access to low-cost hydro-electric power, strong governmental support, sophisticated local service, equipment and reagent suppliers, and a qualified work force.

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

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

In late 2022, the Company engaged AtkinsRéalis (formerly SNC-Lavalin Inc.), a global engineering services company and having extensive knowledge of the area, to conduct site due diligence and advise on permitting processes. In parallel, the Company commissioned Ausenco Engineering Canada Inc., a global engineering consultancy firm with expertise in battery metals, to conduct a scoping study for the dissolution plant, leveraging the extensive process development and recent engineering work from the Chvaletice Project. The Bécancour Plant scoping study was based on a dissolution plant capable of producing 48,500 tpa of battery-grade HPMSM, which could meet up to 20% of projected North American 2027 demand. The demand for North

6. Review of Operations (continued)

American HPMSM is forecast by CPM Group to rise to approximately 250,000 tpa in 2027 and over 800,000 tpa by 2031. There is no current processing capacity or production of battery-grade manganese in North America.

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

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

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

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

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

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

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

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

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

7. Annual Financial Review

	Years ended September 30,		
	2023	2022	2021
(expressed in thousands of Canadian dollars, except per share data)	**$**	$	$
Revenue	**—**	—	—
Chvaletice Project evaluation expenses	**5,197**	5,671	4,950
Other evaluation expenses	**382**	456	—
Other expenses	**6,429**	7,330	4,590
Net loss for the year attributable to shareholders	**12,008**	13,457	9,540
Basic and diluted loss per share attributable to shareholders (1)	**$0.03**	$0.03	$0.03

	As at September 30,		
	2023	2022	2021
	$	$	$
Cash and cash equivalents	**7,650**	21,561	31,219
Total assets (2)	**29,953**	39,896	43,336
Non-current financial liabilities (2)	**—**	166	248

(1) Fully diluted weighted average common shares outstanding, used in the calculation of diluted net loss per share in each of the periods presented, is not reflective of the outstanding stock options and warrants as their exercises would be anti-dilutive in the net loss per share calculation.

(2) Total assets for each year shown include $1,249,086 in mineral property interest related to the acquisition of the Chvaletice Manganese Project on May 13, 2016, and at September 30, 2023 and 2022, total assets also include the net smelter royalty buy back from the original owners of Mangan in the amount of $5,424,458.

7. Annual Financial Review (continued)

Year ended September 30, 2023, compared to the year ended September 30, 2022

The loss for the year ended September 30, 2023, of $12,008,131 compared to a loss of $13,457,373 for the year ended September 30, 2022, represents a decrease of $1,449,242 or 10.8%. Basic and fully diluted loss per share in the current period remain unchanged at $0.03 per common share. An overview of the project evaluation and other expenses, and an explanation of the significant variances is as follows:

	Year ended September 30,	
	2023	2022
(expressed in thousands of Canadian dollars, except per share data)	**$**	$
Chvaletice Project evaluation expenses		
Engineering	**2,478**	2,518
Remuneration	**1,215**	1,585
Share-based compensation	**167**	489
Metallurgical	**—**	48
Travel	**121**	103
Legal and professional fees	**419**	405
Geological	**—**	57
Market studies	**107**	221
Supplies and rentals	**690**	245
	5,197	5,671
Other evaluation expenses		
Engineering	**170**	123
Legal and professional fees	**237**	291
Travel	**23**	57
Other income	**(48)**	(15)
	382	456
Other expenses		
Remuneration	**2,973**	2,494
Share-based compensation	**1,444**	2,253
Total remuneration	**4,417**	4,747
Legal and professional fees	**1,114**	809
Investor relations	**264**	372
Product sales and marketing	**87**	23
Travel	**294**	293
Filing and compliance fees	**301**	371
Office, general and administrative	**244**	157
Insurance	**232**	245
Conferences	**296**	120
Depreciation	**261**	191
Accretion expense	**25**	26
Interest income	**(635)**	(171)
Foreign exchange	**(371)**	147
	6,429	7,330
Loss and comprehensive loss for the year	**12,008**	13,457
Basic and diluted loss per common share	**$0.03**	$0.03

7. Annual Financial Review (continued)

Chvaletice Project evaluation costs for the year ended September 30, 2023 and 2022, were $5,197,030 and $5,671,342, respectively. The decrease from the comparative year is due to the reduction of the level of work required on the Project as the Feasibility Study work was completed in the last quarter of fiscal 2022. During the year ended September 30, 2023, the Company focused on EPCM and the preparation and submission of the ESIA. Accordingly, the Chvaletice Project evaluation costs were 8% lower in fiscal 2023 than in fiscal 2022.

The main cost variances include: a decrease of $369,643 in remuneration as a result of the higher labour costs related to mobilisation for the commissioning of the demonstration plant in fiscal 2022 while in the current year, these costs were partially capitalized from the commencement of the commissioning; a decrease of $321,790 in share-based compensation due to the partial vesting of a share option grant in the comparative year and smaller options grant in the current year; a decrease of $114,175 in market studies due to fewer studies and lower costs for services; and decreases of $57,173, $47,939 and $40,576 in geological, metallurgical and engineering costs, respectively, as these parts of the Feasibility Study work were completed in the previous fiscal year. The overall decrease in the Chvaletice Project evaluation costs was partially offset by a $445,450 increase in supplies and rentals due to land rental from the Municipality of Chvaletice; an increase of $18,132 in travel expenses in the current year versus the comparative year due to more travel to site; and an increase of $13,402 in legal and professional fees mainly related to land purchase negotiations and documentation.

