

La Mancha to Acquire a 19.9% Stake in SRG Mining for C\$13 Million

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SRG to Accelerate Development of Lola Graphite Project and Downstream Processing Strategy

Montreal, March 16, 2022 - [SRG Mining Inc.](#) (TSXV:SRG) ("SRG" or the "Company") announced today that La Mancha Fund SCS (the "Fund"), a fund advised by La Mancha Capital Advisory LLP ("La Mancha"), has agreed to acquire a significant 19.9% stake in SRG.

Subject to final due diligence, execution of definitive documentation, and approval from La Mancha's Investment Advisory Committee and the Fund's manager, SRG will issue 22,442,941 common shares to the Fund (or its designated affiliate) through a private placement at a price of C\$0.56 per share, yielding proceeds to SRG of approximately C\$13 million (US\$10 million). The Fund will come to own 19.9% of SRG's issued and outstanding common shares when the placement is completed, establishing it as one of SRG's largest shareholders.

Upon receipt of the proceeds, SRG will have cash and cash equivalents of approximately C\$17 million (US\$13 million) and no significant debt. SRG intends to use the proceeds to advance the Company's large-scale Lola Graphite Project in the Republic of Guinea, to develop a fully integrated mine-to-market solution to supply active anode material to the European lithium-ion and fuel cell markets and for general corporate purposes.

SRG will work closely with La Mancha, during the development phase of the project, to ensure the Fund's continued participation in subsequent financings to advance SRG towards production.

"We are confident that La Mancha shares our development vision and has the experience and access to financial resources to help us develop our large-scale Lola Graphite Project and second transformation strategy, creating value for SRG's stakeholders in the Republic of Guinea, and our international shareholders," said Benoit La Salle, Chairman of the Board.

Naguib Sawiris, Chairman of La Mancha's Investment Advisory Committee, said: "La Mancha has seen significant successes in the gold industry, and this investment in SRG is a logical continuation of the Fund's strategy to invest in commodities necessary to shift the energy system away from one dominated by hydrocarbons. The supply-demand dynamics for clean, future facing metals and minerals could mean we are at the dawn of a new commodity supercycle. La Mancha is pleased to support SRG with this initial investment and, depending on the outcomes of the development programme, there is the potential for up to C\$50 million in subsequent financings to fund SRG through to production."

The Fund's investment into SRG is subject to La Mancha's and the Fund manager's internal approval processes, execution of definitive documentation, approval by the TSX Venture Exchange, and other customary closing conditions. Receipt of all necessary approvals and completion of the transaction is expected on or before March 31, 2022.

Upon closing of the private placement, SRG will grant the Fund or its affiliate certain investor rights under an investor rights agreement. Among key provisions, the Fund or its affiliate will have the right to nominate two directors to SRG's board. In addition, the Fund or its affiliate will be granted anti-dilution rights to enable it to maintain its SRG ownership at 19.9%.

About the Fund and La Mancha

The Fund is a Luxembourg-based deep value fund focused on investments in the precious metals and

energy transition space. La Mancha advises the Fund on strategic investments made in publicly listed and private exploration, royalty and mining companies with a global outlook. La Mancha is a long-term minded investor, with a mandate to support mining companies to achieve sustained growth by providing long-term equity capital as well as operational and board level expertise, to further portfolio company performance and expansion.

La Mancha is an Appointed Representative of G10 Capital Limited, which is authorised and regulated by the Financial Conduct Authority (FRN 648953).

About SRG Mining

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 a Measured and Indicated Resource of 46Mt at a grade of 4.1% Cg. SRG aims to develop a fully integrated source of battery anode material to supply the European lithium-ion and fuel cell markets. With attractive operating costs, proximity to European end-markets and strong ESG credentials, SRG is poised to become a reliable supplier while promoting sustainability and supply chain transparency. SRG is committed to generating sustainable, long-term benefits that are shared with the host countries and communities where it operates.

For additional information, please visit SRG's website at www.srgmining.com and La Mancha's website at www.lamancha.com

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Forward-Looking Statements

This press release contains "forward-looking information" within the meaning of Canadian securities legislation. All information contained herein that is not clearly historical in nature may constitute forward-looking information. Generally, such forward-looking information can be identified by the use of forward-looking terminology such as "intend", "advance", "develop", "ensure", "confident", "create", "potential", "believe", or variations of such words and phrases or state that certain actions, events or results "will", "may", "could", "would" or "might" occur. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: (i) La Mancha Fund SCSp's investment in SRG Mining Limited not being completed as a result of failure to execute definitive documentation and/or obtaining applicable approvals (ii) volatile stock price; (iii) the general global markets and economic conditions; (iv) the possibility of write-downs and impairments; (v) the risk associated with exploration, development and

operations of mineral deposits and mine plans for the Company's mining operations; (vi) the risk associated with establishing title to mineral properties and assets including permitting, development, operations and production from the Company's operations being consistent with expectations and projections; (vii) fluctuations in commodity prices, finding offtake takers and potential clients or enforcing such agreements against same and other risks and factors described or referred to in the section entitled "Risk Factors" in the MD&A of the Company and which is available at www.sedar.com, all of which should be reviewed in conjunction with the information found in this news release.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Such forward-looking information has been provided for the purpose of assisting investors in understanding the Company's business, operations and exploration plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is given as of the date of this press release, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.

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