

Barroso Lithium

AN UPDATE ABOUT
THE KEY TOPICS
FOR THE COMMUNITY



DECEMBER/2023

SAVANNAH



A FAIR DEAL TO THE COMMUNITIES

The land is an important issue for the Barroso Lithium Project not only from a business perspective, but also for sustainability. It will be necessary to our operations but also very relevant for protecting the communities and their way of life. Acquisition and rental of the lands will also allow Savannah to develop all the environmental plans to minimize the impact of the project.

Our aim is to provide the best possible deal to the communities. That's why Savannah expects to spend around five million euros on land purchases from private owners and has made financial proposals to the Baldios groups to supplement its existing rental agreements (Savannah expects that these proposals to the Baldios will be worth approximately 10 million euros over the life of the project). Once community representatives have decided on the best method of distribution, this amount

of money will go directly to local people and the local communities.

To provide everyone with the details, since 2021, Savannah has been operating a land acquisition programme. To date more than 40 private landowners have sold, or agreed to sell, their land to Savannah. If you would like to speak to Savannah on a no obligation basis about land sales, please feel free to contact us via the details at the end of this newspaper.

Savannah has also engaged with the local Baldios communities from Covas do Barroso and Dornelas, and presented financial proposals (which were also included as part of the Article 16 Report submitted to APA) to access the Baldios lands. Savannah is always available to discuss these proposals with the Baldios groups and their members and has made efforts to build bridges with the leaders of the organisa-

tions. Savannah will continue to be committed to seeking an understanding that minimises the need for judicial solutions, as has been the practice with other projects in the region.

Savannah is committed to responsible land management and minimising the impact of the Project. An example of this is the limitation of the Project's direct impact on land with less than half of the 593 hectares of the Mining Lease area being impacted at some point. The remaining 322 hectares of land on the Lease area will not be impacted and Savannah will make this land available for alternative uses if safe to do so. Land which is impacted will be comprehensively rehabilitated, relandscaped and revegetated during the operating life of the Project (beginning in the second year of operation) and after it closes. At the end of the Project's life, all land will be returned to the community for its own use.

EDITORIAL

The value of transparency



The Barroso Lithium Project is a business which can make an important contribution to the energy transition and enhancing Portugal's role in the battery and electric vehicle cluster in the European Union. It also aims to be an example of best practices, contributing to social and territorial cohesion by valuing local products and services and alleviating the consequences of depopulation and residual population ageing. This commitment also extends to transparency. For Savannah, this is an unquestionable value. Simply visit the company's website or information centres to access a huge amount of information about the project. In addition to the information provided to the London Stock Exchange, also available in Portuguese and English on the company's website, we provide 18 information sheets to the community covering all aspects of the project.

Transparency builds trust and closeness. It is a fundamental pillar in relationships with both local and national communities and authorities. The principle of transparency led Savannah to take a public stance on two issues that marked the month of November: the actions of the Public Prosecutor's Office to investigate facts related, among others, to hydrogen and lithium businesses, and the defamatory allegation of land "usurpation" promoted with bad intention by those looking to harm the project.

In the first case, Savannah immediately took a public position of full cooperation with those responsible for the investigation. Furthermore, neither Savannah nor any of its directors or employees have been charged or named as "arguidos" in the investigation. We remain available to support those investigating the facts, in the conviction that all our procedures have respected, do respect and will respect Portuguese law. Regarding the issue of land, Savannah took a public position stating that it is entirely false that the company is usurping land to implement the project. The ongoing drilling works are located on properties for which the company has obtained legal access to work.

This will always be the approach of Savannah, a responsible company committed to being a positive development factor for communities and not a source of division, always seeking the best solutions to mitigate the impact of an activity that is essential for actively combating climate change on a national and continental scale.

I hope everyone enjoys reading our second community newspaper of 2023 and we would be pleased to engage with anyone who has questions or seeks further, accurate, information on the Project.

Wishing everyone a very Happy Christmas and peaceful New Year.