Other evaluation costs for the year ended September 30, 2023 and 2022, were $381,697 and $455,769, respectively. These costs mostly represent the scoping study and due diligence related to the Company's evaluation of opportunities in the North American market, particularly the potential Port of Bécancour site in Québec, Canada. The decrease in costs over the comparative year is mainly attributable to a decrease of $54,055 and $33,791 in professional fees and travel expenses, respectively, due to a lower volume of consulting work and less travel to the site. The overall decrease in the other evaluation costs was partially offset by an increase of $46,882 in engineering costs mainly due to the scoping study conducted in fiscal 2023. Additionally, the Company has progressed work on the initiatives with Nano One Materials Corp. ("Nano One") and it has received $48,005 from the National Research Council of Canada's Industrial Research Assistance Program ("IRAP") in the year ended September 30, 2023, offsetting a portion of these costs. The IRAP funding is shown as other income within other evaluation costs.

The $900,858 decrease in administrative costs for the year ended September 30, 2023, over the same period in 2022 is mainly attributable to: a decrease of $808,861 in share-based compensation due to the partial vesting of a share option grant in the comparative year; a $108,336 decrease in investor relations expenses due to fewer campaigns and promotional activities; and a decrease of $70,122 in filing and compliance fees due to lower annual general meeting costs in the current fiscal year, as well as higher listing fees incurred in the comparative year for share issuances related to the royalty buyback. The overall decrease in administrative costs was partially offset by a $479,713 increase in remuneration mainly due to a higher number of employees in the corporate office in Canada and short-term incentive payments made during the fiscal year; a $305,191 increase in legal and professional expenses related to costs for the project financial advisor; an increase of $86,479 in general and administrative expenses due to increased IT, communications, and other administrative expenses; an increase of $77,056 in conferences due to more in-person events attended; an increase of $70,044 in depreciation due to the new lease of two buildings at the project site which hosts the demonstration plant; and an increase of $64,016 in marketing resulting from an increase engagement with customers. Additionally, there was an increase of $464,390 from interest earned on the Company's bank deposits, and a change of $518,140 in foreign exchange due to a gain of $370,724 in this fiscal year compared to a loss of $147,416 in the previous fiscal year, mainly arising from the revaluation of the EPCS Option.

8. Quarterly Financial Review

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

As at the end of or for the period ending	Jul to Sep'23 $	Apr to Jun'23 $	Jan to Mar'23 $	Oct to Dec'22 $	Jul to Sep'22 $	Apr to Jun'22 $	Jan to Mar'22 $	Oct to Dec'21 $
Cash and cash equivalents	**7,650**	10,896	13,805	18,305	21,561	28,026	32,070	29,129
Total assets	**29,953**	32,603	34,956	38,212	39,896	42,280	44,800	41,589
Working capital (1)	**5,691**	9,187	11,191	16,129	19,754	26,839	30,676	23,341
Current liabilities	**2,852**	2,333	3,008	2,758	2,440	1,630	1,823	6,549
Revenue	**—**	—	—	—	—	—	—	—
Chvaletice Project evaluation expenses	**1,853**	604	1,722	1,018	1,739	1,023	1,511	1,399
Other evaluation expenses	**34**	51	87	210	95	280	71	10
Other administrative expenses	**1,337**	1,449	2,161	1,480	2,089	1,804	1,673	1,763
Net loss attributable to shareholders	**3,224**	2,104	3,970	2,708	3,923	3,106	3,255	3,172
Net loss per share, basic and diluted, attributable to shareholders (2)	**0.01**	0.01	0.01	0.01	0.01	0.01	0.01	0.01

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

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

Summary of major variations in quarterly financial activities:

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

- In the four quarters from October 2021 to September 2022, the Company focused on progressing and completing the Feasibility Study, preparation work and permitting of the demonstration plant, and the preparation of the final ESIA. The Company completed the Feasibility Study in the quarter ended September 2022. The number of employees at the Project site has risen continuously in relation to the demonstration plant site preparation and commissioning. In the three quarters from January to September 2023, the Company focused on awarding the EPCM contract and initiating Phase 1 with the gap analysis work.
- In the two quarters from October 2022 to March 2023, the Company continued the work related to the preparation and submission of the final ESIA.
- In the most recent five quarters, the Company also incurred expenses related to the evaluation of a potential dissolution plant at the Port of Bécancour in Québec, Canada, which would produce high-purity manganese products for the North American EV market.

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

- For the four quarters from October 2021 to September 2022, other administrative expenses steadily increased mostly as a result of a higher number of employees in the corporate office in Canada and higher share-based compensation expenses. In the quarter ended December 2021, increased remuneration costs are attributable to the change in the Company's CEO and to non-cash share-based expenses in the period.

8. Quarterly Financial Review (continued)

- Compared to the other periods, the quarter ended December 31, 2022, was significantly impacted by an unrealized foreign exchange gain relating to the revaluation of the EPCS Option and in the quarter ended March 31, 2023, other administrative expenses increased mainly as a result of a higher number of employees in the corporate office in Canada along with short term incentive payments paid during the quarter, and higher legal and professional fees relating to the project financing efforts.
- In the two most recent quarters from April 2023 to September 2023, the interest income from bank deposits partially offset the administrative expenditures.

