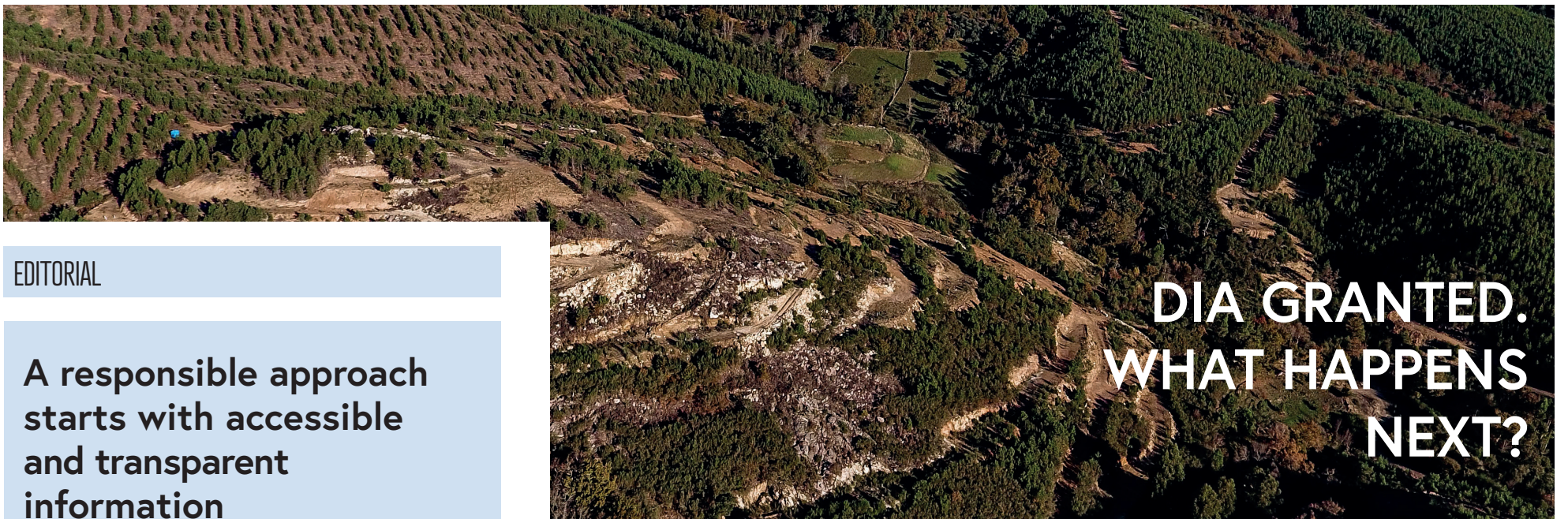


Barroso Lithium

AN UPDATE ABOUT
THE KEY TOPICS
FOR THE COMMUNITY



SEPTEMBER/2023
SAVANNAH



EDITORIAL

A responsible approach starts with accessible and transparent information

Since January 2023, Savannah has produced 2 Community Information Sheets and 17 Fact Sheets describing the key aspects of the Barroso Lithium Project. They are available at the Information Centers, in local coffee shops, and on the company's website (see ESG & Community section) for everyone who wants to know about the Project and its impacts and benefits. For example, that no water will be extracted from the Covas River; that a new access road will be built that avoids all local villages and river crossings; that the Project's use of agricultural land and pastures will be limited to 14 hectares (0.14km²); and that rehabilitation work begins as early as the second year of the operation. In addition to the Fact Sheets, Savannah's Information Centres and website also features videos, presentations, Company reports and press releases. These highlight the commitments that Savannah has made in its latest, APA approved, Project design to responsible production, minimising impact and sharing the significant socio-economic benefits.

"Savannah wants to build the Barroso Lithium Project with the community, to benefit its members, not to impact them. As part of its approval, there is a set of conditions, measures and compensations defined by the Portuguese Environment Agency which Savannah has accepted willingly. This guarantees our commitment to develop the project in a socially and environmentally responsible way.

We want to be part of the sustainable future of Portugal and its communities."

Dale Ferguson
CEO, Savannah Resources

DIA GRANTED. WHAT HAPPENS NEXT?

COMPLETING THE ENVIRONMENTAL LICENCING PROCESS

The positive Environmental Impact Assessment ('DIA') issued by APA approved the proposed layout and location of the Project and defined guidelines and measures to be followed during the construction and operation phases. It also demands the creation of an independent Monitoring Committee to ensure all requirements placed on the Project are met. Savannah, the owner of the Project, has agreed to all these 'conditions' attached to the approval and will ensure they are captured in the final project design which is required to complete the environmental licencing process.

