

23 March 2023

Barroso Lithium Project EIA Update Documentation made public & start of public consultation period

Savannah Resources, the European lithium development company, is pleased to report that Agência Portuguesa do Ambiente ('APA') has now made public for consultation the revised Barroso Lithium Project (the 'Project') Environmental Report (the 'Report'), Mine Plan ('MP') and associated documents on its website. With the information now public, Savannah is pleased to provide the following summary on the Project as outlined in those documents and highlight the elements of the optimised design and operation and the associated socio-economic impacts and proposals, which Savannah believes address the concerns raised by APA, other authorities represented on the Assessment Committee, local authorities and local communities.

Highlights:

- The Project Environmental Report, Mine Plan and associated documents are now publicly available on the APA website, <https://participa.pt/pt/consulta/alteracao-ao-projeto-de-ampliacao-da-mina-do-barroso>.
- Publication of the documents initiates the public consultation period which will end on 4 April 2023
- **Project production parameters:** Remain similar to the 2020 Mine Plan with an operating phase of 12 years; mineable material 17.34Mt; average ore mining and processing rate maintained at approximately 1.5Mt/year producing approximately 200,000t/year of spodumene concentrate; total Project duration of 17 years including construction, rehabilitation and closure
- Among hundreds of measures to remove, minimise or mitigate against its impact on the environment and local communities, the optimisations made to the Project's design address the feedback received from stakeholders regarding management of water resources, layout of Project-related infrastructure, ecology and landscape impacts, and socio-economic considerations (see additional information section for further details)

Next steps

- The public consultation period on the submission as managed by APA will continue until 4 April 2023

- Submission of the documents by Savannah last week initiated the 50-business day assessment period available to APA. The deadline for the notice of APA’s Environmental Impact Statement (‘DIA’) is confirmed as 31 May 2023
- If APA reaches a positive DIA:
 - Savannah expects the decision to set certain design and operating conditions for the Project
 - Savannah expects to be given 10 business days to consider the conditions set in the proposed decision
 - If Savannah accepts the conditions set in the decision, the environmental licensing process could then continue alongside the work on the Project’s Definitive Feasibility Study. Savannah would expect the Project to receive its Environmental License in 2024
- Savannah will continue with its the series of in-person Project-related meetings with local groups and the wider community which it initiated before the submission of the EIA
- With the documentation now published by APA, Savannah will also be issuing further supporting materials to assist all stakeholders to understand the key elements of the Project. This will include:
 - A summary Community Information Sheet which will be posted to all households in the Boticas Municipality and made available at our Information Centres and on the new ‘Our Community’ page on the Company’s website
 - A series of Fact Sheets on the key individual elements of the Project’s design and Savannah’s plans. These will be available on the ‘Our Community’ page on the Company’s website and in hardcopy from the Information Centres
 - New corporate videos and presentations, available on the Company’s website
- **Project Scoping Study:** Assuming APA issues a favourable Environmental Impact Statement after the current review period, Savannah will publish a new Scoping Study based on the revised Project design submitted to APA which incorporates current consensus spodumene concentrate price forecasts. Savannah would expect to publish this Study in early H2 2023.

Dale Ferguson, CEO of Savannah said, “Savannah welcomes APA’s decision to make publicly available for consultation the recently submitted Barroso Lithium Project Environmental Report and Mine Plan, and the initiation of the public consultation period.

“We believe the revisions we have made address the key points highlighted to us about finding ways to further reduce the Project’s impact on the natural environment and the local population, while also creating socio-economic benefits that can be shared locally and at a national level.

“To complement the public consultation, we will be continuing to engage directly with local stakeholders to provide further details on the new design of the Project and to answer any questions they may have. We are looking forward to further engagement. We have also produced additional material in the form of Information Sheets, Fact Sheets and videos, which are intended to further summarise the key points about the Project. These items will be added to our website and made available at our Information Centres over the coming days.

“We are also announcing today our intention to publish an updated Scoping Study on the Project early in the second half of the year. Much has changed about the Project in the five years since we published the initial Scoping Study and, if the Project does benefit from a favourable Environmental Impact Statement from APA, it would seem like an opportune moment to give fresh guidance on the operating and economic potential of the Project in today’s lithium market.”

Additional information

Key design features in relation to water resources, layout of Project-related infrastructure, ecology and landscape impacts, socio-economic considerations and other matters include:

