
# SRG Mining: Corporate Presentation

September 2022

# Forward-Looking Statement

This presentation contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and assumptions and accordingly, actual results and future events could differ materially from those expressed or implied in such statements. You are hence cautioned not to place undue reliance on forward-looking statements. Forward-looking statements include words or expressions such as "provide, "objective", "become", "committed", "dedicated", "ensures", "growing", "prospective", "positive", "through", "contributes', "low", "easier", "continue", "excellent", "very", "valuable", "expected", "adequately", "ongoing", "expand", "plan", "expedite", "to be", "improve", "complete", "as much as", "set to", "rise", "significant", "is required", "forecast", and other similar words or expressions. Except for statements of historical fact relating to the Corporation, information contained or incorporated by reference herein constitutes forward-looking information, including, but not limited to, the future price of, and demand for, minerals including graphite, nickel and cobalt, as well as the Corporation's strategy, plans or future financial or operating performance. Forward-looking information is based upon assumptions that were applied in drawing a conclusion or making a forecast or projection that are believed to be appropriate in the circumstances, including the following: the Corporation will be able to obtain additional financing on reasonable terms or at all; the Corporation will be able to recruit and retain the services of its key technical and management personnel; the Corporation's management will not identify and pursue other business objectives in future; there will be no unexpected technological, economic, political or other disruptions that will affect supply or demand for minerals in manner that would have a material adverse effect on the Corporation; the Corporation will be able to obtain all required regulatory approvals without undue delay or subject to excessively burdensome conditions; the results of current exploration activities will be favorable; the price of minerals will remain sufficiently high and the costs of advancing the Corporation's projects sufficiently low so as to permit it to successfully implement its business plans; and that the risks referenced above, collectively, will not have a material impact on the Corporation. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

Risk factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, exploration results, revenue, fluctuations in the price of currencies or minerals or of local operating costs, mining industry risks, delays, political and social stability in Africa including our ability to maintain or renew permits and other risks as described in our documents filed from time to time with Canadian securities regulatory authorities. Information with regards to these and other risk factors can be found in SRG's MD&A for the year ended December 31st, 2021.

These forward-looking statements are dated as of September 14th, 2022 and we disclaim any obligation to update or revise these forward-looking statements, except as required by applicable law.

All amounts are in US dollars unless otherwise specified.

# Company Highlights

## Capital Structure[1]

| | |
|---|---|
| **Basic Shares Outstanding (M)** | 113.8 |
| **Warrants (M)[2]** | 14.9 |
| **Options (M)[3]** | 8.7 |
| **RSU and DSU's (M)** | 1.9 |
| **Fully Diluted Shares Outstanding (M)** | 139.4 |
| **Market Capitalisation (C$)** | $91M |
| **Cash (C$)** | $13.6M |
| **Liabilities (C$)** | 407K |

1. As of June 30th, 2022
2. Average strike price of C$0.86, all maturing before November 2023
3. Average strike price of C$0.71

## Share Price Performance


## Major Shareholders

| | |
|---|---|
| **La Mancha Fund** | 24.1% |
| **Sama Resources** | 13.3% |
| **Coris Bank** | 11.1% |

## SRG is Well Capitalized With No Significant Debt

# Investment Highlights

**GRAPHITE**

- Graphite has significant and well-established traditional usage (refractory bricks, lubricants, etc.)
- Active Anode Material ("**AAM**") is a growth market as essential input for Lithium-Ion Batteries ("**LIB**")
- Offtakers seeking diversity of supply as China dominates current supply chain

**TEAM**

- Strong track record of de-risking, engineering, financing and construction of African mining projects
- La Mancha cornerstone investment validates new development strategy
- Debt and equity financing discussions underway with various strategic and financial partners
- Strong in-country support from Guinean authorities and local communities

**NEW STRATEGY**

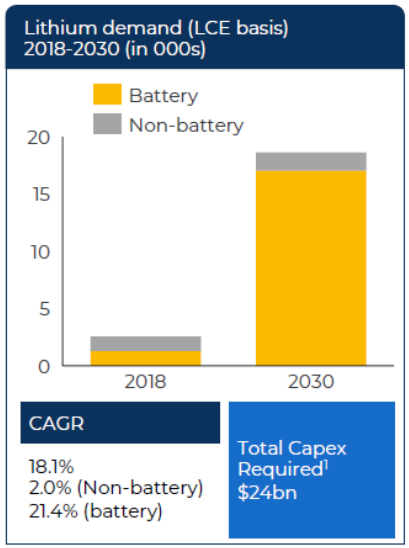
- New management team has revisited development and financing strategy
- Increased capital efficiency by doubling proposed mine production to 100ktpa graphite concentrate
- Integrated business model to create of a mine-to-market producer of anode material

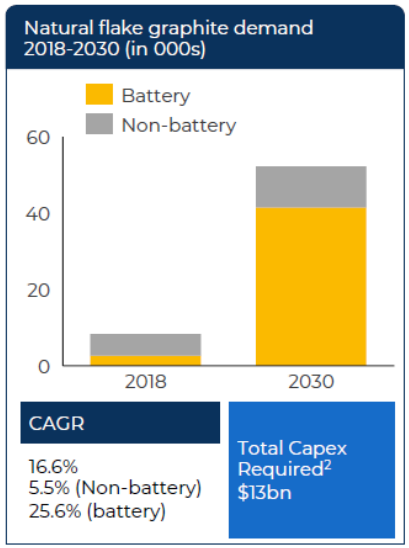
**LOLA PROJECT**

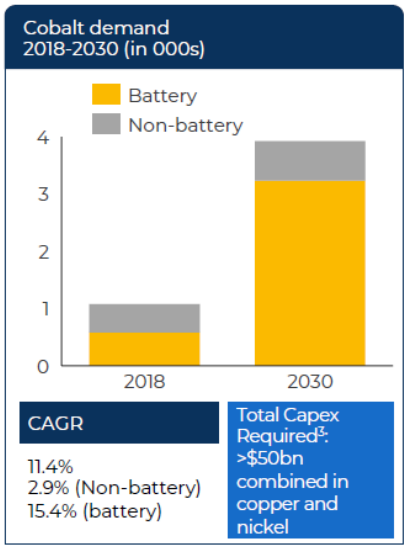
- Long-life, world-class project with low operating costs, low capital intensity and small environmental footprint
- Feasibility Study ("**FS**") completed in 2019, Updated FS and FEED contract negotiations underway
- Fast track a Preliminary Economic Assessment of conversion facility in US / UK / Europe

