

30 June 2021

## Chairman's Statement for AGM

Savannah, the AIM quoted resource development company, announces that at today's AGM Matthew King, the Company's Chairman, will make the following statement.

"The Board and I very much look forward to opportunities to interact directly with shareholders, so it is disappointing for all of us that UK Government COVID-related guidelines make it necessary for our 2021 AGM to be a closed meeting today. Fortunately, with the vaccine programme now underway in the UK and internationally, we can all be very hopeful that our next AGM will be an 'in person' event once again.

"While the 'COVID world' has created so many challenges for us all, the electric vehicle ('EV') market and, in turn, the lithium sector have experienced a period of significant positive growth against this difficult backdrop. The same is also true of ESG-focused investing, which has been further complemented by the commitment made to green initiatives by governments and the EU in their post-COVID economic recovery planning. Despite the hard times of the last year and the ongoing risks posed by COVID, which the Company will look to mitigate wherever possible, Savannah is in a strong operational and financial position moving into the second half of 2021.

"In my view, Europe really epitomises the next phase of evolution in both the EV and lithium markets and Savannah is ideally placed to take advantage of this growth. In 2020 the arrival of new, tighter, vehicle emission legislation in the EU resulted in EV sales more than doubling to over 1 million units, helped by greater model choice and government incentive schemes. However, the European Commission is now very aware that it cannot achieve the future levels of EV penetration needed to reach its long-term emissions targets without securing the raw materials required to support domestic battery and vehicle manufacturers. It also understands that competition for these raw materials, including lithium, is set to grow significantly as all major world markets follow similar strategies. In summary, the improving market trends established during 2H 2020, which have continued strongly throughout 1H 2021, have brought the long-forecasted threat of a lithium supply deficit into sharp relief for politicians and end-users alike. The race to secure supply is well and truly underway.

"In response to this near-term development of raw materials, Europe has taken action. Lithium has been added to the European Commission's Critical Raw Materials list and the European Raw Materials Alliance was created to highlight and support the development of raw material production projects in Europe. In our view, these developments help to underline the Commission's belief that Europe should develop domestic end-to-end value chains, beginning with mining, for the materials critical for its economy. This will reduce future supply risk and ensure that the carbon footprint associated with the material entering

the value chain is reduced as much as possible. Lithium, anchored by projects like Mina do Barroso, which is the most significant conventional lithium mine development in Europe, is a prime example of this. We have been greatly encouraged by the developments we have seen in this value chain in the past year where a growing number of companies are now evaluating the option of building lithium chemical production capacity in Europe. With this development, it should be possible for Mina do Barroso's lithium concentrate to be refined in Europe, allowing Savannah to play its part in the production of low-carbon, responsibly manufactured, domestic lithium-ion batteries for use in Europe.

“At project level, good progress has been made over the last year at Mina do Barroso, despite the impact of COVID. The Environmental Impact Assessment ('EIA') review process has advanced with the current public consultation phase due to finish in mid-July, and we expect the process to reach the important 'Declaration of the Environmental Impact' stage in Q4 2021. Inputs from the EIA are also required for the ongoing Definitive Feasibility Study ('DFS') and though DFS-related fieldwork has been difficult to undertake due to COVID-related restrictions excellent progress has been made in Australia on the metallurgical test work programme. Savannah remains firmly committed to completing the DFS as quickly as the EIA process and COVID restrictions allow.

“With the spodumene lithium price now at recent highs of around USD\$800 per tonne, we are seeing commercial interest in the Project increasing markedly and Savannah will look to leverage the far more buoyant lithium market environment in our ongoing negotiations with multiple parties in the second half of 2021.

“There is still much work to do at Mina do Barroso and it will remain our main focus throughout 2021. We also plan to add to our in-house team to have the skills and capacity we need for Mina do Barroso's development. In addition, we are also aware of the opportunity available to Savannah in the lithium sector given the supply-demand fundamentals and the Company's position in the European industry. Hence, we will be looking to add to our portfolio of assets to build up a pipeline of lithium projects.

“In Mozambique, our team has been working to meet the obligations of the Mining Licences including initiating EIAs and other tasks. On a corporate front, the technical and corporate review of the project initiated last year to identify a clear path and structure for the project's development remains ongoing with our partner, Rio Tinto. We hope to complete the review and action its findings in the remainder of the year.

“In the face of challenges that none of us have experienced before, I believe Savannah has managed its business and commitments very well during the last 12 months. I would like to thank our shareholders for their continuing support of the Company, and our staff for their dedicated efforts under the difficult circumstances created by COVID. Savannah now stands ready to leverage its strong position in the rapidly developing European lithium sector over the coming years. The remainder of 2021 is set to be a very busy and exciting time for the Company as we continue to advance Mina do Barroso, hopefully add to our lithium portfolio and define our strategy around Mutamba with our partner, Rio Tinto. We look forward to providing news on all these fronts in the months to come.”

### **Additional Information:**

The pre-recorded [shareholder presentation](#) and Q&A webcast will be accessible following the AGM on Wednesday 30 June 2021 at 11am (UK time) via the [Company website](#) and [Proactive Investors](#) website.

### **Regulatory Information**

This Announcement contains inside information for the purposes of the UK version of the market abuse regulation (EU No. 596/2014) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR").

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



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### **About Savannah**

Savannah is a diversified resources group (AIM: SAV) with two development stage projects, Mina do Barroso, 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".