



SRG

2018 SUSTAINABILITY REPORT LOLA GRAPHITE PROJECT



SRG (SRG GRAPHITE INC.)
 – (TSXV.SRG) is a Canadian-based resource company intent on creating shareholder value by becoming a leader in the production and delivery of low-cost, quick-to-market, high-quality natural flake graphite in an environmentally and socially responsible fashion.

SRG is developing the 100% owned Lola graphite deposit located in the Republic of Guinea, West Africa. The Lola graphite occurrence has a prospective surface outline

of 3.22 km² of continuous graphitic gneiss, one of the largest graphitic surface areas in the world.

SRG's Board of Directors and management team are seasoned resource industry professionals with extensive experience in the exploration, the development and the realization of world-class mining projects in Africa, North America and Europe. Management's technical expertise also includes graphite-specific mining, processing and development.

GRAPHITE, THE FUTURE OF HIGH-TECH



including lithium-ion batteries (EV, PHEV, stationary storage, etc.), solar energy, fire resistant materials, aerospace and electronics. The graphite market is almost as large as the nickel market and 50 times larger than lithium or rare earth elements markets.

Graphite demand world wide is set to rise significantly in the next 5-10 years from 2.4Mtpa to over 4Mtpa:

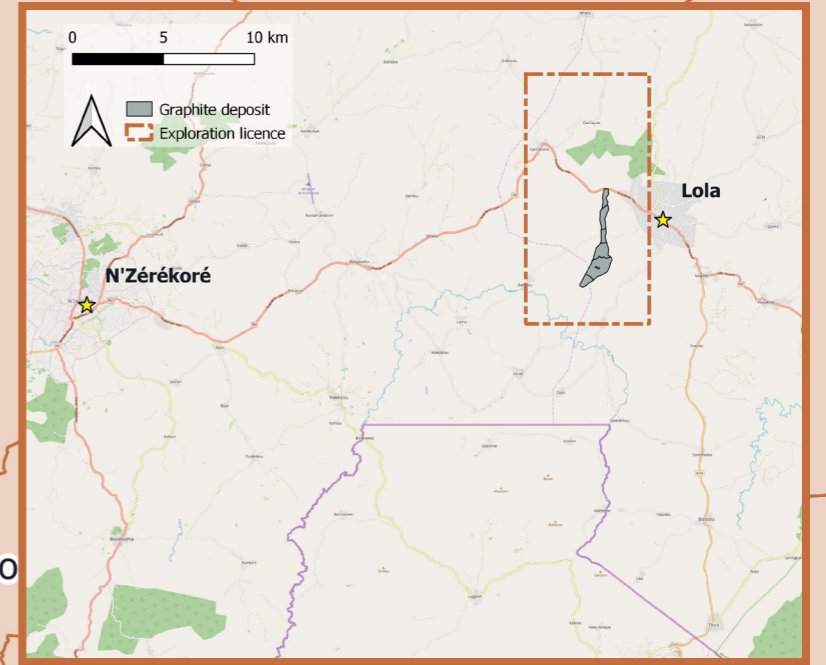
- ▶ 650ktpa of new production is required by 2022
- ▶ 1.7Mtpa of new production is forecasted to be required by 2025
- ▶ Additional demand is highly dependent on the uptake of battery production, specifically in the automotive and stationary storage sectors

The global world graphite production has risen more than tenfold, from a base of 100,000 tpa in the early 1900s to an estimated 1.2 Mtpa in 2016 at a compound annual growth rate of over 2% according to USGS and the World Steel Association, and by 4% according to P&S Market Research.

The strong demand for graphite is fuelled by green energy initiatives,

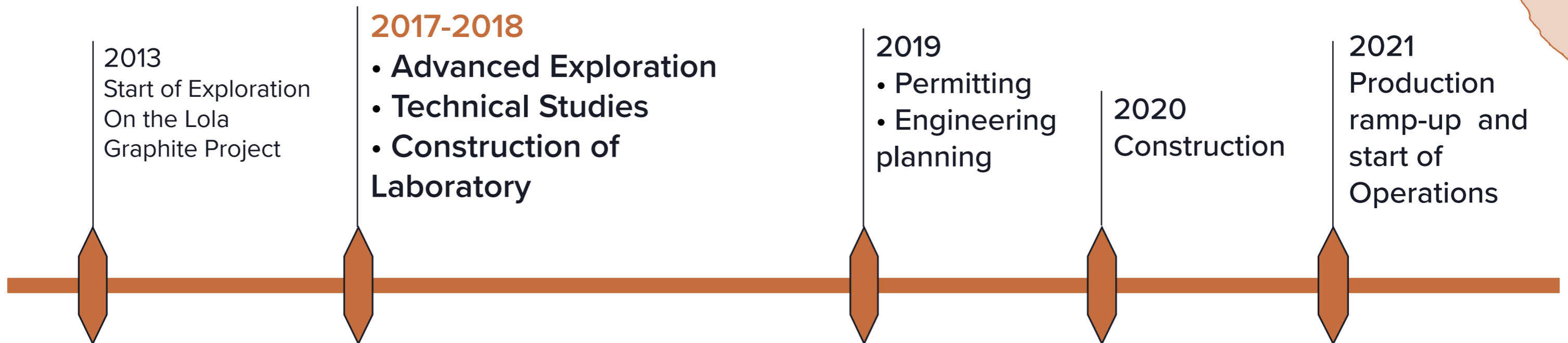
- ▶ A significant portion of the graphite market is supplied by synthetic graphite suppliers

The World needs new sources of energy and is moving away from fossil fuel to a much cleaner energy for cars and energy accumulators. The developing world is evolving and natural flake graphite is the cornerstone of a new industrial revolution. It is anticipated that car manufacturers will increase their electric vehicle fleets by several folds over the next few years, further driving the demand for natural flake graphite. With this in mind, it is SGR's intention to fast track the development of the Lola Graphite project.