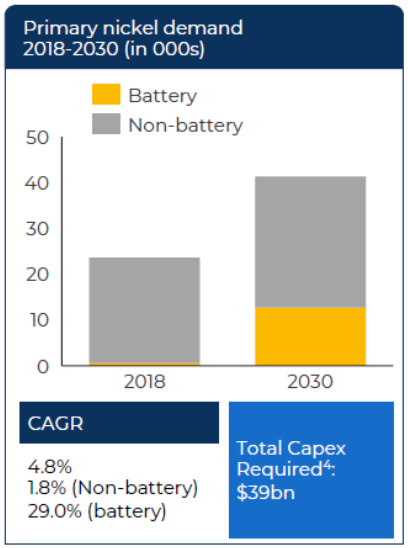
**SRG is Well Positioned to Become a Mine-to-Market AAM Producer**

# Structural Issues Not Limited to Lithium……




**CHALLENGES**

- Quality & consistency of product
- Lack of chemical experience
- Lack of a futures price
- Potential oversupply in medium-term

- Substitution due to solid state battery adoption
- Confusion over role of synthetic graphite
- Environmental concerns

- 70% DRC raw material
- (brand image, lack of western investors)
- High cost/substitution
- By-product

- Historically low price
- Laterite challenges
- Non-core assets
- Recycling
- Sulphuric acid supply

**LOCATIONS**

- Latin America
- Australia
- Europe
- North America
- Africa
- China

- Africa
- North America
- Brazil
- China

- DRC, DRC, DRC
- North America
- Australia
- Brazil

- Indonesia
- Philippines
- Australia
- PNG

**PRICE (May '19-'22)**

**+383%** | **+26%** | **+154%** | **+173%**

Source: Benchmark Minerals, Trading Economics

**Graphite is Poised to Follow a Similar Price Response as Other EV Metals**

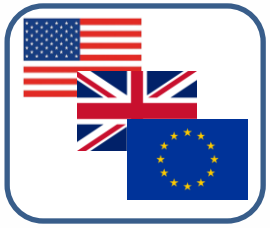
# Three Key Questions

**Will the battery chemistry change?**

- Graphite is fundamental to every battery chemistry, up to 5-10% may be replaced by SiO
- Giga factories across the world have made technology choices today which will be unlikely to change in the next 15+ years, natural flakes expected to account for 50-60% of all AAM
- Graphite anodes dominate half the lithium-ion battery (1.2kg per Kwh required)

**Do OEM's want to diversify their supply chains?**

- China dominates the natural and synthetic graphite extraction and anode manufacturing industry
- End-users have become increasingly vocal about diversifying the supply chain
- Chinese suppliers have had limited focus on sustainability and use toxic hydrofluoric processes and rely on coal-fired power for production



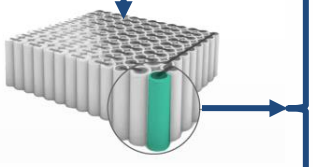
**Do the USA and UK / Europe have a viable AAM procurement strategy?**

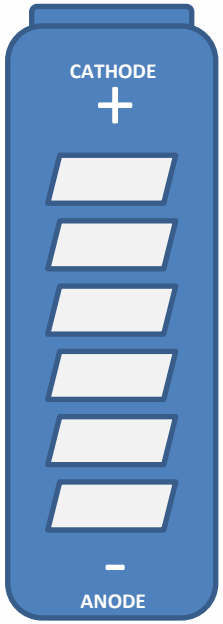
- Projected European battery manufacturing capacity will require 646 ktpa of active anode material in the next decade, similar demand growth is expected in the USA
- No credible American or UK / European-based supplier, at scale, has emerged to date despite several attempts

Source: Benchmark Minerals

**No, Yes and No**

# Cost of a Battery Cell and Expected Progress

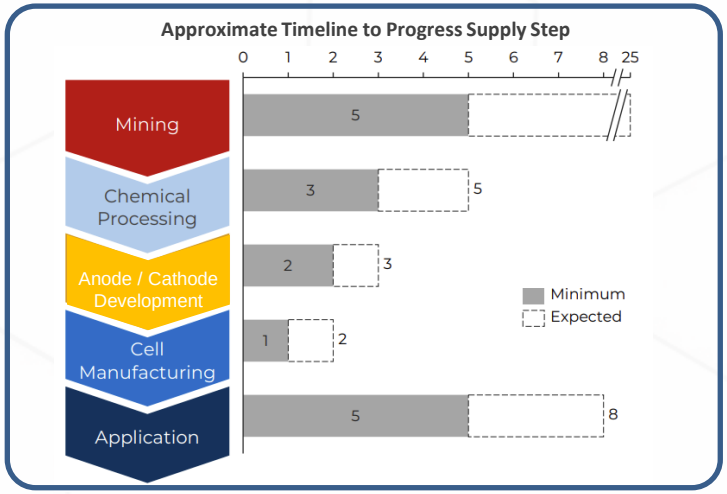




% OVERALL COST (2021)

| | |
|---|---|
| CATHODE | 51% |
| PRODUCTION | 24% |
| ANODE | 12% |
| SEPARATOR | 7% |
| ELECTROLYTE | 4% |
| HOUSING | 3% |


