



NR 2018-05

For Immediate Release

**EURO MANGANESE INC. CLOSES PLANT SITE OPTION AGREEMENT
AND PROVIDES OPERATIONAL UPDATE**

Vancouver, Canada (October 17, 2018) – Euro Manganese Inc. (TSX-V/ASX: EMN) (“**EMN**” or the “**Company**”) announced today that it has waived the conditions precedent to the closing of an Option Agreement to acquire EP Chvaletice s.r.o. (“**EPCS**”), a Czech operating company whose principal asset is a large parcel of industrial zoned land adjacent to the Chvaletice Manganese Project, where EMN proposes to develop its high-purity manganese processing facility.

In addition, EMN is pleased to provide an operational update for its Chvaletice Manganese Project.

Due Diligence Completed and First Payment made on EPCS Option Agreement

Following the satisfactory completion of an environmental, financial and legal due diligence review, the Company reports that it has made the first instalment of 14 million Czech Korunas (approx. CAD\$815,000) related to an option agreement dated August 13, 2018 giving it the right to acquire a 100% interest in EPCS (the “**Option Agreement**”).

EPCS is a small Czech steel fabrication company which owns a 19.94 hectare parcel of land located immediately south of the highway and rail line that bound the Chvaletice tailings deposit. This brownfield land is expected to be suitable for the Company’s proposed ultra-high-purity manganese products processing plant. The land contains numerous buildings, including office, warehousing and other industrial structures, several of which are leased to short-term tenants. The site also contains two rail spurs and is served by gas, water and power.

The Company can acquire EPCS by making two additional instalments aggregating 126 million Korunas (approx. CAD\$7.32 million) as follows:

- i. an instalment of 42,000,000 Czech Koruna (approx. CAD\$2.44 million) (“**Second Instalment**”), within 60 days of final approval of the environmental impact assessment for the Chvaletice Manganese Project, but no later than three years after signing the Option Agreement. The three-year term may be extended under certain circumstances by up to one year; and
- ii. a final payment of 84,000,000 Czech Koruna (approx. CAD\$4.88 million) (“**Final Payment**”), due upon receipt of all development permits for the Chvaletice Manganese Project, but no later than five years after signing the Option Agreement.



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

Marco Romero, Euro Manganese's President and CEO stated:

"We are pleased to reveal the proposed site of the Chvaletice process plant. By securing the right to acquire this strategic parcel of land, together with the adjacent property we acquired in 2017, Euro Manganese has taken a significant step towards de-risking the Chvaletice Manganese Project."