THE LOLA GRAPHITE PROJECT
 IN NUMBERS

- ▶ 638 holes drilled (332 in 2018) to date for 22 239 meters (13 652m in 2018)
- ▶ 19,14 Mt of Measured and Indicated resources @ 4,38% Cg
- ▶ Numbers of employees on Dec. 31st, 2018 : 63 full time, 232 daily laborers and 133 contractors
- ▶ 1st metallurgical lab built and commissioned in Guinea



ABOUT THIS REPORT

As a mining development company, we strive to be at the vanguard of the industry by being transparent and reporting early on to all our stakeholders. 2018 was a defining year as the Lola Graphite Project entered the transition between exploration to project development.

SCOPE AND CONTENT

Information in this report covers the 2018 calendar year. This report has been prepared in accordance with the GRI Standards : Core option; SRG has not sought external assurance for 2018.

MATERIALITY ANALYSIS

Under the GRI Standards, companies must focus their reporting on topics that reflect an organization's economic, environmental and social impacts and/or substantively influence the decisions of stakeholders. This is referred to as materiality, which the GRI defines as "Those topics and indicators that reflect the organization's significant economic, environmental, and social impacts or that would substantively influence the assessments and decisions of stakeholders."

SRG's materiality assessment process serves

three distinct purposes. It helps us to prioritise sustainability reporting topics, informs our risk management and strategic planning and it helps us engage with stakeholders to understand their concerns and requirements.

METHODOLOGY

The exercise of determining which topics are material is referred to as materiality analysis. In the context of this report and the development stage at which SRG is, the material analysis was done in two steps. The first phase consisted in the **identification** and selection of potential sustainability issues out of the GRI G4 Metals and Mining supplement. This list was narrowed down internally through internal workshops and output of SRG's risk register, as well as with the help of documentation such as the GRI's *Defining What Matters : Do companies and investors agree on what is material?*

Next, the **prioritization** phase consisted of rating from 1 to 5 each issue during further workshops with the management team and the board of directors, and then through stakeholder interviews.

