



NR 2022-24

Euro Manganese Reports Fourth Quarter and Year-End 2023 Financial Results and Project Developments

VANCOUVER, British Columbia (December 14, 2023) – Euro Manganese Inc. (TSX-V and ASX: EMN; OTCQX: EUMNF; Frankfurt: E06) (the "Company" or "EMN") is pleased to announce key developments during the fourth fiscal quarter 2023 and to date. The Company has now filed its September 30, 2023 year-end Financial Statements, Management's Discussion and Analysis, and other financial reports.

Key Developments During and Subsequent to the Quarter

Chvaletice Project, Czech Republic

- **US\$100 million non-dilutive funding package announced to advance development of the Chvaletice Manganese Project (the "Project"); US\$20 million received on closing.** Definitive agreements signed with OMRF (BK) LLC ("Orion"), which is managed by the Orion Resource Group, for a US \$100 million funding package, 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 loan is convertible into a royalty stream on Project revenue. 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. For further details on the Convertible Loan Facility and Royalty Financing, please refer to the Company's announcement on November 28, 2023.

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.

- **Production of HPMSM from the Chvaletice Demonstration Plant de-risks the process flow sheet.** Two independent external laboratories confirmed samples sent for testing met the Demonstration Plant target specifications for high-purity manganese sulphate ("HPMSM") with low levels of impurities.

Third-party high-purity electrolytic manganese metal ("HPEMM"), with similar product impurity levels to those of the Chvaletice HPEMM product, was used as feedstock during the commissioning of the dissolution and crystallization module. As part of the final commissioning stages of the Demonstration Plant, the Company will use HPEMM produced from the electrowinning circuit for HPMSM production.

The team is gaining valuable insights from operation of the Demonstration Plant, which are leading to engineering and operational process improvements.

- **Revised ESIA resubmitted to Czech Ministry of Environment, no anticipated effect on timeline to final investment decision.** Work was completed to address the comments received related to noise abatement. The Company anticipates the issuance of a positive decision on the revised Environmental Social Impact Assessment ("ESIA") in early 2024.
- **Preparation of other key permits is progressing well.** Documentation for the Land Planning Permit is substantially complete and will be finalised upon receipt of the conditions in the approved ESIA. The Land Planning Permit will be submitted on approval of the ESIA. The Construction Permit is a deliverable of the FEED phase of engineering and is expected to be submitted in H2 2024.
- **Definitive Lease Agreement with ČEZ a.s. ("ČEZ") provides access to approximately 60% of the Proven and Probable Manganese Reserves in the historic tailings area.** Land access is granted in return for a royalty on gross sales from the Project. During the seven-year project finance debt period, the royalty will operate on a sliding scale from 0.2-1.8%, dependent on the average prices received for the Project's high-purity manganese products. The sliding scale royalty is designed to ensure anticipated project finance debt covenants are met. Post the debt period, the royalty will be 1.8% of gross sales from the Project.
- **Access to approximately 85% of Chvaletice Proven and Probable Reserves secured.** The ČEZ Lease Agreement, together with previously announced land access agreements, secures access to approximately 85% of the total Reserves of the Project. Negotiations with respect to acquisition of the balance of the surface rights with the remaining landowner are progressing.
- **Rezoning of all land required for the Project now complete.** The Municipality of Chvaletice formally approved the rezoning of tailings land for mining use and certain areas within the commercial plant site that were required to be reclassified for heavy industrial use. Together with the rezoning of the Village of Trnavka's tailings land for mining use, announced in March 2022, the rezoning requirements for the Project are now complete.
- **Chvaletice Project selected for support under inter-governmental Mineral Security Partnership ("MSP").** The MSP is 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. Chvaletice was the only manganese project amongst the 17 projects the MSP is working to advance. 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.
- **€3 billion fund proposed by the European Commission to boost growth in EU battery industry a potential opportunity.** Starting in 2024, up to €3 billion in funding is proposed to be provided via the Commission's Innovation Fund to incentivize investment in the European Union's battery manufacturing capacity. The Commission intends to set up a dedicated instrument under the Innovation Fund to provide support, possibly as a fixed premium to European manufacturers of the most sustainable batteries, creating impact across the entire battery value chain, including its upstream raw material segment.

