



PALLINGHURST-TRAXYS
RESPONSIBLY SOURCED
BATTERY MATERIALS

Pallinghurst and Traxys join forces – creating a joint venture to capitalise on the strong growth in demand for responsibly sourced battery materials

London and New York, November 11, 2019 – Strategic resources investor, the Pallinghurst Group, and leading global commodities trader, Traxys, today announced the launch of the Pallinghurst-Traxys Battery Materials joint venture (“Pallinghurst-Traxys” or “the Joint Venture”).

Through the Joint Venture, Pallinghurst and Traxys will invest in and establish controlling positions in projects to develop and supply responsibly and ethically sourced materials to the growing rechargeable battery and energy storage industry.

The Joint Venture expects to benefit from increased environmental awareness and commitment to decarbonisation from consumers and regulators, which has resulted in growing adoption of electric vehicles and global demand for rechargeable batteries. These trends are underpinned by strong financial support from many governments and changes in consumer preferences. Pallinghurst-Traxys also expects to benefit from an increase in installed energy storage capacities within electric grids.

Alan Docter, the founder and Chairman of Traxys, commented: ***“Traxys has always focused on identifying and securing the evolving supply demands of our customers. With the grid-scale storage and electrical vehicle revolutions becoming a reality, it is natural that Traxys, as a leading global commodity supplier, would take a prominent role in supplying responsibly and ethically sourced battery materials. Our partnership with Pallinghurst creates a unique platform from which to supply the world’s industrial base with these critical battery materials.”***

Brian Gilbertson, the Chairman and co-founder of the Pallinghurst Group, commented: ***“I have been part of creating many world leading businesses within the natural resources industry. This has taught me that it is critical to create a best-in-class team with unique and complementary skills. I am therefore pleased to join with such a distinguished firm as Traxys in a strategic partnership which has all the makings of becoming a world leader in supplying the responsibly and ethically sourced battery materials that will become increasingly sought after in the near future.”***

Pallinghurst-Traxys will invest in large, low-cost projects predominantly located in investment grade jurisdictions across North America, Europe and Australasia. The Joint Venture will focus on the entire value-chain, from sourcing raw materials to managing the beneficiation and value-add process, as it supplies battery grade materials to major battery makers and their intermediate suppliers globally.

By supplying critical materials such as graphite, lithium and cobalt, the Pallinghurst-Traxys initiative expects to be an important facilitator for the growth of emerging giga-factories and battery hubs in Europe and North America. The target projects of the joint venture will benefit from the parties' proven expertise in each of the critical links of the supply chain, from project prospecting, development, financing and operation to beneficiation, logistics and market interaction.

Traxys operates across the lifecycle of many critical commodities, from the origination and sourcing of material, to the delivery of final products to end users. Traxys is a leading global cobalt supplier with prominent positions in battery grade nickel, manganese and copper supply.

Pallinghurst has a proven track-record in project identification, development and production management, having already invested in a key graphite producer, which is expected to become one of the world's leading battery-grade suppliers.

Mark Kristoff, the CEO of Traxys, commented: ***“Over the past years, we have seen a rapid increase in demand for battery materials. Whilst Traxys already is a leading supplier of cobalt, copper and nickel, our partnership with Pallinghurst will provide access to a broader offering of critical materials, covering in essence the full bill of materials of this value chain. In addition, Pallinghurst-Traxys will have a unique position where it can benefit from every link of the battery materials value chain.”***

Arne H. Frandsen, co-founder and Managing Partner of the Pallinghurst Group commented: ***“The electric vehicle and energy storage revolution is gaining pace. The future demand for the critical battery grade materials is set for explosive growth. Pallinghurst-Traxys has its exclusive focus on the ethical and sustainable sourcing and development of battery materials. We shall focus on projects that will minimise carbon footprint and environmental impact. Where possible, our investments will strive to use power generated from hydroelectric and other renewable sources. As a responsible supplier of battery materials, we will emphasise safety of operations and operate with full accountability vis-a-vis communities and all other stakeholders. Together, Pallinghurst-Traxys, will provide the necessary capital and hands-on expertise to ensure that our investments become successful as leading and sustainable players in the battery materials space.”***

Pallinghurst-Traxys will be managed by Alan Docter, Mark Kristoff and Erez Ichilov from Traxys as well as Brian Gilbertson, Arne H. Frandsen and Andrew Willis from the Pallinghurst Group. Alan Docter and Brian Gilbertson, both recognised as statesmen in the mining, processing and commodity industries, will act as Joint-Chairmen of the Pallinghurst-Traxys Supervisory Board. The management of Pallinghurst-Traxys will be undertaken by the executive team of Mark Kristoff, Arne H. Frandsen (Chief Executive), Andrew Willis (CFO) and Erez Ichilov with a support team of more than 25 professionals, from offices in London, New York, Montreal and Luxembourg.

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About the Pallinghurst Group

The Pallinghurst Group is a leading strategic investor in the global metals and mining sector with significant development, operational and financial expertise in mining. Over the past 13 years, London-based Pallinghurst has invested almost US\$2 billion of equity capital into a range of mining projects world-wide. As a hands-on and active investor, Pallinghurst seeks to act as a catalyst for developing and the unlocking of value for a range of natural resources projects for the benefit of all stakeholders. Pallinghurst often invest in partnership with governments and local capital providers. Pallinghurst's investors consist of blue-chip family offices, sovereign wealth funds as well as specialised natural resources investors. Pallinghurst is owned by its management team. To learn more about Pallinghurst go to: www.pallinghurst.com

About Traxys

Traxys is a client focused physical commodities merchant that provides effective market access and solves complex supply chain, distribution and financing challenges for a wide range of clients on a cooperative and transparent basis across a diverse array of metals and minerals. Its sourcing, logistics, marketing, distribution, financing, supply chain management and trading activities are conducted by over 450 employees, in over 20 offices worldwide, and its annual turnover of US\$8 billion. Headquartered in Luxembourg and New York, Traxys handles over 60 types of non-ferrous metals, ferro-alloys, minerals, industrial raw materials and energy products. The Group serves a broad base of industrial customers and offers a full range of commercial, logistical and multi-tiered financial services and solutions. Traxys, a privately held company, is owned by The Carlyle Group (NASDAQ: CG), affiliates of Louis M. Bacon, the founder of Moore Capital Management, LP and Moore Strategic Ventures, LLC, Mr. Bacon's privately held investment company, and Traxys' management team. To learn more about Traxys, go to: www.traxys.com

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