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Euro Manganese Explores Opportunity to Produce Battery-Grade Manganese in North America

VANCOUVER, British Columbia (November 16, 2022) – Euro Manganese Inc. (TSX-V and ASX: EMN; OTCQX: EUMNF; Frankfurt: E06) (the "Company" or "EMN") is pleased to announce it is exploring an opportunity to develop a project to produce high-purity manganese products in Canada for the North American market.

Highlights

- The demand for North American high purity manganese is expected to rise to approximately 200,000 tonnes per annum ("tpa") metal equivalent by 2031, yet there is no current processing capacity and production of battery-grade manganese in North America.
- A scoping study is underway to evaluate a site in Bécancour, Québec ("the Bécancour Project") for production of high-purity manganese products following discussions with cathode and battery manufacturers, and automotive OEMs in North America.
- The Bécancour Project scoping study will evaluate the dissolution of high-purity electrolytic manganese metal ("HPEMM") to produce a high-purity manganese sulphate monohydrate ("HPMSM") powder and/or a high-purity manganese sulphate solution ("HPMSS").
- The scoping study will leverage the extensive process development and engineering work recently completed at the Company's Chvaletice Manganese Project in the Czech Republic.
- Euro Manganese has an exclusive due diligence agreement on a strategic site at the Bécancour industrial park where a cluster of precursor cathode active material manufacturing ("pCAM") plants are currently under development.

Strategic Rationale for Development of the Bécancour Project

The North American electric vehicle market is experiencing rapid growth, aided by the recent United States Inflation Reduction Act, which provides incentives for the localisation of battery production and battery raw material supply chains. The resulting demand for North American high purity manganese is expected to rise to approximately 200ktpa by 2031, yet there is no current processing capacity and production of battery-grade manganese in North America.

In response to encouraging discussions with automotive OEMs, battery and cathode manufacturers seeking to procure local, responsibly produced high-purity manganese in North America, Euro Manganese is undertaking a scoping study on a Dissolution Plant within the Bécancour industrial park, in Québec. The Dissolution Plant would utilise HPEMM to produce HPMSM powder and/or HPMSS liquid solution.

The benefit of a HPMSS product is the ability to pump a solution directly to nearby pCAM manufacturers, removing the necessity to crystallise, dry and package a powdered HPMSM product, which is ultimately

dissolved in water by the pCAM plants. Therefore, HPMSS saves costs for both parties and reduces CO₂ emissions.

HPEMM production from the Chvaletice Project could initially supply the Dissolution Plant at Bécancour and provide a strategic production base in Canada for the North American market. This would also allow the Company to capture additional margin for the HPEMM that is not currently planned to be processed through to HPMSM at the Chvaletice Project. The proportion of Chvaletice HPEMM to be processed at Bécancour will be determined in the scoping study.

Euro Manganese has signed a three-month Land Access and Exclusivity Agreement ("the Agreement") with The Société du parc industriel et portuaire du Bécancour, a Québec state enterprise and owner of the proposed EMN 15-hectare land parcel within the Port of Bécancour. The Agreement allows the Company to exclusively conduct due diligence on the land parcel, after which the Agreement allows the Company the opportunity to conclude an option agreement for the purchase of the site.

The Company has engaged SNC-Lavalin, a global engineering services company based in Montréal, who has extensive knowledge of the area, to conduct site due diligence and advise on permitting processes. In parallel, the Company has commissioned the Vancouver office of Ausenco Engineering Canada Inc., a global engineering consultancy firm with expertise in battery metals, to conduct a scoping study for the Dissolution Plant to an AACE Class 5 level of cost accuracy (-30%/+ 50%). The study is leveraging the extensive process development and recent engineering work from the Chvaletice Manganese Project.

Rationale for Québec Location

Bécancour is emerging as an important hub for the supply of low-carbon battery materials to the EV supply chain in North America due to its numerous advantages, including a year-round deep-water port, extensive road and rail infrastructure, access to low-cost hydro-electric power, strong governmental support, sophisticated local service, equipment and reagent suppliers, and a qualified work force.

The proposed site is strategically located between two cathode plants under development and adjacent to potential nickel sulphate and cobalt sulphate plants. Euro Manganese's Bécancour Project would complete the ternary cathode battery metal suite (nickel, manganese, cobalt) within the Bécancour industrial park. The site is adjacent to road, rail, power and water supply.

Québec offers attractive government financial support programs, that may provide incentives for the construction of the Dissolution Plant. The Company is exploring these incentives with the relevant agencies.



Figure 1. Port of Bécancour and its industrial park, showing location of the high-purity manganese sulfate plant proposed by EMN.

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

“The Bécancour Project advances Euro Manganese’s vision of building a multi-asset high-purity manganese business in strategic locations to supply the rapidly growing EV market. It also positions the Company to take advantage of forecast market growth specifically in North America, which has been accelerated with the announcement of the US Inflation Reduction Act. By developing what could be the first high-purity manganese processing facility in North America, Euro Manganese stands to benefit from this first mover advantage in supplying North American automotive OEMs, battery makers, and cathode active material manufacturers with local and responsibly produced high-purity manganese products.

Our flagship Chvaletice Manganese Project in the Czech Republic remains at the heart of our focus and strategy. The Bécancour Project is a natural extension of our work to date, especially as we are being actively encouraged as part of our ongoing offtake discussions to produce high purity manganese products in North America. To address this demand, alongside the potential incentives to develop a secure EV supply chain in North America, we are taking action to explore this logical addition to our portfolio.”

About Euro Manganese Inc.

Euro Manganese Inc. 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 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.

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, its 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 include, but are not limited to, statements regarding the Company’s North American growth strategy; timeframes for study results or any related due diligence; any potential funding opportunities; potential North American supply chain; potential value-creating synergies; the Company’s ability to secure a first mover advantage; initial supply for the proposed Dissolution Plant; the growth and development of the high purity manganese products market, the desirability of the Company’s products, the growth of the EV industry, and the use of manganese in batteries.

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: unexpected results from due diligence being conducted; the inability to conclude an Option Agreement with The Société du parc industriel et portuaire du Bécancour; the inability to obtain funding; the ability to develop adequate processing capacity; 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 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; risks related to permitting; 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, 2021, 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 Project at estimated grades; the ability of the Company to obtain all necessary land access rights; the availability of personnel, machinery, and equipment; manganese sales prices and exchange rates assumed; growth in the manganese market; and success in realizing proposed 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.