Offtake Process

- **Offtake process progressing with over 100% of annual production capacity under discussion.** Active discussions and negotiations are taking place with potential customers across the battery supply chain, including battery, chemical and automobile manufacturers. The Company is targeting 80% of

production capacity under offtake contract to support project finance. 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.

Bécancour Facility, Quebec, Canada

- **Bécancour Dissolution Plant Scoping Study delivered strong preliminary project economics.**¹ The Scoping Study outlined 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 economic analysis has a margin of error of -30%/+50% and was run on an unlevered and constant dollar basis with no inflation or government grants considered. Initial capital is estimated at C\$110.8 million, including contingencies of C\$15.1 million. Plant production capacity is estimated to be 48,500 tonnes per annum ("tpa") of HPMSM, assuming sufficient supply of HPEMM feedstock. This could meet up to 20% of projected North American 2027 demand for HPMSM, according to forecasts by CPM Group. There is no current processing capacity or production of battery-grade manganese in North America.
- **MoU signed with Manganese Metal Company ("MMC") for supply of 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 Company's Chvalteice Project. This enables the potential for the Bécancour Plant to supply the North American market as early as mid-2027, thus bringing forward cash flows for the Company.
- **WSP Canada selected for Bécancour Dissolution Plant Feasibility Study.** The Feasibility Study will further define project design, costs, economics, and customer off-take opportunities and is subject to financing. Permitting is expected to advance in parallel with the Study to facilitate the path to production.
- **Cooperation Agreement signed with the Grand Conseil de la Nation Waban-Aki ("W8banaki").** The Agreement defines how the Company and the W8banaki intend to communicate openly and regularly, and to work together for the mutually acceptable development of the Bécancour Project, especially during the evaluation and planning phases.

Financial Position

- **Cash and cash equivalents of approximately C\$7.6 million at FQ4/fiscal year-end** (September 30, 2023); compared to C\$10.9 million at FQ3 (June 30, 2023) and C\$21.6 million at fiscal year-end 2022. The decrease in cash of \$13.9 million year over year is a result of \$10.8 million used in operating activities and \$3.1 million used in investing activities, which included payment for the Demonstration Plant costs and certain land.
- **Working capital of C\$5.7 million at FQ4/fiscal year-end** (September 30, 2023), compared to C\$9.2 million at FQ3 (June 30, 2023) and C\$19.8 million at fiscal year-end 2022.
- **Sufficient funding for delivery of key project milestones.** The net proceeds from the first US\$20 million tranche of the Convertible Loan Facility, received post fiscal year-end, is expected to be sufficient funding to complete permitting of the Project, commissioning of the Chvalteice

¹ Euro Manganese cautions that the 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 National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("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.

Demonstration Plant and its operation, and acquisitions of certain land parcels. It is also expected to fund initiation of the FEED phase of the EPCM contract, certain site preparation works, and for general and administration expenses for more than 12 months.

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 funding by strategic industry investors and government programs.

Dr. Matthew James, President & CEO of Euro Manganese, commented:

“We continued to deliver to plan in 2023 and achieved several key milestones during and subsequent to the fourth fiscal and calendar quarter. Our Team successfully produced on-spec HPMSM from our Demonstration Plant, advanced ESIA permitting, and completed a significant land-lease agreement, which provides us with access to approximately 60% of the Project’s manganese Reserves and overall, secures land access to roughly 85% of Reserves. Outstanding land rezoning requirements were also completed.

The Chvaletice Project received high-level inter-governmental support during the fourth calendar quarter by being named as a project under the Minerals Security Partnership. We aim to leverage opportunities to meet with private sector financiers partnering with the MSP as we advance with Project financing.

