

01 June 2020

Submission of EIA & Mine Plan for Mina do Barroso

Submission of the Mina do Barroso Project Environmental Impact Assessment & Mine Plan to the Portuguese Regulator for Construction and Operation of the Project

Savannah is pleased to announce that it has today submitted the Environmental Impact Assessment ('EIA') and accompanying Mine Plan ('MP') reports for its wholly owned Mina do Barroso lithium project ("Mina do Barroso" or the "Project") to Agência Portuguesa do Ambiente, ('APA'), the Portuguese Environmental Agency. Submission of the EIA is a major milestone for Savannah as this step represents the culmination of over 18 months of work by the Company's Project team and expert, independent environmental consultants including baseline data collection, analysis, and mitigation design and planning.

- 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
- Approval of the EIA is regarded as the key element in the Project's overall approval process
- The EIA will be made public by APA once it is satisfied that the report is in conformity with its application requirements whereupon a mandated period of public consultation with stakeholders will commence
- The 3,720 page EIA was prepared by VISA Consultores ('VISA'), one of Portugal's leading environmental consultancies, and the authors of the previous EIA for Mina do Barroso which was approved in association with the original Mining Lease award in 2006
- The new EIA is required to reflect the proposal for a larger operation and additional, value adding processing with the production of at least 175,000t per annum of spodumene lithium concentrate
- At 2,310 pages, the MP submitted alongside the EIA, provides the regulator with an equally comprehensive review of all aspects of the Project's design, construction and operation that can now be incorporated into the Definitive Feasibility Study ('DFS').

- While the APA review is underway, Savannah’s team will continue to:
 - Finalise its stakeholder engagement strategy for Mina do Barroso ahead of presenting this to local stakeholders
 - Advance the Project’s Definitive Feasibility Study
 - Negotiate with potential customers for its lithium, quartz and feldspar products as well as strategic investors in the Project
- APA’s guidance states that the review process for both reports is expected to take approximately 140 working days (c. 7 months). The review of the MP is undertaken alongside the EIA review by the Direção-Geral de Energia e Geologia (‘DGEG’)
- Under the regulations APA and DGEG can pause their reviews once to request more information from Savannah. Hence, the overall process may take longer (up to 10 months) if further information is requested

David Archer, Savannah's Chief Executive Officer said, "We are pleased that the EIA presents a comprehensive body of fact based evidence which shows that Mina do Barroso can be a ‘low impact’ project, minimising disturbance to both the natural environment and local communities while also maximising the very significant socio-economic benefits the Project can bring to the local area and Portugal as a whole.

“We are committed to developing and operating Mina do Barroso in a responsible and sustainable way so that the lithium from the Project enters the battery supply chain with a minimal carbon footprint and so maximising the long term environmental benefits the metal can bring in the fight against climate change.

“Today’s EIA submission represents the culmination of a huge effort by our Project team in Portugal, by VISA as the study manager and by the 28 sub-consulting groups who, as leading experts in their fields, also provided valuable input. Through comprehensive technical analysis the team has identified all aspects of the Project which may impact the natural environment or society and have incorporated into the Project’s design robust ways of mitigating these impacts where necessary, as well as innovative rehabilitation solutions for the lease area once the mine operating phase has been completed.

“The Mine Plan which was also compiled by our in-house team with input from a number of highly experienced consultants, has also been submitted to APA today. This report incorporates detailed design and planning work in relation to site layout and infrastructure, pit and plant design, and scheduling and production rates that can now be folded into the ongoing DFS exercise.

“Savannah’s technical team will now continue with the work on the project’s DFS while being ready to respond to queries and requests for any additional information from APA, which is the next step in the EIA approval process. The remainder of the Savannah team will be working on upcoming presentations to local stakeholders of our long-term community engagement

programme which will accompany the Project's development, as well as our ongoing negotiations with the Project's potential commercial partners and strategic investors.

"My thanks go to all those who have worked so diligently on these critical Project reports (see Table 2 below), particularly given the added challenges caused by the ongoing Coronavirus pandemic. While virus-related challenges still have the potential to cause further delays to the execution of our strategy for the Project, Savannah expects to make further progress with key Project related work programmes during 2020 and I look forward to providing our shareholders with further updates as appropriate."

