



2023 Sustainability Report

Specialising in mining investments

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Message From La Mancha's Managing Partner

We are pleased to present La Mancha's annual Sustainability Report for 2023. This year marked another year of focus on sustainability at La Mancha and the Fund's portfolio companies.

Highlights from this year include:

- G Mining signing a landmark multi-year power purchase agreement for renewable energy to power its Tocantinzinho project;
- the completion of Reunion's first formal sustainability assessment; and
- a reduction in emissions intensity at Endeavour.

These achievements by the Fund's portfolio companies illustrate La Mancha's approach to sustainability as an investment manager, in which we look for partners who share our values, pursue continuous sustainability improvement, and set clear sustainability goals.

This 2023 Sustainability Report follows our inaugural 2022 Sustainability Report, which established a sustainability performance baseline. As we continue to monitor sustainability data from the Fund's portfolio in 2023 and beyond, this baseline will increasingly allow us to identify trends and take action to foster better sustainability outcomes.



Vincent Benoit
Managing Partner



Fund portfolio exposure as at 31 December 2023

The Fund's Portfolio¹

The Fund is invested in mining and royalty companies that are focused on value creation for investors.

The Fund's portfolio comprises investments at various stages of the mine life cycle, from development to production.

	 MINING VENTURES	 ENDEAVOUR MINING	 SRG ² MINING	 REUNION GOLD	 ELEMENTAL ALTUS ROYALTIES
Ownership	25.0%	18.0%	23.5%	8.4%	31.8%
Holding Since	2022	2015	2022	2023	2020 ³
Ticker	GMIN (TSXV)	EDV (TSX & LSE)	FLCN (TSXV)	RGD (TSXV), RDGFF (OTCQX)	ELE (TSXV), ELEM (OTCQX)
Market Cap	\$483 Million	\$5,471 Million	\$64 Million	\$380 Million	\$157 Million
Metal	Gold	Gold	Graphite	Gold	Royalties
Stage	Construction	Production	Development	Development	-
Region	Brazil	West Africa	Guinea	Guyana	Global
Headcount	2009	18,258	37	102	13

¹ Excludes Horizonte Minerals plc. See page 20 for further information.

² SRG Mining Inc. changed its name to Falcon Energy Materials plc in July 2024.

³ Initial investment was made into Altus in 2020 and Altus subsequently merged with Elemental Royalties to form Elemental Altus Royalties.

Our Sustainability Approach

We aim to build long-term value by aligning our investment decisions with our risk evaluation, portfolio company engagement and sustainability performance reporting.

Sustainability Pillars

Our Sustainability Pillars are at the heart of our approach to sustainability – six key areas in which we aim to achieve consistent progress: (1) standards, systems and structure, (2) sustainability transparency & reporting, (3) health & safety, (4) local development, (5) decarbonisation, and (6) environmental impact.

The scorecard presented on page 7 summarises the sustainability performance of the Fund's portfolio companies in the 2023 reporting period by reference to our Sustainability Pillars.

These Sustainability Pillars reflect our commitment to sustainability before and after investment, which is in turn reflected in our investment due diligence, active engagement with portfolio companies and the industry, and the standards adopted by us and the Fund's portfolio companies.



Investment Due Diligence

We assess sustainability risks and opportunities in potential new investments using a range of due diligence tools, such as site visits, data analysis, local insights, community engagement, life cycle assessment, regulatory compliance monitoring, and reviewing sustainability systems and targets.

Once invested, we monitor the sustainability performance of the Fund's portfolio companies by:

- reviewing public reporting, undertaking informal consultation and in certain cases, exercising pre-agreed information rights;
- facilitating the sharing of sustainability best practices and ideas among the Fund's portfolio companies; and
- encouraging the Fund's portfolio companies to implement industry standards and collect sustainability data aligned with leading frameworks.

Active Engagement

Our typical investment approach involves advising the Fund to acquire a large minority stake in a portfolio company (usually 15-30%) together with enhanced investor rights that include board seats and access to company data. We combine the Fund's investor rights and influential shareholding position with our diligence findings and deep industry expertise to understand the sustainability impact of the Fund's portfolio companies.

