

La Mancha welcomes pivotal partnership between SRG Mining and C-One

London, 31 July 2023 – La Mancha Resource Capital LLP (“La Mancha”), investment advisor to La Mancha Resource Fund SCSp (the “Fund”), which is the largest shareholder of SRG Mining Inc. (“SRG”), welcomes SRG’s announced strategic cooperation and investment agreement (“Agreement”) with Carbon ONE New Energy Group Co., Ltd (“C-One”), a leading industry figure in graphite and anode production. Under the terms of the Agreement, C-One will acquire a 19.4% stake in SRG, mirroring the Fund’s pro-forma ownership, and collaborate with SRG with the objective of developing SRG into a fully integrated graphite producer, supplying active anode materials to the Western world.

La Mancha believes C-One’s investment advances SRG’s objective of becoming a Western leader in natural graphite anode production, and La Mancha hopes it will fast-track SRG’s development timeline and result in substantial cost savings associated with building a graphite anode plant sufficient to meet battery manufacturer standards. By sharing its industry-leading know-how in constructing and operating anode plants, La Mancha believes C-One is the ideal partner to boost SRG’s expertise and places it ahead of its Western competitors.

Under the terms of the proposed transaction, the Fund will partially exercise its pre-existing anti-dilution rights such that, once both C-One’s and the Fund’s investments have closed, the Fund and C-One will own 19.4% of SRG’s issued and outstanding common shares.

Vincent Benoit, Partner & Co-chief Investment Officer of La Mancha, said:

“We congratulate SRG’s management team on their agreement with C-One and are delighted to welcome our prospective new fellow shareholder, C-One, onboard. C-One’s significant investment in SRG aligns their interests with all shareholders, distinguishing its strategic alliance with SRG from joint ventures or licensing royalties. Further, we hope that C-One’s recent construction of an anode plant in China will yield valuable synergies during SRG’s feasibility study and construction phases.”

Completion of the transaction is expected to occur by or in Q1 2024 once various conditions have been satisfied and relevant regulatory approvals have been obtained. The common shares will be subject to a four month and one day hold period from the date of their issuance in accordance with applicable securities laws and the policies of the TSX Venture Exchange.

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About La Mancha

La Mancha Investments S.a r.l. is a wholly owned subsidiary of La Mancha Fund SCSp (the “Fund”) advised by La Mancha Resource Capital LLP. The Fund is a Luxembourg-based deep value fund dedicated primarily to investments in the precious and energy transition metals space.

The Fund’s general partner is La Mancha Capital Management GP S.à r.l. which has delegated investment management over the Fund’s investments to NS Partners S.A., which has further delegated the portfolio management to La Mancha Resource Capital LLP. La Mancha Resource Capital LLP is authorised and regulated by the Financial Conduct Authority (FRN 978592).

For further information please visit: <https://lamancharresourcecapital.com/>

About C-One

C-One was founded in 2022 by C-One’s Chair, Yue Min. Mr. Yue is a co-founder of BTR New Material Group Co., Ltd, a pioneer in China’s graphite and silicon-based anode industry. C-One has assembled a large production base for various anode materials that sets the benchmark in the industry, including natural flake graphite. C-One is an innovative anode material industry leader and one of the lowest cost anode material producers in China, with a current installed capacity of 300,000 tonnes per annum (“tpa”) of CSPG. C-One owns several natural flake graphite mines that feed 250,000 tpa of spheroidizing capacity, 275,000 tpa of chemical purification capacity and 100,000 tpa of thermal purification capacity as well as 300,000 tpa of ALD-like coating capacity.

About SRG

SRG Mining is a Canadian-based mining company focused on developing the Lola Graphite Project located in the Republic of Guinea, West Africa. The Lola Graphite Project has Proven and Probable Reserves of 41Mt at a grade of 4.14% Cg. SRG aims to develop a fully integrated source of battery anode material to supply the European and North American lithium-ion and fuel cell markets.

For further information please visit: <https://lamancharresourcecapital.com/>

For Further Information:

For Investor Relations Enquiries:

La Mancha Resource Capital LLP

Vincent Benoit

vincent.benoit@lamancha.com

Karim Nasr

karim.nasr@lamancha.com

For Media Enquiries:

Acuitas Communications

Simon Nayyar, +44 (0)7799 767676

simon.nayyar@acuitascomms.com

Arthur Dingemans, +44 (0)7557 115764

arthur.dingemans@acuitascomms.com