Three months ended September 30, 2023, compared to the three months ended September 30, 2022

The loss for the three months ended September 30, 2023, of $3,225,594 compared to a loss of $3,922,555 for the three months ended September 30, 2022, represents a decrease of $696,961 or 17.8%. Basic and fully diluted loss per share in the current period remain unchanged at $0.01 per common share. An overview of the project evaluation and other expenses, and an explanation of the significant variances is as follows:

	Three months ended September 30,	
(expressed in thousands of Canadian dollars, except per share data)	**2023** **$**	2022 $
Chvaletice Project evaluation expenses		
Engineering	**1,058**	512
Remuneration	**370**	727
Share-based compensation	**38**	77
Metallurgical	**—**	2
Travel	**36**	37
Legal and professional fees	**169**	69
Geological	**—**	(1)
Market studies	**19**	110
Supplies and rentals	**163**	206
	1,853	1,739
Other evaluation expenses		
Engineering	**9**	20
Legal and professional fees	**33**	80
Travel	**(6)**	10
Other income	**(2)**	(15)
	34	95
Other expenses		
Remuneration	**622**	569
Share-based compensation	**18**	599
Total remuneration	**640**	1,168
Legal and professional fees	**236**	365
Investor relations	**57**	107
Product sales and marketing	**20**	14
Travel	**81**	85
Filing and compliance fees	**49**	57
Office, general and administrative	**57**	13
Insurance	**61**	73
Conferences	**20**	44
Depreciation	**68**	63
Accretion expense	**5**	9
Interest income	**(116)**	(75)
Foreign exchange	**159**	166
	1,337	2,089
Loss and comprehensive loss for the period	**3,224**	3,923
Basic and diluted loss per common share	**$0.01**	$0.01

8. Quarterly Financial Review (continued)

Chvaletice Project evaluation costs for the three months ended September 30, 2023 and 2022, were $1,853,245 and $1,737,667, respectively. The increase over the comparative quarter in fiscal 2022 is mainly due to the gap analysis work which is part of the EPCM work and due to permitting costs. The main cost variances include: an increase of $546,532 in engineering costs due to the gap analysis work required for Phase 1 of the EPCM; and a $100,346 increase in legal and professional fees mainly related to land purchase negotiations and documentation. The overall increase in the Chvaletice Project evaluation costs was partially offset by a decrease in remuneration of $356,987 as a result of higher amount of labour costs related to mobilisation for the commissioning of the demonstration plant in the comparative period; a decrease of $89,966 in market studies due to lower costs for services; a $43,031 decrease in supplies and rentals due to site preparation costs in the comparative period; and a $39,581 decrease in share-based compensation due to the partial vesting of a share option grant in the comparative period.

Other evaluation costs for the three months ended September 30, 2023 and 2022, were $33,720 and $95,103, respectively. These costs mostly represent the scoping study and due diligence related to the Company's evaluation of opportunities in the North American market, particularly the potential Port of Bécancour site in Québec, Canada. The decrease in costs over the comparative period is mainly attributable to a decrease of $47,940 in professional fees due to a lower volume of consulting work; a decrease of $15,847 in travel expenses due to fewer trips to site; and a decrease of $10,393 in engineering costs due to fewer engineering studies performed in the current period. Additionally, the Company has progressed work on the initiatives with Nano One and the Company has received $2,100 from IRAP in the three months ended September 30, 2023, offsetting a portion of these costs. The IRAP funding is shown as other income within other evaluation costs.

The $751,156 decrease in administrative costs for the three months ended September 30, 2023, compared to the same period in 2022 is mainly attributable to: a decrease of $580,526 in share-based compensation due to the partial vesting of a large share option grant in the comparative period; a decrease of $49,811 in investor relations expenses due to fewer campaigns and promotional activities; a $128,617 decrease in legal and professional expenses due to lower volume of consulting work compared to the previous period; and a $23,554 decrease in conferences due to the attendance of fewer conferences in the current period. The overall decrease in administrative costs was partially offset by a $52,971 increase in remuneration due to a higher number of employees in the corporate office in Canada; and a $44,428 increase in office, general and administrative costs due to increased IT, communications, and other administrative expenses. Additionally, there was a $7,911 change in foreign exchange loss mainly arising from revaluation of the EPCS Option; and a $41,509 increase in interest earned on the Company's bank deposits.

9. Liquidity and Capital Resources

As at September 30, 2023, the Company held cash and cash equivalents of approximately $7.6 million. Cash and cash equivalents are held with reputable financial institutions and are invested in highly liquid short-term investments with maturities of one year or less. The funds are not exposed to significant credit risk and there are no restrictions on the ability of the Company to use these funds to meet its obligations.

The decrease in cash of $13.9 million during the year ended September 30, 2023, is a result of $10.8 million used in operating activities and $3.1 million used in investing activities, which included the payment for demonstration plant costs and certain land related payments. Working capital decreased by $14.1 million during the year ended September 30, 2023, to $5.7 million from $19.8 million at September 30, 2022.

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

9. Liquidity and Capital Resources (continued)

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

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

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

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

The Company's commitments at September 30, 2023, are shown in Section 12 of this MD&A.

10. Off Balance Sheet Arrangements

As at September 30, 2023, there are no off-balance sheet arrangements which could have a material impact on current or future results of operations or the financial condition of the Company.

11. Related Party Transactions

For the twelve months ended September 30, 2023 and 2022, amounts paid to related parties were incurred in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the transacting parties.