Other information

Purpose and requirements of an EIA

The 'State of the Environment Portugal' Portal (<https://rea.apambiente.pt/>) defines an Environmental Impact Assessment as "a preventive tool that ensures, through its procedures, the integration of environmental considerations into the decision-making process for a given project". It goes on to describe environmental impact assessment as a process, supported by studies and consultations with public participation, which collects relevant information and identifies and predicts the environmental effects of certain projects. Based on this information and ongoing monitoring, it is possible to design measures that avoid, minimise or offset these effects. Under Portuguese law, all projects likely to have significant impacts on the environment must be subject to an environmental assessment prior to their licensing or authorisation. The multidisciplinary assessment procedure involves several organisations and stages. For a project such as Mina do Barroso, the relevant EIA authority in Portugal is APA.

The Mina do Barroso EIA is founded on baseline studies undertaken during 2018 and 2019 on all aspects of the local and regional natural environment and society which potentially may be impacted by the operation. This includes flora & fauna (ecology & biodiversity), air quality, noise, water quality, soil quality, climate, human health, social considerations, and archaeological heritage. The EIA then builds on these baseline studies and presents strategies to monitor, minimise, remove or rehabilitate any impacts made during the Project's construction and operation, and once operating activity has ceased.

Guidance on the expected environmental approval process for Mina do Barroso

The environmental approval process for projects such as Mina do Barroso, including the expected duration of the process, is laid out in Portuguese law. The following summary, Table and Figures provide an overview of the process along with the expected duration.

The process consists of three broad stages, the latter two of which run in parallel.

The first stage ('Pre-study stage' or 'ps'), involves the evaluation of the EIA and the MP, and results in approval of the layout of the Project, its main characteristics and establishes some constraints to be considered in the detailed design of the Project.

The second stage ('RECAPE') provides approval of the Project's layout and defines guidelines to be followed in the Project's design, and guidelines and measures to be followed during its construction and operation.

The third stage, environmental licensing ('LA'), which runs in parallel with RECAPE, provides approval for the operation of the Project and establishes control measures and the reporting requirements of the Project's performance with respect to the environment.

The Pre-study stage

Once Savannah submits the EIA and the MP to APA, the documents are passed to a 'Comissão de Avaliação', an 'Evaluation Committee', which is made up of representatives from APA and a number of additional organisations including the Direção-Geral de Energia e Geologia ('DGEG'), or The General Directorate of Energy and Geology (see Figure 1). The DGEG is responsible for reviewing the MP which takes place at the same time as the EIA review.

Savannah is then invited to make a presentation to the Committee, after which the Committee has a single opportunity to pause the process to request additional information from Savannah. Once the required information is supplied, the timetable for the evaluation process is restarted.

The regulator expects the evaluation process for both reports, including consultation with the public and other stakeholders on the EIA, to take approximately 80 working days. The EIA will be made public once APA has confirmed that the report is in conformity with its application requirements.

It should be noted that the 80 working day review guidance does not include any time required by Savannah to compile and submit any additional information that is requested by APA's Evaluation Committee. As highlighted, if additional data is required, then the review process timetable is paused until Savannah supplies the additional data to APA and/or DGEG so that the process can move forward. It is usual that there will be some additional information requested and Savannah and its team of consultants will work quickly to supply any additional information to minimise any potential time loss.

Assuming the Evaluation Committee's review of the EIA and DGEG's review of the MP are favourable, APA will then issue an Environmental Impact Declaration ('DIA'), including DGEG's recommendation, for the Project.

The RECAPE and Environmental License stages

Once the DIA is issued two further approval stages, RECAPE and the Environmental License ('LA') are initiated. These processes run in parallel and are expected to take approximately 60 working days.

The RECAPE process is required to confirm the environmental conformity of the Project's detailed design. As highlighted, this process results in approval of the project's construction in the location specified and establishes measures and environmental monitoring plans to be implemented during construction and operation of the project to meet the criteria established by the DIA. Once approved, the environmental conformity of the detailed design project is declared ('DCAPE').