Industry Standards

We continually assess the Fund's potential and actual investments against select industry standards, which we believe position us well to reduce portfolio company risk and achieve superior portfolio company sustainability outcomes. For example:

- **The UN [Sustainable Development Goals](#) (SDGs)**

The SDGs are a set of goals for the year 2030 established by the United Nations in 2015. They form a blueprint for government, businesses and civil society to build a more sustainable future, and recognize that social and environmental aims must go hand in hand with economic development. Of the 17 SDGs, we have identified and integrated 10 priority targets in our scorecard on the following page to track our sustainability performance.

These are SDGs:



- **The [Principles for Responsible Investment](#) (PRI)**

The PRI is a global initiative that promotes responsible investment practices among institutional investors.

Launched in 2006 by the United Nations, the PRI provides a framework for incorporating sustainability factors into investment decision-making and ownership practices.

La Mancha has regard to these principles when evaluating potential Fund investments and portfolio company management practices.



- **The [Sustainable Financial Disclosure Regulation](#) (SFDR), the [EU Taxonomy](#) and [Towards Sustainable Mining](#)**

SFDR and the EU Taxonomy were established by the European Union in 2019 and 2020, respectively.

SFDR requires financial market participants to provide standardised sustainability disclosures to improve transparency and reduce the occurrence of inaccurate claims about sustainability performance (commonly known as 'greenwashing'). Similarly, the EU taxonomy sets out common definitions and classifications for various economic activities to identify practices that are aligned with sustainable outcomes.



Towards Sustainable Mining was developed in 2004 by the Mining Association of Canada to help companies manage key environmental and social risks. This standard aims to turn commitments into on-site actions and offers interested stakeholders information on important areas like community outreach, tailings management, and biodiversity.

SFDR, the EU taxonomy and Towards Sustainable Mining, along with our SDG targets and PRI, are referenced in the La Mancha Responsible Investment Policy, which was developed during the reporting period and guides the sustainability assessment of Fund investments.

For information on the industry standards adopted by the Fund's portfolio companies, see the company-by-company analysis on pages 8 to 19 of this Sustainability Report.

Sustainability Pillars Performance Scorecard of La Mancha Fund

	Investment Condition	SDGs	La Mancha Target	2022 Performance	2023 Performance	ENDEAVOUR MINING	MINING VENTURES	SRG MINING	REUNION GOLD
1. Standards, systems and structure	Portfolio companies must adhere to an international standard (e.g. IFC, TSM, RGMP, UNGC, EP, World Bank, SDGs)		100% of portfolio adherence to an industry standard	50%	100%	✓	✓	✓	✓
	Alignment with SDGs		100% of portfolio aligns with SDGs	100%	100%	✓	✓	✓	✓
	Portfolio companies must maintain policy statements and standards around key sustainability areas		100% of portfolio has appropriate policies, standards and disclosures	100%	100%	✓	✓	✓	✓
2. Sustainability transparency and reporting	Portfolio companies must have software supported GRI/SASB/ TFCF regular reporting		100% of the portfolio is publishing ESG reports	75%	50%	✓	✓	✗	✗
3. Health & Safety	Portfolio companies must have all-inclusive commitment to zero harm	3	Safety management systems based on internationally recognised standards with annual audits	100%	100%	✓	✓	✓	✓
		8	5% improvement on TRIFR ⁴ year over year	100%	0%	✗	✗	Not in operation ⁵	Not in operation ⁵
			Fatality rate of zero	75%	100%	✓	✓	✓	✓
4. Local development	Portfolio companies must have a comprehensive local development strategy	11	80% of total procurement budget to in-country suppliers	67%	100%	✓	✓	Not in operation ⁵	Not in operation ⁵
		17	15% Female employment	50%	50%	✓	✗	✓	✗
			60% National management ⁵	50%	100%	✓	✓	Not in operation ⁵	Not in operation ⁵
			1% Pre-tax profit on community investment ⁵	100%	100%	✓	Under construction ⁵	Not in operation ⁵	Not in operation ⁵
5. Decarbonisation	Portfolio companies must have an ambitious decarbonisation strategy and meaningful GHG reduction targets, as defined by the Science-Based Targets Initiative	7	100% of the portfolio has a level A in TSM Climate Change Protocol ⁶	0%	0%	✗	Under construction ⁵	Not in operation ⁵	Not in operation ⁵
		13	A level improvement in TSM Climate Change Protocol	N/A	N/A	N/A	N/A	N/A	N/A
6. Environmental impact	Portfolio companies must proactively manage waste and tailings		Alignment with Global Industry Standards on Tailings Management	100%	100%	✓	✓	Not in operation ⁵	Not in operation ⁵
	Portfolio companies must proactively manage waste	13	75% of water reused and recycled	0%	0%	✗	✗	Not in operation ⁵	Not in operation ⁵
	Portfolio companies' operations should have a net positive biodiversity impact	15	Operations achieving a net positive biodiversity impact ⁵	0%	0%	✗	✗	Not in operation ⁵	Not in operation ⁵