At September 30, 2023, key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole, and consisted of the Company's Board of Directors, President and Chief Executive Officer, Chief Financial Officer, Vice President, Commercial, Vice President, Corporate Development and Corporate Secretary, Vice President, Operations, and the Managing Director of the Company's Czech subsidiary.

	Year ended September 30,	
	2023	2022
	$	$
Salaries and fees	**2,379,749**	2,162,807
Share-based compensation	**1,314,075**	2,051,389
	3,693,824	4,214,196

11. Related Party Transactions (continued)

At September 30, 2023, amounts owing to directors and officers of the Company for salaries and directors' fees amounted to $35,904 (2022 - $378,373). The salaries and fees payable at both year ends include a salary and bonuses owing to the Managing Director of Mangan. Other amounts payable to officers and directors at September 30, 2023, for the reimbursement of office and travel related expenses were $3,010 (2022 - $31,093).

12. Contractual Commitments

As at September 30, 2023, the Company was committed to make the minimum annual cash payments, as follows:

		Payments due by period	
	Total	Less than one year	1 - 2 years
	$	$	$
Minimum lease payments [1]	528,333	240,820	287,513
Land acquisition payments [2]	2,077,678	2,077,678	—
Operating expenditure commitments	461,863	456,413	5,450
Total contractual obligations	3,067,874	2,774,911	292,963

[1] The Company has signed a non-cancellable office lease, with the option to sublet the premises, that will commence in 2024.
[2] Land acquisition payments related to land parcels described in Section 6 of this MD&A.

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

Annual rental payments pursuant to the land access agreement with the Municipality of Chvaletice, which became effective in July 2022, and Minimum Rent payments due under the CEZ Lease Agreement, which become effective in 2027, are described in Section 6 of this MD&A.

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

13. Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value. The following common shares, stock options and share purchase warrants were outstanding at December 13, 2023:

	Number of securities
Issued and outstanding common shares	402,669,227
Share options	38,497,584
Warrants	6,000,000

14. Proposed Transactions

As at September 30, 2023, there is no proposed asset or business acquisition or disposition being considered that would affect the financial condition, financial performance or cash flows of the Company, other than the Funding Package entered into with Orion as described in Section 9 of this MD&A.

15. Events After the Reporting Period

There were no additional events after the reporting period other than the Funding Package entered into with Orion and the ČEZ Lease Agreement as described in Section 9 of this MD&A.

16. Significant Accounting Policies, Estimates and Judgments

Basis of preparation and accounting policies

The Company's annual consolidated financial statements were prepared in accordance with IFRS as issued by the IASB. Detailed description of the Company's significant accounting policies can be found in Note 3 of the Company's audited consolidated financial statements for the year ended September 30, 2023. The impact of future accounting pronouncements is disclosed in Note 3.14 of the September 2023 Financial Statements.

Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas of judgment and key sources of estimation uncertainty that have the most significant effect are disclosed in Note 3.15 of the September 2023 Financial Statements.

17. Financial Instruments and Financial Risk Management

A description of the Company's financial instruments and financial risks that the Company is exposed to and management of these risks can be found in Notes 10 and 11, respectively, of the September 2023 Financial Statements.

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

Disclosure Controls and Procedures

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

Management, including the CEO and CFO, has evaluated the design and operating effectiveness of the Company's disclosure controls and procedures as of September 30, 2023. Based on this evaluation, management concluded that the Company's disclosure controls and procedures, as defined in NI 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings*, are effective to achieve the purpose for which they have been designed.

Internal Controls Over Financial Reporting

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

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

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

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

Management, under the supervision and with the participation of our CEO and CFO, has evaluated the effectiveness of the design and operating effectiveness of the Company's internal control over financial reporting as of September 30, 2023. Based on its evaluation, management concluded that the Company's internal controls over financial reporting, as defined in NI 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, are effective to achieve the purpose for which they have been designed.

19. Forward-Looking Statements and Risks Notice

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

Regarding the Chvaletice Project, results of the Feasibility Study constitutes forward-looking information or statements, including but not limited to estimates of internal rates of return payback periods, net present values, future production, assumed prices for HPMSM and HPEMM, ability of the Company to achieve a pricing premium for its products, proposed extraction plans and methods, operating life estimates, cash flow forecasts, metal recoveries and estimates of capital and operating costs. In addition, forward-looking information or statements also include, but are not limited to, statements regarding the ability of the Company to deliver on samples meeting specifications to potential customers from the demonstration plant, the timing for each phase of the EPCM contract, timing of final investment decision, the acceptability of the revised ESIA documentation by the Czech Ministry of Environment and the anticipated timing of various regulatory approvals, statements regarding the ability of the Company to obtain remaining surface rights and various permits, the benefits of remediating the historic tailings areas, statements regarding the expectation of the Company that the net proceeds from the first tranche of the Convertible Loan Facility will be sufficient funding to complete the permitting of the Chvaletice mineral project, complete the commissioning of the demonstration plant and its operation, complete the acquisition of certain land parcels needed for the Project, and certain site preparation works, and for general and administration expenses for more than 12 months, the growth and development of the high purity manganese products market, the desirability of the Company's products, the ability of the Company to enter into binding offtake agreements with potential customers, the growth of the EV industry, the use of manganese in batteries, the manganese project supply line, support from European financial institutions, any anticipated benefits from legislation and the Company's ability to obtain financing.

