



NR 2023-05

## Euro Manganese Reports First Fiscal Quarter 2023 Financial Results and Project Developments

VANCOUVER, British Columbia (February 9, 2023) – Euro Manganese Inc. (TSX-V and ASX: EMN; OTCQX: EUMNF; Frankfurt: E06) (the "Company" or "EMN") is pleased to announce key developments during the first fiscal quarter and to date. The Company has now filed its December 31, 2022 first fiscal quarter Financial Statements and Management's Discussion and Analysis. Euro Manganese reports to a fiscal year end of September 30.

### Key Developments During and Subsequent to the Quarter

- **Offtake Term Sheet announced with Verkor.** The non-binding Term Sheet outlines minimum tonnages and a pricing mechanism based on an index-adjusted western benchmark price for high-purity manganese sulphate monohydrate ("HPMSM") that also correlates to the carbon footprint of Chvaletice HPMSM. Offtake tonnages are equivalent to a percentage of Chvaletice's annual HPMSM production on a take or pay basis. Deliveries are to commence from first production, expected to be in 2027, for an initial tenure of eight years with potential for renewal. Both parties intend to enter an offtake agreement in 2023 where upon the pricing mechanism and minimum tonnages outlined in the Term Sheet would become binding.

A structured off-take tender process, which has included site visits and making a customer data room available, is ongoing. 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.

- **Commissioning of Demonstration Plant advancing with on-spec samples on-track for calendar Q1 2023.** Commissioning on a module-by-module basis commenced in November 2022 and is advancing well. Deliveries of bulk samples to customers are expected to commence in early calendar Q2 2023 following completion of the Demonstration Plant commissioning.

[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.

- **Submission of final Environmental and Social Impact Assessment (ESIA) to Czech Ministry of Environment.** Feedback received from the preliminary ESIA process and community stakeholders together with outputs of the 2022 Chvaletice Feasibility Study were incorporated into the final ESIA submission. The approval process is anticipated to take approximately six months from the submission date in late December.

- **Publication and filing of inaugural Sustainability Report.** The report, which was filed in December, details how the Company is leading the way for sustainable production of high-purity manganese for the electric vehicle industry. It also outlines the material environmental, social and governance (ESG) issues that matter to the Company and its stakeholders.

A copy can be found on the Company's website: [2022 Sustainability Report](#).

- **Completion of Comparative Life Cycle Assessment ("LCA") showed Chvaletice's battery-grade manganese products have lowest carbon footprint.** The 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 products produced by the incumbent industry. Currently, approximately 95% of global high-purity manganese products are processed in China. Highlights of this LCA, released in December 2022, showed the Company's high-purity manganese products have a carbon footprint that is approximately one-third of the China-based incumbent industry. Results 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.
- **EPCM tender process advancing for development of the Chvaletice processing plant.** Evaluation of the five bids received in the quarter from tier-1 Engineering, Procurement, Construction Management ("EPCM") firms is underway. The Company aims to partner with a firm who has experience in developing similar types of projects in Europe. The EPCM contract is expected to be awarded in calendar Q1 2023, which will facilitate advancement of basic engineering design and procurement of long lead process equipment.
- **Pilot Plant samples from second batch run now in Czech Republic and ready for shipment to interested parties.** To meet demand in advance of the Demonstration Plant producing on-spec samples, the Company's smaller-scale Pilot Plant in China completed a second batch run to produce additional samples for potential customers.
- **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 at Bécancour. The study will leverage the extensive process development and engineering work already completed at the Chvaletice Project.

## Financial Position

- **Cash and cash equivalents of approximately C\$18.3 million as at end of fiscal Q1** (December 31, 2022); compared to \$21.6 million at September 30, 2022. The decrease in cash of \$3.3 million during the quarter was a mainly a result of expenses related to project advancement, including increased headcount required for commissioning of the Demonstration Plant and the preparation and submission of the final ESIA. The Company also incurred marginal expenses related to the evaluation of a potential dissolution plant at the Port of Bécancour in Québec.
- **Working capital of \$16.1 million as at end of fiscal Q1** (December 31, 2022), compared with \$19.8 million at September 30, 2022.
- **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, execution of the EPCM services for the Project, 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.

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

*“We have achieved several project milestones in the first fiscal quarter and to date. In particular, the announcement of an offtake term sheet with Verkor was an excellent start to 2023 and we look forward to building on that momentum and establishing commercial offtake agreements as we progress our discussions with interested parties across the battery value chain. The commissioning of the Demonstration Plant commenced during the quarter and remains on-track. Once complete, the Demonstration Plant will move to produce on-spec samples for delivery to prospective customers.*

*The filing of the final Environmental and Social Impact Assessment in late 2022 is a key step in project permitting and the publication of our inaugural Sustainability Report is a testament to our commitment of being a leading and environmentally responsible producer of high-purity manganese.*

### Fiscal Q1 Conference Call Details

Euro Manganese will host two separate 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](http://www.mn25.ca)

CALL #1 – For North American and UK/European Audiences		
	North America	UK/Europe
<b>Date</b>	Monday, Feb 13, 2023	Monday, Feb 13, 2023
<b>Time</b>	8:30am PST   11:30am EST	4:30pm GMT   5:30pm CET
<b>Registration:</b>	<a href="https://us06web.zoom.us/webinar/register/WN_W2_HUo35SYO8wM9jMXhPjA">https://us06web.zoom.us/webinar/register/WN_W2_HUo35SYO8wM9jMXhPjA</a>	

CALL #2 – For Australian Audiences		
	Australia	North America
<b>Date</b>	Tuesday, Feb 14, 2023	Monday, Feb 13, 2023
<b>Time</b>	6:00am AWST   9:00am AEDT	2:00pm PST   5:00pm EST
<b>Registration:</b>	<a href="https://us06web.zoom.us/webinar/register/WN_DVuSrrPhTMydgDfN3BcJIA">https://us06web.zoom.us/webinar/register/WN_DVuSrrPhTMydgDfN3BcJIA</a>	

### About Euro Manganese

Euro Manganese is a battery materials company focused on becoming a leading producer of high-purity manganese for the electric vehicle industry. The Company is advancing development of the Chvaletice Manganese Project in the Czech Republic and exploring an early-stage opportunity to produce battery-grade manganese products in Bécancour, Québec.

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

Euro Manganese is dual-listed on the TSXV and the ASX, and is also traded on the OTCQX.

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, 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.

Such forward-looking information or statements include, but are not limited to, statements regarding the Company’s intentions regarding the development of the Chvaletice Project in the Czech Republic, its ability to enter into a long term off-take agreement with Verkor, its ability to enter into term sheets and long term off-take agreements with others, the acceptability of the final ESIA by the Czech Ministry of Environment and the anticipated timing of its the approval, the anticipated environmental positive impact of the Project, anticipated timelines for commissioning of the Demonstration Plant and on-spec sample availability, expected demand for Demonstration Plant samples, 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, statements regarding the Company’s North American growth strategy, statements regarding the sufficiency of the Company’s current cash resources to complete its near-term project milestones, and the availability of additional funding to carry out the Company’s longer term project milestones.

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, 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 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](http://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 to 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.