



NR 2023-15

Euro Manganese Reports Third Fiscal Quarter 2023 Financial Results and Project Developments

VANCOUVER, British Columbia (August 14, 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 third fiscal quarter and to date. The Company has now filed its June 30, 2023 Third 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

Chvaletice Project, Czech Republic

- **Award of EPCM contract to Wood for development of the Chvaletice Processing Plant.** The Company selected Wood Australia as its Engineering, Procurement and Construction Management ("EPCM") partner following a rigorous selection process. The contract has two phases, with an approval stage gate between each phase. Phase 1 includes Front End Engineering Design ("FEED") and is anticipated to take approximately 12 months. Phase 2 is the EPCM phase, which includes detailed design, procurement, construction, and commissioning. A Final Investment Decision ("FID") is to be made prior to commencement of Phase 2. Receipt of FID from the Board requires securing outstanding permits and project finance (debt and equity).
- **Revised ESIA to be resubmitted, no anticipated effect on timeline to FID.** Work to address the comments received related to noise abatement are progressing well. The Company anticipates the issuance of a positive decision on the revised Environmental Social Impact Assessment ("ESIA") before the end of 2023.
- **Preparation of other key permits is progressing well.** Documentation for the Land Planning Permit is substantially complete and will be finalised upon receipt of the conditions in the approved ESIA. The Land Planning Permit will be submitted on approval of the ESIA. The Construction Permit is a deliverable of the FEED phase of engineering and is expected to be submitted in mid-2024.
- **Production of 99.9% pure HPEMM from Chvaletice Demonstration Plant significantly de-risks the process flow sheet.** External laboratory testing confirmed that the first sample of high-purity electrolytic manganese metal ("HPEMM") met the Demonstration Plant target specifications.
- **Production of on-spec high-purity manganese sulphate monohydrate ("HPMSM") due in the near term.** Corrosion inside the crystallizer due to a manufacturing fault has resulted in delayed production of on-spec HPMSM material. This issue has been addressed and production of HPMSM is expected to be recommenced in the coming weeks. Samples will then be sent to external labs for assaying.

Offtake Process

- **Offtake funnel remains full with 200,000 tonnes of Chvaletice HPMSM (over 100% of annual production capacity) now under discussion.** Parties are moving through the sales funnel and new offtakers have entered the process. Several larger potential customers are yet to provide an allocation of tonnage to the Company; however, they have expressed an expectation to do so in the near future. The Company is targeting 80% of production capacity under offtake contract to support project finance.

Bécancour Facility, Quebec, Canada

- **Scoping Study highlights released for the Bécancour Dissolution Plant.** The Scoping Study delivered strong preliminary project economics, with a post-tax Net Present Value ("NPV") of C\$190 million using an 8% discount rate, a post-tax Internal Rate of Return ("IRR") of 26%, and a payback period of approximately 4 years. The economic analysis has a margin of error of -30%/+50% and was run on an unlevered and constant dollar basis with no inflation or government grants considered.

Initial capital is estimated at C\$110.8 million, including contingencies of C\$15.1 million. A key aspect of the Dissolution Plant is a short build time of 2 years for engineering/construction. Plant production capacity is estimated to be 48,500 tonnes per annum ("tpa") of HPMSM, assuming sufficient supply of HPEMM feedstock. This could meet up to 20% of projected North American 2027 demand for HPMSM, according to forecasts by CPM Group. There is no current processing capacity or production of battery-grade manganese in North America.

- **MoU signed with Manganese Metal Company ("MMC") for supply of HPEMM.** The MoU provides feedstock optionality for the Bécancour Plant, allowing it to be fed with HPEMM from MMC and/or with HPEMM from the Company's Chvaletice Manganese Project ("CMP") in the Czech Republic. This enables the potential for the Bécancour Plant to supply the North American market as early as mid-2026, thus bringing forward cash flows for the Company.
- **WSP selected to complete Bécancour Dissolution Plant Feasibility Study.** The Feasibility Study will further define project design, costs, economics, and customer off-take opportunities. The Study is expected to be complete in mid-2024, subject to financing. Permitting is expected to advance in parallel with the Study to facilitate the path to production.
- **Cooperation Agreement signed with the Grand Conseil de la Nation Waban-Aki ("W8banaki").** The Agreement defines how the Company and the W8banaki intend to communicate openly and regularly, and to work together for the mutually acceptable development of the Bécancour Project, especially during the evaluation and planning phases.

Financial Position

- **Cash and cash equivalents of approximately C\$10.9 million as at end of fiscal Q3** (June 30, 2023); compared to \$13.8 million at fiscal Q2 (March 31, 2023). The reduction in cash position is mainly attributable to: expenses related to project advancement, including award of the EPCM contract; commissioning of the Demonstration Plant; certain land rental payments; amendments to the ESIA; and administrative expenses related to project financing efforts and the corporate office. Additional expenses were incurred for site due diligence and completion of the Bécancour Plant Scoping Study evaluating the construction and operation of a Dissolution Plant at the Port of Bécancour in Québec.
- **Sufficient funding for delivery of near-term project milestones** including advancing permitting for the Chvaletice Project, completing commissioning of the Demonstration Plant and its initial operation, and for general & administration expenses for the next 12 months. Additional funding will be required

for execution of the EPCM services for the Project, certain scheduled payments for land acquisitions, future operation of the Demonstration Plant, as well as construction of future infrastructure and facilities for the Chvaletice Project and to advance the Company's North American strategy, including the Bécancour Plant Feasibility Study.

