



SRG
MINING

2019 SUSTAINABILITY REPORT LOLA GRAPHITE PROJECT



SRG (SRG MINING 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 92,5% 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. SRG Mining commits to operate in an ecologically, ethically, and socially responsible manner.

GRAPHITE, THE FUTURE OF HIGH-TECH



The global world graphite production has risen by 4% and reached 850 000 tpa in 2019.

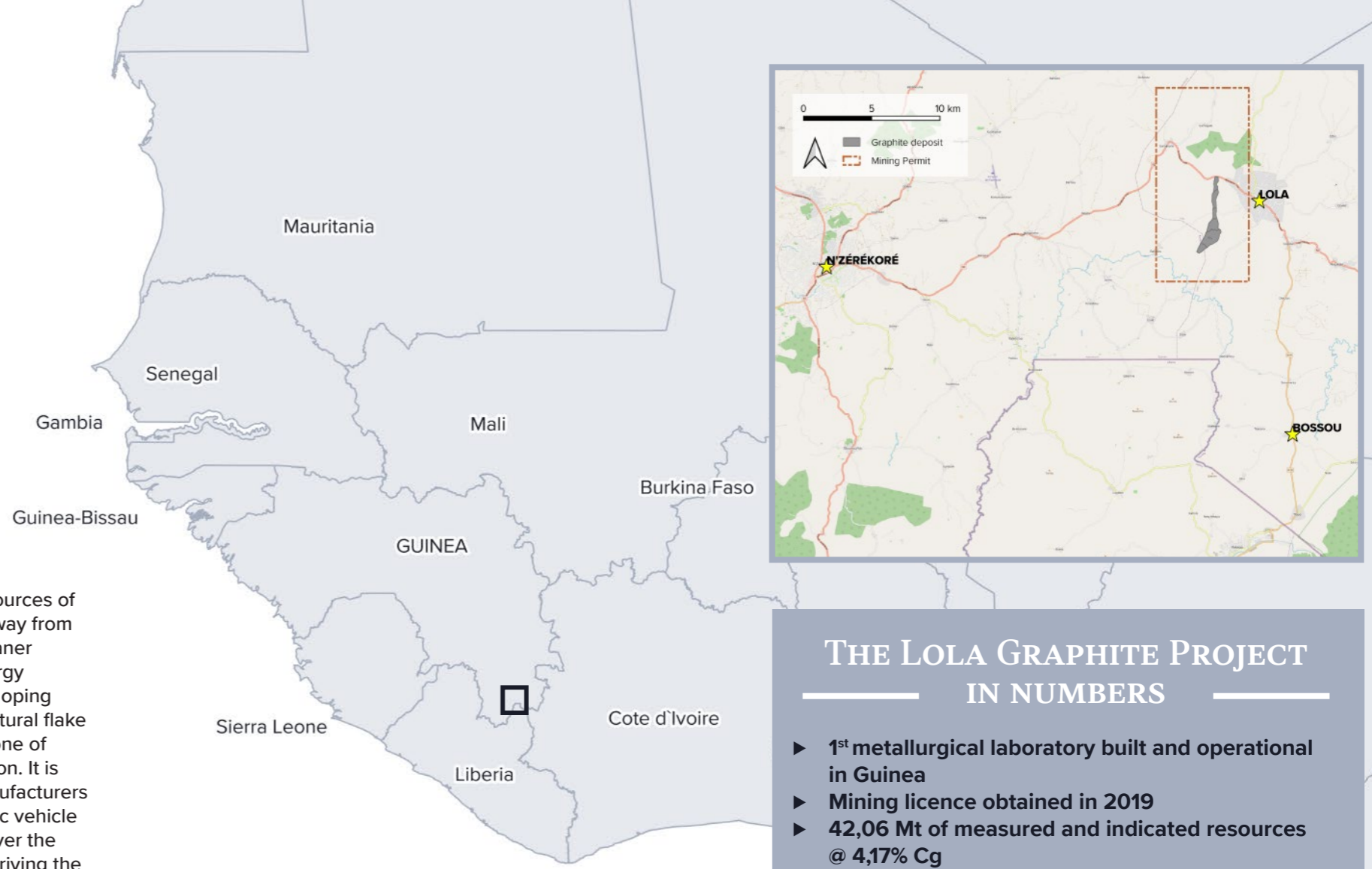
The strong demand for graphite is fuelled by green energy initiatives, including lithium-ion batteries (EV, PHEV, stationary storage, etc.), solar energy, fire resistant materials, aerospace and electronics. The graphite market is almost as large as the nickel market and 50 times

larger than lithium or rare earth elements markets.

Graphite demand worldwide is set to rise significantly in the next 5-10 years from 850 Ktpa to over 1,84 Mtpa:

- ▶ 700,000 tpa of new production is required by 2023.
- ▶ 1,3 Mtpa of new production is forecasted to be required by 2028.
- ▶ Additional demand is highly dependent on the uptake of battery production, specifically in the automotive and stationary storage sectors.
- ▶ 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 SRG's intention to fast track the development of the Lola Graphite project.



