

Euro Manganese Inc

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Euro Manganese secures EU-backed support to advance manganese project

Euro Manganese Inc (ASX:EMN) (CVE:EMN) (OTCMKTS:EROMF) (FRA:E06) has secured the support of European Union-backed knowledge and innovation organisation EIT InnoEnergy to accelerate integration of the Chvaletice Manganese Project in the Czech Republic into Europe's battery supply chain.

EMN's and its wholly-owned Czech Republic subsidiary Mangan Chvaletice s.r.o have signed a Project Support Agreement and a Value-Added Services Agreement to secure the support of EIT InnoEnergy, which is supported by the European Institute of Innovation and Technology.

The Chvaletice project, the only sizeable manganese resource in the European Union (EU), is designed to produce high-purity manganese products by reprocessing manganese-rich tailings from a decommissioned mine site in the Czech Republic.

EIT InnoEnergy leads the industrial stream of the European Battery Alliance, an initiative launched by the European Commission in October 2017 with the objective to build a strong and competitive battery industry in Europe.

Securing offtake agreements and financing

EIT InnoEnergy's services will focus on securing offtake agreements with consumers of high-purity manganese products and supporting strategic financing efforts.

Additionally, EIT InnoEnergy has also further agreed to help Euro Manganese secure financing of up to €362 million for the commercial development of the Chvaletice Manganese Project.

Potential funding sources include Europe-wide and regional grant programs as well as European project finance and economic development banks.

Financial support for the Chvaletice Manganese Project will be conducted through the Business Investment Platform created by the European Battery Alliance.

EIT InnoEnergy's services are non-exclusive and it will work alongside Euro Manganese's financial and other advisers.

Big vote of confidence

Euro Manganese chief executive officer Marco Romero says the Chvaletice Manganese Project offers Europe's only realistic opportunity to deliver local, primary production of a critical battery raw material for which demand is growing rapidly, driven principally by electric vehicle battery manufacturing.

He says the EIT InnoEnergy support marks a big vote of confidence for the company and solidifies its presence in Europe. This supports the company's aim to be a key supplier of manganese to a self-reliant 'cleaner and greener' Europe in the future.

Price: 0.67

Market Cap: \$215.69 m

1 Year Share Price Graph



February 2020 October 2020 February 2021

Share Information

Code: EMN

Listing: ASX

52 week High Low
0.965 0.058

Sector: General mining & base metals

Website: www.mn25.ca

Company Synopsis:

Euro Manganese Inc. (TSX-V / ASX:EMN) is a Canadian mineral resource company focused on the development of the Chvaletice Manganese Project in the Czech Republic.

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"We are grateful to have enlisted the support of EIT InnoEnergy and look forward to working with them to bring our project to fruition.

"By recycling the Chvaletice tailings, our Czech subsidiary, Mangan Chvaletice, will be providing Europe with high-purity manganese products that meet or exceed the EU and Czech Republic's stringent environmental standards."

Shares higher

EMN shares have been as much as 21 per cent higher to A\$0.75 today while the company's market cap is approximately \$107.3 million.

Long-term supply of high-purity manganese

EIT InnoEnergy chief executive officer Diego Pavia said he was confident the Chvaletice Manganese Project was well-placed to provide Europe's fast-growing EV industry with a secure, long-term supply of high-purity manganese.

"Euro Manganese's proposed development is the only sizeable manganese resource in the European Union.

"It represents a unique opportunity for Europe to secure a measure of self-sufficiency in manganese, which is a critical battery raw material.

"The Chvaletice Manganese Project has the potential to provide up to 50% of projected 2025 European demand for high-purity manganese and around 28% of anticipated 2030 requirements."

Pavia also noted that the project would deliver significant environmental benefits.

"Our society is moving to electric mobility as part of Europe's green transition and this project exemplifies the ideals of a sustainable, circular economy.

"This 25-year project's low carbon footprint supports Europe's greenhouse gas reduction goals.

"By reprocessing existing mining waste located in Europe, the project is anticipated to have a much smaller environmental footprint than other existing sources of battery-grade manganese, which are typically mined and shipped from Africa, processed in China and then transported to Europe."

Assistance with DFS and demonstration plant

To expedite the project and the benefits that it will bring to Europe, EIT InnoEnergy will initially invest €250,000 to help fund ongoing work in the Czech Republic on the Chvaletice definitive feasibility study and commissioning of a demonstration plant, both currently targeted for completion in late 2021.

The demonstration plant is intended to produce large-scale samples of high-purity manganese for supply chain qualification by prospective customers, including European electric vehicle makers and battery manufacturers.

Agreements part of growing trend

In recent years, EIT InnoEnergy has entered into support agreements with other companies that have the potential to make valuable contributions to the development of Europe's battery and battery raw materials industry, including innovative Swedish battery maker Northvolt, Verkor, Vulcan Energy Resources Ltd (ASX:VUL) (OTCMKTS:VULNF) (FRA:6KO), Infinity Lithium Corporation Ltd (ASX:INF) (FRA:3PM) and European Metals Holdings Ltd (LON:EMH) (ASX:EMH) (OTCMKTS:EMHLF).

EIT InnoEnergy's support extends to Spain's BattChain consortium, which is seeking a €1.2 billion grant and loan application from the EU's €750 billion Coronavirus Recovery Fund. Infinity Lithium has applied to secure more than €300 million from BattChain's application to advance its San José Lithium Project.

This comes as European Union support for the development of a European electric vehicle and battery supply chain has been accelerating.

The European battery value chain received a major boost on January 26, 2021, with the EU's approval of a €2.9 billion European research and innovation project.

This is the second Important Project of Common European Interest (IPCEI) for the industry - a pan-European aid program known as the Battery Innovation Project, some of whose beneficiaries include BASF, UMICORE and Tesla, as well as many others.

The new funding builds on an earlier IPCEI for the battery industry, in which a €3.2 billion EU state aid package was announced in 2019.

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