



28 September 2018

Pre-Quotation Disclosure Statement

The following information is required to be provided to ASX Limited for release to the market in connection with the admission to the official list and official quotation of the CHESS Depositary Interests (**CDIs**) in Euro Manganese Inc. (ARBN 627 968 567) (**Company** or **EMN**).

Capitalised terms which are not otherwise defined in this document have the meaning given to them in the prospectus lodged by the Company with the Australian Securities and Investments Commission (**ASIC**) on 4 September 2018 (**Prospectus**), which replaced the original prospectus lodged with ASIC on 22 August 2018.

1. Close of the Australian Offering

The Company confirms:

- (a) the Australian Offering closed on 18 September 2018, in accordance with the timetable set out in the Prospectus;
- (b) the application period under the Canadian Offering ended on 17 September 2018;
- (c) completion of the issue of 25,000,000 ordinary fully paid shares at an issue price of A\$0.26 per share to be settled on the ASX in the form of CDIs; and
- (d) completion of the issue of 1,250,000 CDIs and grant of 2,500,000 warrants to the Lead Manager.

2. Allocation Policy

The basis for allocation of CDIs under the Australian Offering is set out in the Prospectus, at sections 7.3 (General Public Offer), 7.4 (Institutional Australian Offer), and 7.5 (Broker Firm Australian Offer).

Applicants can determine their precise allocation as follows:

- (a) Broker Firm Australian Offer: the basis of allocation of CDIs under the Broker Firm Offer was a matter for the Brokers as to how they allocated firm stock amongst their eligible clients. Applicants under the Broker Firm Offer can determine their precise allocation by contacting their Broker;
- (b) Institutional Offer: the allocation of CDIs among Applicants in the Institutional Offer was determined by the Company in agreement with the Lead Manager. The Lead Manager has advised successful applicants under the Institutional Offer of their precise allocations;
- (c) General Public Offer: the allocation of CDIs under the General Public Offer was determined by the Company, in consultation with the Lead Manager. The Registry has advised successful applicants under the General Public Offer of their precise allocations.

3. Issue of CDIs

The number of CDIs issued under the Australian Offering is 25,000,000 at an issue price of A\$0.26 per CDI. Specifically, the number of CDIs to be issued under each of the Institutional Offer, General Public Offer and Broker Firm Australian Offer is as follows:

Offer component	Number of CDIs issued
Broker Firm Australian Offer	8,427,432
Institutional Offer	15,364,616
General Public Offer	1,207,952

4. Despatch dates

The date for despatch of:

- (a) a notice from the Company under ASX Settlement Operating Rule 8.9.1 in relation to all holdings on the CHESS sub-register is 28 September 2018;
- (b) issuer sponsored holding statements in relation to all other holdings is 28 September 2018; and
- (c) any refund money is as soon as possible after 28 September 2018.

5. Canadian Offering

The Company has assessed the strong demand in the Canadian Offering and determined that it is in the investors' best interests to allow for an oversubscription in the Canadian Offering. In making this assessment the Board has considered the additional liquidity a larger Canadian shareholder base will likely provide as well as the ability for the Company to access additional resources to further its business objectives.

The Board, the Lead Manager, and Canaccord Genuity Corp. (**Canadian Agent**) believe the increased demand in the Canadian market to be a positive endorsement of the Company's business strategy and plans. Accordingly, the Board is pleased inform the market that the total number of Shares to be issued under the Canadian Offering is 10,000,000 at C\$0.25 per share (an oversubscription of 4,000,000 shares). Pursuant to an Agency Agreement dated 21 September 2018, the Company and the Canadian Agent amended the fees payable to the Canadian Agent in consideration for the oversubscription to include: (i) a corporate finance fee of C\$70,000; (ii) a fee of 6% of the amount raised in excess of C\$1,500,000 payable 1% in cash (being C\$10,000) and 5% in Shares (equivalent to 200,000 Shares) (**Canadian Agent's Fee**); and (iii) 400,000 Warrants at an exercise price of C\$0.375 per Share.