THE LOLA GRAPHITE PROJECT IN NUMBERS

- ▶ 1st metallurgical laboratory built and operational in Guinea
- ▶ Mining licence obtained in 2019
- ▶ 42,06 Mt of measured and indicated resources @ 4,17% Cg
- ▶ Life of mine of 29 years @ 1,4 Mtpa mined
- ▶ CAPEX of US\$123 millions, OPEX of US\$447/t
- ▶ NPV (@8%) : US\$277M (pre-tax) and \$159M (post)
- ▶ 60% of production for 3 years already sold via Offtake Agreements

2019

- Completion of NI43-101 feasibility study
- Attainment of mining licence for the Lola Graphite Project

2020-2021

- Financing
- Construction

2022

- Production ramp-up and start of Operations

2013

- Start of exploration on the Lola Graphite Project

2017-2018

- Advanced exploration
- Technical studies
- Construction of laboratory

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EXECUTIVE MESSAGE



Benoit La Salle, Executive Chairman of the Board



Ugo Landry-Tolszczuk, President, COO & interim CFO

SRG Mining has striven to build the future of the Lola Graphite Project in 2019, and the year has been marked by several achievements :

- ▶ Validation of the Environmental and Social Impact Assessment (ESIA) and received the certificate of environmental conformity from the Bureau Guinéen d'Études et Évaluations Environnementales (BGEEE)
- ▶ Filing the National Instrument (NI) 43-101 Feasibility Study ("FS")
- ▶ Application and attainment of the mining licence for the Lola Graphite Project

These tremendous achievements would not have been possible without : 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 enable us to continually improve.

This 2019 sustainability report therefore constitutes the logical follow-up in our efforts to establish a culture of transparency and responsibility towards society.

BENOIT LA SALLE
Executive Chairman of
the Board

Conscious of the potential impacts of a mining project on host communities and the environment, we have decided to align our priorities with the Sustainable Development Goals (SDG). The SDGs represent an ambitious plan to enhance peace and prosperity, eradicate poverty and protect the planet.

They are recognized globally as essential to the future sustainability of our world. This plan of action calls on the contribution from all elements of society, and SRG Mining chose to take part in this global endeavour.

The content of this present 2019 Sustainability Report is intended for shareholders, employees, communities, public authorities and other stakeholders. This report provides a summary of our results for 2019 and information on how we manage the company, relationships with our employees and communities, health and safety, and the environment in which we operate.

UGO LANDRY-TOLSZCZUK
President, COO &
interim CFO

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, and we also published our first sustainability report.

2019 is the logical follow-up for the Lola Graphite Project, and this year has been marked by the achievements mentioned above in our executive message.

2019 was therefore mainly occupied by administrative steps. Drilling and sampling activities stopped by the end of February. For the rest of the year we mostly worked on ingeniering and filing of the feasibility study, on laboratory activities (preparing graphite samples for offtake agreements with potential client), and on the community relations office's activities.

SCOPE AND CONTENT

Information in this report covers the 2019 calendar year. This report has been prepared in accordance with the GRI Standards : Core option; SRG has not sought external assurance for 2019.

MATERIALITY ANALYSIS

At the beginning of 2019, SRG chose to align its CSR strategy with the Sustainable Development Goals (SDG). We firmly believe that the mining industry has a unique opportunity to commit towards the SDG by mitigating impact and promoting value added creation.

Furthermore, aligning our CSR strategy with the SDGs constitutes an excellent platform to proceed with SRG Mining joining the Global Compact Canada Network in 2020.

METHODOLOGY & ALIGNING WITH THE SDG

The materiality analysis process developed by SRG in 2018 was extended for 2019. Please consult our 2018 report for more information on the methodology. The same process was applied to identify and prioritize the SDGs towards which we decided to contribute. We have however decided to keep the 2019 report aligned with the GRI reporting guidelines.

This report does not constitutes an SDG performance report. It rather represents how our CSR strategy was aligned with the SDGs. As more private companies adopt the strategy of reporting on SRG performance, there seems to be a certain vagueness in the methodology with many cases of "SDG washing" being reported. As this is our second exccercice of sustainability reporting, we prefer to go step by step and only report on what matters.

For 2019, SRG Mining decided to focus our contribution to the following sustainable development goals:

- #1 : NO POVERTY
- #2 : ZERO HUNGER
- #4 : GOOD HEALTH AND WELL-BEING
- #5 : GENDER EQUALITY
- #8 : DECENT WORK AND ECONOMIC GROWTH
- #15 : LIFE ON LAND