Regarding the Bécancour Plant, forward-looking statements include, but are not limited to, statements concerning the Company's plans for advancing the Bécancour Plant and results of the Scoping Study including estimates of internal rates of return, net present values, and estimates of costs. Such forward-looking information or statements also include, but are not limited to, statements regarding the timing for completion of the Bécancour feasibility study, the Company's ability to acquire the Bécancour land parcel, the Company's ability to reach a definitive agreement with MMC to supply feedstock, the Company's estimated engineering/construction timelines to build the Bécancour Plant and ability to arrange necessary infrastructure, the Company's ability to provide supplemental HPEMM feedstock to the Bécancour Plant from the Chvaletice Project and source other feedstock, the technical capability of the Bécancour Plant and the Company's ability to operate the Bécancour Plant and produce both HPMSS and HPMSM and any associated cash flow and timelines for cash flow, the projected growth of the North American demand for high-purity manganese products, any benefits of legislation, the economic and environmental benefits of producing HPMSS, the Company's ability to secure offtake from North American customers, the Company's ability to raise the necessary financing, and the timing of any permit application submissions and approvals and continuing successful cooperation with the W8banaki Nation.

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

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

Additional factors that could cause results or events to differ materially from current expectations include risks related to global epidemics or pandemics and other health crises; availability and productivity of skilled labour; risks and uncertainties related to interruptions in production; unforeseen technological and engineering problems; the adequacy of infrastructure; risks related to working conditions, accidents or labour disputes; social unrest or war; the possibility that future results will not be consistent with the Company's expectations; increase in competition, developments in EV battery markets and chemistries; risks related to fluctuations in currency exchange rates, changes in laws or regulations; and regulation by various governmental agencies and changes or deterioration in general economic conditions. For a further discussion of risks relevant to The Company, see "Risk Factors" in the Company's annual information form for the year ended September 30, 2023, available on the Company's SEDAR+ profile at www.sedarplus.ca.

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

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.

MINING TENEMENTS AND MINERAL RESOURCE / RESERVE STATEMENT

Mining Tenements Held by the Company and the Percentage Interest held in each Mining Tenement:

Tenement	License Status	Reference	Note	Interest Acquired During Year	Interest Divested During Year	Interest Held at Year-end
Trnávka I	Exploration	631/550/14-Hd	1	-	-	100%
Trnávka II	Exploration	MZP/2018/550/386-HD	2	-	-	100%
Preliminary Mining Permit	Preliminary Mining Permit	MZP/2021/550/768-HD	3	-	-	100%

Notes:

1. Exploration license 631/550/14-Hd, issued by the Czech Ministry of Environment in favour of Mangan Chvaletice s.r.o. ("Mangan") was originally valid until 31 May 2023 and on 2 July 2021, Mangan received an extension of this license until 31 May 2026.
2. Exploration license MZP/2018/550/386-HD, issued by the Czech Ministry of Environment in favour of Mangan was originally valid until 31 May 2023 and on 2 July 2021, Mangan received an extension of this license until 31 May 2026.
3. The Preliminary Mining Permit is the prior consent of the Ministry of Environment of the Czech Republic for the establishment of the Mining Lease District and covers the areas covered by Exploration Licenses Trnávka I and Trnávka II. The Preliminary Mining Permit was originally valid until 30 April 2023 and was replaced by a new Preliminary Mining License valid until 31 May 2026.

Mineral Resource Estimate:

The Company reviews and reports its mineral resources at least annually. The date of reporting is 30 September each year, to coincide with the Company's end of fiscal year. If there are any material changes to its mineral resources over the course of the year, the Company is required to report these changes.

Tetra Tech Canada Inc. ("Tetra Tech") was engaged to oversee the planning and execution of sampling and assaying, to prepare the Resource Estimate for the Company's *Chvaletice Manganese Project,* to prepare the Technical Report in accordance with NI 43-101 - *Standards of Disclosure for Mineral Projects ("NI 43-101"), and to prepare the* independent JORC Code technical report in accordance with the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition ("JORC Code"). The 43-101 Technical Report, entitled "Technical Report and Mineral Resource Estimate for the Chvaletice Manganese Project, Chvaletice, Czech Republic", with an effective date of December 8, 2018, was filed on SEDAR on January 28, 2019, and the JORC Code Technical Report, entitled "Public Report and Mineral Resource Estimate for the Chvaletice Manganese Project, Chvaletice, Czech Republic", with an effective date of December 8, 2018, was lodged on the ASX announcement platform on February 6, 2019, (together, the "Mineral Resource Estimate").

In mid-2019, the Company appointed Tetra Tech as the owner's engineering representative for the feasibility study, responsible for overseeing the consultants and service providers in connection with the feasibility study, and for the preparation of the NI 43-101/JORC Code feasibility study report for the Chvaletice Manganese Project. The 43-101 technical report, entitled "Technical Report and Feasibility Study for the Chvaletice Manganese Project, Chvaletice, Czech Republic", with an effective date of July 27, 2022, was filed on SEDAR on September 9, 2022, and the JORC Code technical report, entitled "Public Report and Feasibility Study for the Chvaletice Manganese Project, Chvaletice, Czech Republic", with an effective date of July 27, 2022, was lodged on the ASX announcement platform on September 14, 2022. These reports were prepared by Mr. James Barr, P. Geo, Senior Geologist, Mr. Jianhui (John) Huang, Ph.D., P. Eng., Senior Metallurgical Engineer, Mr. Hassan Ghaffari, P. Eng., M.A.Sc., Senior Process Engineer, Mr. Chris Johns, P. Eng., Senior Geotechnical Engineer, and Mrs. Maureen Marks, P. Eng., Senior Mining Engineer.