The total number of securities actually issued under the Australian Offering and the Canadian Offering (including oversubscriptions) does not exceed the total number of CDIs and Shares to be issued under Maximum Subscription as disclosed in the Prospectus.

6. Distribution schedule

An indicative statement setting out the distribution schedule of the number of holders in each class of securities to be quoted on ASX is released on the ASX Market Announcements Platform.

7. Top 20 holders

An indicative statement setting out the names of the top 20 largest holders of each class of securities to be quoted on the ASX is released on the ASX Market Announcements Platform.

8. Updated use of funds

The Company's intended use of funds based on the actual proceeds raised under the Australian Offering and the Canadian Offering is set out below:

Use of funds	On Completion of the Canadian Offering and the Australian Offering	Breakdown of expenditures as a percent of funds available
Phase 1 of recommended work program, relating to Geology and Mineral Resources ⁽¹⁾	A\$946,000 ⁷ (C\$889,000)	6.7%
Remaining work program, relating to Metallurgical Testing and Process Engineering ⁽²⁾	A\$483,000 ⁷ (C\$454,000)	3.4%
Other Engineering Studies required for completion of the Preliminary Economic Assessment ⁽³⁾	A\$447,000 ⁷ (C\$420,000)	3.2%
Environmental Studies ⁽³⁾	A\$322,000 ⁷ (C\$303,000)	2.3%
First option payment related to the purchase of EP Chvaletice s.r.o. ⁽⁴⁾	A\$884,000 ⁷ (C\$831,000)	6.3%
Costs of technical staff in Czech Republic and Vancouver for the next 18 months	A\$2,582,000 ⁷ (C\$2,427,000)	18.4%
Estimated costs of the Canadian Offering and Australian Offering, including listing fees estimated to be \$112,000 ⁽⁵⁾ .	A\$856,000 ⁷ (C\$805,000)	6.1%
Estimated general and administrative expenses ⁽⁶⁾	A\$3,018,000 ⁷ (C\$2,837,000)	21.5%
Working capital ⁽⁸⁾	A\$4,511,000 ⁷ (C\$4,240,000)	32.1%
TOTAL	A\$14,049,000⁷ (C\$13,206,000)	100.0%

Notes:

- Represents the USD\$1,001,000 geology and mineral resources work program in Appendix "A" to the Canadian Prospectus - Disclosure Regarding the Chvaletice Manganese Project, less expenses incurred to 31 August 2018 of USD\$317,000, converted to Canadian dollars.
- Represents the metallurgical and process engineering expenditures of USD\$1,200,000 in Appendix "A" to the Canadian Prospectus - Disclosure Regarding the Chvaletice Manganese Project, less progress payments made to 31 August 2018 of USD\$851,000, converted to Canadian dollars.
- This work program includes: completing a study on mining, tailings storage operations, reclamation design and waste management plans; advancing investigations to narrow down options for the plant site and related facilities and to advance of the Company's land acquisition program; and completing environmental scoping and baseline studies, as well as the related planning for an Environmental Impact Assessment.
- Upon completion of satisfactory environmental due diligence and within 60 days (13 October 2018) of the date of the EP Chvaletice s.r.o. Option Agreement being signed (13 August 2018), the Company will be required to make the first option payment related to the purchase in the amount of 14 million Czech Koruna (approximately C\$0.83 million).
- Net of costs paid to 31 August 2018 of C\$204,000.
- The estimated general and administrative costs for the next 18 months are as follows:

	\$	A\$
Professional fees (legal and audit)	\$306,000	\$326,000
Salaries and consultants	1,685,000	1,792,000
Manganese metal market development	340,000	361,000
Insurance	150,000	160,000
Travel and investor relations	104,000	111,000
Office, administration and other	252,000	268,000
Total General and Administrative	\$2,837,000	\$3,018,000

