



Eurobattery Minerals proposes rights issue of units of approximately SEK 46.5 million

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SWITZERLAND, SINGAPORE, SOUTH AFRICA, OR ANY OTHER JURISDICTION IN WHICH THE RELEASE, PUBLICATION OR DISTRIBUTION OF THIS PRESS RELEASE WOULD BE UNLAWFUL, BE SUBJECT TO LEGAL RESTRICTIONS OR WOULD REQUIRE REGISTRATION OR OTHER MEASURES

The Board of Directors of Eurobattery Minerals AB (NGM Nordic SME: “BAT”; the “Company”) has proposed to an Extraordinary General Meeting on 27 May 2020 to carry out a rights issue of at most 1,938,938 units (the “Rights issue”). One (1) unit consists of two (2) shares and one (1) warrant (the “Unit”). The subscription price of a Unit is SEK 24.00, whereby BAT upon full subscription in the Rights issue would obtain approximately SEK 46.5 million before issue costs. Every five (5) existing shares entitle to one (1) unit right and one (1) unit right entitles to subscribe for one (1) unit. The subscription period runs during 29 June - 14 July 2020. The Rights issue, upon full subscription, would increase the number of shares in the Company with 3,877,876, not taking into account the effect of the warrants and of the 750,000 consideration shares that will be issued before the record date of the Rights issue to the existing shareholders of Vulcan Hautalampi Oy (“VHOy”), valued at EUR 200 thousand in total (the “Consideration shares”). In addition, the warrants issue could increase the number of shares in the Company with at most 1,938,938, not taking into account the effect of the Consideration shares. The proceeds from the Rights issue will be used to finance mining activities in Spain and the mining activities in connection to the option to acquire VHOy. A notice to the Extraordinary General Meeting will be announced through a separate press release. The Rights issue is secured to SEK 23.3 million by subscription commitments of SEK 6.0 million, e.g. from the Company’s CEO, and the remaining part by underwriting commitments.

The Rights issue in brief

- Approximately SEK 46.5 million before transaction costs is expected to be raised in the Rights issue if fully subscribed, not taking into account the effect of the Consideration shares. The proceeds from full subscription of the warrants, provided full subscription in the Rights issue, could amount to at least SEK 23.3 million and at most approximately SEK 34.9 million, not taking into account the effect of the Consideration shares.
- The Rights issue is secured to 50 per cent through subscription commitments and external underwriters before the effect of the Consideration shares.
- Shareholders will receive one (1) unit right (the "Unit right") for every five (5) shares held on the record date. One (1) Unit right entitles the holder to subscribe for one (1) Unit. One (1) Unit consists of two (2) new shares and one (1) warrant.
- The record date for the Rights issue will be 25 June 2020 with the last day of trading including the Unit rights is 23 June 2020 and the first day of trading excluding the Unit rights is 24 June 2020.
- The subscription price is SEK 24.00 per Unit. The subscription period for the Rights issue (the "Subscription period") is expected to commence on 29 June and it is expected to end on 14 July 2020.
- The subscription price for the shares that can be subscribed based on the warrants will be defined based on the 10 days volume weighted average price of the Company's shares on the NGM Nordic SME commencing on 21 September 2020 and ending on 2 October 2020 with a 30 per cent discount. However, the subscription price shall not be less than SEK 12.00 per share nor higher than SEK 18.00 per share.
- Each warrant will give the right to subscribe for one (1) new share during the period 5-16 October 2020.
- Net proceeds from the Rights issue will be used to finance mining activities in Spain and some of the mining activities in connection to the option to acquire the VHOy.

Reasons for the Rights issue and use of proceeds

BAT is a mining exploration company listed on NGM Nordic SME. The Company conducts targeted mineral exploration in Europe and has a strategy of finding mining and exploration projects, which have good potential according to the Company. The Company is focusing on commodities leveraging the EV industry (e.g. nickel, copper and cobalt). BAT sees a shift in demand for battery metals and wants to provide Europe with ethical and fully traceable minerals for the electric revolution.

The Company has signed an investment and shareholders agreement including an option for a staged acquisition of 100 per cent of the shares in VHOy, 100 per cent owner of the Hautalampi Nickel-Cobalt-Copper Project, in eastern Finland. The option to acquire VHOy is a further step in building a high-quality exploration and production company with several projects in different stages of advancement throughout Europe. Today, the Company has seven exploration permits for rare earth metals in Sweden and the Corcel project located in La Coruña and the Bibi project located in Ourense, Galicia, northwest Spain.

The proceeds from the Rights issue will be used to finance mining activities in both Corcel, Spain, and the mining activities in connection to the option to acquire the VHOy. This acquisition is an important milestone for BAT as it accelerates the Company’s business strategy and shortens the time to being a producer.

“We are very pleased to have secured financing for continued mining activities in both the Corcel and Hautalampi projects to enable us to complete feasibility studies for both the projects during 2021”, CEO Roberto Garcia.