⁴Total Recordable Incident Frequency Rate.

⁶For more information on TSM Climate Change Protocol and parameters visit www.mining.ca

⁵Targets applicable only for portfolio companies in operational stage.



Endeavour is one of the world's senior gold producers and the largest in West Africa, with operating assets across Senegal, Cote d'Ivoire, and Burkina Faso and a strong portfolio of advanced development projects and exploration assets in the highly prospective Birimian Greenstone Belt across West Africa.

A member of the World Gold Council, Endeavour is committed to the principles of responsible mining and delivering sustainable value to its employees, stakeholders, and the communities where it operates. Endeavour is listed on the London and Toronto Stock Exchanges.



Endeavour 2023 Sustainability Performance

Standards

In 2023, Endeavour achieved ISO 45001 and ISO 14001 certification of its occupational health and safety management system and environmental management system, respectively. Endeavour achieved these certifications two years ahead of its target.

Emissions

Endeavour's emissions intensity in 2023 was 0.604 tCO₂e per ounce, beating the target of 0.640 tCO₂e per ounce set in 2022. The company also achieved a significant reduction in direct emissions, from 749,000 tonnes of CO₂e in 2022 to 579,000 tonnes of CO₂e in 2023, although this was partly driven by the divestment or scaling-back of certain company operations.

Female Employment and Local Procurement

Against a target of 15%, Endeavour secured a 22% rate of female enrolment for new hires in 2023. Endeavour also achieved its in-country procurement goal by sourcing over 80% of its procurement needs in its host countries in 2023.



Health & Safety

There were no fatalities across Endeavour's operations in 2023. The total recordable incident frequency rate (TRIFR) at Endeavour was largely flat, increasing from 0.87 in 2022 to 0.89 in 2023, although this fell significantly short of its target to reduce the TRIFR by 5% year-on-year. Similarly, while the company achieved a decrease in the incidence of malaria by 2% across 2023, it did not reach its target of a 10% year-on-year reduction.

Environment and Water

Surpassing the goals set in 2022, Endeavour planted over 300 hectares and reclaimed 84 hectares of land as part of its rehabilitation and reclamation efforts in 2023. While Endeavour did not achieve its ambitious goal of using 70% recycled water in its operations in 2023, it did succeed in bringing the water recycling rate up from 57% in 2022 to 62% in 2023.



Endeavour Sustainability KPIs

KPI	Units	2021	2022	2023
TRIFR		1.72	0.87	0.89
LTIFR		0.20	0.02	0.08
Renewable electricity	%	0%	1%	2%
Total energy consumption	GJ, millions	11.1	10.3	9.2
Direct (scope1) GHG emissions	tonnes of CO ₂ e per tonne of ore processed	767	749	579
Indirect (scope 2) GHG emissions		86	136	129
GHG intensity	tonnes of CO ₂ e per oz of gold	0.54	0.64	0.60
	tonnes of CO ₂ e per tonne of ore processed	0.030	0.037	0.034
Water reused and recycled	%	67%	57%	62%
National employees	%	95%	95%	94%
National management	%	41%	49%	57%
Female employees	%	9%	9%	11%
Spending on in-country suppliers	%	80%	81%	81%
Total community investment spending	\$. millions	25.7	23.4	4.0

Endeavour's 2023 Sustainability Report can be viewed in full at: <https://www.endeavourmining.com/esg/esg-reporting>



G Mining is a Toronto stock exchange listed mining company engaged in the acquisition, exploration, and development of precious metal projects to capitalise on the value uplift from successful mine development.

