



NR 2022-26

Euro Manganese Reports Fourth Quarter and Year-End 2022 Financial Results and Project Developments

VANCOUVER, British Columbia (December 18, 2022) – 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 and to date. The Company has now filed its September 30, 2022 year-end Financial Statements, Management's Discussion and Analysis, and other financial reports.

Key Developments During and Subsequent to the Quarter

- **Commissioning of Demonstration Plant underway with on-spec samples expected in Q1 2023.** Following arrival of the Demonstration Plant modules at the Chvaletice site in early September, the modules were installed within two fully refurbished buildings adjacent to the intended site of the commercial Chvaletice processing plant. Commissioning commenced in early November and is advancing on a module-by-module basis. Commissioning is expected to be completed in the first quarter of 2023 with on-spec samples also expected then. Thereafter, deliveries of bulk samples to customers will commence.

- [View a video](#) of the demonstration plant modules in process flow order.

Six companies from across the EV supply chain have requested samples from the Demonstration Plant as they look to qualify the Company's high-purity manganese products. A further six companies, including European and North American automotive OEMs, battery manufacturers, and cathode manufacturers, who are currently testing initial-run Pilot Plant samples, are expected to request Demonstration Plant samples as part of their strategy to move to local supply chains with full traceability and the highest sustainability standards.

- **Pilot Plant samples ready for shipment.** The Company's smaller-scale Pilot Plant in China completed a second run to produce additional samples for customers.
- **Formal off-take tender process underway.** A structured off-take tender process, which has included site visits and making a customer data room available, is ongoing. Multiple indicative bids have been received, in addition to the five MoUs currently in place. Active discussions are occurring with numerous consumers of high-purity manganese products, which include battery, chemical and automobile manufacturers, in Asia, Europe and North America.
- **EPCM tender process advancing.** The Company has issued an Engineering, Procurement, Construction Management ("EPCM") tender package to solicit bids from firms interested in developing the commercial Chvaletice processing plant. The Company aims to partner with a firm who has experience in developing similar types of projects in Europe. Bids have been received from five tier 1 EPCM firms and the EPCM contract is expected to be awarded in Q1 2023. Selection of the EPCM contractor will allow for advancement of basic engineering design and procurement of long lead process equipment.

- **Completion of two separate Life Cycle Assessment ("LCA") studies for the Chvaletice Manganese Project.** The initial LCA measured the environmental impacts of producing 1kg of HPEMM and 1kg of HPMSM at Chvaletice. Results were released in August and validated the environmental proposition of the Project, namely its low carbon footprint and that remediation of the historic tailings area improves soil and freshwater quality over the lifetime of the Project.

The second LCA compared the global warming potential ("GWP" or "carbon footprint") of 1kg of HPEMM and 1kg of HPMSM to be produced at Chvaletice with the same produced by the incumbent industry. Currently, 95% of global high-purity manganese products are processed in China. Highlights of this LCA, released in December, showed the Company's high-purity manganese products have a carbon footprint that is approximately one-third of the China-based incumbent industry.

The results of both LCA studies demonstrate the Company's commitment to producing low-carbon battery-grade manganese products. They also support conversations with potential off-takers, who are testing and qualifying both the chemistry and environmental credentials of the Company's high-purity manganese products.