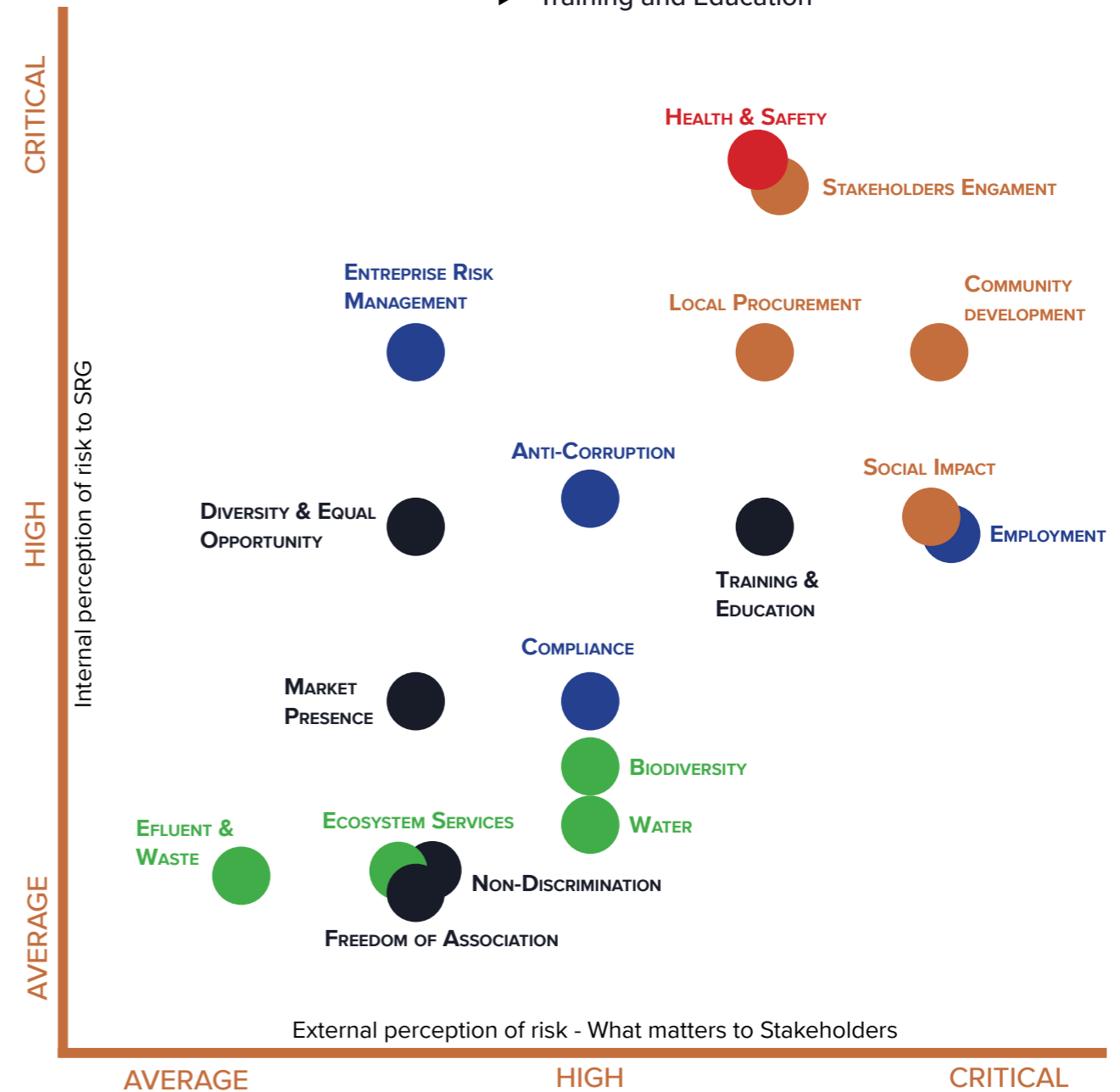


TOP MATERIAL TOPICS

The list of material topics outlined here were reviewed and reassessed throughout the preparation of this Sustainability Report. The latter therefore focuses on the issues presented as critical for both stakeholders and SRG's internal perception of risk.

As shown in the illustration below, the top material topics for 2018 were :

- ▶ Community Relations (inc. Stakeholder engagement, local procurement, community development and social impacts);
- ▶ Health & Safety;
- ▶ Anti-Corruption;
- ▶ Employment; and
- ▶ Training and Education



- Community Relations
- Governance
- Our people
- Environment
- Health & Safety

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EXECUTIVE MESSAGE



Benoit La Salle, Executive Chairman of the Board



Ugo Landry-Tolszczuk, President & COO

We are extremely proud to present this sustainability report for the year 2018, the first in the company's brief history. Its content is intended for shareholders, employees, communities, public authorities and other stakeholders. This report provides a summary of our results for 2018 and information on how we manage the company, relationships with our employees and communities, health and safety, and the environment in which we operate.

2018 was a very important year for the company and its flagship project, Lola Graphite. Thanks to the support of our employees, our host communities and the authorities in Guinea, we have taken a giant leap. We conducted a drilling program which was larger than all the previous years combined, we published a preliminary economic assessment, built a metallurgical laboratory on site, and began the feasibility study. With this publication, we intend to establish a culture of responsibility towards the communities in which we operate, and we will strive to improve hereafter. As the Lola Graphite project exits the development phase and moves towards construction and

operations, responsible mining will be increasingly important to ensuring promising future.

In 2018 the company hired dedicated resources towards social and environmental responsibility. Furthermore, the company adopted a Health & Safety, Environment and Community (HSEC) policy which is available publicly. Our CSR strategy focuses on two main principals:

- Transparent, continuous, participative communication based on respect;
- Mutual economic benefit via local procurement of goods and services.

We hope you find the reading of this report informative. We would like to thank all our employees and partners for their continued commitment to achieving our goals, the Community Relations team for the success of our social programs, our government partners for their continued collaboration, and all our communities that through their questioning make us improve continually.

BENOIT LA SALLE
Executive Chairman of the Board

UGO LANDRY-TOLSZCZUK
President and COO

APPROACH TO SUSTAINABILITY

2018 was a turning point for SRG. The Lola Graphite project entered a new phase, with advance exploration underway and the start of technical studies towards the completion of a feasibility study and mining permit application in 2019.

As it has been documented in various publications from institutions such as OECD, World Bank, IFC, and ICMM, the transition from early exploration towards project development is maybe the riskiest for mining project. The first step was to bolster our risk identification process.



ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT

The Lola Graphite Project's Environmental and Social Impact Assessment (ESIA) started in March 2017 with the scoping mission and the subsequent establishment of the Terms of References (ToR), which got approved by the Guinean government in September 2017.

Following this approval, baseline data collection on both started in November 2017 and continued throughout 2018, culminating with a com-

prehensive socio-economic survey of our provisional list of Project Affected Persons (PAPs). 111 households were surveyed, and this provided a lot of content for our risk identification process.

The Lola Graphite project's ESIA was approved in March 2019 and is available on our website.



LOLA GRAPHITE PROJECT'S RISK REGISTER



Graphite mineralization on drill cores

As it is suggested in the Prospectors and Developers' Association of Canada's (PDAC) *e3 Plus: A Framework for Responsible Exploration*, our development team started the due diligence and risk assessment process from early on in 2018. This process, as it is presented in the guide, encourages explorers or developers' to:

- ▶ Identify the area of impact of the proposed or pre-existing exploration project and the population(s) and communities that could be affected, both positively and negatively, by project implementation;
- ▶ Pay particular attention to the specific situations (presence of vulnerable groups, prox-

imity to areas of significant environmental or social importance or high biodiversity, regulatory framework, etc.) and assemble information to adequately understand their social, political and legal implications;

- ▶ Carefully assess and measure all risks and costs internal and external to the explorer, including risks to corporate reputation and cost of management options, and develop appropriate strategies and plans to avoid, manage or mitigate such risks; and
- ▶ Undertake periodic review and assessment of project risks and update risk management systems as necessary.