No additional drilling or data collection pertaining to the technical disclosure of mineral inventory has been undertaken since the completion of the Mineral Resource Estimate, and the effective date for the Mineral Resource Estimate is revised to July 1, 2022. The Project's combined Measured and Indicated Mineral Resources amount to 26,960,000 tonnes, grading 7.33% total manganese as detailed below.

Chvaletice Mineral Resource Statement (effective July 1, 2022)

Historic Tailings Cell	In-situ Dry Bulk Density (t/m^3)	Volume (x1,000 m^3)	Tonnage (kt)	Grade Mn (% total Mn)
Cell #1				
Measured	1.52	6,577	10,029	7.95
Indicated	1.47	160	236	8.35
Cell #2				
Measured	1.53	7,990	12,201	6.79
Indicated	1.55	123	189	7.22
Cell #3				
Measured	1.45	2,942	4,265	7.35
Indicated	1.45	27	39	7.90
Total Measured	**1.51**	**17,509**	**26,496**	**7.32**
Total Indicated	**1.50**	**309**	**464**	**7.85**
Combined Measured + Indicated	**1.51**	**17,818**	**26,960**	**7.33**

Notes:

1. Estimated in accordance with the Canadian Institution of Mining ("CIM") Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended, which are materially identical to JORC Code.
2. The Chvaletice Mineral Resource has a reasonable prospect for eventual economic extraction. Mineral Resources do not have demonstrated economic viability.
3. Indicated Resources have lower confidence than Measured Resources.
4. A break-even grade of 2.18% tMn has been estimated for the Chvaletice deposit based on preliminary pre-concentration operating costs of US$6.47/t feed, leaching and refining operating cost estimates of US$188/t feed, total recovery to HPEMM and HPMSM of approximately 60.5% and 58.9%, respectively, and product prices of US$9.60 kg/t for HPEMM and US$3.72 kg/t for HPMSM (CPM Group Report, June 2022). The actual commodity price for these products may vary.
5. A cut-off grade has not been applied to the block model. The estimated break-even cut-off grade falls below the grade of most of the blocks (excluding 5,000 tonnes which have grades less than 2.18% total Mn). It is assumed that material segregation will not be possible during extraction due to inherent difficulty of grade control and selective mining for this deposit type.
6. Grade capping has not been applied.
7. Numbers may not add exactly due to rounding.

RESERVE ESTIMATE

Mineral Reserves for the Chvaletice Manganese Project are based on the Measured and Indicated Resource and adhere to the guidelines set by the Canadian Institute of Mining ("CIM"), NI 43-101 and the CIM Best Practices which are materially identical to the JORC Code. Material economic modifying factors were applied to each block in the block model including mined grade, contained metal, recovery rates for HPEMM and HPMSM, mining operating cost, processing cost, (including EMM to MSM conversion cost), residue placement cost, general and administrative costs, site service costs, water treatment, shipping cost, product insurance, and royalties. The Chvaletice Manganese Project's combined Proven and Probable Mineral Reserve amount to 26,644,000 tonnes, grading at 7.41% total manganese as detailed below.

Chvaletice Mineral Reserve Statement (effective July 14, 2022)

Historic Tailings Cell	**In-situ Dry Bulk Density** (t/m^3)	**Volume** (x1,000 m^3)	**Tonnage** (kt)	**Grade Mn** (% total Mn)
Cell #1				
Proven	1.51	6,651	10,132	7.83
Probable	1.52	141	208	8.24
Cell #2				
Proven	1.53	7,929	12,106	6.91
Probable	1.54	119	183	7.35
Cell #3				
Proven	1.46	2,744	3,979	7.49
Probable	1.46	25	36	7.98
Total Proven	**1.50**	**17,325**	**26,217**	**7.35**
Total Probable	**1.51**	**284**	**427**	**7.84**
Combined Proven + Probable	**1.51**	**17,609**	**26,644**	**7.41**

Notes:

1. Estimated in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended, which are materially identical to the JORC Code.
2. The Mineral Resource is inclusive of the Mineral Reserves.
3. Probable Reserves have lower confidence than Proven Reserves. Inferred Resources have not been included in the Reserves.
4. A break-even grade of 2.18% total Mn has been estimated for the Chvaletice deposit based on preliminary pre-concentration operating costs of $6.47/t feed, leaching and refining operating cost estimates of $188/t feed, total recovery to HPEMM and HPMSM of approximately 60.5% and 58.9% respectively and product prices of US$9.60 kg/t for HPEMM and US$3.72 kg/t for HPMSM (CPM Group Report, June 2022). The actual commodity price for these products may vary.
5. Grade capping has not been applied.
6. Numbers may not add exactly due to rounding.
7. Minimal dilution and losses of <1% are expected to occur at the interface between the lower bounds of the tailings cells and original ground as the surface is uneven.