- **MoU with Statkraft signed to form a renewable energy supply agreement for the Chvaletice Project.** In September, the Company signed a non-binding Memorandum of Understanding ("**MoU**") with Norwegian state-owned company Statkraft for the long-term supply of carbon-free renewable energy for the Chvaletice Project. The MoU lays the foundation for the strategic cooperation between Euro Manganese and Statkraft to support the ongoing net-zero objectives of the Project's proposed processing plant. Statkraft is Europe's largest generator of renewable energy.
- **Positive Feasibility Study filed for the Chvaletice Project.** During the quarter, the Company filed the Technical Report and Feasibility Study, prepared in accordance with National Instrument 43-101, on SEDAR, and filed the Public Report and Feasibility Study, prepared in accordance with the JORC Code, on the ASX announcement platform. The Feasibility Study outlines robust base case project economics of after-tax NPV_{8%} of US\$1.34 billion and an ungeared IRR of 21.9% with a 4.1-year payback period. Initial capital is estimated at US\$757.3 million, including total contingencies of \$106.5 million. Forecast life of project net revenues are US\$13.3 billion with an EBITDA of US\$8.1 billion.
- **Opportunity to produce battery-grade manganese in Canada for the North American market being explored.** Site due diligence is underway on a proposed 15-hectare land parcel within the Port of Bécancour in Québec. The Company has signed an option agreement with the Société du Parc Industriel et Portuaire de Bécancour allowing it to purchase the site for a period of up to 21 months subject to the outcome of the due diligence and other conditions. Concurrently, a scoping study is underway to evaluate the development of an HPEMM dissolution plant to produce a HPMSM powder and/or a high-purity manganese sulphate solution in Bécancour. The study will leverage the extensive process development and engineering work already completed at the Chvaletice Project.
- **Third and final tranche of EIT InnoEnergy's investment received.** The Company received €62,500 (CAD\$80,606) during the quarter, bringing the aggregate funds received from EIT InnoEnergy, an EU-backed institution, to €250,000. The Company will issue 237,077 shares to EIT InnoEnergy at the price of CAD\$0.34 per share being the 10-day volume weighted average stock price on the TSX Venture Exchange ("TSXV") prior to receipt of the third investment tranche. The issuance of the shares is not expected to occur until early January 2023, and in accordance with Canadian securities laws and policies of the TSXV, the shares will be subject to a four month and one day statutory hold from their date of issuance. The funds were used to support work on the Chvaletice Project's definitive feasibility study and on the Chvaletice demonstration plant.

- **Euro Manganese's manganese metal validated as feedstock in Nano One's patented one-pot process.** The Company has a joint development agreement with Nano One Materials Corp., a clean technology company with patented processes for the low-cost, low-environmental footprint production of high-performance cathode materials used in lithium-ion batteries. The collaboration is aimed at developing low-cost, environmentally sustainable applications of high-purity manganese in next-generation cathode materials.

In August 2022, the Company was approved to receive advisory services and up to \$165,000 in funding from the National Research Council of Canada Industrial Research Assistance Program ("IRAP"). The funding supports the initiative the Company is undertaking with Nano One Materials Corp. ("Nano One"), Metal direct to Cathode Active Material, as well as the evaluation of the manganese metal by-product from the battery black mass recycling.

- **Joined the Global Battery Alliance ("GBA").** During the quarter, the Company announced its membership of the Global Battery Alliance, a partnership of leading organizations from across the battery value chain, governments, academics and NGOs who have mobilized to ensure that battery production not only supports green energy, but also safeguards human rights and promotes environmental sustainability. Euro Manganese is the first high-purity manganese company to join the GBA.

Financial Position

- **Cash and cash equivalents of approximately C\$21.6 million as at fiscal year-end** (September 30, 2022); compared to \$31.2 million at fiscal year-end 2022. The decrease in cash of \$9.7 million year over year is a result of \$9.6 million used in operating activities and \$8.2 million used in investing activities, which included the payment for the royalty buy back, the demonstration plant and certain land related payments. The decrease was partially offset by cash generated from financing activities of \$8.1 million. The proceeds of cash in financing activities represents the private placement by the European Bank for Reconstruction and Development.
- **Working capital of C\$19.8 million as at fiscal year-end** (September 20, 2022), compared with C\$26.1 million at September 30, 2021.
- **Sufficient funding for delivery of key project milestones** including completion of environmental studies, permitting, commissioning of the Chvaletice Demonstration Plant and its operation for one year. Additional funding will be required for the continuous operation of the Demonstration Plant, additional land acquisitions, as well as potential future construction of infrastructure and facilities for the Project and the progress of the Company's North American strategy.

Corporate Team Growth

- **Appointment of VP Commercial.** Dr. James Fraser joined Euro Manganese as Vice President, Commercial on October 31, 2022, bringing over 25 years of experience from the geosciences, consulting, mining, carbon credit and automotive sectors. After completing his doctorate in Earth Sciences at Oxford, James worked as a strategy consultant for McKinsey & Company and then held a range of senior positions during his 11 years at Rio Tinto in commercial and technical fields across different commodities. He subsequently worked for Permian Global, an investment fund focused on forest carbon and most recently held Head of Sales & Sourcing and Managing Director roles with two UK-based specialist automotive/motorsport engineering firms.

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

“The Chvaletice project gained real momentum in 2022. We achieved several project milestones in the fourth fiscal and calendar quarter of this year, including delivery, installation, and commencement of commissioning of the Demonstration Plant, advancing selection of an EPCM contractor for the next stage of project development, and advancing a formal off-take tender process for our high-purity manganese products. We also completed two Life Cycle Assessments, which not only validated the environmental credentials of the Project but also showed that our high-purity manganese products have a carbon footprint significantly lower than the current China-based incumbent industry.