- At the AUD:CAD exchange rate as of 21 September 2018 of A\$1.00 to \$0.94 Canadian dollars (**Current AUD:CAD Exchange Rate**).
- Remaining working capital from the net proceeds from the Canadian Offering and Australian Offering of A\$4,511,000 (equivalent to C\$4,240,000 at the Current AUD:CAD Exchange Rate) may be used (a) to acquire or lease land, or secure surface rights for Chvaletice Manganese Project, including subsequent option payments related to the acquisition of EP Chvaletice s.r.o as described in note 4 to the table above and in section 9.4.2 of the Prospectus; and (b) contingent upon the results of the Phase 1 recommended work program relating to geology and mineral resources and the preliminary economic assessment, to fund the Phase 2 geological and mineral resource budget estimated to be USD\$785,000 (C\$1,021,000), advance the Chvaletice Manganese Project permitting and initiate a potential feasibility study.

9. Updated pro-forma statement of financial position

An updated pro-forma statement of the financial position of the Company based on actual amount of proceeds raised under the Australian Offering and the Canadian Offering is set out below and excludes the first option payment of 14 million Czech Koruna (approximately C\$0.83 million) on the basis that this first option payment will no longer be paid prior to listing as was previously contemplated. This first option payment is included in the planned use of funds table set out in section 9 above. The pro-forma statement of financial position has been prepared in accordance with the accounting policies set out in the Prospectus.

	Note	Euro Manganese Inc. Statement of Financial Position 31 March 2018	Australian and Canadian Offerings ⁽¹⁾	Canadian Agent and Lead Manager's Fees ⁽²⁾	Canadian Agent and Lead Manager's Warrants ⁽³⁾	Cash Transaction Costs ⁽⁴⁾	Pro Forma Post Equity Raising
		CAD	CAD	CAD	CAD	CAD	CAD
Current Assets							
Cash		7,648,144	8,600,000	-	-	(851,800)	15,396,344
Prepaid		94,846	-	-	-	-	94,846
Receivable		55,338	-	-	-	-	55,338
Total current assets		7,798,328	8,600,000	-	-	(851,800)	15,546,528
Non-current assets							
Exploration and evaluation assets		1,249,086	-	-	-	-	1,249,086
Fair value of option payment		-	-	-	-	-	-
Property and Equipment		333,310	-	-	-	-	333,310
Total non-current assets		1,582,396	-	-	-	-	1,582,396
Total Assets		9,380,724	8,600,000	-	-	(851,800)	17,128,924
Current Liabilities							
Accounts payable		366,069	-	-	-	-	366,069
Due to related parties		163,974	-	-	-	-	163,974
Deferred consideration - current portion		295,101	-	-	-	-	295,101
Total current liabilities		825,144	-	-	-	-	825,144
Non-current liabilities							
Deferred consideration		480,508	-	-	-	-	480,508
Total non-current liabilities		480,508	-	-	-	-	480,508
Total liabilities		1,305,652	-	-	-	-	1,305,652
Net Assets		8,075,072	8,600,000	-	-	(851,800)	15,823,272
Shareholders' equity							
Share Capital		14,591,788	8,600,000	(362,000)	(316,100)	(739,800)	21,773,888
Equity Reserve		858,974	-	362,000	316,100	-	1,537,074
Deficit		(7,375,690)	-	-	-	(112,000)	(7,487,690)
Total shareholders' equity		8,075,072	8,600,000	-	-	(851,800)	15,823,272

Notes:

