

Description of the Principal Adverse Impacts (“PAIs”) on Sustainability Factors

La Mancha Resource Capital LLP (“LMRC”) is La Mancha Resource Fund SCSp’s (the “Fund”) appointed Investment Manager.¹ LMRC considers principal adverse impacts on sustainability factors in connection with investments it recommends to the Fund. This statement is the Fund’s consolidated statement on principal adverse impacts on sustainability factors and covers the period spanning 1 January 2022 to 31 December 2022 (the “Reference Period”). References to “portfolio”, “portfolio companies”, or “investee companies” refer to the Fund’s portfolio companies during the Reference Period. References to “EDV” refer to Endeavour Mining Plc, “HZM” refer to Horizonte Minerals Plc, “GMIN” refer to G Mining Ventures Corp., “SRG” refer to SRG Mining Inc., “ELE” refer to Elemental Altus Royalties Corp., and “RGD” refer to Reunion Gold Corp.²

The mandatory indicators defined by the Commission Delegated Regulation (EU) 2022/1288 covering investments in portfolio companies are set out in the table below. The information on the impact of the Fund’s investments on these indicators will be published annually in accordance with the EU Sustainable Finance Disclosure Regulation (“SFDR”). Information on impacts compared to previous years will be reported continuously by 30 June in any given year.

Financial figures are in US dollars and as of 31 December 2023 unless otherwise noted. ELE, as a royalty company, does not report on the same metrics as the rest of the Fund’s portfolio and therefore is not covered in the below tables.

Indicators applicable to Fund investee companies									
	Topic	Indicator	Metric	Unit of measurement	Fund Impact ²	Total Portfolio Impact	Explanation	Actions taken, and actions planned/ targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS	Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	(000’s) tCO ₂ -e	185,726.5	905,839.4	<p>Scope 1 emissions are emissions caused directly by an organisation’s activities (e.g. emissions produced by company facilities or vehicles)</p> <p>Scope 2 emissions are indirect emissions resulting from an organisation’s energy consumption (e.g. emissions from electricity the company purchased)</p> <p>Scope 3 emissions are all other indirect emissions (e.g. emissions from the company’s leased assets, business travel, or distribution network)</p> <p>GHG emissions are reported as:</p> <ol style="list-style-type: none"> Fund Impact, which represents aggregate emissions attributable to the Fund based on its percentage ownership in various portfolio companies Total Portfolio Impact, which represents the total emissions attributable to all portfolio companies <p>Both Fund Impact and Total Portfolio Impact exclude portfolio companies that are not producing assets, such as royalty companies.</p>	<p>LMRC developed its Responsible Investment Policy and sustainable investment process with reference to European and international standards including the SFDR, Regulation (EU) 2020/852 (referred to as the “EU Taxonomy”), the United Nations-supported Principles for Responsible Investment, United Nations Sustainable Development Goals, and Towards Sustainable Mining standard.</p> <p>LMRC and the Fund are indirectly exposed to sustainability risks arising from portfolio company operations, even though the Fund is not involved in, and does not have direct control over, the operational decisions of those companies. Due diligence LMRC conducts on behalf of the Fund assesses sustainability risks. LMRC enhanced its due diligence processes in 2022 to request additional information from target companies regarding actions to reduce PAI exposure, including in relation to the PAIs selected.</p> <p>LMRC monitors portfolio company sustainability performance through portfolio company engagement. The Fund typically seeks enhanced shareholder rights, such as information rights and board appointment rights, from its portfolio companies.</p> <p>LMRC actively promotes improved sustainability data collection within portfolio companies, which includes encouraging portfolio companies to align their sustainability reporting with recognized frameworks such as the Sustainability Accounting Standards Board and the Global Reporting Initiative to achieve consistency across PAI data sources.</p> <p>LMRC has identified 6 key impact areas where it seeks to effect change:</p>	
			Scope 2 GHG emissions	(000’s) tCO ₂ -e	23,270.7	129,496.1			
			Total Scope 1 and Scope 2 GHG Produced (CO₂e)	(000’s) tCO₂-e	208,997.1	1,035,335.4			
			Scope 3 GHG emissions	(000’s) tCO ₂ -e	80,359.9	446,379.5			
			2. Carbon footprint	Total GHG emissions	(000’s) tCO₂-e	370,444.7	1,481,714.9		
			3. GHG intensity of investee companies	GHG intensity of investee companies	Total company GHG/\$ invested		1.32		$\frac{\text{Total Portfolio GHG}}{\text{Total \$ Invested}}$
			4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector		-	None		
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption (GJ) of investee companies from non-renewable energy sources	Percentage (%)		100%				

¹ LMRC is authorised and regulated by the United Kingdom Financial Conduct Authority (FRN 978592).

² LMRC % invested of company totals as of 31 December 2023: EDV - 17.97% Ownership, HZM – 23.09% Ownership, GMIN - 25% Ownership, SRG - 23.46% Ownership, RGD - 8.35% Ownership

			compared to renewable energy sources, expressed as a percentage					1. Sustainably standards and systems 2. Sustainability reporting 3. Health & safety performance 4. Local development initiatives and performance 5. Decarbonisation initiatives and performance 6. Environmental impact of operations
	6. Energy consumption intensity per high impact climate sector	Total Energy consumption in GJ	GJ	1,657,702.2	9,210,923			
		Energy consumption in GJ per million \$ of revenue of investee companies, per high impact climate sector	Total energy consumption/ \$mn invested		0.255		<i>Total Portfolio Energy</i> <i>Total \$mn Invested</i>	
Biodiversity	7. Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity- sensitive areas where activities of those investee companies negatively affect those areas	%		75% ³			
Water	8. Emissions to water (effluent discharge)	Litre (L) of emissions to water generated by investee companies per million \$ invested, expressed as a weighted average	ML/\$mn invested		0.08		<i>ML of Emissions to Water</i> <i>Total \$mn Invested</i>	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes (t) of hazardous waste generated by investee companies per million \$ invested, expressed as a weighted average. No hazardous waste generated	t/\$mn invested		6.07		<i>Tonnes of Hazardous Waste</i> <i>Total \$mn Invested</i>	
SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (“OECD”) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises			None			
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises			None			
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies			None reported			
	13. Board gender diversity	Average ratio of female to male board members in investee companies			1:7			
		Percentage of female members on LMRC Advisory Committee	% female		19%			
14. Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons			None			LMRC’s Responsible Investment Policy prohibits LMRC recommending investments to the Fund that involve the manufacture or sale of weapons.	

³EDV- Ity and Sabodala-Massawa have been identified as areas of critical habitat

GMIN: "The TZ Project is situated within the EPA – Tapajós Environmental Preservation Area, adjacent to the Jamanxim National Park, Crepori, and Jamanxim FLONA's (National Forests). The company emphasises the commitment to biodiversity preservation, reforestation efforts, and monitoring impacts on local species."