

Euro Manganese Welcomes the European Critical Raw Materials Act

VANCOUVER, British Columbia (March 20, 2023) – Euro Manganese Inc. (TSX-V and ASX: EMN; OTCQX: EUMNF; Frankfurt: E06) (the "Company" or "EMN") welcomes the European Commission's ("EC" or the "Commission") proposed Critical Raw Materials Act ("CRMA" or the "Act") published on March 16, 2023, which outlines how the European Union ("EU") intends to ensure a secure and sustainable supply of critical raw materials that are essential in supporting the energy transition. The Company supports this proposed legislation and believes its Chvaletice Manganese Project (the "Chvaletice Project" or the "Project") in the Czech Republic is likely to benefit as outlined below.

Key Highlights for Euro Manganese

- **High-purity manganese (battery grade) included as a strategic raw material.** "Manganese – Battery Grade" was added to the list of critical raw materials identified in the Act, which are those considered to be of high economic importance and high supply risk to the EU. "Manganese – Battery Grade" was also identified as a strategic raw material, which recognizes its importance in meeting Europe's decarbonization efforts and in defence and space applications.

Europe currently relies on imports of high-purity manganese to meet 90% of its demand.¹ The Company's Chvaletice Project expects to deliver almost 50 Kt of high-purity manganese metal per year when in full production, meeting approximately 25% of European demand and helping the EU reduce its trade reliance on this strategic raw material.

- **Chvaletice Project supports EU requirement for local extraction, processing, and use of recycled raw materials.** The Act sets out clear benchmarks for domestic mining, processing and recycling. By 2030, of all critical raw materials consumed in the EU each year:
 - 10% to be mined from European Union sources;
 - 40% to be processed within the European Union; and
 - 15% to come from recycled materials.

The Company believes the Chvaletice Project satisfies all three of these requirements. The Project's high-purity manganese products will be extracted and refined in the Czech Republic. Furthermore, as the Project involves reprocessing manganese contained in historic mine waste to produce high-purity manganese for the EV battery supply chain, the Project's products may also qualify as recycled materials. In addition, the Company has begun evaluation of re-purification of manganese rich by-products from battery recycling.

- **Chvaletice Project meets criteria for recognition as a Strategic Project.** To strengthen the EU's raw materials value chain, CRMA establishes the concept of Strategic Projects, which are those that will make a meaningful contribution to the security of the EU's supply of strategic raw materials. Other recognition criteria include:

¹ Source: BMO Global Commodities Research.

- Project is technically feasible and production volumes can be estimated with a sufficient level of confidence.
- Project will be implemented sustainably: minimization of environmental impacts, use of socially responsible practices, creation of quality jobs, and meaningful engagement with local communities.
- Project will have cross-border benefits beyond the Member State concerned.

A European Critical Raw Materials Board (the "Board") will be established to evaluate applications for recognition as a Strategic Project. The Board will submit an opinion to the Commission who will then issue a decision on the recognition of a project as a Strategic Project within 60 days.

Of note for Euro Manganese, the Commission may prioritise the processing of applications for projects active on specific stages of the value chain to ensure a balanced representation of Strategic Projects for all strategic raw materials and to achieve the mining and processing benchmarks identified in the Act (see above bullet). As the only known manganese resource in the EU at this time, the Company believes the Chvaletice Project should be prioritised.

The Company intends to submit an application for recognition of the Chvaletice Project as a Strategic Project as soon as the application process opens.

- **Strategic Projects to qualify for priority permitting status.** The CRMA outlines a “one stop shop” where Member States will designate a single national authority responsible for facilitating and coordinating the permit-granting process. Strategic Projects are to be given priority status and for projects that entered the permitting process before being designated as Strategic Projects.
- **Support for access to funding and facilitating offtake agreements for Strategic Projects.** The CRMA proposes to bring Member States and the Commission together with relevant financial institutions and InvestEU to discuss and help coordinate access to funding for Strategic Projects and to facilitate offtake agreements. Sources of capital identified in the Act include:
 - The European Investment Bank ("EIB") and the European Bank for Reconstruction and Development ("EBRD");
 - Private financial institutions;
 - Member State instruments and programs, including national banks and institutions; and
 - Relevant European Union funding and financing programs.

Of note is the Commission has recently adapted State Aid rules to allow further flexibility for Member States to grant aid, including for the production of critical raw materials related to key net-zero technologies.

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

“Securing access to critical raw materials to support the energy transition has never been more important. We welcome the European Commission’s proposed Critical Raw Materials Act and the opportunities it presents for the Chvaletice Manganese Project. We remain focused on advancing the Chvaletice Project in order to provide the European battery value chain with a low-carbon, secure source of supply of high-purity manganese.”

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, the ability of the Company to deliver high purity manganese metal and meet European demand, the desirability of the Company’s products, the Project’s ability to benefit from the proposed CRMA, the Project’s eligibility to satisfy the requirements of the proposed CRMA, whether the Project’s high-purity manganese products will qualify as recycled materials, the Company’s ability to engage in recycling activities, and whether the Project will qualify as a Strategic Project, making it eligible for possible prioritization in respect of permitting and support for access to funding and for facilitating offtake agreements.

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: delays, changes, or political challenges to the proposed CRMA, 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 the Company's high-purity manganese products, power supply sources and prices, 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.

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 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.