This guidance note was followed to the word with desktop studies, workshops at the corporate and site levels (on each work site), and stakeholder engagement. This resulted in a much better understanding of the baseline conditions across the company, from the board of directors, senior management, and local staff.

From now on the Lola Graphite Project's Risk Register shall be updated every year to reflect the change in activities in preparations for the construction phase and eventual operations.

Risk identification workshop in SRG's office in Lola, Guinea





COMMUNITY RELATIONS

SRG's ability to build upon successes and bounce back from hardship is intrinsically linked with the support we have from our employees and host communities. In other (and trendier) words, our success is based on our capacity to build and maintain our social licence to operate.

Our community liaison officers have worked hard since the very beginning (2013) to develop and maintain constructive relationships with our host communities based on respect, transparency, and participation. We aim to engage our neighbours with a cognizant, forthcoming and participative approach, and we are dedicated to working in partnership to ensure mutually beneficial project growth that is economically, socially and environmentally sustainable.

SRG's approach to community relations is borne out of the results of internal risk analysis mentioned above. The decision was to first formalize all communications and stakeholder engagement, then increase our presence and visibility within our host community with social actions. Finally, we looked at ways to share the benefits that come with the Lola Graphite Project by upholding local procurement as a foundation to community engagement.

STAKEHOLDER ENGAGEMENT PLAN

The first draft of the Lola Graphite Project's Stakeholder Engagement Plan (SEP) was first issued in March 2018, and the final version was published and implemented in July 2018. The SEP presented our methodology for stakeholder mapping, the Community Grievance Resolution Mechanism, and SRG's communication plan. The SEP is available on our website. The following summarises some of its content.

COMMUNITY GRIEVANCE RESOLUTION MECHANISM



The Community Grievance Resolution Mechanism was developed during Q1 2018 with a series of workshop and consultations with local authorities and communities. Once the final form was agreed to by all parties, SRG's Community Liaison Officers' (CLO) team started to communicate it and continue to do so to make sure it is used and understood.

Along the mechanism itself, a grievance register was established to keep track and be able to report on a regular basis with SRG's communication plan.

COMMUNICATION PLAN

COMMUNITY MEETINGS

Community meetings are held on a monthly basis in the various districts (villages) and Lola's neighborhoods. A calendar has been drafted in March 2018 and has been implemented for the rest of the year. Those meetings are the basis of SRG's relationship with the local communities, where concerns and complaints can be voiced and answers provided immediately.

This has proved immensely useful as our CLOs found out there was a lot of misinformation amongst communities about the Lola Graphite Project. For example, countless times our CLOs were asked if SRG produced diamonds, where were they sold, and for how much.



GUIDED TOURS

To keep working on misinformation, SRG started to make small scale tours of our operations and facilities. The members of Lola's prefectural administration were invited first, followed by local town councillors, and finally community leaders and general members. This will continue through 2019 as the project steers toward construction.



COMMUNITY LIAISON OFFICE

In July 2018 we opened our community liaison office and hired and trained two new CLOs to staff it. The office is equipped with a library with all Lola Graphite Project's public documents available for consultation. We also have a small warehouse next door that is used by the various coops we work with to store their items (manufactured soaps ready for market delivery, vegetable gardening, etc...).

RADIO SHOW

In our efforts to maximize communication and broaden our reach we developed a radio talk show with a local NGO. This is a 6 months pilot project (Nov. 2018 to Apr. 2019) with round tables, open microphone for callers, and weekly topics. The show is translated in 4 languages (Konon, Manon, Malinké, and French) and has proved exceedingly popular.

We will explore other media to continue dynamic and participative engagement in 2019.





Royal Nimba Football Club of Lola training for the regional competitions



Students practice exams during after hours support classes

COMMUNICATION AND COMMITMENT REGISTER

SRG regularly receives requests for assistance from various local structures and organisations. We adopted a procedure to systematize reception, transmission and answers on all these demands, which henceforth were put in a Communication and Commitment Register.

Working towards building social licence to operate means establishing a relationship based on trust, and keeping our word is essential to building trust. Keeping our word and answering systematically to all incoming communication in a timely manner, whether the answer is negative or positive.

This is the essence of “*in-reach*”, the introvert efforts of SRG to change our culture and thereby change our impact on communities.

SRG also developed a community development procedure to create a framework for answering positively towards request for assistance or social projects. To receive approval, proposals must first go towards social peace, education or specific to women or vulnerable groups. Proposals must also go towards the priorities within Lola’s Local Development Plan, and the relevant local administration is systematically consulted before going ahead with a proposal.

Bellow is a rundown of some of the 2018 projects.

- ▶ Prize of excellence: The top 3 students of all classes prior to a year with final exam (elementary, secondary and high school) in all schools in Lola were gifted with a “school package” consisting of the following year’s textbooks, notebooks, pens, back pack, and other schooling material;
- ▶ Football competition: 2 local competition were sponsored to encourage sports and social engagement amongst the youth;
- ▶ Traditional dancing competition.