80% OF ALL CELL MANUFACTURING OCCURS IN CHINA


86% OF BATTERY ANODE MATERIAL IS PRODUCED IN CHINA

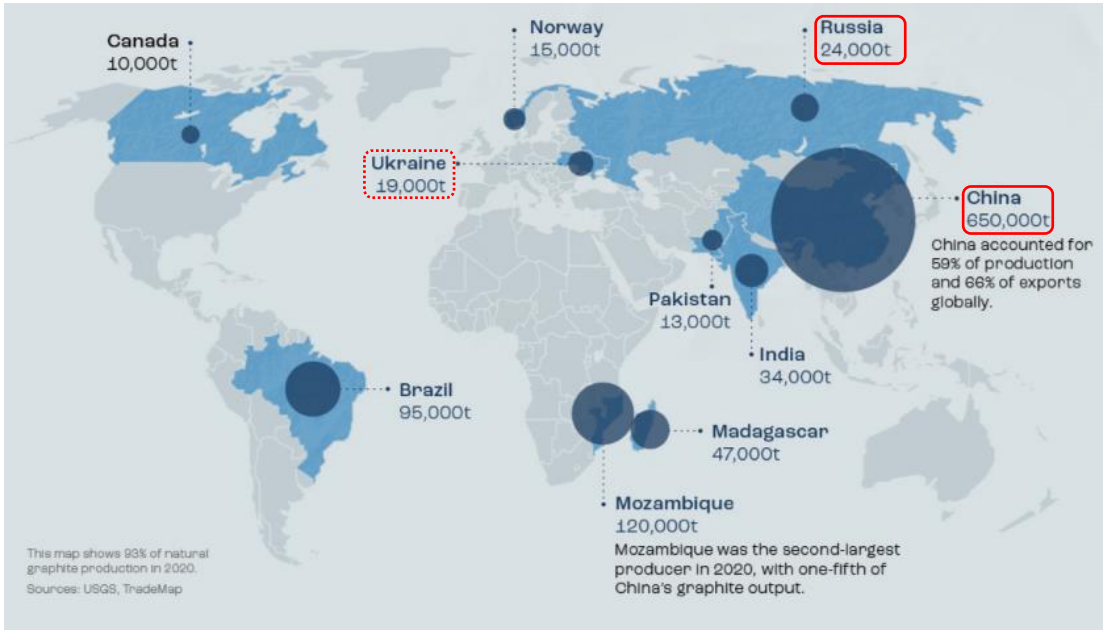


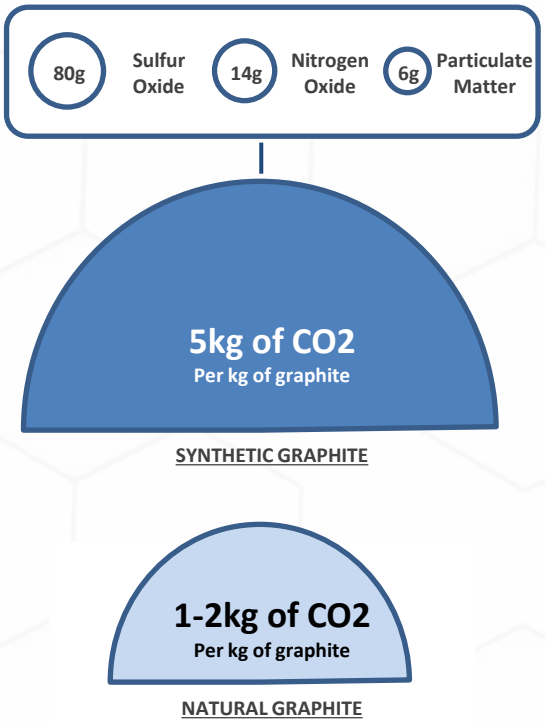

Source: Visual Capitalist, Benchmark Mineral Intelligence Lithium Forecast

**Graphite Anode is a Critical and Underappreciated Part of the Battery Cell**

# Synthetic vs. Natural Graphite

**TOP 10 PRODUCERS OF NATURAL GRAPHITE (2020E, tonnes)**




**SYNTHETIC GRAPHITE**

Produced by high temperature treatment of petroleum coke and coal tar

**NATURAL GRAPHITE**

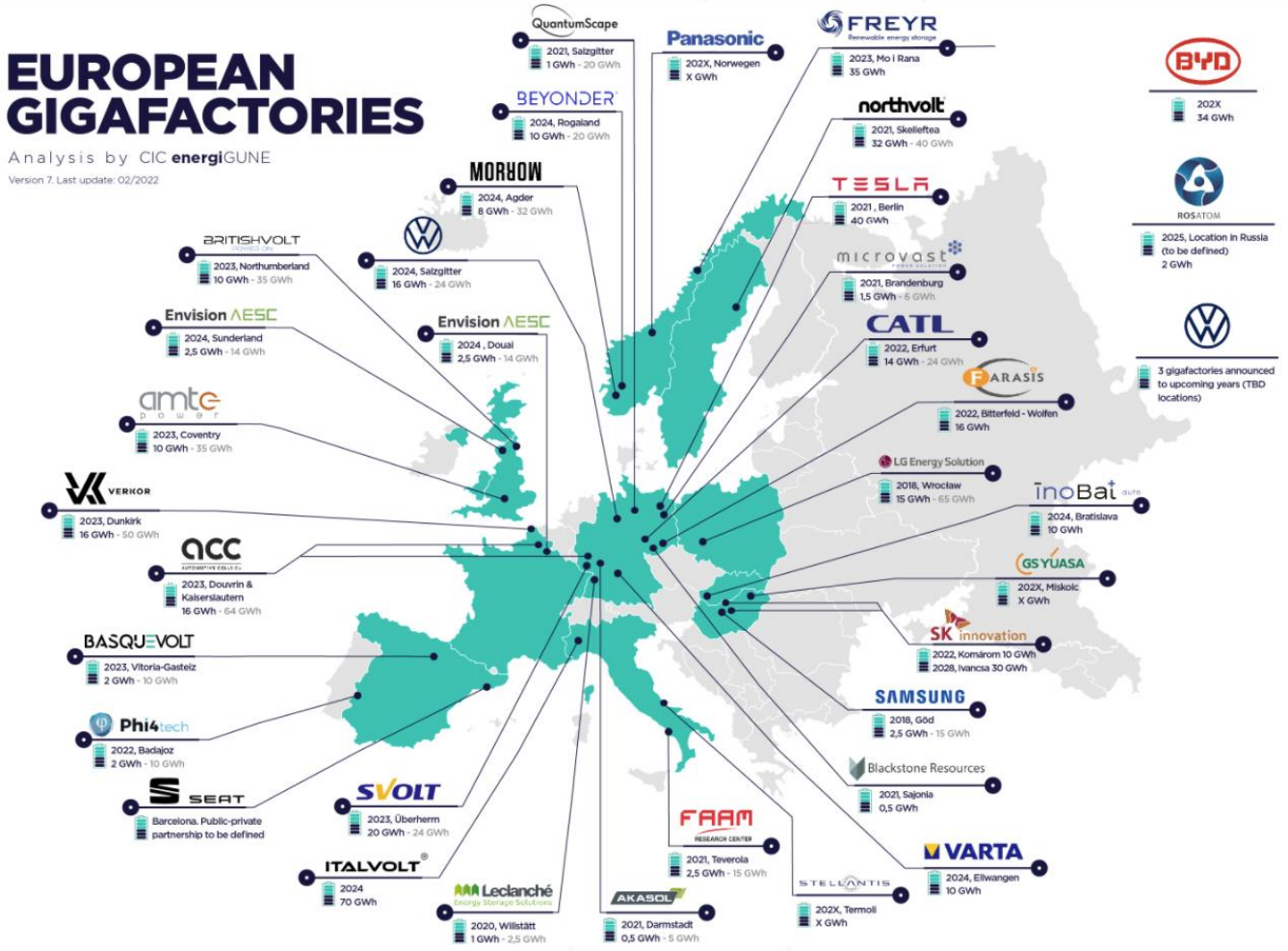
Produced by mining naturally occurring mineral deposits

