

16 April 2021

Mina do Barroso EIA Update

Portuguese Environment Agency Declares Conformity of EIA

Following its review, Agência Portuguesa do Ambiente (“APA”), the Portuguese environmental regulator, has declared the Mina do Barroso Lithium Project (“Mina do Barroso” or the “Project”) Environmental Impact Assessment (“EIA”) to be in conformity with its requirements for the content of the EIA. The EIA will now progress to the next stages of the approval process, being a public consultation and a detailed review by APA’s Evaluation Committee, which take place simultaneously.

Highlights

- Mina do Barroso has achieved another major milestone in the path to production, having received a declaration of conformity from the APA on the content of its EIA.
- The Mina do Barroso EIA includes a responsible and sustainable mine plan, related infrastructure and spodumene processing facilities.
- Mina do Barroso will be developed in accordance with the world’s best environmental practices for the minerals production industry and will be an example of sustainability and innovation in the Portuguese and European mineral production sectors.
- The Mina do Barroso development plan is based on the Company’s “Green and Smart Mining” concept, with a strong focus on the efficient use of energy, materials and water in order to reduce the environmental footprint of the life cycles of mineral-based products.
- The Project’s design will involve the investment of over €15 million of initial capital costs into measures to either eliminate or reduce potential social and environmental impacts.
- The EIA contains detailed plans for the preservation of the region's fauna and flora.
- The Project has the potential to contribute over €1.2 billion to Portuguese gross national product over the life of the operation.
- €110 million will be invested in developing the Project locally, which will bring a series of benefits to the Boticas region and will create approximately 215 direct jobs and between 500 and 600 indirect jobs to support the Project.

David Archer, Savannah’s Chief Executive Officer, said: *“We are delighted with APA’s conclusion that the EIA for Mina do Barroso is in conformity with its content requirements. The EIA includes comprehensive proposals for our Community Benefit Sharing Plan and Good Neighbour Commitment as well as detailed*

plans for how Savannah will sustainably manage energy, water and material output at the mine. The objective of 'Green and Smart Mining' has always been a priority for Savannah in developing Mina do Barroso, and we now look forward to discussing the details of these community-focused plans along with the technical and environmental features of the Project's development, operation and rehabilitation, with all stakeholders as part of the ongoing EIA approval process."

"We expect Mina do Barroso to provide Europe with a strategically important local, long term and secure source of lithium raw materials. In September 2020, lithium was added to the European Commission's list of critical raw materials reflecting both the importance of lithium battery technology in meeting the region's long term climate goals, and the threat to raw material supply availability to the EU due to increased demand globally."

"Savannah is committed to developing and operating the Mina do Barroso Project in a responsible way while minimising the Project's impact on the local environment and maximising the opportunity it offers to stakeholders. The Project is a vital part of the lithium battery value chain that will not only bring economic growth to the Iberian Peninsula, but also significant environmental benefits through a reduction in CO2 emissions driven by the electric vehicle revolution in addition to vastly improved living conditions for millions of Europeans via reductions in harmful air pollution".

Some of the key measures we will be adopting include:

- The elimination of traffic generated by the Project from local villages with the construction of an 8 km long by-pass road costing approximately €6million.
- The Project is designed to be largely self-sufficient with regards to water usage, with the innovative use of mine run-off water and technologies recycling 85% of the water required to operate Mina do Barroso.
- The process plant will be placed in a valley to minimise any sound and light impacts with no direct line of sight to nearby villages.
- Vegetated earthen walls will be built to screen operations from local houses.
- Reagents will be largely organic based with the innovative use of oleic acid (e.g. olive oil) as the key reagent.
- Operations, such as concentrate transport, have been designed around tailored schedules for each major operational element to minimise impacts on local communities.
- Tailings will be dewatered to allow dry storage resulting in a superior environmental outcome.
- Phased mining of deposits, which will allow for progressive rehabilitation, which will be a key feature of the project with an emphasis on re-establishing native species lost in forest fires.
- Objective to move to carbon neutrality with the use of both on-site and grid-based renewable energy sources for the process plant and mobile equipment.
- Establishment of a dedicated mine app with state-of-the-art, real time environmental monitoring data available to stakeholders.

