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Euro Manganese Announces C\$3.85 Million Private Placement and Board Restructuring

- EMN raises C\$3.85 Million (A\$4.1 Million) with strong support from existing shareholders, directors and management
- Company initiates board restructuring to set stage for commercial development of the Chvaletice Project

VANCOUVER, British Columbia (July 6, 2020) – Euro Manganese Inc. (TSX-V / ASX: EMN) (the "**Company**" or "**EMN**") is pleased to announce a private placement (the "**Offering**") of 11,979,682 common shares ("**Shares**") and 51,145,605 CHESS Depository Interests ("**CDIs**", with each CDI representing one Share), at a price of C\$0.061 per Share or A\$0.065 per CDI, for aggregate gross proceeds of approximately C\$3.85 million (A\$4.1 million) (the "**Offering**"). Net proceeds of the Offering will be used by the Company to further progress its Chvaletice Manganese Project in the Czech Republic (the "**Project**"), including advancing the feasibility study and Environmental Impact Assessment and for other general corporate purposes.

In addition, the Company has begun a board restructuring process where it is intended for Roman Shklanka, Harvey McLeod and Daniel Rosicky to assume strategic advisory roles, and for two new independent directors to be appointed to the board of directors. John Webster, Greg Martyr, David Dreisinger and Marco Romero will continue as directors of the Company. The search for new independent directors has already been initiated and several well-credentialed, experienced candidates have been identified. The restructuring of the board is intended to set the stage for the next phase of corporate development of the Company, which will focus on preparing the Project for commercial development and financing, subject to the completion of a positive feasibility study and to making a final investment decision. The Company thanks Roman Shklanka, Harvey McLeod and Daniel Rosicky for their important contributions to the advancement of the Project over the last five years and looks forward to continuing to work with them in their new roles. Mr. Jan Votava will also resign as a director, but will remain a key member of the executive team as Managing Director of Mangan Chvaletice s.r.o., the Company's Czech subsidiary.

The Company is also continuing its global partner search for the Project. As announced on May 28, 2020, the Company has received expressions of interest from various parties to partner in the development of the Project and commenced a formal global partner search to find an optimal ownership and/or capital structure to support the advancement of the Project. While the Company has received initial approaches from certain parties, it is not in receipt of any binding offers at this time, and there can be no certainty that this process will result in an offer or any form of transaction, or about the terms and timing of such matters.

Offering

The Offering is intended to close in two tranches, comprising:

- **Tranche One:** 5,155,738 Shares and 16,344,262 CDIs for aggregate gross proceeds of C\$1,311,500¹, expected to close on or about July 10, 2020; and
- **Tranche Two:** 6,823,944 Shares and 34,801,343 CDIs for aggregate gross proceeds of C\$2,539,142¹, which will be subject to shareholder approval as required by Listing Rule 10.11.1 of the Australian Securities Exchange ("**ASX**") to be sought at the Meeting (as defined below) to be held by the Company in August 2020.

Tranche One is comprised of the maximum number of securities that can be issued by the Company under ASX Listing Rule 7.1. Tranche Two is comprised of (i) subscriptions for 4,723,944 Shares and 34,401,343 CDIs for aggregate gross proceeds of C\$2,386,642¹ to be issued in excess of the number permitted under ASX Listing Rule 7.1, which are subject to approval by the Company's shareholders; and (ii) subscriptions by related parties of the Company (consisting of directors of the Company and companies controlled by directors of the Company) for 2,100,000 Shares and 400,000 CDIs for aggregate gross proceeds of C\$152,500¹, which are subject to approval by the Company's shareholders as required by ASX Listing Rule 10.11.1. The Company expects to call and hold a special meeting of shareholders in August 2020 (the "**Meeting**") to approve the issuance of Shares and CDIs in Tranche Two. The Company expects to file a management information circular in connection with the Meeting in due course. The Offering is subject to the approval of the TSX Venture Exchange ("**TSXV**").

Canaccord Genuity (Australia) Limited acted as Lead Manager and Bookrunner to the Offering, with Bacchus Capital Advisers Limited (acting as financial adviser to the Company). Fees payable in cash by the Company in connection with the Offering will consist of a management fee of 1% of the aggregate gross proceeds from the Offering and a selling and/or finder's fee of 5% of the aggregate gross proceeds from the Offering. While CDIs issued pursuant to the Offering will be free-trading, the shares issued will be subject to a four month and one day statutory hold period.

Insiders of the Company are expected to subscribe to an aggregate of 2,527,869 Shares and 400,000 CDIs under the Offering. The issuance of Shares and CDIs to insiders of the Company pursuant to the Offering is considered a related party transaction under Canada's Multilateral Instrument 61-101. The Company will be relying on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(1)(a) of Multilateral Instrument 61-101 on the basis that participation in the Offering by insiders does not exceed 25% of the fair market value of the Company.

The Shares and CDIs to be issued under the Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the

¹ Includes Australian dollar proceeds converted to Canadian at exchange of AUD \$1 = CAD \$0.9385.

United States or to U.S. Persons absent registration or an applicable exemption from registration. This press release is not an offer or a solicitation of an offer of securities for sale in the United States, nor will there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Euro Manganese:

Euro Manganese Inc. is a Canadian mineral resource company focused on the development of the Chvaletice Manganese Project in the Czech Republic. The Project will recycle historic mine tailings that host Europe’s largest manganese deposit and result in an environmental remediation of this site. The European Union is emerging as a major electric vehicle manufacturing hub. EMN's goal is to become the preferred supplier of sustainably-produced ultra-high-purity manganese products for the lithium-ion battery industry and for producers of specialty steel, high-technology chemicals and aluminum alloys.

Authorized for release by the CEO of Euro Manganese Inc.

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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 or the Project 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 relate to future events or future performance about the Company and its business and operations, which include, among other things, statements with respect to the continued development of the Project, statements with respect to the partner selection process, its corporate strategy moving forward, any transactions arising from the process, the completion of the Offering, the anticipated closing dates of the two tranches of the offering, receipt of TSXV and ASX approvals for the Offering, restructuring of the Company’s board, the holding of the Meeting and the use of proceeds of the Offering.

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 for the year ended September 30, 2019 and its most recent Annual Information Form.

The forward-looking statements contained in this news release are made as of the date hereof 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.

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.