- Water and air pollution due to graphite dust from factories
- Environmental and health hazards from chemical usage; Sulfur oxide and nitrogen oxide emissions from synthetic graphite plants

Source: Washington Post

**Natural Graphite Will Increase in Importance as Focus Shifts to Carbon Footprint**

# EU Giga Factories




>400 Gwh Planned Capacity But No Raw Material Procurement Strategy……

# Executive Team

**Benoit La Salle, FCPA, FCA, MBA – Director and Chairman of the Board:** Founder, President & CEO of Semafo, Current President & CEO of AYA Gold & Silver Inc. and Executive Chairman of Sama Resources Inc.

**Matthieu Bos, MSc – President and Chief Executive Officer:** Former Executive Vice President, Africa for Ivanhoe Mines; Previously worked for BMO Capital Markets in the Metals and Mining Division in London.

**Patrick Moryoussef, P.Eng – Chief Operating Officer:** Former VP, Mining Operations of Semafo; Senior Vice-President Technical Services and Operational Performances at Endeavour Mining. Previously worked for Noranda, Falconbridge, Placer Dome

**Ugo Landry-Tolszczuk, CFA – Chief Financial Officer:** Former Director of Operations Windiga Energy; CFO AYA Gold & Silver. Previously worked at the Canadian Department of National Defense and Research in motion.

**Raphaël Beaudoin, P.Eng. – Vice-President, Operations, Metallurgy and Process Design:** Former plant metallurgist at the Minto Mine; Chief metallurgist Nunavik Nickel

**Elias J. Elias (LL.L., LL.B.), VP Legal, Corporate Affairs –** Former legal advisor for SEMAFO and General Counsel for Windiga Energy; M&A for a national Canadian firm and then as legal counsel at Gildan Activewear**.**

**Dr. Marc-Antoine Audet, BSc, MSc and Ph.D (Geology), P.Geo – Founder, Director (Lead Geologist):** Founder President & CEO of Sama Resources; Former Director of International Exploration at Xstrata Nickel; Director of Exploration at Falconbridge

# La Mancha Investment

"La Mancha has seen significant successes in the gold industry, and this investment in SRG is a logical continuation of the Fund's strategy to invest in commodities necessary to shift the energy system away from one dominated by hydrocarbons. The supply-demand dynamics for clean, future facing 2 metals and minerals could mean we are at the dawn of a new commodity supercycle.

La Mancha is pleased to support SRG with this initial investment and, depending on the outcomes of the development programme, there is the potential for up to C$50 million in subsequent financings to fund SRG through to production."

## Transaction Overview (March 2022)

- 19.9% interest for C$12.5M
- Right to nominate two Directors to the SRG Board
- Anti-dilution rights up to 19.9%

## A Strong Endorsement from A Sophisticated Mining Investor

# Partners, Technical Consultants & Advisors

SRG Battery Minerals

la mancha

DRA

SGS

pwc

SGL GROUP THE CARBON COMPANY

ProGraphite

EEM IMPACT

together more future dorfner

McGill

New Tigers Consulting

CORIS BANK INTERNATIONAL

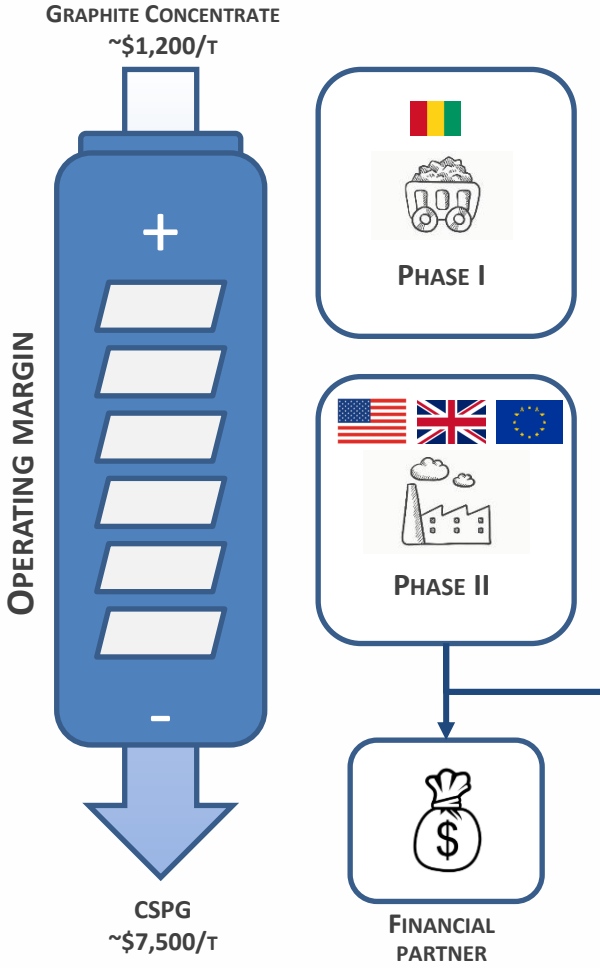
SAMA RESOURCES

epoch resources (pty) ltd

JOHNSTON-SEQUOIA

SRG Feasibility Study Has been Prepared by World-Leading Consultants

# Vertical Integration Strategy




**PHASE I**

- Feasibility Study on first phase of development completed, Updated FS underway
- Discussions underway to finance construction capital expenditure (debt & equity)
- Target to produce approximately 100ktpa of high-purity flakes in concentrate
- Binding offtake agreement in place for initial years of production

**PHASE II**

- Construction of shaping, purification and coating facility in US / UK / Europe
- Target to produce 50ktpa of active anode material and purified jumbo flakes, sourcing production from Guinea
- Develop partnerships to secure processing IP, develop marketing strategy and navigate QA/QC with OEMs