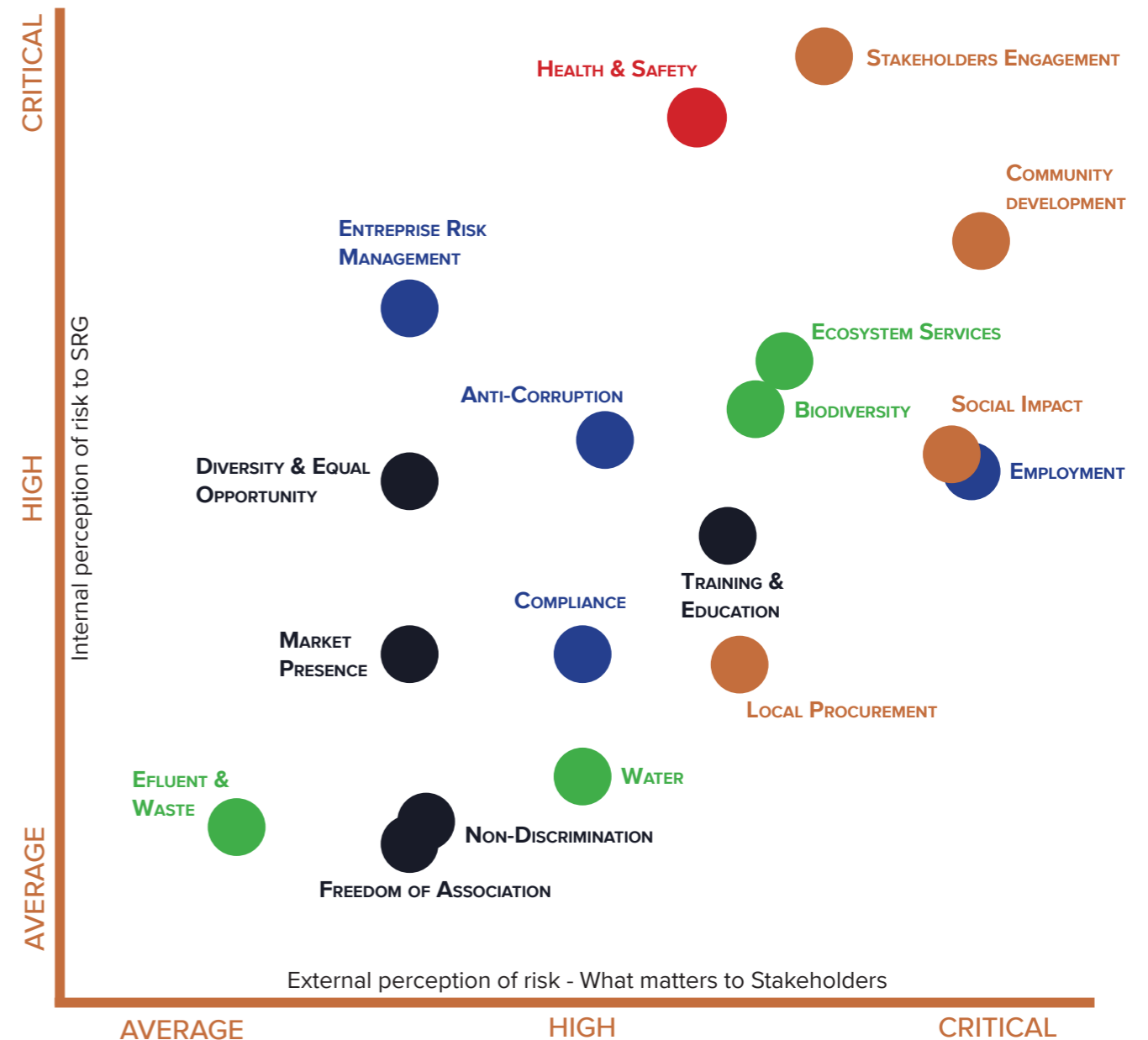


TOP MATERIAL TOPICS

The materiality assessment results are almost identical to last year. However, we realized through consultations with communities and local administration that they placed more attention towards ecosystem services and the environment in general. Local content, on the other hand, is no longer a material subect for 2019, for the main reason that our site has operated at very low capacity for most of the year.

As illustrated in the graphic below, our 2019 top material subjects are:

- ▶ Community relations (including stakeholder engagement, community development and social impacts)
- ▶ Health and Safety
- ▶ Biodiversity & Ecosystem Services
- ▶ Anti-corruption
- ▶ Employment
- ▶ Training



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

COMMUNITY RELATIONS

As we enter a phase of permitting, financing and preparation towards construction, SRG's success depends more than ever on our capacity to build and maintain our social licence to operate.

In the first section of this chapter, we explore stakeholder engagement, which remains the cornerstone of our community relations' strategy and of the sustainability of the Lola Graphite Project.

For 2019, we have continued the implementation of our Stakeholder

Engagement Plan (SEP) while applying continuous improvement to it.

The rest of this chapter has been reorganized and reflects the alignment of our CSR strategy with the SDG.

The remaining sections are as follow :

- ▶ Gender equality
- ▶ Decent work and economic growth
- ▶ Education
- ▶ Local governance



STAKEHOLDER ENGAGEMENT PLAN

The Stakeholder Engagement Plan (SEP) from 2018 remains relevant in 2019. We continuously update our stakeholder mapping, and we continue the communication of our community grievance resolution mechanism. The communication plan stayed identical in 2019 with our community relations' office, community meetings, SRG public billboards, guided tours of our facilities and our weekly radio show "Communities and Mines".

We have extended our reach to include the township of Bossou (which includes Soromiata and Thuo). This puts the number of places where we conduct our community meetings at 22 (villages and neighbourhoods).

We have also added a new billboard in the center of Bossou, and we continue to publish our quarterly newsletter.

The guided tours have also continued with a focus on youth and women, and the radio show that we started in November 2018 went on until November 2019 as the program ended. The show will however start again in 2020 as this has proved a very successful way to engage.

SRG Mining undertook an innovative project in 2019 to develop a participative documentary film. We established a collaboration with a team of reporters from the national Radio Television Guinée ("RTG") to put together this project and proceeded with 3 weeks of filming in Lola and the villages around during the month of November 2019.