Governance Arrangements and Internal Controls: The Company has ensured that the mineral resources quoted are subject to good governance arrangements and internal controls. The mineral resources and reserves reported have been based on information compiled by Mr. James Barr, P. Geo, Senior Geologist, Mrs. Maureen Marks, P.Eng., and Mr. Jianhui (John) Huang, Ph.D., P. Eng., Senior Metallurgical Engineer, all with, or formerly with, Tetra Tech. Messrs. Barr and Huang, and Mrs. Marks are consultants to the Company and have sufficient experience in the field of activity being reported to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves, and both are Qualified Persons under National Instrument 43-101 – 'Standards of Disclosure for Mineral Projects'. The consultants have also undertaken reviews of the quality and suitability of the underlying information used to generate the resource estimation. In addition, technical information concerning the Chvaletice Manganese Project is reviewed by Ms. Andrea Zaradic, P. Eng., the Company's Vice President Operations, and a Qualified Person under NI 43-101. Ms. Zaradic is not independent within the meaning of NI 43-101.

Competent Persons and Qualifying Person Statements

The information in this annual report that relates to Mineral Resources and Mineral Reserves in relation to the Chvaletice Manganese Project is based on information compiled by Messrs. Barr and Huang, and Mrs. Marks, of Tetra Tech, all of whom are members of the Engineers and Geoscientists of British Columbia. Messrs. Barr and Huang, and Mrs. Marks, are consultants to the Company and have sufficient experience in the style of mineralisation and to the activity undertaken to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves and are Qualified Persons under National Instrument 43-101 – 'Standards of Disclosure for Mineral Projects'. Messrs. Barr and Huang, and Mrs. Marks consent to the inclusion in the annual report of the matters based on this information in the form and context in which it appears.

The technical reports and competent persons' reports relating to Mineral Resources and Mineral Reserves are available to view on the Company's website at www.mn25.com and the ASX Market Announcement Platform, respectively. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions in the market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' and Qualifying Persons' findings are presented have not been materially modified from the original market announcements.

OTHER ASX ANNUAL REPORT INFORMATION

The following information is provided pursuant to ASX Listing Rule 4.10, of Chapter 4 – Periodic Disclosure, and is complete unless the specific requirement is not applicable to Euro Manganese Inc. or unless the Company has received a waiver with respect to such requirement:

Corporate Governance Statement

The Company's Corporate Governance Statement is provided on the Company's website at https://www.mn25.ca/corporate-governance-statement

Names of Substantial Shareholders

There are no substantial holders of the Company as of 30 November 2023.

Number of Holders of Each Class of Securities(1)

The Company's authorized share capital consists of an unlimited number of Shares without par value. As of 30 November 2023, 402,669,227 Shares (including CDIs) were issued and outstanding and held by 6,179 shareholders, one of which (CDS & Co.) held 141,963,480 Shares on behalf of 28 nominee and depository entities. As of 13 December 2023, the number of Shares issued and outstanding remained at 402,669,227 and there were 38,497,584 Shares issuable on the exercise of incentive stock options held by thirty-three option holders, and 6,000,000 Shares issuable on the exercise of common share purchase warrants held by one warrant holder.

Voting Rights

All of the Shares (including CDIs) rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders, with each Share carrying the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the payment by the Company of all of its liabilities. The holders of Shares are entitled to receive dividends as and when declared by the Board in respect of the Shares on a pro rata basis. The Shares do not carry any pre-emptive, subscription, redemption or conversion rights.

Distribution of Holders(1)

As of 30 November 2023, the distribution of shareholders was as follows:

Size of holding	Number of holders	Percentage
1 – 1,000	763	12.35%
1,000 – 5,000	2,584	41.82%
5,001 – 10,000	1,065	17.23%
10,001 – 100,000	1,555	25.17%
100,001 and over	212	3.43%
Total	**6,179**	**100.00%**

Holders with Less than a Marketable Parcel of the Company's Main Class of Securities(1)

As of 30 November 2023, there were approximately 2,805 holders of the Company's Shares/CDIs with less than a Marketable Parcel, based on the closing price of the CDIs on the ASX as of that date of A$0.125.

Name of Corporate Secretary

Mr. Fausto Taddei is Vice President Corporate Development and Corporate Secretary.

Address and Telephone Number of the Company's Registered Office in Australia and its Principal Administrative Office

The Company has no registered or administrative offices in Australia. The Company's registered and principal administrative offices are located at:

<u>Registered Office:</u> Suite 1700 - 666 Burrard Street, Vancouver, British Columbia V6C 2X8 Canada	<u>Canada:</u> #709 - 700 West Pender Street, Vancouver, British Columbia, V6C 1G8 Canada Tel: + 1 604 681 1010

Address and Telephone Number of Each Office at which a Register of Securities is Kept

The Register of securities is kept at the following offices

<u>Australia:</u> Computershare Investor Services Pty Limited Level 4, 60 Carrington Street Sydney NSW 2000, Australia Toll Free 1300 855 080 Toll +61 (03) 9415 4000	<u>Canada:</u> Computershare Investor Services Inc. 510 Burrard Street, 3rd Floor Vancouver, British Columbia V6C 3B9 Canada Tel: + 1 604 661 9400

A list of Other Stock Exchanges on which any of the Company's Securities are Quoted

The Company's Common Shares are quoted on the TSX Venture Exchange ("TSXV") under the symbol "EMN" and on the OTCQX Best Market ("OTCQX") under the symbol "EUMNF."

Number and Class of Restricted Securities

As of 30 November 2023, there are no restricted securities.

Particulars of Unquoted Equity Securities

Unquoted equity securities include options and warrants to purchase shares.