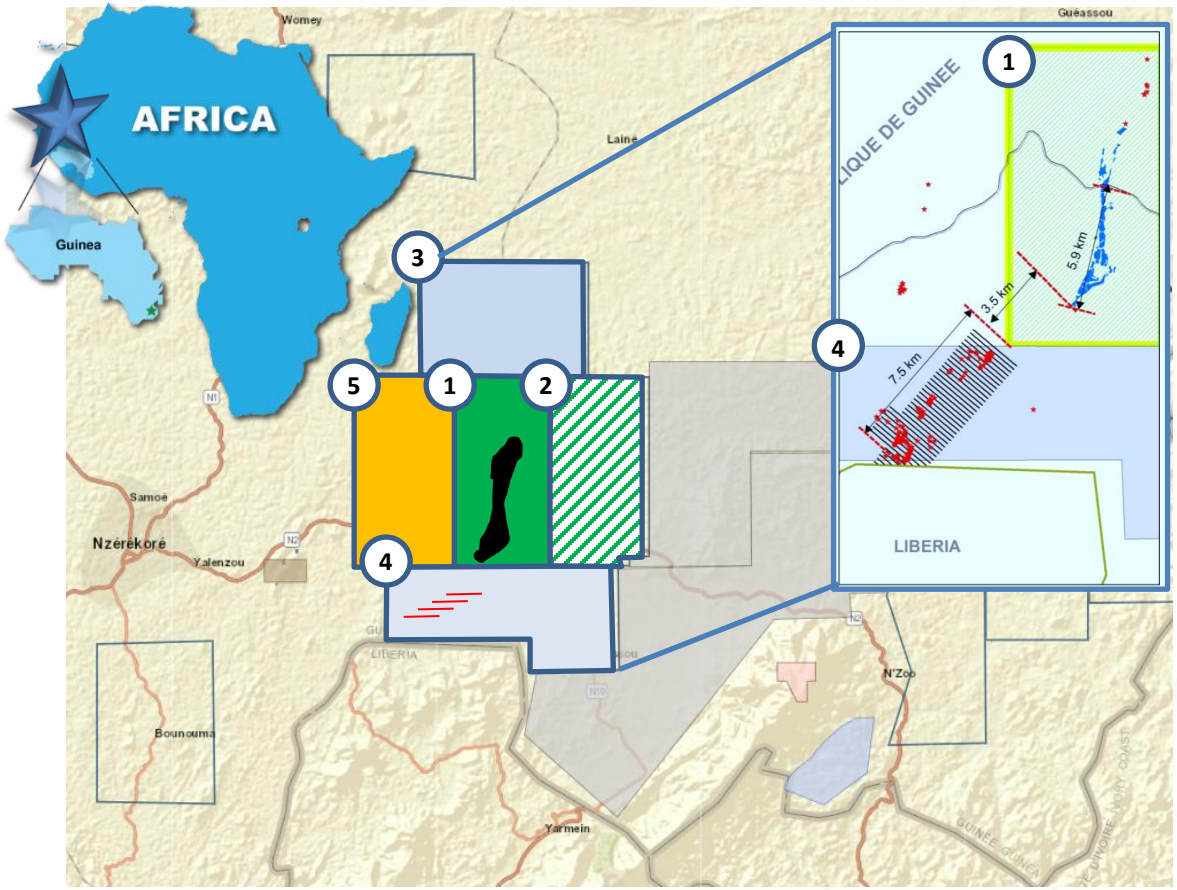
**DE-RISKING THROUGH PARTNERSHIPS**

- **FINANCIAL PARTNER**
- **EU INDUSTRIAL PARTNER**
- **TECHNOLOGY PARTNER**

Source: Benchmark Mineral Intelligence (+80 mesh, 94-95%), Fastmarkets

**Mine-to-Market Solution to Create Leading Non-Chinese AAM Supplier**

# Lola Graphite Project Mining License




1. Mining Permit (#22709)
   SRG Mining Inc.
   94 km$^2$
   Lola Graphite Project
2. Exploration Permit (#23178)
   SRG Mining Inc.
   92 km$^2$
   Gogota Nickel-Cobalt Project
3. "Zone Stratégique"
   Guinea Ministry of Mines
   99 km$^2$
4. "Zone Stratégique"
   Guinea Ministry of Mines
   100 km$^2$
5. Exploration Permit (#22573)
   AIS Int'l Guinee SAS
   100 km$^2$

Existing Resource Base

Grab samples, pitting and trenching

**Significant Exploration Potential to the North and South**

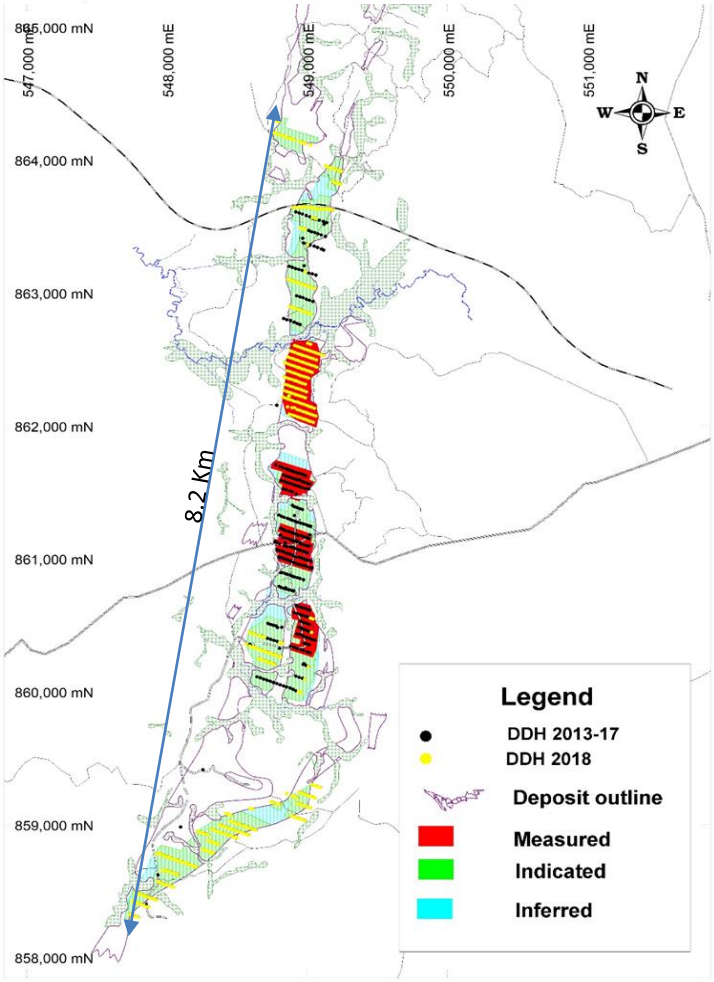
# Lola Graphite Project

- Completed NI 43-101 compliant Bankable Feasibility Study August 2019 by DRA
- Environmental and mining permit received from Government of Guinea
- 15 year mining permit awarded on Nov. 2019 for 94 Km2