Above left :
Women dance outside the school in Balémou, a district of Lola, in anticipation of the dancing competitions

LOCAL PROCUREMENT

Employment is the main concern and interest amongst our host community based on the result of early consultations through the ESIA process and SRG's own stakeholder engagement process, which makes it one of the top material topics. As the Lola Graphite Project has not entered the operational phase (or even construction), however, there are few opportunities for job creation at this current stage.

Local procurement, on the other hand, has tremendous potential for job creation and shared value. As per our materiality assessment process, it is also a material topic. Purchasing from local suppliers and building capacity of local entrepreneurs is key to build long term socio-economic development in mining communities and creating and sustaining strong relationships.

In 2018, SRG saw a unique opportunity to jumpstart local procurement and as such developed a local procurement plan with two pilot projects:

- We have rolled out a number of training programs for local market gardening cooperatives focused on cooperative governance, book keeping and stocks management. The theoretical knowledge was later reinforced with a donation of tools and seedlings. We then organised workshops with our catering department to

identify opportunities and overcome obstacles, and since then SRG is able to purchase regularly vegetables directly from our host communities.

More than that, many of the land owners of the actual land where we work and conduct exploration and technical studies are active members of these cooperatives. The gold standard in resettlement is to provide restore livelihood once the compensations have taken place. SRG is taking a headstart and already finding ways to develop new activities generating income.

- SRG also worked with another cooperative from Lola to develop body soap. After weeks of research, it became clear that there was a great opportunity to exploit in soap as no one was producing it in Lola. We found someone with the knowhow and worked together to recreate an old recipe based on the traditional palm oil, citronella essential oil for perfume, and curcuma and other plants to provide medicinal properties. All is made and grown locally, and SRG is now able to purchase soap for the worker camp directly from this coop. And being the only producer in the region, there is a huge demand so this is already an economic success.



Training on Cooperative Governance, Financial and Stocks Management

Market gardening COOP members preparing a new field



Soap making cooperative in Lola



First delivery of local vegetables (okra, tomato and zucchini) to our kitchen staff



METALLURGICAL LABORATORY

SRG is immensely proud to have been able to build and commission a metallurgical laboratory on our site in 2018. This is a first in Guinea, and certainly a first in “Guinée Forestière”.

The laboratory will serve many purposes such as small-scale graphite production to pursue business development and continue to evaluate the properties of the deposit’s graphite, training of the local technical workforce, and education of local communities about the project. The laboratory will also be used for sample preparation for exploration, geotechnical metallurgical testing and vendor tests, as well as further tests for process development.

“The construction and commissioning of this laboratory is only a small example of what our local team has accomplished to date. It will be a great tool for exploration as well as business and process development, which we are putting to use immediately,” said Raphaël Beaudoin, P.Eng., VP Operations, Metallurgy and Process Design. *“It will not only help the team complete the ongoing feasibility study, but it will also help us prepare for the next steps including construction, production, and future business endeavours”.*

SRG is also proud to say that, apart from the technical equipment which was imported from top-of-the-line suppliers, 100% of the building and facilities (foundations, bricks, structure of the building, plumbing, and electricity) were sourced and constructed locally. SRG wants to thank everyone who helped bring this very important project to fruition.



The construction of the Lola Graphite Project’s Metallurgical Laboratory is 100% local content





OUR PEOPLE

OUR WORKFORCE

The experience and reputation of our management team in West Africa has helped us attract and retain a team of extraordinary professionals.

Our people drive the development of the Lola Graphite Project. That is why we consistently recruit, develop and retain top talent who share the same spirit and values that motivate us to approach a centuries-old industry in new and

innovative ways.

The table below illustrates how 2018 was a turning point by presenting the evolution of head count in Canada and Guinea over the years.

None of our workforce was covered by collective bargaining agreements in 2018, and we do not expect to see this change until the Lola Graphite Project has entered into the operations phase.

STATISTICS	SRG Graphite					
	2013	2014	2015	2016	2017	2018 [women]
Employees – Guinea	19	19	18	18	33	50 [7]
Employees – Canada	1	1	1	1	1	13 [3]
Interns – Guinea*	-	-	-	1	6	7 [2]
Contractor*	-	-	-	-	75	133
Daily laborers	100	62	1	14	521	1,885
Total Worked Hours	16,88	30,543	2,74	19,727	120,838	270,107

* Some of the data on previous years is unavailable

TALENT ACQUISITION AND DEVELOPMENT

Talent acquisition and development was still relatively moderate in 2018 as the Lola Graphite Project was still development. We have however identified training and education as a material topic given the remoteness of Lola and the lack of qualified workforce available locally, which is a risk for the development of the project.

In 2018 SRG focused our talent development and training program along three of the most relevant categories: **Catering** (because we like to eat well), **Community Relations**, and staffing our **Metallurgical Laboratory**.

CATERING

Two new chefs were hired to reinforce the catering team with their experience in fine dining in Conakry. They are working to develop monthly menus with local and expat food option for every meal, as well as structuring our relationships with suppliers in Lola and N'Zérékoré. This is very relevant to our project as SRG wants to explore the option of building its own catering team for the operations phase instead of relying on contractors.



Our local Chefs are also responsible for implementing local procurement policies.