- 1) Completion of the Australian Offering of A\$6,500,000 (approximately \$6,100,000 at the Current AUD:CAD Exchange Rate) by way of issuing 25,000,000 CDIs at A\$0.26 per CDI and the concurrent completion of the Canadian Offering of \$2,500,000 by way of issuing 10,000,000 Shares at a price of C\$0.25 per Share;
- 2) The issuance of 1,250,000 CDIs in respect of fully paid Shares, for no additional consideration to the Lead Manager pursuant to the Australian Offering, and having a fair value of A\$325,000 (approximately C\$312,000 at the Current AUD:CAD Exchange Rate), and the issuance of 200,000 Shares for no additional consideration to the Canadian Agent pursuant to the Canadian Offering, and having a fair value of C\$50,000;
- 3) The issuance of Warrants entitling the Lead Manager to purchase 2,500,000 CDIs pursuant to the Australian Offering, in respect of fully paid Shares, and the issuance of Warrants entitling the Canadian Agent to purchase 400,000 Shares pursuant to the Canadian Offering, both at C\$0.375 per CDI or Share for 36 months, having an assigned combined value at 31 March 2018 estimated to be C\$316,100 (based on Black-Scholes pricing model using a risk-free rate of 1.84%, an expected life of 2.5 years, an annualized volatility of 90%, a dividend rate of nil, and a Share price of C\$0.25); and
- 4) Cash transaction costs in relation to the Australian Offering and concurrent Canadian Offering estimated to be C\$1,009,000, less expenses incurred to 31 March 2018 of C\$157,200. Included in estimated cash transaction costs are the Lead Manager's 1% fee payable in cash of A\$65,000 (C\$61,000 at the Current AUD:CAD Exchange Rate) pursuant to the Australian Offering and the Canadian Agent's 1% fee (on the amount raised in excess of C\$1,500,000) payable in cash of C\$10,000 pursuant to the Canadian Offering. Estimated exchange listing fees of C\$112,000, which are also included in the total cost estimate have been charged to deficit.

Any deferred tax assets (to the extent they are applicable), arising from the adjustments above have not been recognized as realization is not probable.

10. Capital structure

The details of the ownership of the Company upon completion of the issuance of CDIs and Shares under the Australian Offering and Canadian Offering is set out below:

Shareholding Structure				
	CDIs, Shares, Options & Warrants held at Prospectus Date	Pre-Australian Offering and Canadian Offering (%)	CDIs, Shares, Options and Warrants held at Completion of the Australian Offering and Canadian Offerings	On Completion of the Australian Offering and Canadian Offerings (%)
Investors under the Australian Offering ⁽¹⁾	–	–	26,250,000	13.7%
Investors under the Canadian Offering ⁽²⁾	–	–	10,200,000	5.3%
Directors, officers, promoters and other seed capitalists	134,259,600	88.0%	134,259,600	70.0%
Subtotal of CDIs and Shares	134,259,600	88.0%	170,709,600	89.0%
Options outstanding	12,525,000	8.2%	12,525,000	6.5%
Warrants outstanding ⁽³⁾	5,784,015	3.8%	8,684,015	4.5%
Total	152,568,615	100.0%	191,918,615	100.0%

Notes:

- Includes 1,250,000 CDIs issued for no additional consideration to the Lead Manager in connection with the Lead Manager's Fee under the Australian Offering.
- Includes 200,000 Shares issued for no additional consideration to the Canadian Agent in connection with the Canadian Agent's Fee under the Canadian Offering.
- Warrants outstanding on Completion of the Australian Offering and Canadian Offering includes Warrants issued to the Lead Manager entitling it to purchase 2,500,000 CDIs at C\$0.375 per CDI for 36 months under the Australian Offering and Warrants issued to the Canadian Agent entitling it to purchase 400,000 Shares at C\$0.375 for 36 months under the Canadian Offering.

11. Restricted Securities

Upon admission to the official list of ASX, the Company will have 43,756,282 securities subject to mandatory escrow arrangements under the ASX Listing Rules. The table in Schedule 1 sets out the applicable escrow period and number of securities to be restricted for each of the escrowed security holders.

12. Spread and free float

The Company confirms:

- it has an appropriate spread of security holders and in any case that there are at least 300 non-affiliated security holders, each having a parcel of securities that are not restricted securities or subject to voluntary escrow with a value of at least A\$2,000;
- it has a free float of at least 20%.

13. Grant of ASX Waivers

The Company applied for waivers of certain ASX Listing Rules in tandem with its application for admission to the official list of the ASX. The Company has applied for a number of customary or "harmonisation" Listing Rule waivers. In the final decision letter dated 20 September 2018, ASX granted waivers from certain Listing Rules on the terms set out in Schedule 2.

