



NR 2023-03

Euro Manganese Announces Offtake Term Sheet with Verkor

VANCOUVER, British Columbia (January 11, 2023) – Euro Manganese Inc. (TSX-V and ASX: EMN; OTCQX: EUMNF; Frankfurt: E06) (the "Company" or "EMN") is pleased to announce it has entered into an offtake term sheet (the "Term Sheet") with Verkor, a low-carbon battery manufacturer based in Grenoble, France, for the sale of high-purity manganese sulphate monohydrate ("HPMSM") from the Company's Chvaletice Manganese Project ("Chvaletice" or the "Project") in the Czech Republic. The Term Sheet is non-binding.

The parties intend to enter an offtake agreement, where upon the pricing mechanism and minimum tonnages outlined in the Term Sheet, would become binding upon the signing by the parties of a legally binding offtake agreement, together with any other agreements necessary to give effect to the Project.

The offtake tonnages are equivalent to a percentage of the Company's annual HPMSM production on a take or pay basis. Deliveries are to commence from first production, expected to be in 2027¹, for an initial tenure of eight years with potential for renewal. The commencement of the initial term shall be subject to successful qualification of the Company's HPMSM from the Chvaletice Demonstration Plant in Verkor's supply chain.

Pricing will be based on an index-adjusted western benchmark price, representing HPMSM from a secure, traceable, local European supply source, with excellent ESG credentials and correlates to the Chvaletice HPMSM CO₂ footprint, which is forecast to be approximately one-third of the incumbent Chinese industry. The price for Chvaletice HPMSM will rise and fall proportionally with the movement of a published HPMSM index, on a rolling three-month quotational period. Pricing is subject to a floor price which ensures the Company will meet its project financing debt covenants.

This Term Sheet is the Company's first term sheet for a long-term offtake. The Company anticipates more term sheets or agreements will follow in the near term as a result of the offtake tender process, which is currently underway.

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

"This is a major milestone for Euro Manganese and for the European battery value chain. I am immensely proud of the team and their hard work in negotiating the first long-term offtake term sheet, with a pricing structure, from a Western supplier in the high-purity manganese market. Verkor has undertaken due diligence on our completed feasibility study and has placed their confidence in us and in our product. We look forward to supplying to them as they advance on their goals of delivering batteries to their customers, including Renault Group. Together, we are aligned in our pursuit of helping to create a cleaner world by enabling the green energy transition."

¹ Annual HPMSM production is expected to be 65,000 tonnes in 2027 as the Project ramps up, and then 100,000 tonnes per annum for 24 years once in full production based on the results of the Feasibility Study announced to the market on July 27, 2022.

Benoit Lemaignan, CEO of Verkor said: *“This announcement is a further concretisation of the efforts undertaken over the last two years to build the future of electric mobility in Europe. Euro Manganese’s project meets our goals of securing traceable, local raw materials which align to European highest ESG standards. I know we can continue to count on them for the next milestone of our development as we make our first gigafactory project a reality.”*

About Euro Manganese

Euro Manganese 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.

About Verkor

Founded in July 2020, Verkor is a French industrial company based in Grenoble. With the backing of EIT InnoEnergy, Groupe IDEC, Schneider Electric, Capgemini, Renault Group, EQT Ventures, Arkema, Tokai COBEX, FMET managed by Demeter, Sibanye-Stillwater, Plastic Omnium and BPI. Verkor will ramp up low-carbon battery manufacturing in France and Europe to meet the growing demand for electric vehicles — and electric mobility as a whole — and stationary storage in Europe.

Verkor is developing an enticing business model based on agility, sustainability and governance that is attracting the best talents from around the world. Its strong and agile team continues to grow as new challenges arise. Verkor is leading a unifying project that brings together the best partners for establishing the entire value chain in Europe and ensuring the optimal use of skills and resources. Verkor will draw on these strengths to open its entirely digital 4.0 pilot line in 2023. A model of excellence, competitiveness and resource efficiency, this innovation will be integrated into the Gigafactory due for construction in 2024.

For more information, www.verkor.com

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 Project, 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 also include, but are not limited to, statements regarding the Company’s intentions regarding the development of the Chvaletice Project, ability to produce product from its demonstration plant that can be qualified by Verkor, anticipated production timelines and quantities, ability to enter into a long term off-take agreement with Verkor, ability to enter into term sheets and long term off-take agreements with others, and statements regarding the Company’s ability to secure project financing for the Project.

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; risks and uncertainties related to the ability to obtain, amend, or maintain necessary licenses, or permits, risks related to acquisition of surface rights; 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; 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; social unrest or war; the possibility that future results will not be consistent with the Company's

expectations; 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; manganese sales prices and exchange rates assumed; appropriate discount and tax rates applied to the cash flows in economic analyses; the availability of acceptable financing for the Chvaletice Project and for continued operations; success in realizing proposed operations in the Czech Republic 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.