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

“We continued to advance the Chvaletice Manganese Project during the third fiscal quarter and to date. Production of on-spec high-purity manganese metal from the Chvaletice Demonstration plant was a significant milestone. Additionally, the appointment of Wood as our EPCM partner signals our commitment to building a world-class facility in the Czech Republic to produce high-purity manganese, an essential component in lithium-ion batteries for electric vehicles. We remain focused on producing on-spec high-purity manganese sulphate from our onsite Demonstration Plant, which would further de-risk our process flowsheet and demonstrate our capacity to produce battery-grade manganese products at scale.

Developments at our Bécancour Project subsequent to the quarter make this opportunity increasingly attractive for the Company and its stakeholders. The positive Scoping Study delivered strong preliminary project economics for modest initial capital and estimated a short, 2-year build time. We now intend to proceed with a Feasibility Study to further refine Plant design, costs, and economics. Our MoU with MMC provides us with feedstock flexibility and enables us to potentially operate Bécancour as a stand-alone project. More importantly, it outlines a path to bring Company production and cash-flow forward by at least a year, in advance of our Chvaletice Manganese Project in the Czech Republic. I am very excited about the potential significant value that Bécancour could deliver for our stakeholders.”

Fiscal Q3 Conference Call Details

Euro Manganese will host two separate conference calls to serve stakeholders in their respective time zones. The 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, September 11, 2023	Monday, September 11, 2023
Time	8:30am PDT 11:30am EDT	4:30pm BST 5:30pm CEST
Registration:	https://us06web.zoom.us/webinar/register/WN_d_J7uZPBQxqfMjpuq2P1eg	

CALL #2 – For Australian and UK/European Audiences		
	Australia	UK/Europe
Date	Tuesday, September 12, 2023	Tuesday, September 12, 2023
Time	4:00pm AEST 2:00pm AWST	7:00am BST 8:00am CEST
Registration:	https://us06web.zoom.us/webinar/register/WN_udfkAbo5SgGHG5cdb2nqpg	

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.

Qualified Person(s) Statement for Chvaletice Manganese Project

The technical information regarding the Chvaletice Manganese Project in this news release 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 information regarding production of HPEMM from the Demonstration Plant and production of on-spec HPMSM 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.

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 mineral project, its proposed Bécancour Plant 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.

Regarding the Chvaletice Project, forward-looking information or statements include, but are not limited to, timing for completion of Phase One of the EPCM contract, timing and ability of the Company to make a final investment decision, ability of the Company to obtain required permits, the acceptability of the revised ESIA documentation by the Czech Ministry of Environment and the anticipated timing of various regulatory approvals, the ability of the Company to produce on-spec HPMSM, the ability of the Company to progress potential customers through the sales funnel and enter into binding offtake agreements for its product, and the ability of the Company to obtain financing on favorable terms or at all.

Regarding the Bécancour Plant, forward-looking statements include, but are not limited to, results of the Scoping Study including estimates of internal rates of return, net present values, and estimates of costs, statements regarding the timing for completion of the Bécancour feasibility study, the Company's ability to reach a definitive agreement with MMC to supply feedstock, the Company's estimated engineering and construction timelines to build the Bécancour Plant, the technical capability of the Bécancour Plant, the Company's ability to operate the Bécancour Plant and produce both HPMS and HPMSM with any associated cash flow, the Company's ability to meet North American demand, and continuing successful cooperation with the W8banaki Nation.

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 for the Chvaletice Project: unexpected results or unsuccessful completion of the various stages of the EPCM contract; the ability to develop adequate processing capacity; the availability of equipment, facilities, and suppliers necessary to complete development; increases in various operating costs; 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 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 price of HPEMM and HPMSM; delay or inability to get the ESIA approved by relevant authorities; and changes in project parameters as plans continue to be refined. For the Bécancour Plant factors include, among other things: assumptions in scoping study not proving accurate over time and negatively affecting results, an inability to obtain financing, unanticipated operational difficulties including failure of the Bécancour Plant, cost escalation for reagents, labour, power and other cost increases, inability to secure key reagents, a delay or inability to obtain or maintain necessary licenses or permits; the potential for unknown or unexpected events to cause contractual conditions to not be satisfied; unexpected results from the feasibility study; and risks and uncertainties related to limited feedstock supply options.

Additional factors that could cause results or events to differ materially from current expectations include risks related to global epidemics or pandemics and other health crises; 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 working conditions, accidents or labour disputes; social unrest or war; the possibility that future results will not be consistent with the Company's expectations; increase in competition, developments in EV battery markets and chemistries; risks related to fluctuations in currency exchange rates, changes in laws or regulations; and regulation by various governmental agencies and changes or deterioration in general economic conditions. 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. For the Chvaletice Project, these assumptions include, among others: the presence of and continuity of manganese at estimated grades; the ability of the Company to obtain all necessary land access rights and permits; the availability of personnel, machinery, and equipment at estimated prices and within estimated delivery times, and the successful completion of the various stages of the EPCM contract. For the Bécancour Plant, assumptions include demand for products develops as anticipated, that operating and capital plans will not be disrupted by issues like lack of availability of personnel, machinery, equipment, there are no material variations in costs, successful completion and positive outcome of the feasibility study, and that the Company will obtain required environmental and other permits. In addition, general assumptions include currency exchange rates; manganese sales prices; 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; anticipated timelines for community consultations and the impact of those consultations on the regulatory approval process, and favorable regulatory environment.

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.