Emanuel Proença
CEO da Savannah Resources

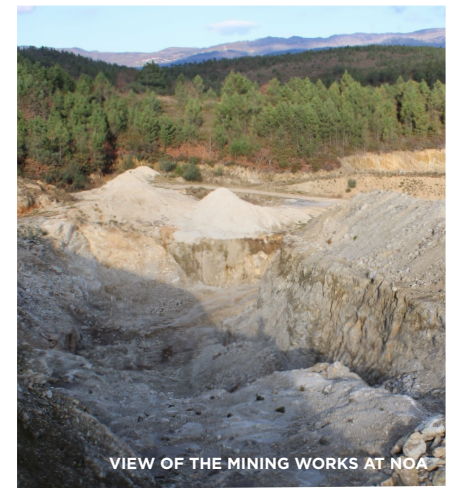
PROJECT SUMMARY

- 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. The spodumene will then be sold to lithium refineries, which will convert the spodumene mineral

into a lithium salt - lithium carbonate or lithium hydroxide, which are the lithium chemicals used in the manufacture of batteries. The refining will not be carried out by Savannah in Barroso. Savannah has already mentioned that it would prefer this to take place in Portugal, so that the country can attract more added value and jobs, but at the moment it is possible that projects in other European countries are more favourably positioned to be customers for Barroso's lithium. Savannah will favour selling at the best possible value, thus ensuring the highest royalties for the region.

- 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.

Keeping the noise down



Less than a washing machine or motorway traffic, more than normal breathing or whispering nearby. This is what the community could expect in terms of noise levels generated by the Barroso Lithium Project. Plus: blasting, the noisiest activity undertaken by the Project, will only occur between 12pm-3pm on weekdays and will last 5-10 seconds.

Regular noise measurements have been taken at the Project since 2006 and for its design Savannah used audio experts and computer simulations to get a full understanding of the potential noise levels the Project will create. From this information Savannah created a Noise Management Plan, which has been used in the Project's design and in the identification of the commitments.

These commitments include limiting the blasting to three times per week between 12pm-3pm on Monday-Friday only and designing all the working practices to minimise noise, including limiting drilling activities to 7am-8pm Monday to Friday and mining and on-site truck movements to 7am-11pm everyday.



Blasting will only occur between **12pm-3pm on weekdays** and will last **5-10 seconds**



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Limiting drilling activities to **7am-8pm Monday to Friday**



Mining and on-site truck movements to **7am-11pm everyday**



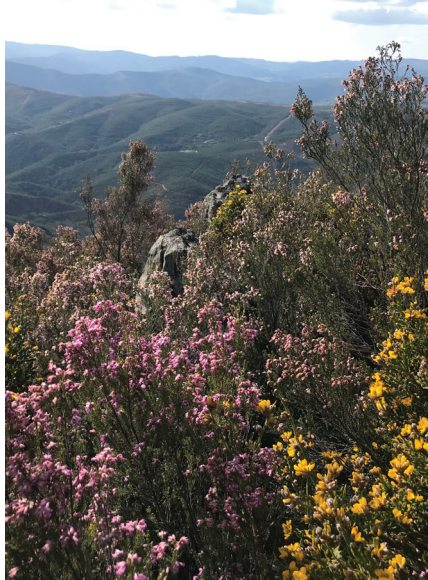
The positive Environmental Impact Statement (DIA) issued by the Portuguese Environment Agency (APA) for the Barroso Lithium Project approved a new configuration as well as adjustments to the location of some infrastructure. A model of the new, approved, Project design can now be seen at the Boticas Information Centre. We invite all the community to see the new 3D model and also get more information about the Project.



A project designed to protect air quality

The Barroso Lithium Project will be a busy place with activities such as vehicle movements on and off site and mining, which will generate some dust emissions (though Savannah expects to transition to an electric, low/zero emission, mining fleet once such vehicles become available from manufacturers). Hence, maintaining air quality and minimising dust will be a priority for Savannah as part of its overall commitment to minimising the Project's impact. To ensure that the dust created is minimised, a set of procedures and controls will be put into practice (see details in box below). Monitoring for dust and emissions will be conducted on an ongoing basis using equipment that will be installed in multiple locations around the Project. With the exception of dust, no other notable airborne emissions are expected from the Project.

The air quality data collected by the network of measuring equipment across the area will be made publicly available via an easy to use Project smart phone app which will be set up, on Savannah's website, on display screens at Savannah's Information Centres and in other public places. A 24-hour telephone hotline will be set up for residents to report concerns about dust or airborne emissions. If a concern is raised, Savannah will initiate an immediate investigation and take the necessary actions including updating and liaising with the resident while the matter is resolved.



