

1 June 2021

## Mina do Barroso Lithium Project Update

### Savannah to evaluate additional strategic opportunities due to improved market conditions

Savannah, the resource development company focused on becoming Europe's most significant producer of spodumene lithium concentrate ('Spodumene') from its Mina do Barroso Project in Portugal ('Mina do Barroso', 'MdB' or the 'Project'), is pleased to announce growing interest for offtake and strategic investments.

#### Highlights

- This year's strong lithium market has resulted in the Company receiving increasing interest from groups seeking to strategically undertake investment in the Project or Savannah with or without requiring a spodumene offtake. The interest reflects the increasing appetite for exposure to the lithium value chain within the wider investment community.
- Amid this backdrop the Heads of Agreement ('HoA') with Galp (announced on 12 January 2021) has now expired, and discussions in relation to strategic investment and offtake will continue with Galp outside of the exclusive terms of the HoA.
- Meanwhile, Savannah intends to leverage this degree of commercial interest in MdB to create a strong economic platform to support the Project's development and to maximise shareholder value. Savannah is now evaluating its many strategic options.
- This process may include alternative or supplementary offtake contracts, with or without investment from the offtaker(s) in Savannah or the project directly. It may also result in strategic investments in the Company independent of offtake, or the sale of a portion of the Mina do Barroso Project.
- Savannah's own financial position has been significantly strengthened during the period following the execution of the oversubscribed £10.3m fundraise in April 2021. This provides Savannah with the opportunity to independently advance the definitive feasibility study work at Mina do Barroso and add to its lithium project portfolio.
- Savannah intends to leverage this degree of commercial interest in MdB to create a strong economic platform to support the Project's development.

**Savannah's CEO, David Archer said:** *"We are delighted with the level of interest we are seeing in Mina do Barroso. The increased commercial interest the Project is receiving reflects the rapid change in the dynamic*

*the lithium sector has been experiencing since late 2020, with demand remaining robust despite the ongoing COVID-19 situation. The previous inventory overhangs have been consumed, current supplies of lithium raw material are largely covered by existing offtake agreements and demand is expected to grow multiple times over the next decade. This has resulted in price rises in all lithium raw materials, including an increase of approximately 80% in the spodumene concentrate price since the start of the year. Put simply, the world needs new sources of lithium – as demonstrated by the US\$3.5 billion of equity investments that have been made in the lithium sector year to date. Nowhere is this truer than in Europe where the European Commission and major consumers have expressed their desire to create an end-to-end battery value chain in the region to ensure future supply from responsibly managed, local, sources which will minimise the carbon footprint attached to the lithium as it enters the value chain.*

*“Alongside the ongoing technical and approval processes, Savannah is looking to leverage the abundant interest in our spodumene concentrate that we have been receiving in recent months to secure the best commercial arrangements we can for the Project and the Company’s shareholders. This will ensure Mina do Barroso has the necessary economic foundation and partners to attract the finance needed to construct the Project once its design and approval are finalised.*

*“Whilst the previously announced Heads of Agreement with Galp has now expired, our commercial discussions will continue with Galp. Savannah remains well funded and committed to the responsible development of Mina do Barroso, creating jobs and sharing the benefits of the Project with its stakeholders in Portugal while providing a foundation for a new lithium value chain in the country.*

*“I look forward to being able to update shareholders on these expected positive developments in due course.”*

### **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, 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".