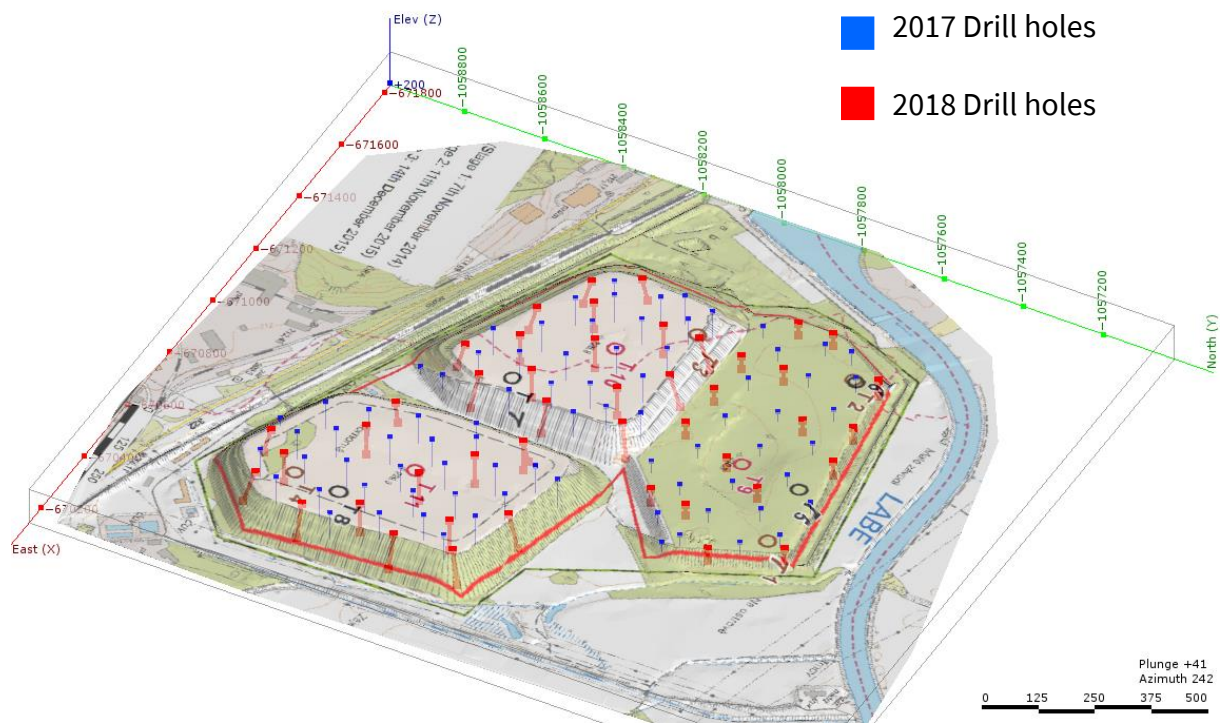
OPERATIONAL UPDATE

Summer 2018 Drilling Program:

The Company conducted a second phase of drilling at the Chvaletice Manganese Project in July and August, 2018. The program was designed to build on the successful 2017 drilling campaign and upgrade the confidence level of the resource estimate that was published in June 2018. Most of the drilling was done using a state-of-the-art Sonic drill rig that enabled the collection of large undisturbed core samples of the unconsolidated tailings material. The rest of the drilling entailed shallow hand-held auger holes that tested and sampled the hard-to-access slopes of the tailings pile embankments. A total of 80 holes were drilled, totaling 1,510 metres in length, as follows:

1. 54 Sonic drill holes totaling 1410 metres, consisting of:
 - 35 vertical holes, totaling 661 metres (including the twinning of three 2017 drill holes).
 - 19 inclined holes, totaling 749 metres (focused on sampling the embankment of the tailings piles, which was largely classified as an inferred resource following the 2017 drill program, as it could not be accessed using vertical drill holes).
2. 26 hand-auger holes, totaling 100 metres.

All holes were sampled at an average interval of about 2-metres. A total of 767 samples were sent for assaying and various other tests. An additional 63 samples were sent for analysis, as part of a comprehensive and rigorous quality assurance/quality control program, that included blind insertion of duplicates, blanks and standards, as well as independent check assays. Laboratory work is ongoing. Final results are expected by the end of October and will be incorporated in an updated NI 43:101 Resource Estimate to be prepared by Tetra Tech Canada Inc. ("Tetra Tech") shortly thereafter, which will also provide a summary of metallurgical testwork completed to date.



Metallurgical Testwork, Process Design and Preliminary Economic Assessment Update:

Following the collection of 14.8 tonnes of samples representative of the Chvaletice tailings using a large diameter Sonic drill in the summer of 2017, an extensive metallurgical testwork and process design program was initiated by the Company. It is now nearing completion. The metallurgical testwork has been conducted by the Changsha Research Institute for Mining and Metallurgy (CRIMM), a division of China Minmetals. The process design and engineering work has been done by CINF Engineering, a division of Aluminum Company of China (Chinalco). Tetra Tech is overseeing the testwork program and engineering, and is also providing resource estimation and dry stack residue storage facility design services. GET s.r.o. is providing geological, mine planning and environmental baseline data collection services. Localization studies, including estimation of local costs as well as regulatory and environmental compliance inputs, are being conducted by Bilfinger Czech Republic. The focus of the overall program is the development of technically, environmentally and economically robust alternative process flowsheets for the production of ultra-high-purity electrolytic manganese metal (UHPMM) and/or ultra-high-purity manganese sulphate monohydrate (UHPMSM). The Company expects to make a decision in early 2019 on the flowsheet that will be advanced to the next stage of evaluation and planning.

The metallurgical testwork program involved completion of over 535 individual bench and pilot-scale tests, and 8,125 assays. It also entailed extensive equipment vendor testing and third-party exploratory, confirmation and verification tests. The program included beneficiation testwork, principally focused on magnetic separation, as well as leaching, solution purification, solid-liquid separation, electrowinning, crystallization wash water reagent recovery and passivation tests. It

also included 21 days of locked-cycle pilot-scale test runs, on a pilot plant that was purposely built for this program. Preliminary findings to date are encouraging and the resulting product specifications are excellent. Detailed results are being compiled and interpreted. A summary of these findings by Tetra Tech is expected to be presented in the coming months by Tetra Tech, in the context of a Preliminary Economic Assessment.