**Resource Estimate (1.65% Cg Cut-Off)**

| | Category | Tonnes (Mt) | Grade (%Cg) | Contained (kt) |
|---|---|---|---|---|
| Saprolite | Measured | 6.84 | 4.39 | 300.3 |
| | Indicated | 23.24 | 4.04 | 937.9 |
| | Inferred | 1.20 | 3.81 | 45.6 |
| Hard Rock | Indicated | 15.96 | 4.03 | 643.4 |
| | Inferred | 3.05 | 3.73 | 113.8 |
| **Total** | **Meas. & Ind.** | **46.03** | **4.09** | **1,881.6** |
| | **Inferred** | **4.25** | **3.75** | **159.4** |

1. Pit shell defined using 30-degree pit slope, $1,400/t of concentrate (96% Cg grade, 75% Cg plant recovery), $1.80/t mining cost, $8.00/t processing cost, $3.50/t G&A and $100/t of concentrate transport costs
2. Mineral resources are not mineral reserves and have no demonstrated economic viability. The estimate of mineral resources may be materially affected by mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors
3. Effective Date of Resource Estimate is June 18, 2019.
4. Please refer to the technical report filed on SEDAR for full details.




**Open along strike and at depth**

# The 4 Key Resource Qualities

## 1&2 Size Distribution & Grade

| | | | |
|---|---|---|---|
| Parameter | Head Grade | 4.3% Cg | |
| | Overall Recovery | 84.2% | |
| | Mass Recovery | 84.5% | |
| | Concentrate Grade | 96.8% | |
| Flake Distribution & Grade | | Distr. | Grade |
| | +48 mesh | 17% | 95.4% |
| | +80 mesh | 28% | 96.5% |
| | +100 mesh | 9% | 95.3% |
| | <100 mesh | 47% | 94.5% |

## 3 SP20 Purification Results

| | | PPM | Limit |
|---|---|---|---|
| ICP Results Alkaline Roasting (July 2022) | Al | 3.4 | <20 |
| | Ca | 15.1 | 25.0 |
| | Cr | 4.5 | <5 |
| | Cu | 0.9 | <5 |
| | Fe | 16.7 | <30 |
| | Ni | 3.9 | <5 |
| | Si | 9.8 | 40 |
| | Final LOI | 99.97% | |
| | PSD (d90:d10) | 2.6 | |

Well below (very strict) limits, customers have own specs

## 4 Reserve Estimate

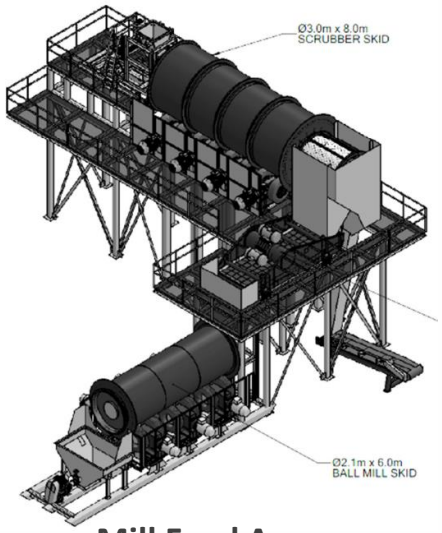
| | | | |
|---|---|---|---|
| Reserves | Proved – Oxide | 6.67Mt | 4.43% Cg |
| | Probable – Oxide | 20.89Mt | 4.11% Cg |
| | Probable – Fresh Rock | 14.50Mt | 4.15% Cg |
| Total Proven & Probable | | 42.06Mt | 4.17% Cg |

Potential to Increase Grade Through Block Model Optimization

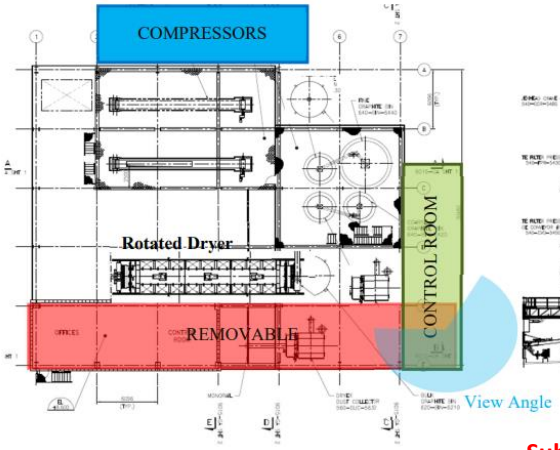
Source: 2016 Lola Feasibility Study, ProGraphite