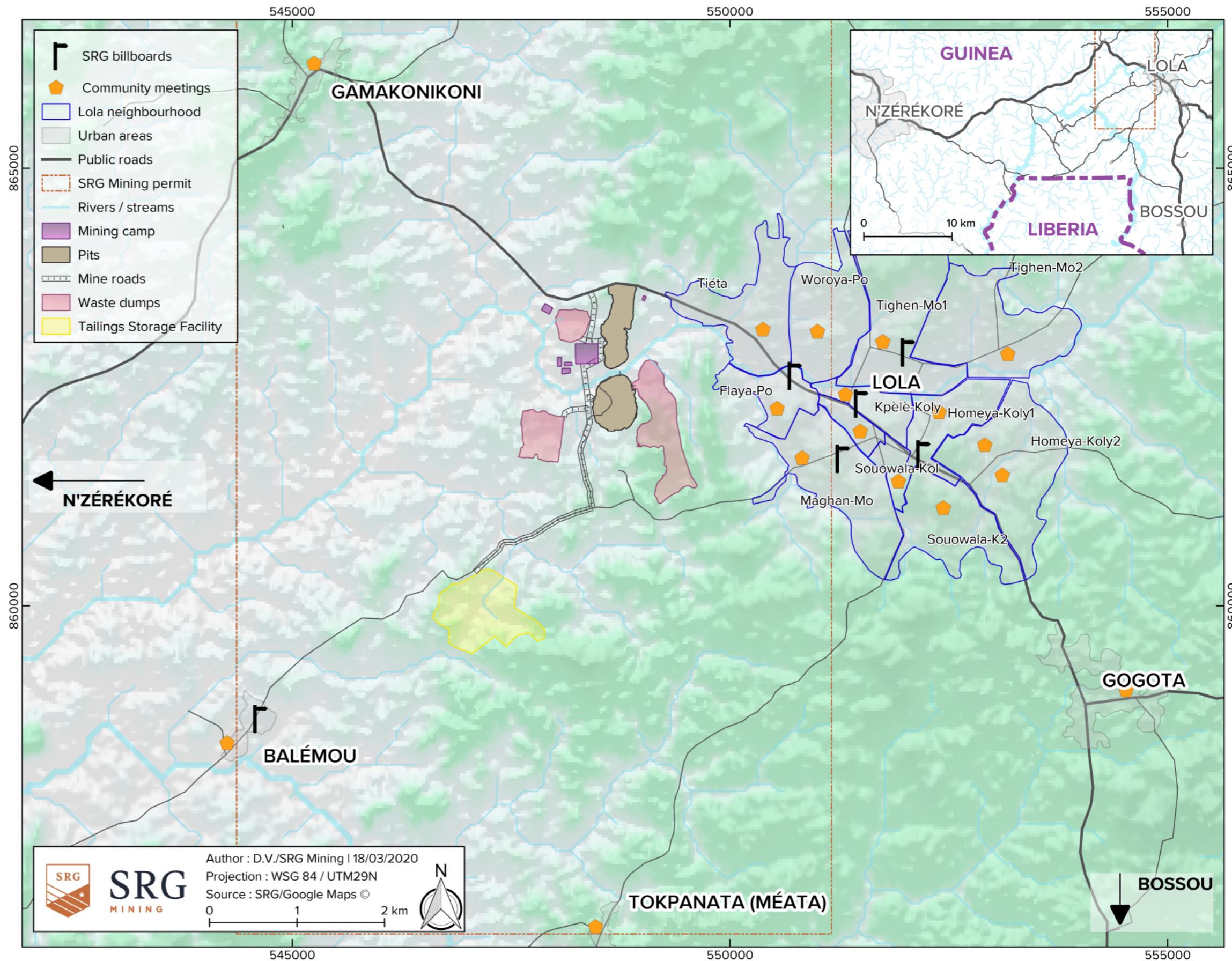
The main idea is to film within the communities with an awareness lens on various topics, and then organize projections of the movie in all the places where the filming has taken place and beyond in all the Lola prefecture.

The topics covered by the film are divided in three categories:

- ▶ **Cultural traditions and Folklore** : promoting and sharing the cultural richness of each community in order to promote social peace and understanding
- ▶ **Environment** : raising awareness on habitat fragmentation and loss of ecosystem services, and the role of anthropogenic activities
- ▶ **SRG Mining** : our social practices (local employment, local procurement, stakeholder engagement), and our environmental strategy for the future operation of the Lola Graphite Project.

STAKEHOLDER ENGAGEMENT PLAN STATISTICS

	2018	2019
Community meetings	50	34
Number of radio shows	8	40 (inc. 6 focus in villages)
Number of guided tours	2	25
Number of guided tours' participants	14 (inc. 1 woman)	205 (inc. 56 women)
Number of published newsletters	3	2
Number of community complains	7 (7 resolved)	0





Left : Traditional folklore in Soromiata, filming crew in the fields in Balémou, and a traditional palm tree climber also in Balémou.

On top : Teacher from the Center for Women Empowerment in Lola acting a practical literacy class in local language (Kono).

Right : Curious kids observe the filming from a tree amidst banana plants, filming scene in Gamayalé.





GENDER EQUALITY

CENTER FOR WOMEN EMPOWERMENT IN LOLA

Women and girls represent half of the world's population and, therefore, also half of its potential. Gender equality, besides being a fundamental human right, is essential to achieve peaceful societies, with full human potential and sustainable development. Moreover, it has been shown that empowering women spurs productivity and economic growth.

Throughout research, outreach and our engagement process, we at SRG found out about the existence of a Center for Women Empowerment in Lola at the end of 2018, under the firm and wise leadership of Mrs. Francine Loua (in blue on the photo on the right page).

Founded in 1973, this establishment was for a long time financed by the state of Guinea. If some regions in Guinea still enjoy occasional financing and material donations from

organisms such as the UNDP, the Center in Lola had not received anything for many years.

The Center's objective is to allow young women, mothers, and women who dropped out of the schooling system to learn various trades in order to gain financial independence and/or participate in the economy of the family. The Center also offers a functional literacy program that allows recipients to read and write simple words and numbers in order to function in society.

SRG's community liaison team worked with Lola's Prefectoral Directorate for Social Action and with Mrs. Francine Loua on the drafting of a revitalization plan for the Center of Women Empowerment for 2019.



The lack of resources resulted in a very precarious situation for the Center in Lola as teachers had to work voluntarily, and after having paid the rent there was little left to buy new products for the sewing, embroidery and dye workshops.

SRG's objective with this project is to help the Center achieve financial autonomy in order to make this great structure economically sustainable in the long run.



A learner from the Center works on one of the new sewing machines provided by SRG.