14. Further information

In addition to this statement, the following documents are released on the ASX Market Announcement Platform:

- the Prospectus;

- (b) indicative top 20 security holders statement;
- (c) indicative distribution schedule;
- (d) Appendix 1A and Information Form and Checklist and Annexure 1 Mining Entities, Annexure III Foreign Entities;
- (e) Articles of Association;
- (f) Audited accounts for the full years ended 30 September 2016 and 30 September 2017 and its reviewed accounts for the three and six months half year period ended 31 March 2018;
- (g) full terms and conditions of Employee Stock Option Plan;
- (h) documents which have been incorporated by reference in the Prospectus, including the JORC Code technical report and the independent Chvaletice Technical Report both dated 27 April 2018;
- (i) Corporate Governance Statement; and
- (j) Securities Trading Policy.

Schedule 1 – Restricted securities statement

Shares

Security Holder	Number of Escrowed Securities	Escrow Period
Navigator Management Ltd	5,000,000	24 months from the date of official quotation
Roman Shklanka	5,000	24 months from the date of official quotation
Marco Romero	2,625,000	24 months from the date of official quotation
Shklanka Holdings Ltd	7,458,335	24 months from the date of official quotation
0743761 B.C. Ltd	1,292,500	24 months from the date of official quotation
Harvey Neil McLeod	945,000	24 months from the date of official quotation
John Webster	690,833	24 months from the date of official quotation
David Dreisinger	624,167	24 months from the date of official quotation
Canaccord Genuity Corp.	399,050	24 months from the date of official quotation
Daniel Rosicky	763,333	24 months from the date of official quotation
Jan Votava	84,414	24 months from the date of official quotation
JJW Investments Ltd.	70,000	24 months from the date of official quotation
Canaccord Genuity (Australia) Limited	1,250,000	24 months from the date of official quotation
CG Nominees (Australia) Pty Ltd	1,515,000	24 months from the date of official quotation
Hogan's Bluff Capital Pty Ltd	50,000	24 months from the date of official quotation
Gregory P. Martyr	1,111	24 months from the date of official quotation
Fausto Taddei	69,561	24 months from the date of official quotation
PRK Raft a.s.	50,075	12 months from the date of issuance, until 14 Dec 18
0963395 B.C. Ltd	129,052	12 months from the date of issuance, until 14 Dec 18
Wenling Sun	126,283	12 months from the date of issuance, until 14 Dec 18
Cove Cliff Partners Ltd.	64,145	12 months from the date of issuance, until 14 Dec 18
Alejandra Gomez	28,000	12 months from the date of issuance, until 21 Dec18
Pierre Masse	461,222	12 months from the date of issuance, until 12 Jan 19
Pierre Masse	141,879	12 months from the date of issuance, until 21 Feb 19
PRK Raft a.s.	56,137	12 months from the date of issuance, until 21 Feb 19
0963395 B.C. Ltd	23,926	12 months from the date of issuance, until 21 Feb 19
Wenling Sun	77,882	12 months from the date of issuance, until 21 Feb 19
Gary Nordin	20,362	12 months from the date of issuance, until 21 Feb 19
Tomáš Pechar	495,000	12 months from the date of issuance, until 9 May 19
Jirí Šourek	495,000	12 months from the date of issuance, until 9 May 19
Pavel Reichl	510,000	12 months from the date of issuance, until 9 May 19

