



NR 2024-23

Euro Manganese Announces Amendment to Funding Package with Orion Resource Partners

VANCOUVER, British Columbia (December 4, 2024) - Euro Manganese Inc. (TSX-V and ASX: EMN; OTCQX: EUMNF; Frankfurt: E06) ("Euro Manganese" or the "Company") announced today that it has amended the US\$100 million funding package (the "Funding Package") with OMRF (BK) LLC ("Orion"), which is managed by the Orion Resource Partners. The Funding Package, [originally announced](#) on November 28, 2023, supports the development of the Chvaletice Manganese Project (the "Project") in the Czech Republic, and consists of a US\$50 million Convertible Loan Royalty Agreement (the "CLRA"), of which US\$20 million has been advanced to the Company, and a US\$50 million royalty on Project revenues (the "Royalty Financing"), subject to the Company meeting certain milestones related to the development of the Project.

Highlights of the Amendment to the Funding Package

- The current CLRA requires the Company pay cash interest to Orion. Based on the amendment to the CLRA, interest amounts accruing with effect from January 1, 2025 will be deferred and added to the principal balance of the convertible loan, conserving US\$2.8 million per annum of cash for the advancement of the Project. The CLRA amendment interest rate is 14.00%.
- The dates for certain milestone obligations under the amendments to the CLRA and Royalty Agreement (the "CLRA and Royalty Amendment") have been extended to allow for advancement of the Project.
- Euro Manganese has been granted the right to repay the convertible loan at par at any time prior to conversion, including all accrued and unpaid interest, and may cancel the second tranche of the CLRA without penalty.
- Euro Manganese has been granted the right to terminate the Royalty Financing at any time prior to the satisfaction of the conditions precedent for the Royalty Financing for a fee of US\$1 million, provided that the outstanding convertible loan amounts under the CLRA (and all accrued and unpaid interest) have been repaid in full at such time.
- Euro Manganese will, subject to TSX Venture Exchange approval, and in the event certain conditions precedent are met with respect to future equity fundraising activities, issue warrants to purchase common shares of the Company to Orion.

Further details are available in Table 1 of this news release. All other material terms and conditions of the CLRA and Royalty Agreement, remain unchanged. Copies of the CLRA and Royalty Agreement are available on SEDAR+ and a copy of the CLRA and Royalty Amendment will be filed under the Company's profile on SEDAR+.

Martina Blahova, Interim CEO of Euro Manganese, commented:

"We have maintained a strong and collaborative relationship with Orion and are pleased to have amended the Funding Package, accommodating the more gradual pace of development within the EV industry. Our team remains focused on progressing offtake discussions with potential customers and strategic partners and managing our resources for the next phase of growth."

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 Manganese 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.

www.mn25.ca

About Orion Resource Partners

The Orion Resource Partners is an \$8 billion global asset management firm that specializes in institutional investment strategies in precious and energy transition metals and minerals. Headquartered in NYC and with offices in Denver, London, and Sydney, The Orion Resource Partners includes a team of 80 professionals with backgrounds in metals finance, physical metals logistics and sales, and in-house technical professionals responsible for risk assessment and portfolio management.

www.orionrp.com

Authorized for release by the Interim 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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Table 1 – Summary of Key Terms of the Amendment to the Funding Package

Borrower under CLRA / Grantor under Royalty Financing:	Mangan Chvaletice s.r.o. (wholly owned subsidiary of Euro Manganese) (“Mangan”)
Guarantor:	Euro Manganese Inc.
Structure changes:	<ul style="list-style-type: none"> • Orion may not convert the outstanding loan amount into a royalty for up to a year. • Termination of any rights of first refusal that Orion may have in relation to any future royalty or streaming interest in respect of the Project. • Right of first offer in favour of Mangan in relation to any transfer by Orion of its loan position prior to the disbursement of the second tranche payment under the CLRA has now been removed.
Interest rate:	14% per annum.
Interest Capitalization:	From January 1, 2025, interest amounts due will be accrued and added to the principal balance of the loan outstanding under the CLRA and Royalty Amendment conserving US\$2.8m per annum of cash for the advancement of the Project.
Ability for Euro Manganese to repay and terminate CLRA:	Euro Manganese is permitted to repay the CLRA at par, including all accrued and unpaid interest, and to cancel any further tranches without penalty, at which date the CLRA shall terminate.
Ability for Euro Manganese to terminate Royalty Financing:	Euro Manganese has right to terminate the Royalty Financing at any time prior to the satisfaction of the conditions precedent for the Royalty Financing for a fee of US\$1 million, provided that the outstanding loan amounts under the CLRA (and all accrued and unpaid interest in accordance with the CLRA and Royalty Amendment) have been repaid in full.
Extended timeline for certain obligations:	<ul style="list-style-type: none"> • Timelines for satisfaction of certain milestones including execution of binding offtake term sheets and agreements for 40% of the Project’s high-purity manganese production for the first five years of production, securing certain land rights, and securing a strategic investor have been extended. • Suspension of certain technical obligations at the sole discretion of Mangan for up to a year.
Warrants:	Subject to regulatory approval and the terms of the CLRA and Royalty Amendment, Euro Manganese has agreed to issue warrants to purchase common shares in Company to Orion in the event there is a future equity fundraising of the Company that meets certain conditions. The warrants will have the same terms as those issued under such equity fundraising, if any, and the number of warrants issued will be based on a pro forma investment in kind of US\$1.4 million.

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, the 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 terms of the CLRA Amendment and the Company’s ability to meet certain milestones related to the development of the Project, the dates of certain milestones under the CLRA Amendment being extended, the interest rate payable under the CLRA Amendment and payment by the Company of accrued amounts thereof, the Company’s right of repayment of the convertible loan under the CLRA and cancellation of the second tranche of the CLRA, the Company’s right to terminate the Royalty Financing, the Company issuing warrants to purchase common shares of the Company to Orion and the terms of such warrants and the status of offtake discussions with potential customers and strategic partners.

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.

All forward-looking statements are made based on the Company’s current beliefs including various assumptions made by the Company and information currently available to the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: risks and uncertainties related to the ability to obtain, amend, or maintain necessary licenses, or permits; risks related to acquisition of surface rights; risks related to granting security; securing sufficient offtake agreements; the availability of acceptable financing for developing and advancing the Project and for continued operations; the availability and reliability of equipment, facilities, and suppliers necessary to complete development; the ability to develop adequate processing capacity with expected production rates; timing to start of production and total costs of production; the presence of and continuity of manganese at the Project at estimated grades; the potential for unknown or unexpected events to cause contractual conditions to not be satisfied; developments in EV (Electric Vehicles) 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, 2023, available on the Company’s SEDAR+ profile at www.sedarplus.ca.

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.