

Euro Manganese Inc

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Euro Manganese moves towards developing Czech project with strongly supported C\$3.85 million placement

Euro Manganese Inc (ASX:EMN) (CVE:EMN) has made further progress in commercial development of the Chvaletice Manganese Project in the Czech Republic with a C\$3.85 million (A\$4.1 million) private placement and a board restructuring.

The strongly supported capital raising will see the company place almost 12 million shares and more than 51.145 million CHES Depository Interests (CDIs) at C\$0.061 per share or A\$0.065 per CDI.

Proceeds to advance project

Proceeds will be used to further progress the manganese project, including advancing the feasibility study and Environmental Impact Assessment and for other general corporate purposes.

In addition, the company has initiated a board restructuring which will set the stage for commercial development of the Chvaletice project.

EMN intends to recycle historic mine tailings that host Europe's largest manganese deposit and result in environmental remediation of the site.

This coincides with the European Union's emergence as a major electric vehicle manufacturing hub and EMN's goal is to become the preferred supplier of sustainably-produced ultra-high-purity manganese products for the lithium-ion battery industry.

Strong support

The private placement has received strong support from existing shareholders, directors and management.

It will be conducted in two tranches:

- Tranche One: 5,155,738 shares and 16,344,262 CDIs for aggregate gross proceeds of C\$1,311,500, 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\$2,539,142, which will be subject to shareholder approval as required by Listing Rule 10.11.1 of the ASX to be sought at a meeting in August 2020.

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.

Insiders of the company are expected to subscribe to an aggregate of 2,527,869 shares and 400,000 CDIs under the offering.

Board restructuring

Price: 0.17

Market Cap: \$37.42 m

1 Year Share Price Graph



Share Information

Code: EMN

Listing: ASX

52 week High Low
0.23 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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The company has started 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.

John Webster, Greg Martyr, David Dreisinger and Marco Romero will continue as directors.

A search for new independent directors has been initiated and several well-credentialed, experienced candidates have been identified.

The restructuring is intended to set the stage for the next phase of EMN's corporate development, which will focus on preparing the project for commercial development and financing.

This is subject to the completion of a positive feasibility study and to making a final investment decision.

EMN thanks Shklanka, McLeod and 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.

Jan Votava will also resign as a director but will remain a key member of the executive team as managing director of Mangan Chvaletice sro, the company's Czech subsidiary.

Seeking partner

The company is also continuing its global partner search for the project and has received expressions of interest from various parties.

While there have been initial approaches from certain parties, the company has not received 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.

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