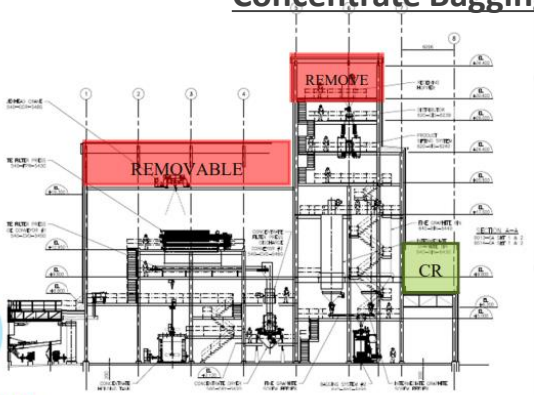
# Flowsheet – Phase 1 - FEED

## Scrubber and Ball Mill Layout

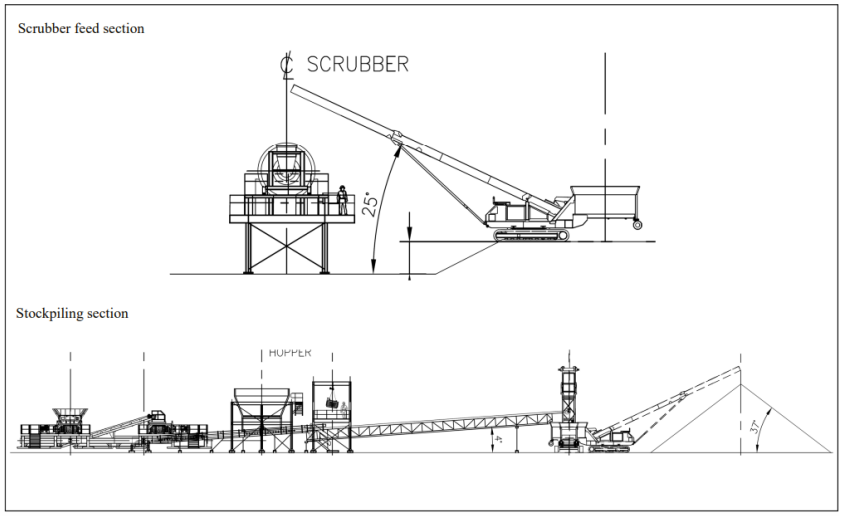



## Concentrate Bagging



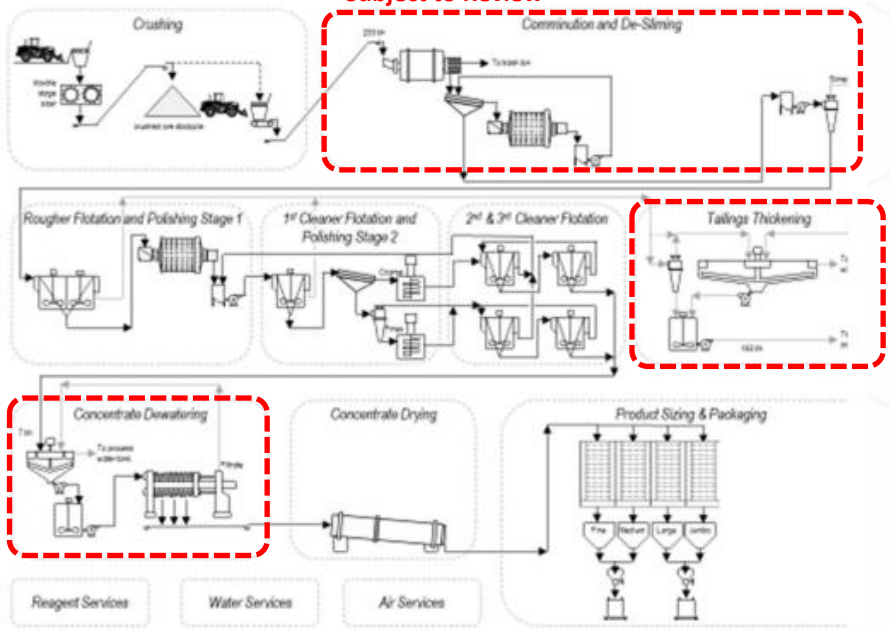




## Mill Feed Arrangements




## Process Flow Sheet

Subject to Review



# Feasibility Study Results

## 2019 FS

| | | |
|---|---|---|
| Capex | Direct | $88.5M |
| | Indirect | $16.6M |
| | Contingency | Updated FS Q4 '22 |
| | Owner's Cost | $5.5M |
| | Total | $123.1M |
| Opex (LoM Avg.) | Direct | $470 / t |
| | Transport | $38 / t |
| | Total | $508 / t |
| Results (Post-Tax) | Avg. Selling Price | $1,321 / t |
| | $NPV_{8\%}$ | $159M |
| | IRR | Updated FS Q4 '22 |
| | Pay-Back | [illegible] years |
| | Mine Life | 29 years |

Source: 2016 Lola Feasibility Study

1. All monetary amounts in USD

## Sensitivity Analysis

| | Price | $1,056 | $1,189 | $1,321 | $1,453 | $1,585 |
|---|---|---|---|---|---|---|
| Sensitivity (Post-Tax) | Avg. FCF | $17M | $22M | $27M | $32M | $37M |
| | $NPV_{8\%}$ | $64M | $11[illegible] | Updated FS Q4 '22 | 206M | $253M |
| | IRR | 13.7% | 17.6% | 21.2% | 24.6% | 27.8% |

## Highlights

- Construction period of 14 months, followed by 3 months commissioning and 3 months ramp-up
- Simple, open pit mining of 1.4Mtpa of fresh saprolite rock
- Low LoM average strip ratio of 0.69
- Processing flow sheet based on conventional flotation circuit
- Export route by road through Liberia
- Concentrate divided into 4 standard-size fractions (+48 mesh, -48 + 80 mesh, -80 +100 mesh, and -100 mesh)

# Key Focus Areas & Opportunities

**RESOURCES**

- Update of resource model to improve overall grade through dilution control
- Additional drilling campaign to increase reserves and resources along strike and at depth

**MINE & PLANT**

- Increased plant production to 100ktpa graphite concentrate (from 50ktpa in 2019 FS)
- Trade-off between contract vs. owner mining
- Trade-off between processing soft saprolite rock vs. hard rock at depth
- Potential to improve metallurgical recovery and product grade

**AAM PLANT**

- Discussions with several leading technical consultants
- Advance offtake discussions
- Discussions on CSPG– IP technology
- Advance discussions to secure plant location

**GUINEA**

- Deepen relationships with local, regional and national authorities
- Negotiate connection of Lola Graphite Project to national power grid and export permits
- Negotiate fiscal framework with the Republic of Guinea

**UPDATED FS H2 2022**

**Financing & Offtake**

**CSPG PEA Q1 2023**

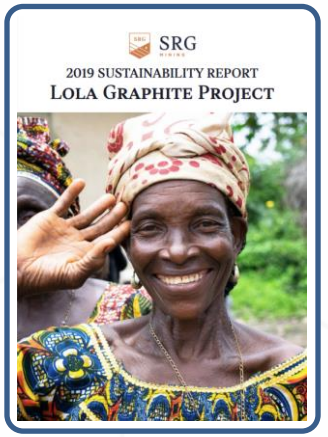
**MINING CONVENTION H2 2022**

**2022-2023 Will be Pivotal Years for SRG**

# ESG Principles

**HSE**

- Health, safety, and environmental leadership come first
- Target ZERO Recordable Incident Rate and ZERO Environmental Incident Rate
- Development in line with best practice health, safety and environmental standards




**PARTNERSHIPS**

- Active engagement with national and regional stakeholders and local communities
- Community offices and radio programmes to increase awareness with stakeholders
- Sustainability framework guided by UN Sustainable Development Goals and ICMM

**AUDIT**

- Lola Graphite products will have a single chain of custody back to the source
- Fully integrated mine-to-market solution post second transformation