Options

Security Holder	Number of Escrowed Securities	Escrow Period
Greg Martyr	500,000	24 months from the date of official quotation
Roman Shklanka	1,075,000	24 months from the date of official quotation
Harvey Mcleod	950,000	24 months from the date of official quotation
David Dreisinger	900,000	24 months from the date of official quotation
Daniel Rosicky	825,000	24 months from the date of official quotation
John Webster	1,025,000	24 months from the date of official quotation
Marco Romero	900,000	24 months from the date of official quotation
Jan Votava	500,000	24 months from the date of official quotation
Fausto Taddei	500,000	24 months from the date of official quotation
Roxana Miranda	150,000	12 months from the date of issuance, until 14 Dec 18
Gary Nordin	100,000	12 months from the date of issuance, until 21 Feb 19
Klaus Acker	50,000	12 months from the date of issuance, until 21 Feb 19
Pierre Massé	250,000	12 months from the date of issuance, until 21 Feb 19
Thomas Glück	250,000	12 months from the date of issuance, until 21 Feb 19
Wenling Sun	250,000	12 months from the date of issuance, until 21 Feb 19
Tomas Pechar Jr.	125,000	12 months from the date of issuance, until 21 Feb 19
Vit Gloser	125,000	12 months from the date of issuance, until 21 Feb 19
Roxana Miranda	125,000	12 months from the date of issuance, until 21 Feb 19
Marketa Sulová	50,000	12 months from the date of issuance, until 21 Feb 19
Martina Blahova	300,000	12 months from the date of issuance, until 15 Aug 19
Tomas Hochman	300,000	12 months from the date of issuance, until 15 Aug 19
Stefan Kostialik	300,000	12 months from the date of issuance, until 15 Aug 19

Warrants

Security Holder	Number of Escrowed Securities	Escrow Period
Canaccord Genuity Corp	3,659,015	24 months from the date of official quotation
Canaccord Genuity (Australia) Limited	5,025,000	24 months from the date of official quotation

Schedule 2 – ASX waiver terms

Based solely on the information provided, EMN be granted the following waivers.

1. *A waiver from Listing Rule 1.1 Condition 6 to the extent necessary to permit EMN to apply for quotation of only those fully paid common shares (to be settled on the ASX in the form of CHESS Depositary Interests (“CDIs”)) issued into the Australian market, subject to the following conditions.*
 - (i) *EMN applies for quotation of new fully paid common shares issued into the Australian market on a monthly basis, and EMN provides to the market in a form acceptable to ASX, a monthly update of the net changes in the number of its common shares over which CDIs are issued.*
 - (ii) *EMN releases details of this waiver as pre-quotation disclosure.*
2. *A waiver from Listing Rule 2.4 to the extent necessary to permit EMN to apply for quotation only of those fully paid common shares issued into the Australian market (to be settled on ASX in the form of CDIs), subject to the following conditions.*
 - (i) *EMN applies for quotation of new CDIs issued into the Australian market on a monthly basis, and that EMN provides to the market in a form acceptable to ASX, a monthly update of the net changes in the number of common shares over which CDIs are issued.*
 - (ii) *EMN releases details of this waiver as pre-quotation disclosure.*
3. *A waiver from Listing Rule 14.2.1 to the extent necessary to permit EMN not to provide in its proxy form for holders of CDIs, to vote against a resolution to elect a director or to appoint an auditor, on the following conditions.*
 - (i) *EMN complies with the relevant Canadian laws as to the content of proxy forms applicable to resolutions for the election of directors and the appointment of an auditor.*
 - (ii) *The notice given by EMN to CDI holders under ASX Settlement Operating Rule 13.8.9 makes it clear that holders are only able to vote ‘for’ the resolutions or ‘abstain’ from voting, and the reasons why this is the case.*
 - (iii) *EMN releases details of this waiver to the market as pre-quotation disclosure and terms of this waiver are set out in the management proxy circular provided to all holders of CDIs.*
 - (iv) *Without limiting ASX’s right to vary or revoke its decision under Listing Rule 18.3, the waiver from Listing Rule 14.2.1 only applies for so long as the relevant Canadian laws prevent EMN from permitting shareholders to vote against a resolution to elect a director or appoint an auditor.*
4. *A waiver from Listing Rule 14.3 to the extent necessary to permit EMN to accept nominations for the election of directors in accordance with the shareholder proposal provisions of sections 188 and 189 of the British Columbia Business Corporations Act, on conditions.*
 - (i) *The terms of the waiver are set out in the management proxy circular provided to all holders of CDIs.*
 - (ii) *EMN releases the terms of the waiver to the market as pre-quotation disclosure.*