COMMUNITY RELATIONS

The risk identification process done earlier in 2018 indicated to us that community relations was one the riskiest aspect of our operations, so SRG immediately took steps to tackle this. In March 2018 our two Community Liaison Officers (CLO) went to Abidjan to take part in a Practical Training in Resettlement and Livelihood Restoration organised by Intersocial Consulting. Intersocial is one of the best consulting company when it comes to Resettlement and Social Impacts.

Our CLOs got to exchange ideas and approaches with other professionals from all of West Africa from a dozen of mining projects. Since then they were able to share their experience transfer this knowledge to the 3 new members of the community relations' team.



SRG METTALURGICAL LABORATORY

The exploration phase of the Lola Graphite Project advancing rapidly, we decided to provide training to some of our geologists throughout 2018. They can now keep working while the exploration work is on pause, and further develop themselves in acquiring new skills unique in Guinea.

To that end we retained Soutex, a consulting firm focused in mineral treatment and metallurgy that provides specialized services in process. Launched in 2000 and with offices in Canada (Quebec) and Germany (Munich), Soutex has over 40 metallurgists, process engineers and

technicians, which makes it one of the largest group of specialists in Canada. SRG organised on-site training with the help of Soutex to 3 employees: the lab chief and and two geologists.

The actual commissioning of the lab took place during the training, so to call it “hands on” is certainly not an overstatement. The training from Soutex over, we organised a rotation schedule so that 4 (four) other geologists could benefit this transfer of knowledge from Canada and Germany to Guinea.



HEALTH & SAFETY

As we progress toward permitting and eventually construction, we are building up and implementing the Lola Graphite Project’s Health and Safety, Environment and Community (HSEC) management system inspired by ISO 14001 and 45001 standards.

We develop regular programs, campaigns and actions aimed at the health and safety of all our employees and our host communities. Toolbox meetings are held across all units to raise awareness, promote worker health & safety and mitigate HSEC risks, and we have bolstered our incident investigation procedure to enhance SRG’s continuous improvement.

The Lola Graphite Project being in close proximity to the town of Lola, SRG partners with the local hospital and Clinique Huguette for medical emergencies. SRG worked with the local Red Cross chapter to provide 18hrs first aid training programs to 15 employees, which provides us with the structure of our medical emergency preparedness plan.

Communicable diseases are a special concern given the history of the region. In 2018 our H&S teams worked with our CLOs to bring awareness aspects during community meetings within the Stakeholder Engagement Plan.

2018 HSEC STATS - SRG

MTI (Medical Treatment Injury)	9
LTI (Loss Time Injury)	9
RWI (Restricted Work Injury)	0
Malaria cases	21
Other diseases	48
Fatalities	0
H&S Incidents	9
Community Grievances	7
Environmental Incident	3
First Aid Treatment	2
First Aid Training	15
Toolbox meetings	310
Inspections	53
Non-Compliance Events	21



Soutex trainer in action in front of Crushing and Pulverizing stations



Upon completion and commissioning of the SRG Lab



Flotation equipment



Loss on Ignition (LOI) test to analyse Graphite purity



Left :
First Aid training with the Red Cross in Lola

STRATEGY & GOVERNANCE

GOVERNANCE AND ACCOUNTABILITY

STRUCTURE

As of December 31, 2018, the Board comprised of eight directors, each of whom were selected for their skills, experience and knowledge of the mining industry and various aspects of corporate governance and management, and two of whom are from West Africa. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required.

Board committees currently consist of the Audit Committee, the Governance Committee and Compensation Committee. All committees are independent of management and report directly to the Board. More details on our Board and its functions can be found in our Management Information Circular.

ENVIRONMENTAL AND SOCIAL GOVERNANCE

Although there is no committee for Environmental and Social Governance, executive level responsibility for economic, environmental and social topics is ensured by the President and Chief Operating Officer (COO) of the company. A Corporate Social Responsibility (CSR) Manager has been appointed in 2018 and reports directly to the COO.

The CSR Manager is responsible for all Environmental and Social Impact Assessment (ESIA) - including resettlement and compensation - processes for the company as well as the implementation of general Health & Safety, Environmental and Community (HSEC) procedures and policies, which include risk identification and management.

The CSR Manager is also responsible in a yearly review of the HSEC management system's effec-

tiveness and presents the results of the yearly review to the Board once a year.

SUPPLY CHAIN

Our supply chain at this point consist of several engineering firms in charge of the various studies underway (ESIA, feasibility study), as well as drilling companies. This will change considerably once the Lola Graphite Project enters the construction phase at the end of 2019 and 2020.

MEMBERSHIP AND INITIATIVES

SRG was not member of any initiative of association in 2018, although we voluntarily use a number of initiatives to guide us such as the Global Reporting Initiative, the PDAC e3 Plus Framework for Responsible Exploration, and the IFC's Performance Standards.

QUALIFICATION AND EVALUATION ON PERFORMANCE

The Governance Committee, which is composed entirely of independent directors, is responsible for implementing and overseeing human resources and compensation philosophy of the Corporation and making recommendations to the Board with respect to the compensation of all officers of the Corporation. The Board ensures that total compensation paid to officers is fair and reasonable and is consistent with the Corporation's compensation philosophy.

