

EUROBATTERY MINERALS SIGNS LETTER OF INTENT TO INVEST IN A TUNGSTEN PROJECT EXPECTED TO YIELD CASHFLOWS FROM 2025

Stockholm, 7 May 2024 – The mining company Eurobattery Minerals AB (Nordic Growth Market: “BAT” and Börse Stuttgart: “EBM”; in short: “Eurobattery Minerals” or the “Company”) has signed a non-binding letter of intent (the “LOI”) to invest a majority stake in Spanish company Tungsten San Juan SL (“TSJ”). The investment is summarised below, in brief:

- An investment of EUR 2.5 million in TSJ for an ownership stake of 51 per cent on a fully diluted basis.
- The full investment amount would primarily be used for the design and construction of a processing plant as well as working capital for the production start.
- The investment will, in combination with a letter of intent with an off-taker within the Sandvik Group, enable TSJ to start delivering tungsten material to Europe in 2025.
- Tungsten is a critical raw material used widely in industrial applications and in many important sectors, e.g. electronics and power industry, aeronautics, and the defence industries.
- The payment would be made in cash in two tranches of EUR 1.5 million and EUR 1.0 million respectively, where the Company would access its full ownership stake directly after the payment of the first tranche.
- The Company intends to complete both tranches of the investment in 2024.
- The investment is conditional on Eurobattery Minerals conducting satisfactory due diligence of TSJ and the parties agreeing to enter into an investment agreement, as well as the Company’s ability to obtain financing for the investment.

“This acquisition is a game changer for Eurobattery Minerals and it will transform the Company’s DNA. Tungsten is listed as a critical raw material by the EU and tungsten-enhanced steel is vital, for example, for the defence industry,” comments Roberto García Martínez, CEO of Eurobattery Minerals.

Information about TSJ and the tungsten project

TSJ is a Spanish mining entity engaging in the development of the San Juan wolfram deposit (Ourense, Galicia, Spain), a site with appreciable mineralisation of tungsten which has never been mined (the “Project”). The Project has all the necessary licences and contracts in place to commence production, including a letter of intent for an off-take agreement with Wolfram Bergbau und Hütten AG, an Austrian world-leading tungsten producer within the Swedish Sandvik Group.

The initial small-scale open pit production planned in 2025 is based on the proven reserves of 60,000 t @ 1.3% WO₃ (78,000 MTU). With consideration of a potential extension of the open pit as well as the other potential reserves in the remaining numerous outcroppings of skarn, TSJ forecasts an initial mining objective for the Project in the order of at least 960,000 MTU, i.e. more than 12 times the size of the proven reserves.

The investment in brief

The investment of EUR 2.5 million through a new share issue is intended to enable the start of production in 2025. According to the business plan, the Project would yield positive cash flows within 12 months from the completion of the first tranche, with a payback period on the investment of 3.4 years (including the estimated 10-month plant construction time). Parts of the cash flows each year are intended to be recouped in dividends to the owners. The remainder will be re-invested in new drilling programs and further development with the ambition to realise the value-adding potential of the project, which TSJ anticipates being at least 12 times higher than the actual proven reserves. The distribution of the net profits will be determined over time, guided by the development of the Project, with the ambition to maximise shareholder value.

“This investment is transformative for Eurobattery Minerals as it will make the Company self-sufficient. The Project constitutes a fantastic opportunity to enable positive cash flows to the Company and it has a big value-adding potential, which could significantly increase the project value in the future. Considering the role of tungsten as a critical raw material and its applications within the aeronautics, space, and defence industries – as well as electronics and industrial applications – this investment aligns well with our mission to make Europe self-sufficient in responsibly mined minerals,” comments Roberto García Martínez, CEO of Eurobattery Minerals.

Eurobattery Minerals intends to explore the possibility of obtaining financing for the investment, for which the parties’ collective ambition is to complete the deal in 2024. The LOI gives Eurobattery Minerals exclusive rights for ninety calendar days to invest the majority stake in the Project.

About Eurobattery Minerals

Eurobattery Minerals AB is a Swedish mining company listed on Swedish Nordic Growth Market ([BAT](#)) and German Börse Stuttgart ([EBM](#)). With the vision to make Europe self-sufficient in responsibly mined battery minerals, the company’s focus is to realize numerous nickel-cobalt-copper projects in Europe to supply critical raw materials and, as such, power a cleaner world.

Please visit www.eurobatteryminerals.com for more information. Feel free to follow us on [LinkedIn](#) and [X](#) as well.

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This information is information that Eurobattery Minerals is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-05-07 08:00 CEST.

Attachments

[Eurobattery Minerals signs Letter of Intent to invest in a tungsten project expected to yield cashflows from 2025](#)