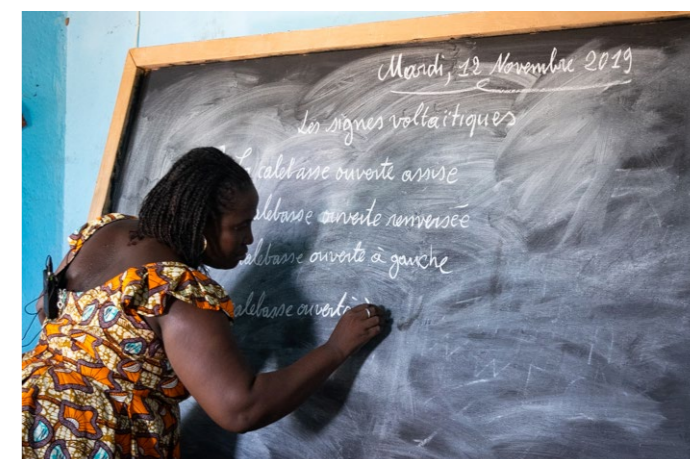
It is with this perspective that SRG proceeded to donate sewing and embroidery machines, machine maintenance equipment, fabric, threads, and dyeing equipment, as well as various furnitures for the literacy center classroom, altogether for a total of 27 millions Guinean francs.

Thanks to this support the Center for Women Empowerment of Lola can be declared fully operational once again, and is now economically self-sufficient which means that it will be able to welcome many women in the future.



A group of young women learning about embroidery and sewing at the Center.

The clothing products made at the Center by the young women are then sold on the local market to generate income, which is then used to give the teachers a stipend and to buy new products for the workshops. Even though SRG proceeded with the donation in late June, we are proud to report that the Center's sales have already jumped by 60% in 2019 compared to 2018.



Mrs. Solange Haba, from the Prefectoral Directorate of Education, teaches the functional literacy course at the Center.



DECENT WORK AND ECONOMIC GROWTH

SRG is immensely proud to be able to announce this all new community development project for 2019.

We discovered in 2018 the Guinean Institute of Agronomical Research (IRAG in French) while conducting our stakeholder mapping and re-search of potential partners.

IRAG is a public scientific entity under the administrative supervision of the Ministry of Agriculture. We contacted the regional branch in Sérédou (prefecture of Macenta, 3hrs from Lola) in order to discuss agroforestry opportunities.

SRG then discovered the fascinating story that local pepper (*Piper guineensis* or *Aframomum melegueta*) is an endemic species that is currently threatened despite its rich history. Indeed, Greeks and Romans allegedly already used it in antiquity, and it was one of West Africa's main export in the XIVth century. The region that is now the Gulf of Guinea was referred to as the Pepper Coast.

Locally fairly unknown, pepper is essentially an undomesticated specie gathered from the wild in the few remaining great forests and protected areas around Lola. To harvest the fruits, pepper harvesters (typically hunters who encounter the pepper plant during their outing) usually cut the pepper vine, which leads to the plant's disappearance and its rarity on the local markets.

Pepper culture is ideal for the region as it's a perfect fit with agroforestry principles. Pepper grow as a vine, and it can be planted within existing coffee, rubber tree or palm tree plantations. The shade from the existing plantation protect the pepper vine as it grows, and once the latter is mature the roles are reversed and the pepper provide the protecting shade to the plantation. This effectively doubles financial return of the land, while reintroducing an endemic specie and augmenting plant cover in an area that has been dramatically impacted by deforestation in the last few decades.

GUINEA PEPPER

This pepper growing project meets several of our targets for 2019.

#1 NO POVERTY

Pepper spice is a spice with high commercial potential. It is rare on the local markets and highly sought after on international markets. A mature pepper plantation can double or triple the land monetary output when paired with coffee, rubber tree or palm tree plantation.

#8 DECENT WORK AND ECONOMIC GROWTH

The majority of households' income in Lola comes from coffee and traditional palm oil. Pepper vines can grow up to 40 years, which can provide diversification and economic sustainability for many households.



On top: Freshly harvested pepper fruits. Right: Young pepper vine that grows along stake tree, in typical agroforestry setting.

#15 LIFE ON LAND

The reintroduction of this endemic species strengthens traditional ecosystems of the Guinée Forestière region while increasing plant cover and providing shade to coffee



plantations. Moreover, pepper plant leaves are also used in traditional medicine and are used to make delicious local dishes.



Preparation of 15 000 pepper seedlings in a purpose built nursery in Gamayalé. The other 15 000 strong nursery is in Tokpanata, also near Lola.



The species chosen as stake grow very fast and allow the pepper vine to attach itself to it. The stake tree is then trimmed at about 4-5 meters height to make harvesting easy by using a single ladder.



Left: Women from the cooperative prepare the individual bags that will receive a pepper seedling.



On top: Working the chain to place the 15 000 bags that will each house a pepper seedling.



SAPONIFICATION PROJECT IN LOLA

SRG announced in 2018 the creation the “Divin Succès” saponification cooperative making body soaps from locally sourced ingredients (essential oils, traditional palm oil, and a mix of medicinal plants).

This project’s first objective was to increase SRG’s local content percentage. Since 2018, all of our workers and various guests (contractors, visits, governmental missions) housed in our guest houses received these hand-made soaps from Lola.

The winding down of our site operations in 2019 gave us an incentive to look for opportunities on ways to improve the resilience of this project’s business model by reducing the dependency toward SRG’s local procurement.

We worked again with the N’Zérékoré-based NGO (40Km from Lola) Pride Guinée to provide Divin Succès with a training program focused on cooperative governance, book keeping, and stocks management. The coop also received formal registration with the Prefecture and opened a bank account at the local branch. Efforts to explore new markets helped Divin Succès maintain the sales in 2019 despite the dramatic reduction from our procurement demand:



Sales in 2018 : 23 378 000 GNF
Sales in 2019 : 22 653 000 GNF



This project addresses two of the SDG we set ourselves for 2019. Poverty reduction by providing an income to the coop’s members, and economic diversification from both mining and agriculture, the region’s two main economic drivers.