Next Steps

APA will define and initiate the public consultation process which is due to start in April 2021, with this next stage of the process expected to run no less than 45 working days. Results from the public consultation and the Evaluation Committee's review will then form the basis for the Committee's "Final Technical Statement" which will allow APA to prepare the contents of the Environmental Impact Declaration ("DIA") and award the Project its DIA. Assuming there are no statutory delays, Savannah is expecting to receive the DIA during August 2021.

Project Overview

The Mina do Barroso EIA reflects our care and concerns for the local populations and the region, as well as the Company's detailed planning focus on the different phases of the Project, from construction, through operation to mine closure. This is an intrinsic element of the entire life cycle of mining from the initial project design to assessment for mining approval purposes; continuing through implementation, decommissioning, and final rehabilitation and closure.

Closure planning for Mina do Barroso will be proactive, commence early, and will become progressively more detailed as the end of the Project's life cycle approaches. This echoes the principles for mitigation and adaptive environmental management that Savannah stated in the Mina do Barroso EIA, by making explicit linkages between the EIA and mine closure planning, highlighting the importance of identifying and assessing environmental and social impacts of the Project, along with putting in place the appropriate mitigation, management and monitoring measures.

Mina do Barroso will be designed and operated to minimise its impact on the natural environment and society and to ensure its lithium product carries the minimal carbon footprint into the lithium battery supply chain.

The EIA and associated Mine Plan includes:

- A 42-page Non-Technical Resumé which is specifically designed to provide lay readers with a comprehensive, non-technical overview of the Project.
- A 3,720-page EIA prepared by VISA Consultores ('VISA'), one of Portugal's leading environmental consultancies, along with 28 sub-consultants all of whom are leaders in their fields. VISA was the author of the original EIA for Mina do Barroso which was approved in association with the Mining Lease award in 2006.
- Proposals for an expanded mineral production operation at Mina do Barroso and additional, value adding processing with the production of at least 175,000t per annum of spodumene lithium concentrate.
- An updated 2,310-page Mine Plan, submitted alongside the EIA, provides the regulator with an equally comprehensive review of all aspects of the Project's design, construction and operation that will be incorporated into the Definitive Feasibility Study ("DFS").

Key Features of the Project are:

- The development of a responsible, sustainable mining plan which either eliminates impacts or reduces impacts to the point where they are no longer meaningful.
- A particular focus of the design work has been the investment of significant capital into measures to reduce and minimise any potential social and environmental impacts.
- Savannah will ensure strict compliance with legislation, both national and European, and other environmental requirements to ensure the Project's environmental footprint is minimised.
- Strict procedures have been developed to control the most sensitive environmental aspects, such as water resources (surface and underground), water quality, air quality, sound environment, vibrations, soils (quality and geochemistry), ecological systems, landscape, socio-economics and heritage.
- The Mina do Barroso development is based on the Company's ["Green and Smart Mining"](#) concept, with a strong focus on the efficient use of energy, materials and water - in order to reduce the environmental footprint of the life cycles of mineral-based products.
- Mina do Barroso will actively promote the elimination or mitigation of any environmental and social impacts at all stages of the operation.
- The Project will have strongly positive socio-economic impacts which will be significant at the regional and local level, by creating direct and indirect employment and contributing effectively to the economic diversification of the municipality.
- A Benefit Sharing Plan has been developed which aims to ensure that local communities receive a fair share of the benefits from the mining operation, and that these benefits are sustainable and consistent with community needs and local development objectives during the life of the mine and beyond.
- Our Good Neighbor Programme outlines a series of aspects of our operations that will deliver positive outcomes and enable the surrounding communities to enjoy support for key issues such as employment, health and transport.
- Savannah will implement skills development programmes to support and develop the career development of our staff. Mina do Barroso has a strong formative component and is focused on raising the standard of living of its employees.
- The objective is, at the end of production operations, to return the land fully recovered, safe, enhanced and available for different uses by both local communities and visitors. Savannah emphasises the fundamental importance of the preservation of the environmental ecosystem.
- The Project is relevant, not only at local and regional level, for job creation and tax revenues, but at national level as it will allow the potential use of a mineral with strategic importance for the national economy and the whole of Europe.

Regulatory Information

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

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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".