# Euro Manganese restructures debt to improve project financing flexibility

*The revised agreement would eliminate over US$23.5 million of debt through a conditional royalty conversion, simplifying Euro Manganese's capital structure.*

VANCOUVER, CANADA, July 10, 2026 /EINPresswire.com/ -- Euro Manganese (ASX: EMN; TSX-V: EMN; FSE: E060) has restructured its financing agreement with Orion Resource Partners, replacing an outstanding convertible loan with a conditional royalty arrangement that would remove more than US$23.5 million of debt from its balance sheet if a future fundraising condition is met, providing greater financial flexibility as the company advances development of the Chvaletice Manganese Project.

> By converting the existing facility into a royalty, we are simplifying our capital structure, improving financing flexibility and positioning the Company to advance the Chvaletice Manganese Project..""
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> *Martina Blahova, EMN President and CEO*

The revised agreement marks a significant shift in the company's funding structure by replacing debt repayment obligations with a revenue-based royalty tied to future production. If the fundraising condition is satisfied, the outstanding loan and accrued interest will automatically convert into a royalty, fully discharging Euro Manganese's repayment obligation while simplifying its capital structure.

The amendment also removes a series of development milestones contained in earlier financing agreements that were linked to funding drawdowns. By eliminating those time-based requirements, the company gains greater flexibility to progress the Chvaletice Manganese Project according to financing, permitting and market conditions rather than predetermined contractual deadlines.

The transaction also cancels the undrawn US$70 million portion of Orion's original US$100 million financing package announced in 2023. As of March 31, 2026, the balance eligible for conversion totaled approximately US$23.5 million, including accrued interest. Upon conversion, Orion's royalty would increase to between 2.29% and 2.46% of project revenues, calculated quarterly using a pricing formula linked to the project's high-purity manganese products.

The restructuring comes as manufacturers in Europe and North America continue seeking more secure domestic supplies of battery materials amid efforts to diversify supply chains away from concentrated global sources. High-purity manganese is an increasingly important component in lithium-ion battery chemistries used in electric vehicles and energy storage systems, while governments in Europe and the United States continue to classify battery raw materials as strategically important to long-term industrial and energy security.

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