We were very pleased to announce the non-dilutive US\$100 million funding package with Orion in late November. The proceeds from the initial US\$20 million tranche allow us to further advance the Project, particularly completing permitting, initiating the FEED phase of the EPCM contract, and commissioning of the Demonstration Plant. We remain focused on delivering on these items, in addition to continuing negotiations with potential customers to enter offtake contracts and initiating the project finance debt process.

I am proud of the ongoing commitment of our Team to advance the Chvaletice Project and look forward to continued delivery of key catalysts in 2024 and beyond. Together, we are moving closer to our vision of being a leading and environmentally responsible producer of high-purity manganese.”

Q4 and Year-End 2023 Conference Call Details

Euro Manganese will host two separate Fourth Quarter and Year-End 2023 conference calls to serve stakeholders in their respective time zones. Content of both calls will be the same. Replays and transcripts of both calls will be available on Euro Manganese’s website: www.mn25.ca

CALL #1 – For North American and UK/European Audiences		
	North America	UK/Europe
Date	Tuesday, January 9, 2024	Tuesday, January 9, 2024
Time	8:30am PST 11:30am EST	4:30pm GMT 5:30pm CET
Registration:	https://us06web.zoom.us/webinar/register/WN_AfPAHSfXRHaM1Qp3KIXOMg	
CALL #2 – For Australian and North American Audiences		
	Australia	North America
Date	Wednesday, January 10, 2024	Tuesday, January 9, 2024
Time	9:00am AEDT 6:00am AWST	2:00pm PST 5:00pm EST
Registration:	https://us06web.zoom.us/webinar/register/WN_mu69TZNYQBqyXrl_1oBGEw	

About Euro Manganese Inc.

Euro Manganese is a battery materials company focused on becoming a leading producer of high-purity manganese for the electric vehicle industry. The Company is advancing development of the Chvaletice Manganese Project in the Czech Republic and exploring an early-stage opportunity to produce battery-grade manganese products in Bécancour, Québec.

The Chvaletice Project is a unique waste-to-value recycling and remediation opportunity involving reprocessing old tailings from a decommissioned mine. It is also the only sizable resource of manganese in the European Union, strategically positioning the Company to provide battery supply chains with critical raw materials to support the global shift to a circular, low-carbon economy.

Euro Manganese is dual listed on the TSX.V and the ASX, and is also traded on the OTCQX.

Authorized for release by the CEO of Euro Manganese Inc.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) or the ASX accepts responsibility for the adequacy or accuracy of this release.

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Forward-Looking Statements

Certain statements in this news release 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, forward-looking information or statements 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 FEED under the EPCM contract, final investment decision, ESIA approval and other various regulatory approvals, statements regarding the ability of the Company to obtain remaining surface rights and various permits, the benefits of remediating the historic tailings areas, statements regarding the expectation of the Company that the net proceeds from the first tranche of the Convertible Loan Facility will be sufficient funding to complete the permitting of the Chvaletice mineral project, complete the commissioning of the demonstration plant and its operation, initiation of FEED, complete the acquisition of certain land parcels needed for the Project, and certain site preparation works, and for general and administration expenses for more than 12 months; the growth and development of the high purity manganese products market, the desirability of the Company’s products, the ability of the Company to enter into binding offtake agreements with potential customers on favorable terms or at all, the growth of the EV industry, the use of manganese in batteries,

the manganese project supply line, support from European financial institutions and any government funding, any anticipated benefits from legislation and the Company's ability to obtain financing.

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

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

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

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

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. In general, these include that the Company can achieve its goals; that the political and community environment in which the Company operates in will continue to support its projects; the Company can meet its obligations under the Convertible Loan Facility and secure additional financing, and assumptions related to the factors set out herein.

Although the forward-looking statements contained in this news release 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 news release 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 news release.

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