REAL-TIME AIR QUALITY MONITOR



UNPAVED ROADS WILL BE TREATED WITH WATER DURING DRY WEATHER TO SUPPRESS DUST

HOW WILL SAVANNAH CONTROL DUST GENERATED BY THE PROJECT?

- Use of predictive meteorological forecasting to ensure staff are aware of upcoming conditions, such as dry or windy weather, which require active management.
- Outside of periods of rainfall, Savannah will treat unpaved roads with water collected on site to minimise dust generation.
- Minimising the Project's active mining footprint to the smallest area practicable by promptly rehabilitating disturbed areas including revegetating with native species.
- Automatic activation of fog cannons to humidify the air to suppress dust when haul trucks dump their loads at the processing plant.
- The primary crusher will be enclosed and have dust control sprays.
- Installation of air quality monitors, on-site and within the neighbouring communities, which continuously measure and report data.
- Using continuous dust monitors, with pre-determined levels triggering an alarm to notify Project supervisors if target levels are exceeded.

On track with field work & social impact assessment



Savannah recently provided an update on its field activities and associated studies at the Project. The Company said it remained on track with the first phase of its 2023/24 drilling programme having completed 24 (1,533 m) of the planned 60 holes (3,235m) as at 30 November with four rigs now operating on site. All drilling work is being monitored by a team of archaeologists to ensure no existing archaeological heritage is affected and any new archaeological finds can be identified. The two phase drilling programme encapsulates all the resource, reserve, hydrogeological (water bores) and geotechnical related drilling required for the Project's Definite Feasibility Study.

The second phase of drilling will be further defined following the receipt and analysis of the results of the first phase of work, but is expected to take around 6 months.

Alongside the drilling, the first in a series of seasonal studies of local flora has been carried out to map the local biotope and to identify invasive plant species.

Thanks also to all those who took part in the survey phase of the Social Impact Assessment being conducted by Community

Insights Group, which is an important element of the Project's environmental licence confirmation. In total approximately 400 interviews with local people were conducted, and we welcome all the views and feedback provided. We are also meeting with local stakeholders ourselves through formal and informal interactions which have included a number of meetings with the local authority regarding Savannah's activities, including our fieldwork programme.



ENVIRONMENTAL LICENCING:

- **Hydrogeology:** In parallel with the related drilling, Knight Piésold and the Savannah team have surveyed all known freshwater springs to build an accurate model of the area's hydrogeology.
- **Flora & Fauna:** The first in a series of seasonal studies of local flora has been carried out to map the local biotope and to identify invasive plant species.
- **Social Impact Assessment:** Community Insights Group has now completed approximately 400 interviews with local people as part of the Social Impact Assessment and is now analysing the data.
- **Archaeology:** A team of archaeologists is monitoring all drilling work to ensure no existing archaeological heritage is affected and any new archaeological finds can be identified.
- **Schedule:** Savannah still expects to complete the studies, works and adaptations required to confirm compliance with all elements of the DIA in 2H 2024.



St. Martin's Day is a tradition that is widely celebrated throughout Europe, with unique customs and festivities that vary from country to country. In Portugal, the tradition takes on a distinctive touch, marked by chestnuts, água-pé and jeropiga, in the so-called magustos. This occasion is also a time to savour the aromas of new wine, embodying the spirit of the season with the popular saying: "On St. Martin's Day, go to the winery and taste the wine".

In a typical celebration, the Savannah team embraced the tradition of Magusto, joining several members of the community. The event was a success, where the stars of the day were the roasted chestnuts. Despite the cold in the air, the warmth of the crackling fire combined with the good mood of everyone present, were enough to warm up the environment and make it even more welcoming.

At the heart of Savannah's mission is the desire to strengthen ties with the people who inhabit and bring life to the region. The enthusiasm of the Savannah team was evident as they enjoyed the opportunity to share conversation, music and smiles with guests. Recognizing the importance of moments of togetherness like these, Savannah is committed to organizing more events of this nature, open to the entire community, fostering a collective celebration of these festivities so beloved by the population.

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, nº26, 5460-304
Covas do Barroso: Largo do Cruzeiro nº7, 5460-381

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