The Environmental License process, running in parallel with the RECAPE process, provides the approval to operate the Project and sets the environmental controls measures and reporting protocols for the Project. Once approved the Project receives a single environmental title (Título Único Ambiental, or 'TUA')

Table 1: Summary of the expected environmental approval process timeline

Activity	Expected process duration (working days)	Outcome
EIA and MP approval	~80 ⁱ	APA issues Environmental Impact Declaration ('DIA')
RECAPE approval	} ~60	APA issues the environmental conformity of the detailed design project declaration ('DCAPE')
Environmental License Approval		APA issues a single environmental title ('TUA')
Total	~140	

ⁱExcludes time required for Savannah to respond to any requests for further information from APA

Data from APA (<https://rea.apambiente.pt/content/environmental-impact-assessment?language=en>) shows that between 2008 and 2018, 325 mining sector projects in Portugal were subject to EIA. This made mining the single largest sector subject to EIA regulations in the country, representing 29% of the total across 10 broad categories. During the same period, on those submissions where decisions were reached (808 across all sectors), 95% of the decisions were favourable (with conditions) towards the projects.

Once the DCAPE declaration has been made and environmental license received, Savannah will then be able to start to apply for the remainder of the licences required for the Project's development and operation. These licences cover permissions for construction and use of services on site such as power and water.

Figure 1: The expected environmental approval process for the Mina do Barroso project