The founding members of Divin Succès, Lola’s first body soap cooperative (photo from 2018). The coop has now 12 members and all key posts have been formalized: president, secretary and treasurer.



EDUCATION

PRIZES OF EXCELLENCE



For the second year in row SRG proceeded with the donation of “school kits” to the top three graduates of each school year preceding a national exam.

This donation’s objective is to raise awareness as to the value of education in general, to reduce school dropout rates and to encourage students in primary, secondary and highschool to study well their following year in order to succeed at the exams (entrance to 7th grade, *Brevet des collèges* and *Baccalauréat*).

SRG distributed a grand total of 111 school kits to as many students containing textbooks, notebooks, pens and backpacks. These donations were done in partnership with the education prefectural directorate and school directors of each school.

STATISTICS

	2018	2019
Targeted schools	30	23
School kit recipients	105	111
Primary school textbooks	318	336
Secondary school textbooks	227	240
Highschool textbooks	69	72



The school director handing a kit to one student.

TRAINING FOR JOB HUNTING

We also took advantage of this quieter year to work with Lola’s youth to find ways to prepare them for the future phases of the Lola Graphite Project, in which new employment opportunities will be created.

SRG worked again with Pride Guinée, the local NGO, to provide one hundred young adults from



Lola with a job hunting and basic entrepreneurship training.

There were four main goals to this week-long training:

- ▶ Making a professional resumé
- ▶ Writing a motivation/cover letter
- ▶ How to succeed a job interview
- ▶ How to apply for specific position from a job posting
- ▶ How to start your own business



The first cohort of trainees in ‘job hunting’, with Lola’s Prefect posing in the center.



Dynamic workshop where participants could catch a glimpse of a typical job interview situation.

Job postings in the mining industry can often generate many deceptions and can even lead to troubles and violence within host communities. This is generally linked with a company’s failure to understand and manage the communities’ expectations, as well as a failure to communicate employment procedures.

It is our understanding that mining companies have a moral duty to assist communities in the local employment process, as failed expectations are always source of conflict.

LOCAL GOVERNANCE

As the Lola Graphite project enters the construction preparation phase, it is important to start thinking about how to implement the Environmental and Social Management Plan (ESMP), which specifically describes the protection, mitigation and follow up & monitoring measures recommended by the Environmental and Social Impact Assessment (ESIA). The ESIA being granted approval by the government of Guinea, SRG has now the legal obligation of implementing the ESMP.

That said, the participative aspect is very important to the ESMP’s implementation. A participatory approach can be a very powerful social peace tool if all stakeholders can effectively play a role in the implementation of environmental and social mitigation and monitoring measures.

SRG facilitated two senior advisors from the environmental ministry in Conakry to come to

Lola and provide a training session on the stakes and the roles of the members of Lola’s prefectural committee for environmental and social monitoring.

The Prefect himself gave the opening speech and weighted in to reinforce the significance of this committee’s role to all members of his administration and to the various community leaders that were present.



The Prefect’s opening speech in front of cameras



ENVIRONMENT

The environment wasn't considered as a material subject in our 2018 sustainability report (see chapter on Materiality Analysis in the 2018 report).

As indicated above, however, we started prioritizing some action in 2019 to address the comments received in our continuous stakeholder engagement and during the ESIA public hearings in February 2019.

During the first quarter of 2019, SRG completed the environmental rehabilitation of exploration sites (trenches, wells and drilling platforms) that left visible marks on the landscape.

We also started testing various ways to control soil erosion with vegetation. Some amount of levelling and grading had to be done prior to constructing our metallurgical laboratory, which left the soil bare. Several trees were selected and planted on the side of the parking lot in front of our laboratory.

We implemented this project to observe the growth rate of the different species as well as the effectiveness of roots for sediment control and soil erosion.

This will provide us with valuable information during the implementation of the ESMP for the Lola Graphite project, in particular on erosion and sediment control around waste dumps and stockpiles.



Left: Jacquier (*Artocarpus heterophyllus*). Right: Wild apple tree (*Irvingia robur*). 10 other species were planted, including local bamboos grown from cuttings that are excellent at developing root systems.



SRG also continued implementing the various environmental monitoring campaigns started in 2018 to keep staying ahead of the legal obligations linked with the validation of our ESIA.

Beyond the hydrological and hydrogeological measures started back in 2018 for the ESIA's baseline data collection, SRG invested in five "camera traps". With these SRG can continue the work made by biodiversity specialists during the field study on mammals. The five cameras are installed at the same spots identified in the ESIA, and we rotate their location every two weeks.

We hope in doing so to deepen our knowledge and understanding of the rather alarming baseline status of mammals presents in the region (read chapter 6 of our ESIA downloadable on

SRG's website for more information). Indeed there are very few mammal species left in Lola's vicinity despite the presence of a world heritage UNESCO biodiversity reserve less than 40Km away.



A group of local hunters in Tokpanata



Installation of a camera trap at the foot of a tree.

SRG also kickstarted dialog with traditional hunters from local communities and address the question of preservation and environmental awareness.

The aim of this approach is to find together alternatives and opportunities for income-generating activities based on livestock, handicraft or agroforestry (amongst other, see our pepper project page 19-20 of this document) to reduce anthropogenic pressure on local ecosystems.



OUR EMPLOYEES

OUR WORKFORCE

We wrote it on those pages in 2018, our employees drive the development of the Lola Graphite Project. That is truer than ever in 2019 as SRG enters the permitting and financing phase which translates in winding down the workload on site.

The table below illustrates this new phase. We have however taken this opportunity to take a step back and restructure and standardize the majority of SRG Guinée work contracts.