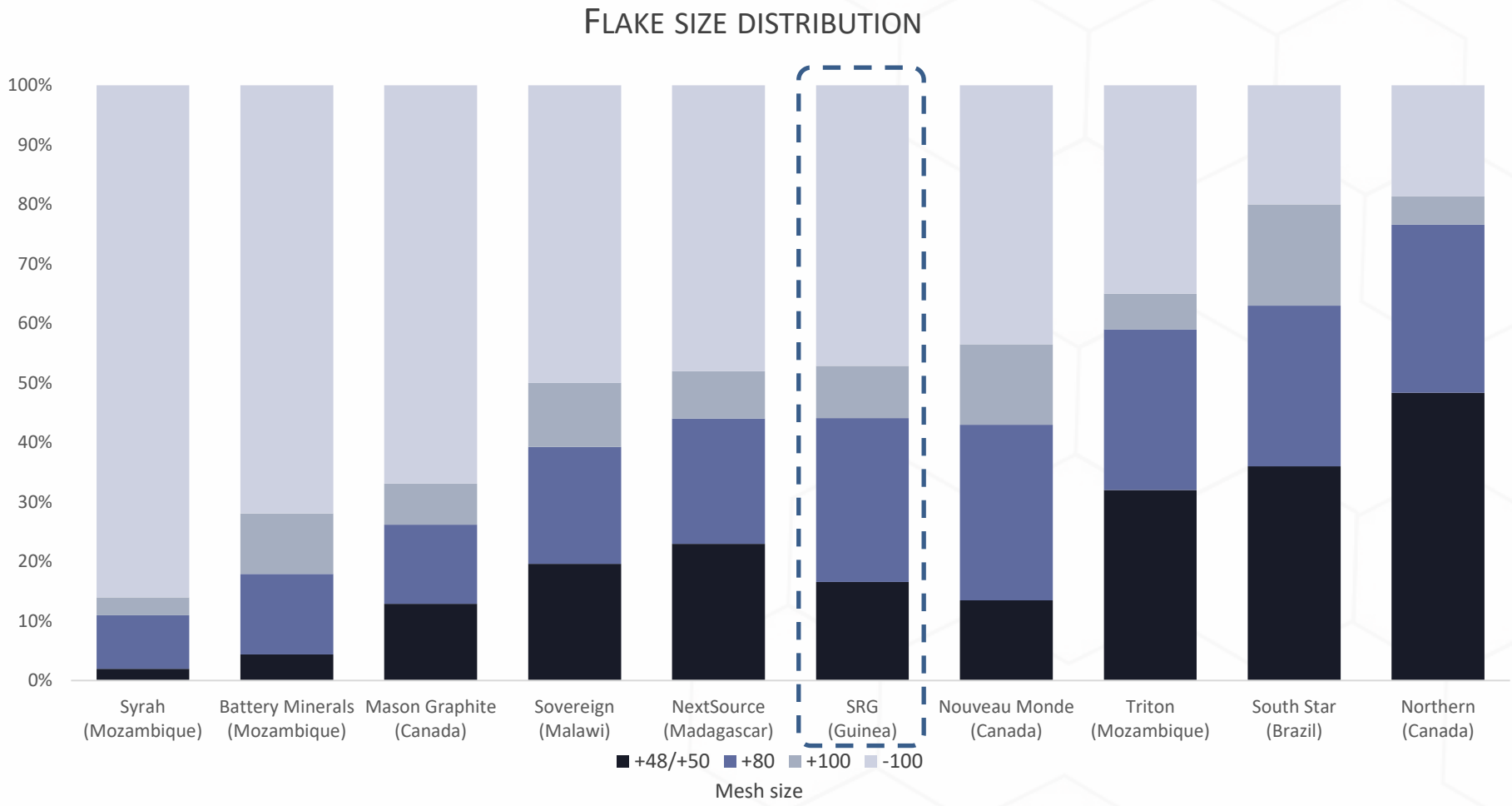
**EDUCATION**

- Livelihoods Programs to build sustainable communities with food security and improve the living standards
- Literary Programs to contribution to schools in the local community
- Apprenticeships Programs to promote opportunities for skills training for young Guineans

**ESG Principles at the Core of SRG**


# Appendix

# Flake Size Distribution Comparison



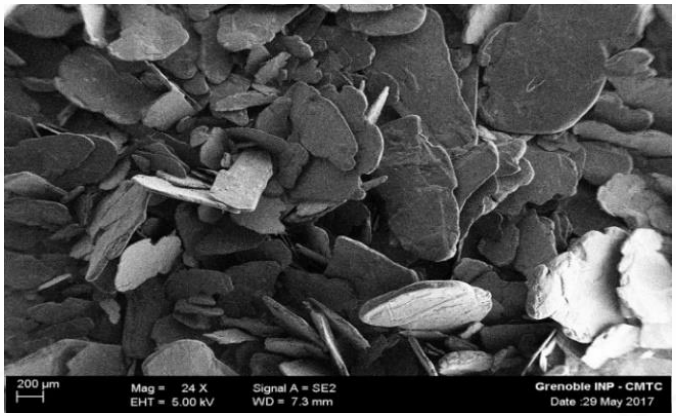

Source: Company filings

# Metallurgical Tests

- Metallurgical tests performed at ProGraphite and SGS Canada returned excellent results
  - 10 tonnes of material remains available for future testing by potential offtakers (**40 clients** have already tested the material)
- ProGraphite results summary:
  - Main elemental impurities are Si, Al and Fe, typical for flake graphite. Impurities known to cause issues, such as S, Mn, or heavy metals, at very low levels.
  - The combination of ash composition, crystallinity, oxidation resistance and purification behaviors makes this graphite very valuable for traditional markets and new applications (e.g. CSPG)
- SGS results summary:
  - Recovery of 84% for a blend of fresh rock and saprolite ore
  - Graphite particle size distribution 44% coarser than 80mesh
  - 200t piloting was successfully completed in 2019

**Flotation Testing Results**

| Flake Size (Mesh) | Flake size (µm) | Proportion (%) | FC (%) |
|---|---|---|---|
| **+48 (Jumbo)** | 315 | 16.6% | 95.4% |
| **+80 (Large)** | 180 | 27.5% | 96.5% |
| **+100 (Medium)** | 150 | 8.8% | 95.3% |
| **-100 (Fines)** | -150 | 47.1% | 94.5% |




SRG Graphite 24x microscope image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