The growth opportunities that the North American market presents are compelling, and I look forward to providing updates on our growth plans in Canada as they evolve. This is an exciting time for the battery raw materials sector and Euro Manganese is very well-positioned to take advantage of the localisation of supply to the EV market with high-purity manganese for lithium-ion batteries.

We remain focused on completing commissioning of the Demonstration Plant, producing on-spec samples, and delivering those samples to prospective customers in the New Year. Equally, we are driving towards the establishment of long-term commercial offtake agreements and continue to hold active discussions with interested parties across the battery value chain.

I am extremely proud of the ongoing commitment of our Team to advance the Chvaletice Project and look forward to continued delivery of key catalysts in 2023 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 2022 Conference Call Details

Euro Manganese will host two separate Fourth Quarter and Year-End 2022 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	Monday, Dec 19, 2022	Monday, Dec 19, 2022
Time	8:30am PST 11:30am EST	4:30pm GMT 5:30pm CET
Registration:	https://us06web.zoom.us/webinar/register/WN_vAv0NLdSQvmTnaMeTGgnKg	

CALL #2 – For Australian Audiences		
	Australia	North America
Date	Tuesday, Dec 20, 2022	Monday, Dec 19, 2022
Time	6:00am AWST 9:00am AEDT	2:00pm PST 5:00pm EST
Registration:	https://us06web.zoom.us/webinar/register/WN_Z_H3BRPIT4y-CuN54W76vw	

About Euro Manganese Inc.

Euro Manganese Inc. is a battery materials company focused on becoming a leading, competitive, and environmentally superior producer of high-purity manganese for the electric vehicle industry and other high-technology applications. The Company is advancing development of the Chvaletice Manganese

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

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.

Inquiries

Dr. Matthew James

President & CEO

+44 (0)747 229 6688

Louise Burgess

Senior Director, Investor Relations & Communications

+1 (604) 312-7546

lburgess@mn25.ca

Company Address: #709 -700 West Pender St., Vancouver, British Columbia, Canada, V6C 1G8

Website: www.mn25.ca

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 Project, its North American growth strategy, 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.

Results of the Feasibility Study constitutes forward-looking information or statements, including but not limited to estimates of internal rates of return (including any pre-tax and after-tax 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. Such forward-looking information or statements also include, but are not limited to, statements regarding the Company’s intentions regarding the development of the Chvaletice Project in the Czech Republic, anticipated timelines for commissioning of the Demonstration Plant and on-spec sample availability, expected demand for Demonstration Plant samples, the ability to source green power and other requirements for the Chvaletice Project, anticipated timelines for EPCM contract award, the benefits of remediating the historic tailings areas, the growth and development of the high purity manganese products market, the desirability of the Company’s products, the growth of the EV industry, the use of manganese in batteries, the ability to enter into long term off-take agreements, and statements regarding the Company’s North American growth strategy.

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: the ability to develop adequate processing capacity; the availability and reliability 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; risks and uncertainties related to expected production rates; timing and amount of production and total costs of production; 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, 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; changes in project parameters as plans continue to be refined; risks related to global epidemics or pandemics and other health crises, including the impact of the novel coronavirus (COVID-19); 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 project working conditions, accidents or labour disputes; social unrest or war; the possibility that future results will not be consistent with the Company's expectations; risks relating to variations in the mineral content and grade within resources from that predicted; variations in rates of recovery and extraction; developments in EV battery markets and chemistries; and risks related to fluctuations in currency exchange rates, changes in laws or regulations; and regulation by various governmental agencies. 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, 2022, available on the Company's SEDAR profile at www.sedar.com.

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. Generally, these assumptions include, among others: the presence of and continuity of manganese at the Chvaletice Project at estimated grades; the ability of the Company to obtain all necessary land access rights; the ability of the Company obtain all required environmental and other permits; the availability of personnel, machinery, and equipment at estimated prices, in good order, and within estimated delivery times; currency exchange rates; manganese sales prices and exchange rates assumed; 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 for the Chvaletice Project and for continued operations; anticipated extraction losses and dilution; success in realizing proposed operations in the Czech Republic and for the Company's North American growth strategy; and demand for the Company's products.

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.