The Corporation does not generate operating cash flow and relies on equity financings to fund its exploration and corporate activities. Therefore, as the Corporation seeks to attract, retain and motivate highly skilled and experienced officers it must, at the same time, consider current market and industry circumstances and the Corporation's liquidity and ability to raise further

capital. Further information about the nomination, selection and evaluation process of the Board and its Committees can be found in the

Governance section of our website and in our Management Information Circular.

EXECUTIVE COMPENSATION

A combination of fixed and variable compensation is used to motivate executives to achieve overall corporate goals. For year ended December 31, 2018, the two basic components of the executive officer compensation program were fixed cash remuneration and option-based compensation pursuant to the Corporation's Plan. The Corporation does not have any formal annual discretionary cash bonuses, perquisites or personal benefits programs.

Fixed cash remuneration comprises the total cash-based compensation. Option-based compensation represents compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on the market performance of the Common Shares. To date, no specific formula has been developed to assign a specific weighting to this component. Instead, the Board considers the factors discussed below and the Corporation's performance and assigns compensation based on this assessment and the recommendations of the Governance Committee. In determining the total

compensation of any NEO, the Board considers all elements of compensation in total rather than one element in isolation.

The Board approves the cash remuneration ranges for the NEOs. The base remuneration review for each NEO is based on an assessment of factors such as current competitive market conditions and particular skills, such as leadership ability, management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Board, using budgetary guidelines and other internally generated planning and forecasting tools, performs an annual assessment of the compensation of all compensation levels for its officers.

During the year ended December 31, 2018 the Company did not award any increases in the annual consulting fees of the NEOs in response to the subjective assessment of their respective performance, analysis of external market conditions and competitive needs to retain its qualified personnel.

BUSINESS ETHICS AND COMPLIANCE

SRG's Code of Conduct and Business Ethics policy as well as our Insider Trading and Blackout Policy are available on our website.

Although general concepts of ethical and lawful behaviour are present in the Company's Code of Conduct and Business Ethics, the Company has not yet developed a standalone anti corruption

policy. It has however identified this as a material topic and an important risk to mitigate and as a result has engaged in a benchmarking exercise in order to develop an anticorruption policy which is based on best practices in the industry and which takes into account local and international laws and standards.

CORPORATE GOVERNANCE

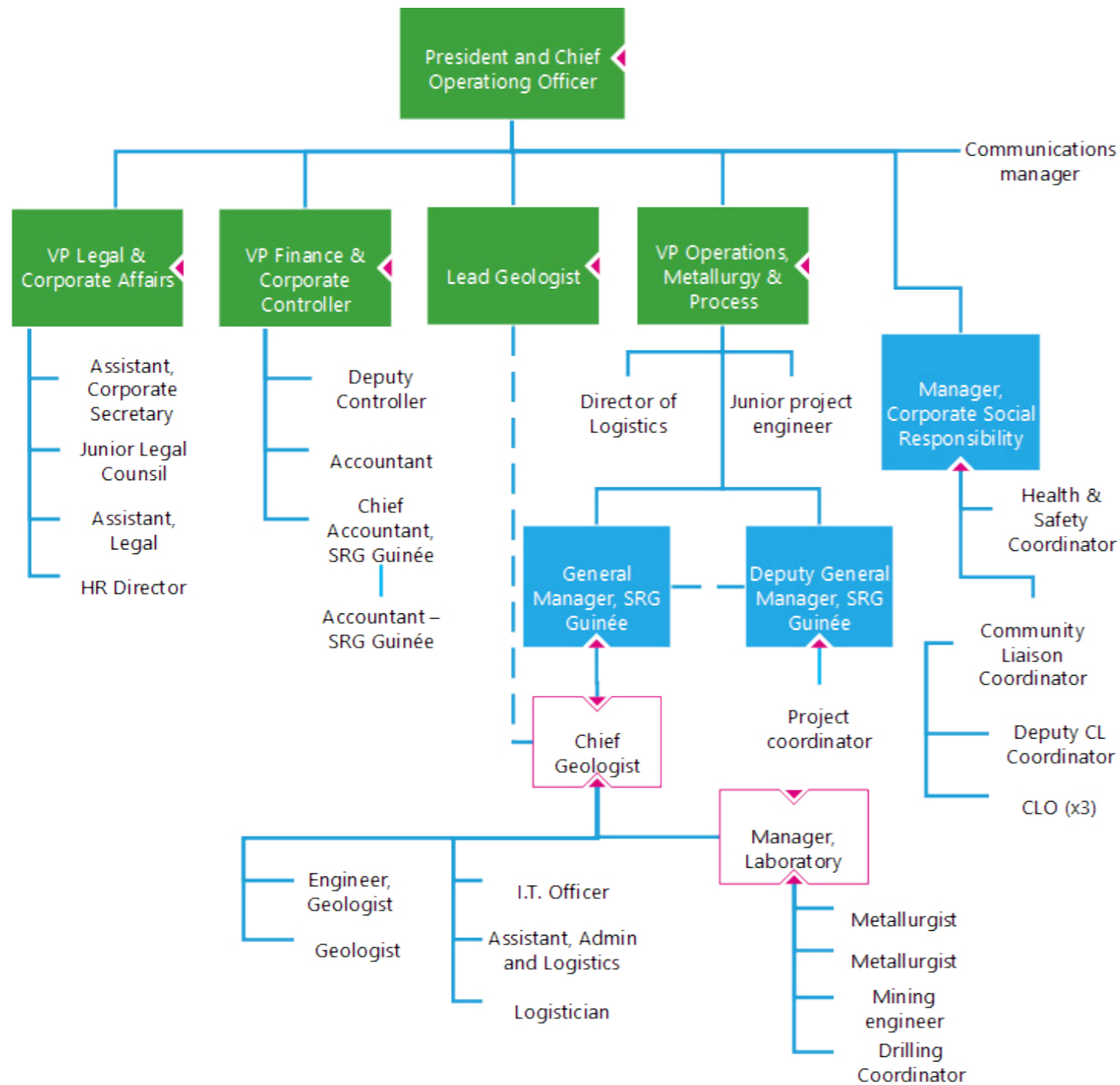
- Board of the Directors Mandate
- Chairman of the Board Mandate
- President and Chief Executive Officer Mandate
- Audit Committee Charter
- Compensation Committee Charter