Environmental Assessment and Permitting Update:

EMN has been conducting extensive environmental baseline studies at the Chvaletice Manganese Project since the summer of 2016, including collection of fauna, flora, hydrological, climatic, air quality, land use and socio-economic data. A hydrogeological study and local groundwater model is expected to be completed in the coming months. Soil and water sampling were also conducted in the context of the EPCS Option Agreement due diligence review.

Since beginning its work at Chvaletice in 2015, the Company's wholly-owned subsidiary, Mangan Chvaletice s.r.o. ("Mangan"), has been granted all necessary exploration and drilling permits and licenses in a timely fashion, without objection from local communities. In December 2017, the Chvaletice tailings manganese resource was accepted in the Czech national register, confirming Mangan as the recognized administrator of these resources. In April 2018, Mangan was granted a Preliminary Mining Permit, granting it the right to initiate the Environmental Assessment phase of the project. The Preliminary Mining Permit is a prerequisite for the Environmental Assessment and Mining Lease District applications, and represents one of the key steps towards permitting of the project.

Planning and preparation of the Company's Environmental Assessment application has been recently initiated, with the objective of filing a Project Description/Notification early in 2019 and an Environmental Assessment application shortly thereafter.

Mangan has been proactively and increasingly engaging with local and regional communities, organizations, businesses, NGOs and regulatory agencies. Mangan maintains a project information center in the village of Chvaletice and seeks to actively participate in the life of the community in a meaningful way.

Marco Romero added: *"Our remarkable team continues to make solid progress on all key fronts. The coming months should allow us to provide much greater clarity about the Chvaletice Manganese Project's value and potential strategic importance to Europe's electric vehicle industry and producers of specialty steel and aluminum alloys."*

About Euro Manganese Inc.

Euro Manganese Inc. is a Canadian mineral resource company, whose principal focus is advancing the evaluation and development of the Chvaletice Manganese Project, in which it holds a 100% interest. The proposed Project entails re-processing a significant manganese deposit hosted in historic mine tailings, strategically-located in the Czech Republic. The Company's goal is to become a leading, competitive and environmentally superior supplier of ultra-high-purity manganese products, potentially serving both the lithium-ion battery industry, as well as producers of specialty steel and aluminum alloys.

About the Chvaletice Manganese Project:

Chvaletice is one of Europe's largest manganese resource, hosted in tailings from 1951-1975 historical mining and milling operations. No hard mining, crushing or milling are expected to be required for its extraction. Manganese occurs at Chvaletice predominantly as highly soluble minerals, amenable to conventional hydrometallurgical processes.

The Company's 2017 drilling program served as the base for a CIM Resource Estimate that reported an indicated resource of 23.37 million tonnes grading 7.4% manganese (excluding inferred resources). A copy of the report, entitled "Technical Report on Mineral Resource Estimation for the Chvaletice Manganese Project Chvaletice, Czech Republic" and having an effective date of April 27, 2018 (released June 21, 2018), is filed on SEDAR at www.sedar.com under the Company's profile. The Company is targeting the recycling of the Chvaletice manganese-bearing tailings using cleaner, proven and conventional technology. By reprocessing the tailings and implementing a progressive reclamation program on the site, the Company intends to remediate the site and to bring it into compliance with Czech and European environmental regulations and standards.

The Chvaletice Manganese Project is located 90 km from Prague, in the Czech Republic, a tier-one jurisdiction with excellent infrastructure, including rail, highway, natural gas and water, and adjacent to a major power plant at a key node in the Czech national electrical grid.

Mr. Gary Nordin, Chief Geologist for Euro Manganese Inc., serves as 'Qualified Person' as defined in NI 43-101 and has approved the scientific and technical information contained in this news release.

FORWARD-LOOKING STATEMENTS:

This release may contain forward-looking statements or information. Forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual outcome, results, performance, or achievements of the Company to be materially different from any future outcome, results, performance, or achievements expressed or implied by the forward-looking statements. Forward looking statements or information relate to, among other things, the continued evaluation and development of the Project, the making of additional option payments, the results of the 2018 drilling program and the results of on-going mineral processing and metallurgical testing. These forward-looking statements are based on management's current expectations and beliefs, but given the uncertainties, assumptions and risks, readers are cautioned not to place undue reliance on such forward-looking statements or information. The Company disclaims any obligation to update, or to publicly announce, any such statements, events or developments except as required by law.

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