G Mining is well-positioned to grow into the next mid-tier precious metals producer by leveraging strong access to capital and proven development expertise.

G Mining is currently anchored by its flagship Tocantinzinho Gold Project in mining friendly and prospective State of Pará, Brazil.



G Mining 2023 Sustainability Performance Highlights

Health & Safety

Despite intense activity in 2023 associated with construction at the Tocantinzinho project, G Mining's TRIFR did not materially increase in 2023 compared to 2022.

Local Development and Procurement

G Mining increased its community investment spending from \$375,000 in 2022 to \$492,000 in 2023, demonstrating its enhanced support for local communities. At the same time, G Mining increased its spending on in-country suppliers from 74% in 2022 to 94% in 2023.

Renewable Energy

In June 2023, G Mining entered a multi-year power purchase agreement with Companhia Energética de Minas Gerais and CEMIG Geração e Transmissão S.A., securing low-cost, 100% renewable power for the Tocantinzinho project from March 2024.

G Mining Sustainability KPIs

KPI	Units	2022	2023
TRIFR		0.30	0.31
Renewable electricity	%	0%	0%
Direct (scope1) GHG emissions	tonnes of CO ₂ e	2,903	326,417
National employees	%	99%	94%
Female employees	%	14%	10%
Spending on in-country suppliers	%	74%	94%
Total community investment spending	\$, thousands	375	492

G Mining's 2023 Sustainability Report can be viewed in full at: <https://gmin.gold/en-US/esg>



Reunion is a gold developer operating in the Guiana Shield, South America.

The company's primary asset is the Oko West project in Guyana, which has an indicated resource of 4.3 Moz of gold at 2.05g/t and inferred resources of 1.6 Moz of gold at 2.59g/t.

The Reunion management team has a track record of exploring and developing mineral assets across the Guiana Shield.

⁷ Reunion merged with G Mining in July 2024. Its sustainability performance will be consolidated with that of G Mining in future Sustainability Reports.

Reunion 2023 Sustainability Performance Highlights

Formal Sustainability Assessment

In 2023, Reunion conducted an in-depth assessment of the sustainability of its operations in collaboration with a third-party consultant, employees, management, and other stakeholders.

Standards

Reunion chose to implement nine of the SDGs.⁸ These are reflected, for example, in Reunion's use of local talent where possible, its water management and treatment programme, its work to replant previously disturbed areas with endemic species, and its support in upgrading the kitchen facilities of the local orphanage for girls.

Community Outreach

2023 saw Reunion initiate a scholarship programme for geology students at the University of Guyana and sign a memorandum of understanding with the Guyanese Ministry of Labour to identify skilled employment opportunities at Reunion for the local community. Reunion also conducted medical outreach visits in 2023, which provide medical and health advice to communities in the vicinity of Oko West.

Health, Safety and Environment (HSE) Management Plan

Reunion partnered with a Guyanese firm to launch its HSE management plan in early 2023, which puts in place systems for periodic reporting, staff training, risk mitigation, and anti-malaria measures, among others. This plan aims to promote the health and wellbeing of the Reunion workforce in a methodical and measurable manner. Despite these efforts, Reunion did suffer a lost-time injury among its workforce in 2023, although this represented the first such injury at Reunion in over 450 days.

⁸Those relating to good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry innovation and infrastructure, climate action, and life on land.

Reunion Sustainability KPIs

KPI	Units	2023
TRIFR		1.8
Renewable electricity	%	0%
National employees	%	89%
Female employees	%	14%
Spending on in-country suppliers	%	32%
Total community investment spending	\$, thousands	17



SRG⁹
MINING

SRG is focused on developing the Lola graphite project in the Republic of Guinea, West Africa.

The Lola graphite project has proven and probable reserves of 42Mt at a grade of 4.2% Cg.

SRG aims to develop a fully integrated source of battery anode material to supply the European lithium-ion and fuel cell markets. SRG is poised to become a reliable graphite supplier while promoting sustainability and supply chain transparency.