We invested in human resources capabilities in order to conduct this process according to best practices and national legislation, which lead to wage increases, regularization of due paid leave, and the overall increased satisfaction of our employees.

None of our workforce was covered by collective bargaining agreements in 2019, and we do not expect to see this change until the Lola Graphite Project has entered into the operations phase.

STATISTICS	SRG Mining						
	2013	2014	2015	2016	2017	2018	2019 [women]
Employees – Guinea	19	19	18	18	33	50 [7]	51 [8]
Employees – Canada	1	1	1	1	1	13 [3]	12 [5]
Interns – Guinea	-	-	-	1	6	7 [2]	0
Contractors	-	-	-	-	75	133	44
Daily laborers	100	62	1	14	521	1,885	695
Total Worked Hours	1688	30543	274	19727	120838	270107	144132

* Some of the data on previous years is unavailable

TALENT ACQUISITION AND DEVELOPMENT

This new rhythm adopted for 2019 brought modifications to the allocation of resources and workforce. The geology department became inactive after the first quarter, while the needs at the metallurgical laboratory increased considerably.

SRG responded by providing training to geologists and team leaders specialized in drilling towards new tasks at the laboratory. Eight employees received vocational rehabilitation, which brings our staff at the laboratory to ten, all proudly Guinean.

The training modules were as follow:

1. Drying and Crushing : Dry the sample in the oven and reduce the particle size by using a jaw crusher;
2. Scrubbing and grinding: break down of agglomeration of the dried and crushed ore with water and media balls using a grinder;
3. Screening and Desliming: Separation of fine particles from coarse;
4. Roughing: The first stage of graphite recovery by flotation;

5. Filtration: Filter and dry the concentrate obtained after roughing;
6. Polishing of each kilogram of roughing concentrate in the mill, followed by three cleanings in the flotation cells;
7. Screening and Drying: After the third cleaning, screening the concentrate to + or - 100 Mesh, + 50Mesh, or + 80 Mesh, then drying and analysis;
8. Attrition and cleaning: Attrition of approximately 500 g of the concentrate, followed by three cleanings in the floating cells.

The Minister of Geology and Mines of Guinea, Mr. Abdoulaye Magassouba (center in photo on left page), honored us with his visit of SRG operations in Lola in March 2019. His excellence took the opportunity to highlight that between mineral diversification (with a graphite project) and the creation of local capacity (with the metallurgical laboratory), SRG offers a unique proposition to the mining landscape in Guinea.

HEALTH & SAFETY

SRG continued in 2019 the implementation, checking and improving processes of our Health & Safety, Environment and Community (HSEC) Management System.

We changed our awareness approach by replacing the Toolbox meetings (daily meetings) with longer monthly meetings.

These meetings allow our teams to sit down and discuss HSEC issues in more depth, and more importantly they open discussion between team members on ways to work that facilitate risk identification and elimination.

The reduction of site activities explains reduction in HSEC accidents, especially loss time and restricted work injuries.

SRG also reviewed our collective insurance and improved coverage for our Guinean employees by changing our partnership. SRG now works with the modern Prefectoral Hospital of Lola, which has recently been completed.

Finally SRG Mining also enrolled all corporate employees in Canada with medical coverage, which effectively brings us to 100% of full time employees receiving benefits.

2018 HSEC STATS - SRG

MTI (Medical Treatment Injury)	30
LTI (Loss Time Injury)	0
RWI (Restricted Work Injury)	0
Malaria cases	21
Other diseases	12
Fatalities	0
H&S Incidents	1
Community Grievances	3
Environmental Incident	2
First Aid Treatment	1
First Aid Training	0
Toolbox meetings	130
Inspections	55
Non-Compliance Events	0

STRATEGY & GOVERNANCE

GOVERNANCE AND ACCOUNTABILITY

STRUCTURE

As of December 31, 2018, the Board is composed 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 President.

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 for the

annual performance review of the HSEC management system and to present the results to the Board once a year.

SUPPLY CHAIN

Our supply chain at this point consists 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 2020 and 2021.

MEMBERSHIP AND INITIATIVES

To date, SRG is not member of any initiative or association, 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, 2019, 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 and discretionary cash bonus, program benefits, 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. The Board reviews all of the compensation-related elements when

determining the total compensation of an appointed executive.

The Board approves the compensation ranges for named executive officers (NEO). 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 ending December 31, 2019 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