POLICIES

- Code of Conduct and Business Ethics (includes whistle blowing policy)
- Insider Trading and Blackout Policy
- Health & Safety, Environment and Community (HSEC) Policy

*The full version of these documents is available on our website at <http://srggraphite.com>, Corporate Governance and Policies section

SRG ORGANISATION CHART



ENVIRONMENT



As the materiality analysis demonstrates, the environment is not considered as a material topic for 2018. This is primarily due to the fact that as the project entered the transition between exploration and development, the impacts on the land, water, and biodiversity are mostly domestic (domestic waste, domestic and energy water use).

The consultation process with local stakeholders however revealed that past exploration activities (prior to 2017) created visual wounds in the landscape (geological trenches and vegetation clearing for drill platforms), so early on in 2018 we started rehabilitating our exploration sites systematically. Furthermore, a new procedure was developed to prevent further land degradation where each site where exploration drill

holes or tests are conducted are immediately rehabilitated, with the top soils put in last in order to facilitate revegetation.

In the meantime the Environmental and Social Impact Assessment (ESIA) process continued throughout 2018 with several site visits from various international experts on bioversity.

SRG also started to implement several monitoring campaigns on parallel to the ESIA process. The aim is to train new workers and getting the Environment department ready to implement the Environmental and Social Management Plan (ESMP) that will be part of the ESIA, thus constituting a legal commitment once the former is validated by the Guinean Ministry of Environment and our lenders.

BOARD OF DIRECTORS

- Executive Chairman of the Board: *Benoit La Salle*
- Director, and Lead Geologist : *Marc-Antoine Audet*
- Director : *Marc Fillon*
- Director : *Marcel Duchesne*
- Director : *René Lessard*
- Director : *Yves Grou*
- Director : *K. Abdoulaye Compaoré*
- Director : *Abdoul Aziz Nassa*
- Observer to the Board : *Vincent P. Hogue*

MANAGEMENT

- President, Chief Operating Officer, Chief Financial Officer : *Ugo Landry-Tolszczuk*
- Vice-President, Legal and Corporate Affairs, and Corporate Secretary : *Elias J. Elias*
- Vice-President, Operations, Metallurgy and Process Design : *Raphaël Beaudoin*
- VP Finance & Corporate Controller : *Mathieu Charette*
- Manager, Corporate Social Responsibility : *David Vilder*

GRI CONTENT INDEX

GRI Standard	Disclosure	Page	Comment
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	102-46 Defining report content and topic Boundaries	4	
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	102-48 Restatements of information	N/A	No previous report
	102-49 Changes in reporting	N/A	No previous report
	102-50 Reporting period	4	
	102-51 Date of most recent report	N/A	No previous report
	102-52 Reporting cycle	4	
	102-53 Contact point for questions regarding the report	30	
	102-54 Claims of reporting in accordance with the GRI Standards	4	
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GRI Standard	Disclosure	Page number(s) and/or URL(s)	
Material Topics			
200 series (Economic topics)			
Procurement Practices			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	16	
	103-2 The management approach and its components	16	
	103-3 Evaluation of the management approach	N/A	no evaluation yet
Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	25	
	103-2 The management approach and its components	25	
	103-3 Evaluation of the management approach	N/A	no evaluation yet
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	25	
400 series (Social topics)			
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	16	
	103-2 The management approach and its components	20	
	103-3 Evaluation of the management approach	N/A	no evaluation yet
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	23	
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	103-3 Evaluation of the management approach	N/A	no evaluation yet
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	23	
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	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	23	
	403-9 Work-related injuries	23	
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	Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21	
	103-2 The management approach and its components	21	
	103-3 Evaluation of the management approach	N/A	no evaluation yet
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	21	
Local Communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	11	
	103-2 The management approach and its components	11	
	103-3 Evaluation of the management approach	N/A	no evaluation yet
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	12-13	
	413-2 Operations with significant actual and potential negative impacts on local communities	12-13	

For questions regarding this report :
info@srggraphite.com

Montreal offices :
1320 Boulevard Graham, #132.
Ville Mont-Royal, QC H3P 3C8.
(514) 512-1320

Conakry Offices : Kipé Centre Immeuble Béréte, BP
3154 Conakry (République de Guinée)
+224 666 30 35 30

Corporate website : www.srggraphite.com

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