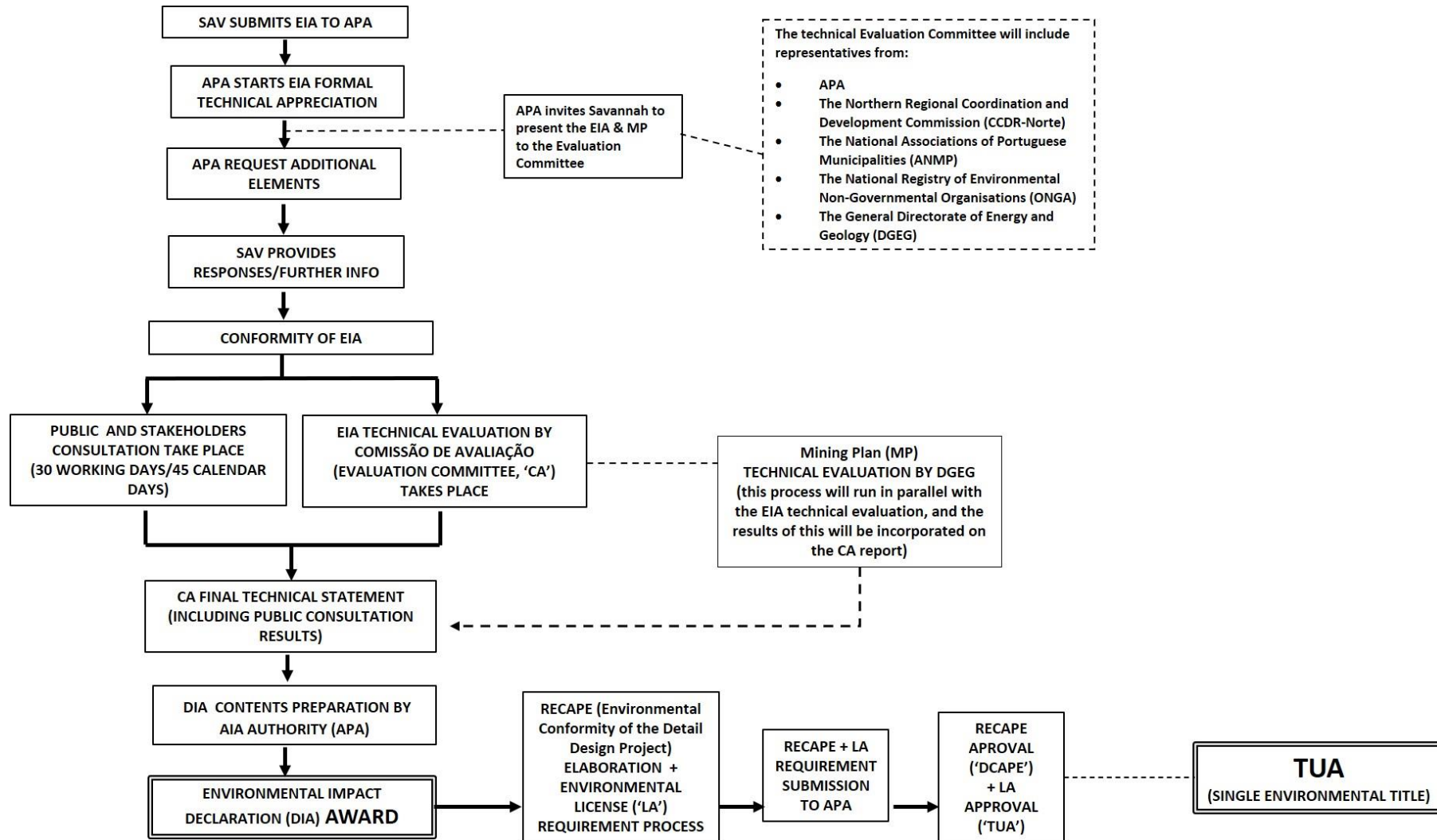


Figure 2: Approval process summary showing the key stages and expected duration

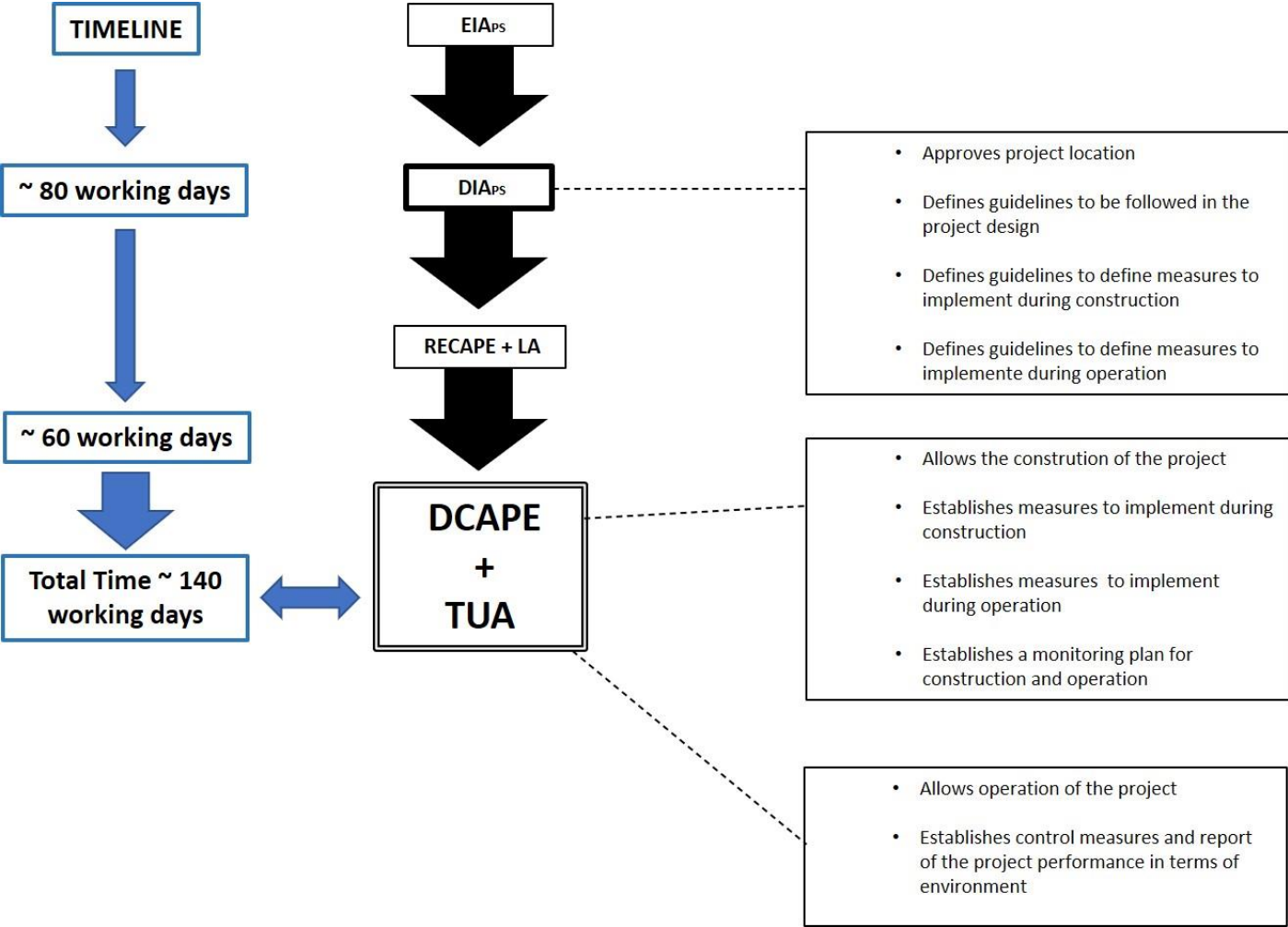


Table 2 Consultants contributing to the Mina do Barroso EIA and MP reports:

	Company/ Consultant/ Group/Institution/	Scope of work
	ALS	Metallurgical testwork
	Associação Florestal de Trás-os-Montes (<i>The Forestry Association of Trás-os-Montes</i>)	Compensation measures report
	Associação Portuguesa de Inspecção e Prevenção Ambiental (<i>Portuguese Environmental Inspection and Prevention Association</i>)	EIA and MP Quality Control
	Coelho Ribeiro e Associados (<i>Coelho Ribeiro & Associates – lawyers</i>)	Legal advice
	Professor Carlos Dinis da Gama	Blast study review and presentation
	Ecoprogresso - Consultores em Ambiente e Desenvolvimento, Lda (Quadrant Group) (<i>Ecoprogresso - Environment and Development consultants</i>)	CO ₂ assessment report
	ESALFA, Cuidados Médicos Lda (ESALFA, <i>Care Doctors</i>)	Silicosis report
	Firemap	Topographic survey services
	Geomedia (<i>Geomeasure</i>)	Drillhole surveying

	Grupo Lobo (<i>Wolf Group</i>)	Compensation measures report
	Herring Storer Acoustics	Noise modelling
	International Geophysical Technology	Geophysical surveying
	Knight Piésold Consulting	Water management, site layout design and engineering, IWL design and supporting studies, geotechnical and seismic studies
	Laboratório Nacional de Energia e Geologia (<i>National Energy and Geology Laboratory</i>)	Metallurgical advice and testwork