The Board has adopted a stock option plan (the "Stock Option Plan") whereby the maximum number of Shares that may be reserved for issuance under outstanding stock options is 10% of the Company's issued and outstanding Shares on a non-diluted basis, as constituted on the date of any grant of options under the Stock Option Plan. The purpose of the Stock Option Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the Company's shareholders.

Particulars of Unquoted Equity Securities *(continued)*

As of 30 November 2023, there were 38,497,584 Shares issuable on the exercise of incentive stock options held by thirty-three option holders, having the following exercise prices and expiry dates:

Number of Options	Exercise Prices (CAD$)	Expiry Date
1,150,000	$0.08	16 May 2026
900,000	$0.10	06 April 2027
1,900,000	$0.11	22 September 2027
475,000	$0.11	14 December 2027
2,000,000	$0.20	21 February 2028
500,000	$0.20	20 March 2028
1,000,000	$0.25	15 August 2028
1,841,666	$0.28	14 February 2029
150,000	$0.25	14 May 2029
150,000	$0.25	12 August 2029
150,000	$0.25	06 April 2030
3,762,667	$0.11	11 September 2030
500,000	$0.125	22 September 2030
1,800,000	$0.61	30 March 2031
500,000	$0.59	22 June 2031
15,950,000	$0.58	20 December 2031
500,000	$0.4775	25 April 2032
150,000	$0.4775	16 August 2032
250,000	$0.4775	20 February 2033
4,868,251	$0.4775	15 May 2033

As of 30 November 2023, the Company has outstanding the following broker warrants entitling the holder to purchase Shares on the exercise of warrants having the following exercise prices and expiry dates:

Number of Warrants	Exercise Prices (CAD$)	Expiry Date
3,000,000	$0.30	16 December 2023
3,000,000	$0.35	16 December 2023

Review of Operations and Activities for the Reporting Period

A review of operations of the consolidated entity for the reporting period ended 30 September 2023 is provided in Management's Discussion and Analysis included in this Annual Report immediately following the consolidated financial statements for the same period.

Additional information on the Company, its directors and executive management, and risk factors faced by the Company can be found in the Company's Annual Information Form for the year ended 30 September 2023, dated 13 December 2023, a copy of which is lodged with ASX (www.asx.com.au) and on SEDAR+ (at www.sedarplus.ca), both under the Company's profile.

Details of director and executive compensation will be included in the Management's Information Circular for the Annual General Meeting of shareholders.

Details of a Current On-market Buy-back

None.

Shares and Options Issued under the Stock Option Plan

The following table represents the number of Shares issued and the number of Options expired, forfeited and granted under the Company's Stock Option Plan for the reporting period ended 30 September 2023:

Date of Issue	Number of Securities	Issue Price (CAD$)	Description
9 December 2022	200,000 Shares	$0.08	Exercise of Options
9 December 2022	125,000 Shares	$0.10	Exercise of Options
9 December 2022	250,000 Shares	$0.11	Exercise of Options
9 December 2022	250,000 Shares	$0.20	Exercise of Options
9 December 2022	166,666 Shares	$0.28	Exercise of Options
16 December 2022	16,600 Shares	$0.25	Exercise of Options
21 December 2022	150,000 Shares	$0.11	Exercise of Options
21 December 2022	125,000 Shares	$0.20	Exercise of Options
21 December 2022	33,333 Shares	$0.28	Exercise of Options
30 December 2022	200,000 Options	$0.61	Forfeiture of Options
30 December 2022	16,666 Options	$0.58	Forfeiture of Options
30 December 2022	66 Options	$0.25	Forfeiture of Options
20 February 2023	250,000	$0.4775	Option Grant
15 May 2023	4,868,251	$0.4775	Option Grant
30 September 2023	250,000 Options	$0.61	Forfeiture of Options
30 September 2023	150,000 Options	$0.58	Forfeiture of Options

Summary of Securities Approved for the purposes of Item 7 of section 611 of the Corporations Act which have not yet been completed:

None.

Details of Securities Purchased On-market during the Reporting Period:

None.

Names of any Person having a Beneficial Ownership of more than 10% of any Class of Securities of Voting or Equity Securities and the Number of Securities in which each Substantial Holder has an interest:

To the best of the Company's knowledge, there are no persons having beneficial ownership of more than 10% of any class of any securities of the Company.

Other Information:

The Company was incorporated under the *Business Corporations Act* (British Columbia) on 24 November 2014.

The Company is not subject to chapters 6, 6A, 6B and 6C of the *Corporations Act* (Australia) dealing with the acquisition of its shares (including substantial holdings and takeovers).

There are no limitations on the acquisition of securities imposed by the jurisdiction in which the Company is incorporated and registered, and there are no limitations on the acquisition of securities imposed under the Company's articles of incorporation.

Note 1: In Canada, in order for shares to settle and trade on the TSXV, shares must be held through a nominee or depository that is a participant in the Canadian Depository for Securities (“CDS”). Participants in CDS include brokers in Canada and other registered entities. Through participant accounts in CDS, the ultimate shareholder is able to make and settle trades on TSXV. As of 30 November 2023, 141,963,480 shares were held through CDS in 28 participant accounts. The Company is not readily able to determine the range of distribution for these 141,963,480 shares held in CDS and how many shareholders, if any, hold less than a marketable parcel of the Company’s shares. Accordingly, the distribution of shareholders and the number of shareholders with less than a marketable parcel of the Company’s shares/CDIs may not be accurate.