The Company also welcomes the proposal of an Independent Monitoring Committee and looks forward to its formation by the authorities as soon as possible.

Savannah is moving on with the remaining environmental licencing process. It has selected several specialist companies to carry out the key work required for the RECAPE (Reporting on Environmental Compliance of the Execution Project) phase of the licencing process and expects to complete this work with the selected contractors in the second half of 2024. The work required for the RECAPE phase comprises detailed desktop studies and some surveying and new sampling in the field. The RECAPE documents will then be submitted to APA for review. If they are approved, the Project will receive its Environmental Licence.

OBTAINING OTHER LICENCES REQUIRED

Later this year, the company expects to apply for the other licences it requires for the Project's development, such as those required for construction and water use. Savannah has also already started the licensing process for a new 60KV connection to the national electrical grid.

PROGRESSING THE DESIGN OF THE NEW ACCESS ROAD

In accordance with the conditions of the DIA, Savannah has also started the process of contracting a specialised, engineering company to carry out the design and environmental permitting for a 17.4km bypass road. Running to the north, the proposed road will keep Project-related traffic out of all local villages and towns, while also providing better road access to the exterior for the local population.

COMPLETING TECHNICAL & ECONOMIC STUDIES ON THE PROJECT

In addition to receiving the necessary licences to develop the Project, Savannah must also confirm that the business case for its development is sound before it begins construction. This is achieved by completing a Definitive Feasibility Study ('DFS') on the Project. Specialist service providers have been selected to undertake the remaining tasks required to complete the DFS. This includes new drilling on the area of the Project (see page 4 for further details on this). As with the environmental licencing process, Savannah expects to complete the DFS in the second half of 2024.

MAINTAINING & EXPANDING COMMUNITY ENGAGEMENT

Following the community meetings held in March, Savannah remains committed to engaging with local communities and providing clear, accurate information on the Project. Learning from the local communities on the issues that matter to them is fundamental to inform decisions on Project development and related socio-economic benefits.

Building a project with people



Interviews with local stakeholders and a community profile analysis conducted by Community Insights Group, a company contracted by Savannah to conduct a Social Impact Assessment, provided a first overview about potential social impacts on local communities and people's perceptions of the Project. Examples of these perceptions are:

- Need for more transparency and dialogue to increase trust and foster better relationships with communities;
- Concerns about effects of mining on natural resources and possible loss;
- Expectations for increased income for Project service providers, better wages and more job opportunities.

A summary of the "initial study" can be found in the December 2022 Community Information Sheet in the Information Centres and in the ESG & Community section of Savannah's website. Savannah responded by increasing its provision of information through the material mentioned on page 1, and engaging Community Insights to continue with their Social Impact Assessment of the Project. During September and October 2023 they will hear from more local residents about their views on the Project, how it is best placed to enhance benefits and minimise negative impacts and to pass on comments or questions on any aspect of the Project to Savannah. Savannah is committed to respond to the issues that matter to communities on how; the Project is developed and operat-

ed; the area is rehabilitated during and after the end of operation; real-time monitoring and reporting of environmental performance is conducted; and sharing of benefits with the local community is sustained.

Savannah is developing two plans to ensure that the economic and social benefits of the Barroso Lithium Project will be shared in a way that is equitable and transparent, (i) The Benefit Sharing plan and (ii) The Good Neighbour Plan. Stakeholder input will ensure that these plans not only create benefits while the Project is operating, but also in the long term after it closes.

