



NR 2021-18

Euro Manganese files Q3 financial statements and MD&A and provides financial and operational highlights

VANCOUVER, British Columbia (August 16, 2021) – Euro Manganese Inc. (TSX-V and ASX: EMN; OTCQX: EUMNF) (the "**Company**" or "**EMN**") today filed its third quarter financial statements and management's discussion and analysis ("**MD&A**") and is pleased to provide the following financial and operating highlights for the quarter:

- On May 10, 2021, the Company completed the second tranche of a two-tranche brokered private placement of 50 million CHES Depository Interests ("**CDIs**"), with each CDI representing one common share, at a price of AUD0.60 for aggregate gross proceeds of AUD30.0 million (\$28.6 million) and net proceeds of AUD28.5 million (\$27.2 million). Accordingly, the Company ended the quarter with \$33.8 million in cash and \$27.8 million in working capital.
- On May 31, 2021, the Company entered into royalty termination agreements to purchase and extinguish an aggregate 1.2% net smelter royalty interest in the Manganese Chvaletice Project (the "**Project**") for aggregate consideration of USD4.5 million (approximately \$5.5 million) payable in two instalments: 20% in cash, amounting to USD0.9 million (\$1.1 million) which was paid May 31, 2021; and 80%, amounting to USD3.6 million (approximately \$4.5 million), on or before January 31, 2022, by a combination of cash and up to 50% in common shares, at the sole option of the Company, based on a price per share equal to the 20-day volume weighted average price on the TSX-V prior to the date of issuance.
- On June 14, 2021, following discussions with prospective customers, the Company announced its plan to re-start its pilot plant to produce samples of high purity manganese finished products made from Chvaletice tailings. This will allow prospective customers to continue or initiate their supply chain qualification of the Company's products in advance of receiving large-scale samples from the Project's Demonstration Plant ("**DP**").
- The DP fabrication is proceeding well, but has experienced some recent delays, in part due to the effects of COVID-19 restrictions and supply chain interruptions in China. Procurement and manufacture of the DP equipment components is essentially complete with fabrication and assembly of the individual modules to commence in the coming weeks. Commissioning and initial production of the DP are now targeted for the second quarter of 2022.
- Subsequent to quarter end, the Czech Ministry of the Environment granted the Company an extension of its exploration licences to May 31, 2026, enabling the work to continue on all aspects of the manganese resource development, including the tailings extraction for the DP. Additionally, a new Preliminary Mining Permit was granted by the Ministry of the Environment,

also valid to May 31, 2026, securing the Company's exclusive rights to conduct the Final Environmental and Social Impact Assessment for the Project ("**Final EIA**").

- Work on the Project's definitive feasibility study and Final EIA continues, with completion of both expected in the first quarter of 2022. Completion of these key elements of the Project could potentially enable environmental permitting in late 2022.

Euro Manganese CEO, Marco Romero, stated: *"As the Chvaletice Manganese Project moves forward, the future of the electric vehicle industry and high-purity manganese in EV batteries, has never looked better. During the last several months we have seen major policy announcements from the European Commission and the United States designed to accelerate the world's transition to e-mobility and develop sustainable battery and battery raw materials supply chains. Our company has also experienced strong customer interest in our products. Meanwhile, the ongoing trend towards increased use of manganese-rich batteries continues, with recent announcements from several major automotive, battery and battery materials industry players. EMN is well positioned to benefit from this momentum, and our battery grade manganese products made by recycling waste stand to become a valuable element of Europe's emerging battery value chain."*

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 include, without limitation, statements regarding the regulatory/permitting progress at the Project, the completion and timing of the definitive feasibility study, the timing, installation of the delivery and operation of the Demonstration Plant, the Company’s ability to negotiate offtake agreements with potential customers, and to finance the full-scale, commercial development of the Project. 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.