	Matos, Fonseca & Associados Estudos e Projectos Lda (<i>Matos, Fonseca & Associates Studies & Projects</i>)	EIA quality control
	MINESURE	Pit design and production scheduling, blasting study
	Nagrom	Metallurgical testwork
	Payne Geological Services	Mineral resource estimation
	Primerro	Process plant design & engineering, metallurgical testwork design and support
	PROCESL – Engenharia Hidráulica e Ambiente, SA (Quadrant Group) (<i>PROCESL – Hydraulic and Environmental Engineering</i>)	Water surface management/Water balance

 QUADRANTE	Quadrante - Consultores de Ambiente (<i>Quadrante – Environmental Consultants</i>)	Noise analysis; Road and Port Infrastructure studies
	RMV & Associados - Sociedade de Advogados (<i>RMV & Associates – lawyers</i>)	REN stream legal advice
	Structural Soils	Core geotechnical testing
	Trilab	Core geotechnical testing
	Trinol	Metallurgical testwork and advice
	Instituto Superior Técnico, Universidade de Lisboa (<i>Higher Technical Institute, University of Lisbon</i>)	Core geotechnical testing
	Faculdade de Ciências, Universidade do Porto (<i>Faculty of Sciences, University of Porto</i>)	Mineralogical characterisation of the Mina do Barroso pegmatites
	Visa Consultores (<i>Visa Consultants</i>)	EIA and MP Studies and Documentation

Regulatory Information

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

****ENDS****

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About Savannah

Savannah is a diversified resources group (AIM: SAV) with a portfolio of energy metals projects - lithium in Portugal and copper in Oman - together with 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".