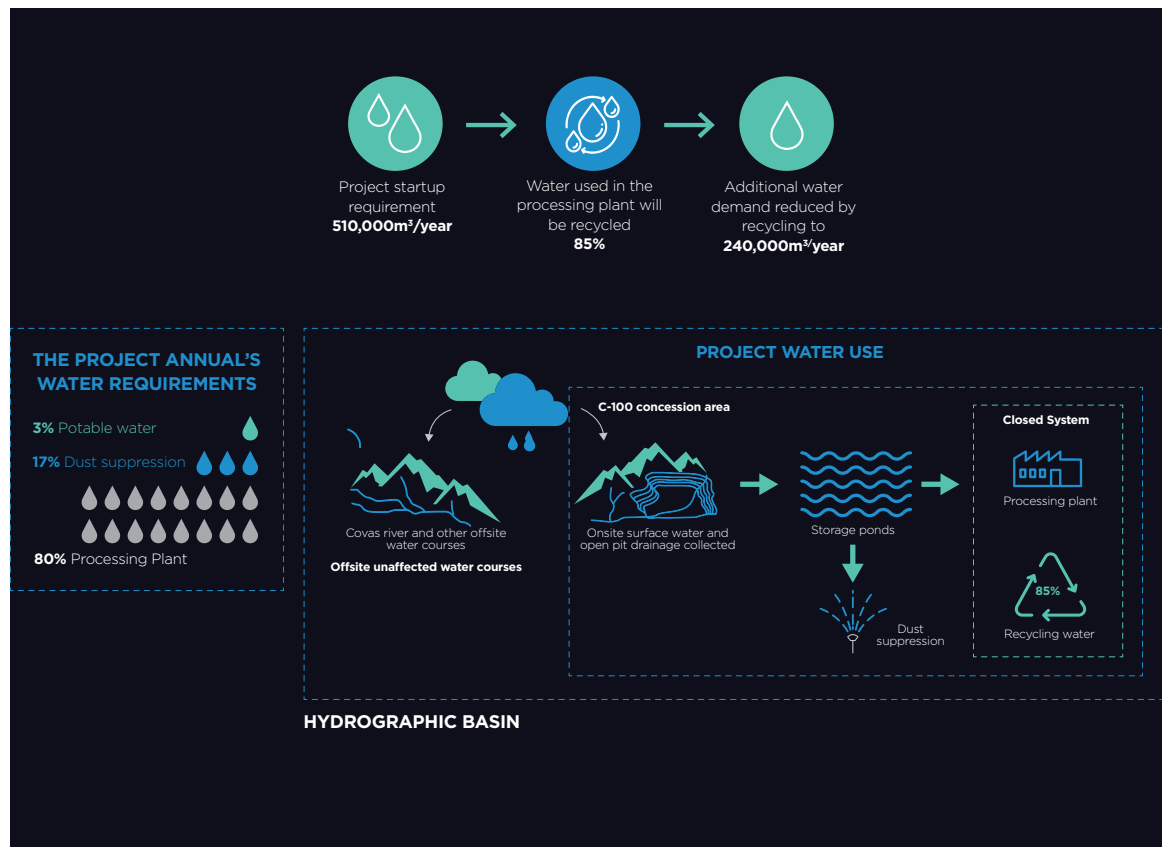
Savannah and Community Insights look forward to hearing your views.



PROJECT SUMMARY

- Savannah's Barroso Lithium Project is being developed in an area for which the Portuguese State granted a mining lease in 2006 for mineral exploitation for an initial period of 30 years until 2036. The Lease can be extended by 20 years after that if there is still lithium and other minerals remaining in the ground to be worked, and it is safe and economic to do so.
- The project will produce spodumene concentrates, not lithium. Spodumene is a mineral, like quartz and feldspar, that contains lithium. The final concentrate consists of crushed and ground rock which, by separating the different minerals by density (weight), only the spodumene can be concentrated, increasing the lithium content, using mostly water for this process.
- This physical process will occur at the site of the Project. A refinery then converts the spodumene mineral into a lithium salt – lithium carbonate or lithium hydroxide, which are the lithium chemicals used in battery manufacturing. Refining will not be done at the Barroso site but in Portugal or in other countries in Europe.
- Each year the Project will produce around 200,000t of spodumene concentrate, containing enough lithium for approximately half a million electric vehicle battery packs per annum. In this way, the Barroso region and Portugal can play a major role in Europe's energy transition and efforts to tackle the negative environmental and economic effects of climate change.

How we will protect water



WHAT THE PROJECT WILL DO

WHAT THE PROJECT WILL NOT DO

- | | |
|--|---|
| <ul style="list-style-type: none"> ● Be self-sustaining for water and recycle 85% of the water flowing out of the Project's processing plant | <ul style="list-style-type: none"> ● Take water from the Covas River |
| <ul style="list-style-type: none"> ● Project-related traffic restricted to the new access road and main highways only. No Project-related traffic on roads at weekends. | <ul style="list-style-type: none"> ● Run trucks through local villages and towns |
| <ul style="list-style-type: none"> ● Conduct comprehensive rehabilitation of impacted areas, starting during the Project's life | <ul style="list-style-type: none"> ● Impact more than 14 hectares of agricultural land and meadows |
| <ul style="list-style-type: none"> ● Create over 300 direct jobs during the operating phase | <ul style="list-style-type: none"> ● Fail to offer training and jobs to local people |
| <ul style="list-style-type: none"> ● Buy local whenever possible to support local businesses | <ul style="list-style-type: none"> ● Buy all goods and services from suppliers outside of the local area |
| <ul style="list-style-type: none"> ● Share the socio-economic benefits of the Project with stakeholders | <ul style="list-style-type: none"> ● Fail to engage with local stakeholders |

At the Project, water is an essential raw material in the recovery process of spodumene (lithium mineral) as well as being needed for dust suppression and consumption by workers. Savannah is aware that the Project's requirement for water cannot affect the region's water ecosystem which is critical for the natural environment and relied upon by local people and other local industries.

