

12 January 2021

## Heads of Agreement between Savannah and Galp re. strategic investment & offtake agreement

Savannah is pleased to announce that it has signed a Heads of Agreement ('HoA') with the major diversified Portuguese energy group, Galp Energia, SGPS, S.A ('Galp', Euronext: Galp), regarding a proposed strategic investment and alliance in the lithium field around the Mina do Barroso Lithium Project in northern Portugal ("Mina do Barroso" or the "Project"). Galp's strategic presence and experience in Portugal and Europe's energy sector will be of significant benefit in driving the Project to production.

### Key terms:

- Galp intends to secure a 10% shareholding in Savannah's Portuguese subsidiaries which own Mina do Barroso for US\$6.4m cash to be used to further Savannah's progress towards its Definitive Feasibility Study ("DFS"), subject to due diligence and completion of definitive agreements relating to the partnership
- Galp will add material value through its participation at the Project's board level and the transfer of its significant experience in developing large scale resource projects in Portugal
- Galp and Savannah are set to evaluate, under exclusive terms, an offtake agreement for up to 100,000tpa of lithium concentrate from Mina do Barroso equating to approximately 50% of annual production. The agreement represents a significant step in commercialising Mina do Barroso and will be an important factor in securing financing for the construction of the Project

**David Archer, Savannah's Chief Executive Officer said:** *"We are delighted to announce Galp as a potential investor and future strategic partner in our Portuguese project. We believe Mina do Barroso's low carbon footprint lithium concentrate will provide a key foundation for Europe's energy transition to electric mobility and we are delighted to be joined by Galp on this journey. They are one of the leading European companies in the energy and renewables space with a commitment to the energy transition and have a wealth of experience in developing large scale projects such as this. Their knowledge and experience will be invaluable to Savannah as we further progress the Project forward in a responsible and sustainable way into development.*

*"The prospect of having Galp as a partner in Portugal is even more enticing given their outstanding ESG credentials, having been named by the Climate Disclosure Project as one of the energy companies that most effectively enacts climate change-related best practices. This record is a result of Galp aligning its portfolio with low-emission business models, products and services and we are pleased that they have recognised Savannah as a partner with similar objectives."*

*“Mina do Barroso will provide a series of compelling economic, social, demographic and environmental benefits to the Project’s region, to Portugal and to Europe. In particular the Project will provide a catalyst for the development in Portugal of potential new industries in the midstream and upstream part of Europe’s lithium-ion battery ecosystem.*

*“In the meantime, we will continue to press forward with the Definitive Feasibility Study of the expanded scope of the Mina do Barroso mine and provide information to a further request from Agência Portuguesa do Ambiente (‘APA’), the Portuguese environmental regulator”.*

### **About Galp**

Listed on Euronext with a market capitalisation of €7.5bn, Galp is a Portuguese company which has grown into a diversified energy company operating in 11 countries and employing over 6,000 staff. It is one of Portugal’s largest companies and the largest producer of solar energy in Iberia. In November 2020 it was ranked 3<sup>rd</sup> in the world on the Dow Jones Sustainability indices.

### **Regulatory Information**

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

**\*\*ENDS\*\***



Follow @SavannahRes on Twitter



Follow Savannah Resources on LinkedIn

For further information please visit [www.savannahresources.com](http://www.savannahresources.com) or contact:

#### **Savannah Resources PLC**

David Archer, CEO

Tel: +44 20 7117 2489

#### **SP Angel Corporate Finance LLP (Nominated Advisor)**

David Hignell / Charlie Bouverat

Tel: +44 20 3470 0470

#### **finnCap Ltd (Joint Broker)**

Christopher Raggett

Tel: +44 20 7220 0500

#### **WH Ireland Limited (Joint Broker)**

James Joyce/ Matt Chan (Corporate Finance)  
Adam Pollock/ Jasper Berry (Corporate Broking)

Tel: +44 20 7220 1698

#### **Camarco (Financial PR)**

Nick Hennis / Gordon Poole

Tel: +44 20 3757 4980

## About Savannah

Savannah is a diversified resources group (AIM: SAV) with two development stage projects, a hardrock lithium project in Portugal which has the largest spodumene lithium resource in Europe, and 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".