Terms of the Rights issue

The Board of Directors of the Company has proposed that an Extraordinary General Meeting on 27 May 2020 decides to carry out a Rights issue of at most 1,938,938 units, not taking into account the effect of the Consideration shares, for subscription in accordance with the shareholders' preferential subscription rights, subject to the approval of the Extraordinary General Meeting on 27 May 2020. The main terms for the Rights issue are presented below.

- Persons registered as shareholders on the record date 25 June 2020 will be given one (1) Unit right for every five (5) shares held in the Company. One (1) Unit right will entitle the holder to subscribe for one (1) Unit.
- The Unit rights will be traded on NGM Nordic SME commencing on 29 June 2020 and ending on 10 July 2020.
- After subscription, interim units (the "Interim units") corresponding to the Units subscribed for on the basis of Unit rights will be registered on the subscriber's VP account or nominee account.
- The shares and warrants will be entered into the subscriber's VP account once they have been registered with the Companies Registration Office, tentatively during week 33, 2020.
- Trading in the Interim units is planned commence on NGM Nordic SME on 29 June 2020.
- The record date for the Rights issue is planned to be 25 June 2020 with the last day of trading including the Unit rights on 23 June 2020 and the first day of trading excluding the Unit rights on 24 June 2020.
- The subscription price is SEK 24.00 per Unit. The Subscription period for the Rights issue commences on 29 June and ends on 14 July 2020.
- The subscription price for shares that can be subscribed on the basis of warrants will correspond to the volume weighted average price of the Company's shares on NGM Nordic SME commencing on 21 September 2020 and ending on 2 October 2020 with a 30 per cent discount. However, the subscription price shall not be less than SEK 12.00 per share nor higher than SEK 18.00 per share.
- Each warrant entitles the holder to subscribe for one (1) new share during the period 5-16 October 2020.
- The dilution for current shareholders from the Rights issue, upon full subscription, amounts to approximately 28.6 per cent, not taking into account the effect of the Consideration shares. The dilution for current shareholders from the warrants, upon full subscription, amounts to approximately 12.5 per cent, not taking into account the effect of the Consideration shares. The dilution for current shareholders not participating in the Rights issue or Warrant issue, will be diluted by approximately 37.5 per cent before the effect of the Consideration shares.

Subscription and underwriting commitments

The Rights issue is secured to SEK 23.3 million by subscription commitments of SEK 6.0 million, e.g. from the Company's CEO, and the remaining part by underwriting commitments. External underwriters are entitled to receive their underwriting compensation either in cash amounting to ten (10) per cent of underwritten amount, or the equivalence of twelve (12) per cent of the underwritten amount in new shares by setting off the underwriting compensation against the subscription price in a directed issue to be arranged if needed after the Rights issue.

Indicative timetable

11 June 2020	Proposal regarding the Rights issue by the Board of Directors
27 May 2020	Decision regarding the Rights issue by the Extraordinary General Meeting
23 June 2020	Last day of trading including the Unit rights
24 June 2020	The prospectus is published
24 June 2020	First day of trading excluding the Unit rights
25 June 2020	Record date for the Rights issue
29 June-10 July 2020	Trading period of Unit rights
From 29 June 2020 until registration at the Swedish Companies Registration Office	Trading starts in Interim units (BTU)
29 June-14 July 2020	The Subscription period for the Rights issue
17 July 2020	Announcement of the outcome of the Rights issue

Advisers

Augment Partners AB is acting as financial advisor to the Company in the Rights issue. Bird & Bird Advokat KB is acting as the legal adviser to the Company.

For further information, please contact:

Roberto García Martínez, CEO

Email: roberto@eurobatteryminerals.com

This information is of the kind that the Company is required to disclose in accordance with the EU's Market Abuse Regulation. The information was issued for publication through the agency of the contact person set out above on May 11, 2020 at 08:00 CEST.

Eurobattery Minerals in brief

Eurobattery Minerals is a mining and prospecting company focused on battery minerals such as nickel, cobalt, copper and rare earth elements. Business activities and operations are conducted exclusively in Europe with a focus on Spain and northern Sweden. The company has one mining license and eight exploration licenses. The headquarters is located in Stockholm.

Augment Partners AB, tel. +46 8 505 651 72, email: info@augment.se is Eurobattery Minerals' Mentor.

Important information

Publication or distribution of this press release may in some jurisdictions be subject to statutory and legal restrictions and persons in those jurisdictions where this press release has been published or distributed should inform themselves about and observe such restrictions. The information in this press release does not constitute an offer to acquire, subscribe or otherwise trade in shares or other securities in Eurobattery Minerals.

This press release does not constitute an offer to acquire securities in the United States. The securities mentioned herein may not be sold in the United

States without registration in accordance with The Securities Act of 1933 or without the application of an exception to such registration. The information in this press release may not be released, published, reproduced or distributed in or to the United States, Australia, Canada, New Zealand, Hong Kong, Japan, Switzerland, Singapore, South Africa, or any other country or jurisdiction where such action is not permitted or such action is subject to legal restrictions or would require further registration or other measures than required by Swedish law. Measures contrary to this instruction may constitute a breach of applicable securities laws