Savannah has designed the Project to minimise potential impacts on water availability and quality, so that normal water levels and standards for the area are maintained.

Here are five facts about how water will be managed in the Project:

1. No water will be extracted from Covas River

- No water will be extracted from the Covas River. The Project will be able to obtain and store sufficient water on the licence area itself to supply the operation;
- All water flowing towards the Project will be diverted around the project and through a series of diversion channels to flow towards the Covas River.

2. Recycling and storage

- The Project will operate as a closed system with significant water recycling;
- The collected water will be stored on site in large storage facilities with additional storage capacity included for the local community and fire fighters should it be required.



3. Recovery and treatment

- Almost 80% of the Project's water needs are for the processing plant, where spodumene concentrate will be produced;
- A water recovery and treatment system will be designed for the processing plant to ensure that 85% of the water flowing out from the plant is recycled and can be used again in the plant;
- Other needs for water are for applying on roads and around mobile equipment for dust suppression, and for workers' consumption.

4. Monitoring

- There will be two main water observation points, one upstream and one downstream of operations;
- The results of the water sampling will be made available to the public via an app designed for mobile phones and display boards in Information Centres and other public places in the region;
- Savannah expects to be testing the app in early 2024;
- Other water lines crossing the Project will also be sampled, as will water collected from on-site storage facilities.

5. Rehabilitation

- Water lines which have been impacted by working areas on the Project will be rehabilitated into their natural courses once work has finished;
- Specialist studies on the Project shows that within one year of closure, groundwater levels will return to original pre-mining levels.

Work and activities in the short term

Savannah's current timetable sees the Environmental Licence being received and the Definitive Feasibility Study ('DFS') being completed in the second half of 2024. Based on the findings of the DFS, Savannah would then make a Final Investment Decision on the Project. If that is positive, the Company would begin construction in 2025. Construction would then be completed in 2026, and the Project could start



production of its spodumene concentrate in the same year.

In the short term, Savannah plans to restart the field program and necessary works to meet the requirements of the DIA and complete the DFS. These works include monitoring works, environmental studies and drilling.

The most visible work on the ground will again be the presence of drilling machines. In the first phase 49 drill pads are planned on Savannah land, and in a second phase, af-

ter obtaining access permissions to other land, 75 drill pads will be required. The first phase of work is expected to start in September 2023 and Savannah is committed to rehabilitating all drill pads.

Further information on the near-term program of works will be available at the Information Centres and Savannah will be in contact with all relevant parties to answer any questions they may have. Savannah intends to present to the population all the details of the activities and studies.

Calling our future workers and local business partners

The Project is expected to create over 300 long term direct jobs requiring a wide range of skills from catering to accounting through to truck driving and engineering. Savannah will support the employability of local workers at the Project by collaborating with the local authority, employment and vocational training centres, and the local trade association to develop vocational training programs to equip community members with the skills required to secure jobs at the Project. Savannah also wants to build its team ahead of construction and will need staff for roles including field-

work support, communications and community liaison. If you would like to know more about working for Savannah or would like to submit an application for any current or future roles, please get in touch using the contact details at the end of this newspaper.

In addition to direct jobs the Barroso Lithium Project will create demand for a wide range of goods and services which equate to hundreds of millions of euros over its life (its staff will generate further demand in the local economy too). In their March 2023 update the University of Minho's School of Economics and

Management, pointed out that of the 100 largest companies in the municipalities of Boticas, Montalegre and Ribeira de Pena, half belong to sectors of activity relevant to the construction and operation of the Project. These companies may be potential suppliers of services, equipment and consumable products relevant to a mineral extraction company.

With Savannah committed to buying locally whenever possible, the Company would like to hear from local businesses and tradespeople who think they can supply the Barroso Lithium Project.

SERVICES AND PRODUCTS SAVANNAH WILL NEED IN THE FUTURE



Hotel accommodation



House rental



Groceries and consumables



Water provision



Agricultural machinery



Printing and stationary



Fuel providers



Building services



Electrical contractors



Plumbing services



Cleaning services



Logistics and distribution services



Business services and IT



Banking services



Construction



Earthmoving

If you would like more information or have any questions or comments, please visit or contact the Barroso Lithium Project Information Centres

Information Centre Addresses:

Boticas: Rua 5 de Outubro, n°26 , 5460-304

Covas do Barroso: Largo do Cruzeiro n°7, 5460-381

T : 276 413 042

E: centro.informacao@savannahresources.pt

 Savannah Resources

 @SavannahRes



Scan with your phone for more information!

www.savannahresources.com

Savannah - Enabling Europe's energy transition