

27 May 2020

Agreement with EIT InnoEnergy

Savannah Selected to Receive Support from the Business Investment Platform

Savannah is pleased to announce that it has entered into an 'Added Value Services Agreement' with EIT InnoEnergy, as part of the Business Investment Platform ('BIP') launched last September to accelerate the development of a European battery industry. EIT InnoEnergy is the innovation engine for sustainable energy across Europe and is responsible for the EBA250 initiative, the industrial development activities of the European Battery Alliance ('EBA'). To further accelerate transactions in the European battery value chain, EIT InnoEnergy has co-designed the BIP with industrial players and public and private financial institutions from the EBA network. The ultimate goal is to facilitate an additional flow of €70 billion of investment into EU based battery-related projects required to meet peak European demand by 2023.

Through the Added Value Services Agreement (the 'Agreement'), EIT InnoEnergy will:

- Assist Savannah in securing finance to develop the Mina do Barroso project ('Mina do Barroso' or the 'Project'). This may include providing access to public and private sources of finance across equity, debt, and other funding mechanisms, such as grants. EIT InnoEnergy is also able to make investments itself in innovative companies operating in the sustainable energy sector.
- Work together with Savannah to apply the most innovative and sustainable state-of-the-art technologies and processes in the Project.
- Introduce potential customers for the Project's lithium as a supplement to Savannah's own ongoing negotiations with potential major customers.
- Introduce potential strategic Project investors.
- Provide market intelligence and wider strategic support in areas such as government and social engagement, regulation and permitting, and industrial partnering through its team in Portugal and across Europe.

David Archer, Savannah's Chief Executive Officer said, "Savannah is one of the first lithium raw material development companies in Europe to secure an Agreement with EIT InnoEnergy to provide services as part of the Business Investment Platform. The Agreement confirms the significance the European Commission is placing on domestic lithium production as part of the region's new lithium battery

value chain, and the key role Savannah is expected to play in this new industry as sole owner of the most significant conventional lithium deposit in Western Europe. We now look forward to working closely with EIT InnoEnergy's staff in Portugal and across Europe to give Savannah even greater access to the finance, customer base and technical innovation which now exists within the EU's rapidly evolving lithium battery industry.

"Savannah has been engaged with the European Commission's agencies and initiatives dedicated to the creation of a sustainable lithium battery value chain in Europe since 2018. This includes our significant involvement in two technical initiatives being run by EIT RawMaterials, as well as the European Battery Alliance. Today's Agreement with EIT InnoEnergy formalises our working relationship with the group which manages EBA's **industrial development programme and its Business Investment Platform**. Savannah entered the formal selection process to become a recipient of services offered through BIP late last year and we see conclusion of this Agreement as another important step towards the development of Mina do Barroso.

"The services offered through the BIP include assistance with sourcing financing for the project, introduction to potential commercial partners from within the EBA membership, and provision of independent, strategic support in a number of other areas critical to the project's development, such as political engagement. EIT InnoEnergy has a strong track record in the sustainable energy sector for securing finance for growth companies and supporting their development. The group is targeting €70 billion of transactions through the BIP between 2019 and 2023 to meet the upcoming demand for batteries expected by the end of that period.

"EIT InnoEnergy's offering ideally complements our own ongoing efforts to commercialise the Project as well as those of our existing advisers and others within the wider Savannah network who are helping us make the Project a reality. Mina do Barroso can provide Europe with a secure and sustainable supply of lithium and bring benefits to our local stakeholders and Portugal as a whole. Furthermore, we believe, that the e-mobility revolution in Europe, accompanied by a new regional battery industry, fits very well with the call made last month by EU Commission President Ursula von der Leyen and 17 European climate and environment ministers that the European Green Deal be central to a resilient recovery after COVID-19."

EIT InnoEnergy's CEO, Diego Pavia said, "EIT InnoEnergy strives to push Savannah's project in Portugal to completion and further in order to support the development of a sustainable and regional lithium-ion battery supply chain in Europe. Our support will bring the project towards the final phase of its development and allow European customers, including battery and automakers, to source lithium chemicals in the EU."

Other information

About the European Battery Alliance ('EBA'):

The [European Battery Alliance](#) was launched in October 2017 by European Commission Vice President Maroš Šefčovič. The EBA is building a strategic value chain for batteries in Europe starting with raw materials and progressing all the way to electric vehicles. For Europe, the establishment of a complete domestic battery value chain is imperative for a clean energy transition and a competitive industry. The annual market value is estimated at €250 billion from 2025 onwards.

About EBA250 and the Business Investment Platform ('BIP'):

The industrial development programme of the EBA, the [EBA250](#), is managed by EIT InnoEnergy. Since its formation in late 2017, EBA250 has grown rapidly into a project-driven community now bringing together more than 400 industrial and innovation groups, including miners, chemical companies, producers of battery materials, cells and batteries, end users such as auto manufacturers, recyclers, and public and private financing groups, all with the common objective of building a strong and competitive European battery industry.

Following the output of the initial EBA250 stakeholder meetings and feedback from EBA250 members (including from Savannah) on how to bridge the gap between financial institutions and businesses, EIT InnoEnergy, with the support of selected financial institutions and industrial partners, designed the [Business Investment Platform](#) to accelerate the transactions between investee and investors in the lithium-ion battery value chain, including mining, while also reducing the business and investment risk to the investee and investor respectively. The BIP was launched at an event in Brussels on 25 September 2019 which Savannah staff attended.

About EIT InnoEnergy:

[EIT InnoEnergy](#) is the innovation engine for sustainable energy across Europe. EIT InnoEnergy is supported by the European Institute of Innovation and Technology (EIT), a body of the European Union. To date EIT InnoEnergy has invested €275.5m in the sustainable energy sector, supported the development of more than 480 products, partnered with more than 500 groups across Europe and supported over 330 start-ups. In total, the projects EIT InnoEnergy has been involved with have raised €2.5Bn of finance and currently have forecasted sales of over €5Bn.

The Group has been entrusted by the European Commission to drive forward and promote the industrial development activities of the European Battery Alliance through its EBA250 programme and manage the EBA's Business Investment Platform to help create a well-funded and fully functioning battery supply chain within Europe.



Regulatory Information

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

****ENDS****

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About Savannah

Savannah is a diversified resources group (AIM: SAV) with a portfolio of energy metals projects - lithium in Portugal and copper in Oman - together with the world-class Mutamba Heavy Mineral Sands Project in Mozambique, which is being developed in a consortium with the global major Rio Tinto. The Board is committed to serving the interests of its shareholders and to delivering outcomes that will improve the lives of the communities we work with and our staff.

The Company is listed and regulated on AIM and the Company's ordinary shares are also available on the Quotation Board of the Frankfurt Stock Exchange (FWB) under the symbol 'FWB: SAV', and the Börse Stuttgart (SWB) under the ticker 'SAV'.