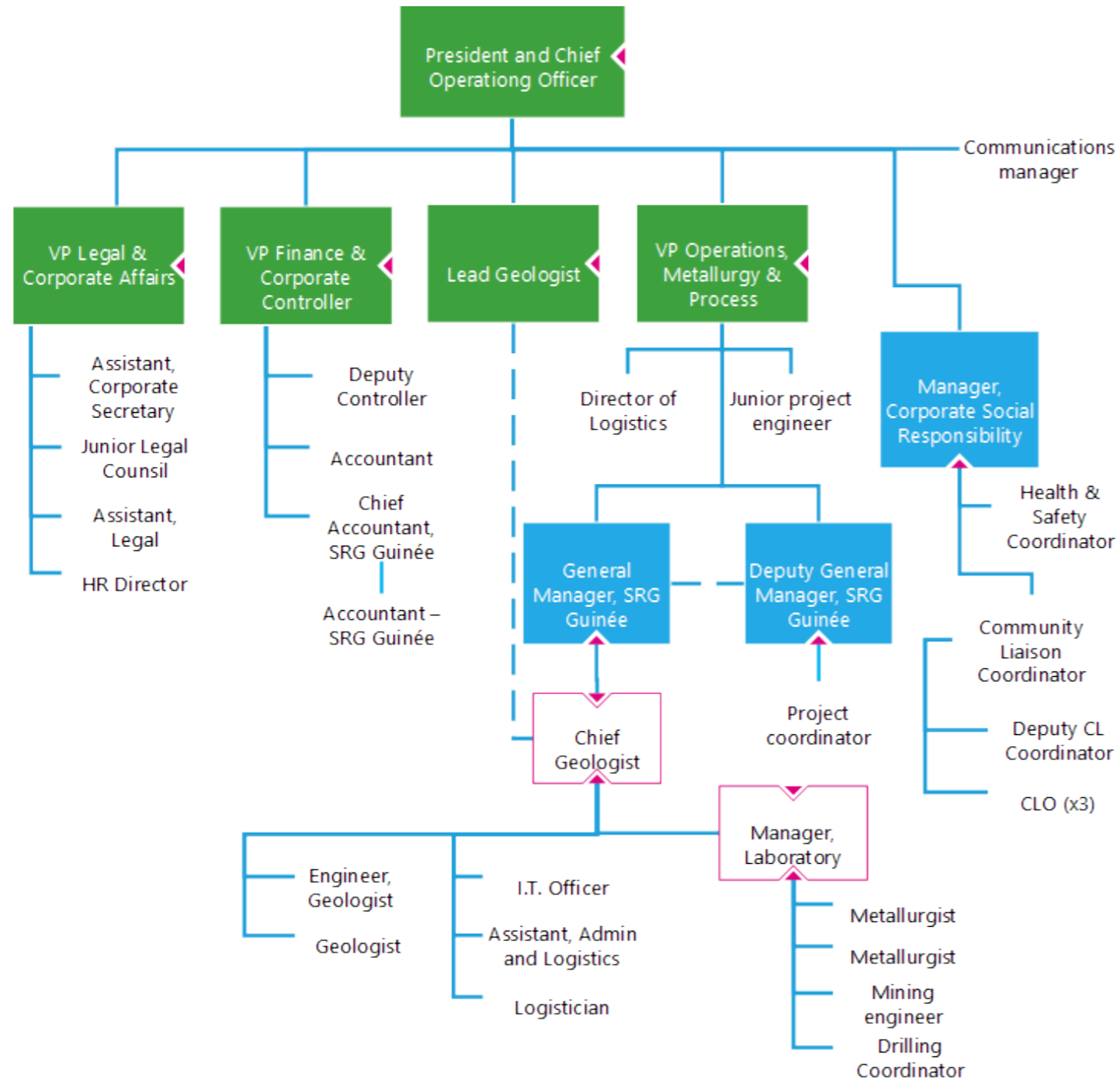
- Board of the Directors Mandate
- Chairman of the Board Mandate
- President and Chief Executive Officer Mandate
- Audit Committee Charter
- Compensation Committee Charter

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



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, Interim Chief Financial Officer : *Ugo Landry-Tolszchuk*
- 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
General disclosure			
Organizational profile			
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	102-2 Activities, brands, products, and services	2	
	102-3 Location of headquarters	2	
	102-4 Location of operations	2	
	102-5 Ownership and legal form	2	
	102-6 Markets served	2	
	102-7 Scale of the organization	2	
	102-8 Information on employees and other workers	26-27	
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	102-12 External initiatives	28	
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Strategy			
	102-14 Statement from senior decision-maker	5	
Ethics and integrity			
	102-16 Values, principles, standards, and norms of behavior	http://srgraphite.com/corporate-governance-and-policies/	See Code of Conduct and Business Ethics
Governance			
	102-18 Governance structure	28-29	
	102-20 Executive-level responsibility for economic, environmental, and social topics	28-29	
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	102-30 Effectiveness of risk management processes	28	
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	102-35 Remuneration policies	28	
Stakeholder engagement			
	102-40 List of stakeholder groups	http://srgraphite.com/responsibility/	See Stakeholder Engagement Plan
	102-41 Collective bargaining agreements	26	
	102-42 Identifying and selecting stakeholders	SEP	
	102-43 Approach to stakeholder engagement	10	
	102-44 Key topics and concerns raised	SEP	
Reporting practice			
	102-45 Entities included in the consolidated financial statements	SRG Mining Inc and SRG Guinée S.A.R.L.	
	102-46 Defining report content and topic Boundaries	6	
	102-47 List of material topics	7	
	102-48 Restatements of information	N/A	No previous report
	102-49 Changes in reporting	N/A	No previous report
	102-50 Reporting period	6	
	102-51 Date of most recent report	N/A	No previous report
	102-52 Reporting cycle	6	
	102-53 Contact point for questions regarding the report	36	
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GRI Standard	Disclosure	Page number(s) and/or URL(s)	
Material Topics			
200 series (Economic topics)			
Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	29	
	103-2 The management approach and its components	29	
	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	29	
300 series (Environmental topics)			
Biodiversity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	24-25	
	103-2 The management approach and its components	24-25	
	103-3 Evaluation of the management approach		No evaluation yet
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	24-25	
Environmental Compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	24-25	
	103-2 The management approach and its components	24-25	
	103-3 Evaluation of the management approach		No evaluation yet
GRI 307:	307-1 Non-compliance with environmental laws and regulations	24-25	
400 series (Social topics)			
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	26	
	103-2 The management approach and its components	26	
	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	27	
	103-2 The management approach and its components	27	
	103-3 Evaluation of the management approach	N/A	No evaluation yet
	403-1 Occupational health and safety management system	27	
	403-2 Hazard identification, risk assessment, and incident investigation	27	
	403-3 Occupational health services	27	
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	27	
	403-5 Worker training on occupational health and safety	27	
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	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	27	
	403-9 Work-related injuries	27	
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Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	27	
	103-2 The management approach and its components	27	
	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	27	
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	



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