



NR 2021-11

## Euro Manganese to Buy Back Chvaletice Royalties

### Highlights:

- Euro Manganese to purchase and extinguish an aggregate 1.2% royalty interest in the Chvaletice Manganese Project for US\$4.5 million.
- Based on the 2019 PEA assumptions and results, which will be updated with the completion of the definitive feasibility study, eliminating the royalty would increase the Chvaletice Manganese Project's after-tax NPV<sub>10%</sub> by US\$25.3 million.
- Similarly, based on the 2019 PEA assumptions and results, eliminating the royalty would reduce operating expenses by US\$91.1 million over the Project's 25-year life, and reduce cost per tonne of plant feed by 2.5%.

VANCOUVER, British Columbia (May 31, 2021) – Euro Manganese Inc. (TSX-V / ASX: EMN) (the “**Company**” or “**EMN**”) is pleased to announce that it has entered into royalty termination agreements (the “**Royalty Termination Agreements**”) to purchase and extinguish an aggregate 1.2% net smelter royalty (“**NSR**”) interest in the Chvaletice Manganese Project (the “**Project**”) for aggregate consideration of US\$4.5 million (approximately CAD\$5.45 million).

The 1.2% NSR was granted in connection with the Company's acquisition of its 100% interest in Mangan Chvaletice s.r.o. in May 2016 from three arm's-length parties.

Based on a preliminary economic assessment (“PEA”) completed in early 2019, extinguishing the NSR interests would eliminate US\$91.1 million in expenditures over the Project's 25-year life, reduce operating costs by US\$3.40 per tonne of plant feed (or 2.5% of total cost per tonne of plant feed), and increase the after-tax NPV of the Project by US\$25.3 million (approximately 4%) using the PEA's 10% discount rate. See EMN news release of January 30, 2019, entitled “Euro Manganese Announces PEA Results for Chvaletice Manganese Project with an after-tax Net Present Value of US\$593 Million.” All economic assumptions and results will be updated as part of the Project's feasibility study, which is targeted for completion in the first quarter of 2022.

“Based on the 2019 PEA results and assumptions, this royalty buy-out enhances the Project's economics, and the payment terms allow the Company substantial financial flexibility,” says Euro Manganese CEO Marco Romero. “We continue to evaluate other potential value-enhancing opportunities for the Project.”

## **Terms of the Royalty Termination Agreements**

Under the terms of the Royalty Termination Agreements, the purchase price of US\$4,500,000 (approximately CAD\$5,450,000) is to be paid to the former holders of the NSR as follows:

1. Twenty percent (20%) in cash, amounting to US\$900,000 (CAD\$1,090,000) which was paid May 31, 2021; and
2. the remaining eighty percent (80%), amounting to US\$3,600,000 (approximately CAD\$4,360,000), on or before January 31, 2022 by one of the methods below, at the sole option of the Company:
  - (a) all in cash; or
  - (b) a combination of cash and up to 50% in common shares of the Company (“**Shares**”), based on a price per share equal to the 20-day volume weighted average price of the Shares on the TSX Venture Exchange (“**TSXV**”) immediately prior to the date of issuance.

The issuance of Shares as payment for the NSR purchase price is subject to approval of the TSXV.

## **Related Background Information**

A copy of the NI 43-101 Technical Report entitled "*Technical Report and Preliminary Economic Assessment for the Chvaletice Manganese Project Chvaletice, Czech Republic*" having an effective date of January 29, 2019 (release date March 15, 2019) was filed on SEDAR on March 15, 2019. The JORC Code Report entitled "*Public Report and Preliminary Economic Assessment of the Chvaletice Manganese Project, Chvaletice, Czech Republic*" having an effective date of January 29, 2019 (release date March 22, 2019) was lodged on the ASX announcement platform on March 26, 2019.

The technical information in this news release concerning the Chvaletice Manganese Project was prepared under the supervision of Ms. Andrea Zaradic, P. Eng., a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). Ms. Zaradic has reviewed and approved the technical information contained in this news release and has consented to the inclusion of the matters in this news release based on the information in the form and context in which it appears.

## **About Euro Manganese Inc.**

Euro Manganese Inc. is a battery materials company whose principal focus is advancing the 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 mine tailings from a decommissioned mine, strategically located in the Czech Republic. The Company's goal is to become a leading, competitive and environmentally superior primary producer of ultra-high-purity Manganese Products in the heart of Europe, serving the lithium-ion battery industry, as well as other high-technology applications.

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 projects, 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. Such forward-looking information or statements relate to future events or future performance about the Company and its business and operations, which include, without limitation, statements with respect to the continued development of the Project, the impact of the Royalty Termination Agreements on the economics of the Project, and the completion and timing of the definitive feasibility study. Further, it should be noted that no production decision has been made with respect to the Project and that such a decision will only be made based on completion of a positive feasibility study, permitting and financing having been secured.

Readers are cautioned not to place undue reliance on forward-looking information or statements. Forward-looking statements and information involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indicators of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements or information, including, but not limited to, the factors discussed under “Risks Notice” and elsewhere in the Company’s MD&A, as well as the inability to obtain regulatory approvals in a timely manner; the potential for unknown or unexpected events to cause contractual conditions to not be satisfied; unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts with the Company to perform as agreed; social or labour unrest; changes in commodity prices; and the failure of exploration programs or studies to deliver anticipated results or results that would justify and support continued exploration, studies, development or operations.

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. The Company’s actual results could differ materially from those anticipated in these forward-looking statements as a result of the factors set forth in the “Risks Notice” section and elsewhere in the Company’s MD&A for the year ended September 30, 2020 and its Annual Information Form.