SRG is committed to generating sustainable, long-term benefits that are shared with the host countries and communities where it operates.

⁹SRG Mining Inc. changed its name to Falcon Energy Materials plc in July 2024.





SRG 2023 Sustainability Performance Highlights

Standards

In 2023, the Bureau Guinéen d'Études et Évaluations Environnementales validated SRG's environmental and social impact assessment and environmental conformity certification. In addition, 2023 saw SRG align its approach with the SDGs and commence an ISO-14040 and -14044- compliant life cycle assessment to quantify and analyse the environmental footprint of its coated spheronised purified graphite production processes.

Education and Training

SRG supported education in the communities around the Lola graphite project in several ways in 2023, including building three classrooms, providing school supplies to top school performers, and delivering youth employability and entrepreneurship training. To provide women of the Lola communities with additional support, SRG trained and assisted several women's soapmaking groups in 2023.

Local Infrastructure

SRG donated 200 waste bins to the Lola municipality in 2023 and rehabilitated several community roads. These initiatives seek to improve the local communities surrounding the Lola graphite project and enhance their economic activity.

Support for Agriculture and the Ecosystem

In 2023, SRG provided agricultural equipment to local farmers and established a scheme intended to help farmers to cultivate peppers. In addition, SRG established plant nurseries in 2023 to contribute to reforestation of the Lola Prefecture.

About this Report

This report is La Mancha Resource Capital LLP's annual Sustainability Report in respect of the year ended 31 December 2023. References to "La Mancha," "we," and "our" refer to La Mancha Resource Capital LLP.

References to "the Fund" refer to La Mancha Resource Fund SCSp, and references to "the Fund's portfolio companies" or "the portfolio" refer to the companies in which the Fund was directly or indirectly invested during the reporting period as part of the ordinary course of its investment business. "Endeavour" refers to Endeavour Mining Plc, "G Mining" refers to G Mining Ventures Corp., "SRG" and "SRG Mining" refer to SRG Mining Inc. (which was renamed Falcon Energy Materials plc after the reporting period), "Elemental Altus" refers to Elemental Altus Royalties Corp., and "Reunion" refers to Reunion Gold Corporation.

Unless otherwise noted, financial figures are in U.S. dollars and all figure dates are as of 31 December 2023.

Although we endeavour in this Sustainability Report to provide information regarding the sustainability of all the companies that were part of the Fund's portfolio during the reporting period, our reporting is necessarily informed by, and shares certain limitations with, the sustainability information disclosed by such companies. In particular, in this reporting period:

1. as an investment company, Elemental Altus does not report on the same metrics as the rest of the Fund's portfolio and therefore is not covered in the performance tables or company-by-company analysis; and
2. in connection with the financial difficulties experienced by Horizonte Minerals plc in 2023 resulting in it being put into administration in May 2024, Horizonte Minerals plc did not make any sustainability disclosures in the reporting period and therefore is not covered in this Sustainability Report.

Disclaimer

This Sustainability Report contains forward-looking statements that reflect plans, expectations and projections. These statements are based on current information, assumptions, and beliefs, and are subject to inherent risk and uncertainty. Actual results may differ materially from those anticipated due to various factors, including market, economic, and political conditions, regulatory changes, and unforeseen events. We undertake no obligation to update or revise any forward-looking information, and we caution against placing undue reliance on such statements.

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Certain information contained in this Sustainability Report has been obtained from the Fund's portfolio companies and/or sources outside La Mancha, such as press releases, reports, websites, and/or articles, which in certain cases have not been updated through the date hereof. While we currently believe that such information is reliable for purposes used herein, the information may not be accurate and is subject to change, and also reflects La Mancha's opinion and assumptions as to whether the amount, nature and quality of the data is sufficient only for the applicable conclusion used in this Sustainability Report. No representations are made as to the accuracy or completeness thereof and none of La Mancha, the Fund, nor any of their affiliates takes any responsibility for, and has not independently verified, any such information.

Nothing contained in this Sustainability Report constitutes investment, legal, tax, or other advice nor is it to be relied on in making an investment or other decision. This Sustainability Report does not constitute an offer to sell, or the solicitation of an offer to buy, any security, product, or service, including interests in the Fund.