- **Water:**
 - Supply: The Project will source all its own water onsite. Water will be predominately collected in the mining areas as well as from other surface sources. Water will not need to be abstracted from the Covas River
 - Water quality: The Project will have a ‘closed’ water system, meaning process water will be stored, treated and recycled onsite and not be discharged from the Project
 - Water consumption: The Project’s consumption will equate to 0.6% of the water present in the catchment area of the Covas River and hence it will have a very limited impact on the local aquatic ecosystem
- **Infrastructure:**
 - A new road layout avoids all Project-related traffic passing through local villages and towns and requires just one new bridge (onsite) to reduce impact on local rivers and riverbank ecosystems; offsite Project-related traffic will be restricted to weekdays only
 - New roads will significantly improve public access to the region benefiting economic growth and freedom of movement
 - The revised site layout reduces environmental and visual impact as well as noise and light emissions by moving site infrastructure, such as the processing plant, further from watercourses and local communities and keeping development heights below the relevant ridge lines
- **Ecology:**
 - The water management plan and level of water consumption means the impact on rivers and the aquatic ecosystem is minimised
 - Iberian wolf: Independent studies show wolf packs are not living on the Project area and mitigation measures have been put in place to protect wildlife
 - Impact on oak groves and meadows is further reduced in the latest Project layout
 - Topsoil and compost removed from working areas will be stored and protected and used in the Project’s rehabilitation phase
 - Revegetation to utilise native species and other suitable plants with good pollination characteristics

- **Landscape & Rehabilitation:**
 - Rehabilitation of the Project is guaranteed. It will be a requirement of the Project's environmental licence and Savannah is required to lodge a rehabilitation bond (cash) with the government before any work can commence
 - Less than half of the 593 hectares (5.93km²) of the expanded C-100 Mining Lease will be impacted by the Project with 'permanent impact' limited to 188 hectares (1.88km²), or 21% less than in the original project design
 - Due the phased nature of the Project, rehabilitation can commence during the operating phase including on 3 out of 4 mining areas
 - The impacted areas including all mining areas, tailings and permanent waste rock storage facilities, and infrastructure such as the processing plant and water storage facilities will be comprehensively rehabilitated, landscaped and revegetated with native species. Impacted water courses will be reinstated, as far as practically possible, to their original locations. On closure the land will be made available for alternative use such as agriculture or tourism
 - With reference to the Barroso region's classification as a region with a Globally Important Agricultural Heritage System ('GIAHS') by the Food and Agriculture Organisation of the United Nations, the concession area equates to 0.5% of the GIAHS area with the total area permanently impacted less than 0.25% of the GIAHS. The Project will impact 14 hectares (0.144km²) of agricultural land and pastures on the Concession, equivalent to 0.012% of the GIAHS
- **Socio-economic factors:**
 - The Project will create over 200 long term direct jobs
 - In the updated Economic & Social Impact study on the Project, Professors Carballo-Cruz and João Cerejeira from NIPE - Research Center in Economic and Business Policies of the School of Economics and Management of the University of Minho estimate that the Project will increase Portugal's gross value of national production by €420m during the investment (construction) phase and by €210m per year during the operating phase. They also estimate that the Project's contribution to GDP is €173m in the investment phase and €95m per year in the operating phase, and that the Project will generate over 5,000 indirect and induced jobs in the investment phase and over 2,500 in the operating phase
 - The 'Social Issues Scoping Report', written by Community Insights Group and incorporating the views of local people about the project and Savannah, accompanied Savannah's revised EIA submission to APA. Stakeholder views expressed in this report have been used to shape the Project's revised design and will be used, along with views expressed during Savannah's ongoing engagement with local stakeholders as part of the overall Social Impact Assessment, to finalise the elements to be captured in the proposed Benefit Sharing Plan and Good Neighbour Plan. Precise details of these Plans will be agreed with local stakeholders if the Project progresses so that local communities benefit from the value created by lithium production in their area in a sustainable way that is in agreement with the needs of the community and local development objectives. However, the Benefit Sharing Plan is likely to feature a foundation which will invest income received from the Project in community focused programs. The Good Neighbour Plan

will be based around the sharing of the Project's assets with the community, such as the Project's medical clinic, and supporting local producers.

- **Other mitigations & actions**

- **Noise and ground vibrations:** Savannah is committed to operating well below legal limits for noise and ground vibrations. Onsite truck movements will be prohibited overnight
- **Air quality:** Dust is identified as the highest risk impact to air quality which will be mitigated by treating unpaved roads with water and using fog cannons used when haul trucks tip loads at the processing plant.
- **Processing plant waste ('tailings') storage facility ('TSF'):** The plant will produce inert tailings that will be stored separately to waste rock in a highly stable 'dry stack' structure. The Project will not use a traditional 'wet' tailings dam. For additional environmental protection, the TSF will be built on a waterproof lining and located at a safe distance from the Covas River. The TSF will be revegetated progressively over the life of Project
- **Waste rock storage facilities:** The waste rock from the mining areas (also inert material) will be stored in 1 temporary structure and 3 permanent structures, separate to the plant tailings and away from water courses; rock from the temporary facilities will be used in rehabilitation and landscaping while permanent waste rock formations will be contoured into the existing landscape and revegetated
- **Transparent environmental reporting:** Multiple environmental indicators (air quality, noise levels, ground vibrations, and water levels and water quality) will be monitored, in real time, through a series of sensors distributed across the Project and surrounding area. The data collected will be publicly reported through a planned smartphone app, Savannah's website, our local Information Centres and in other public places in the local area.

Figure 1: Key elements of the Barroso Lithium Project during the operating phase

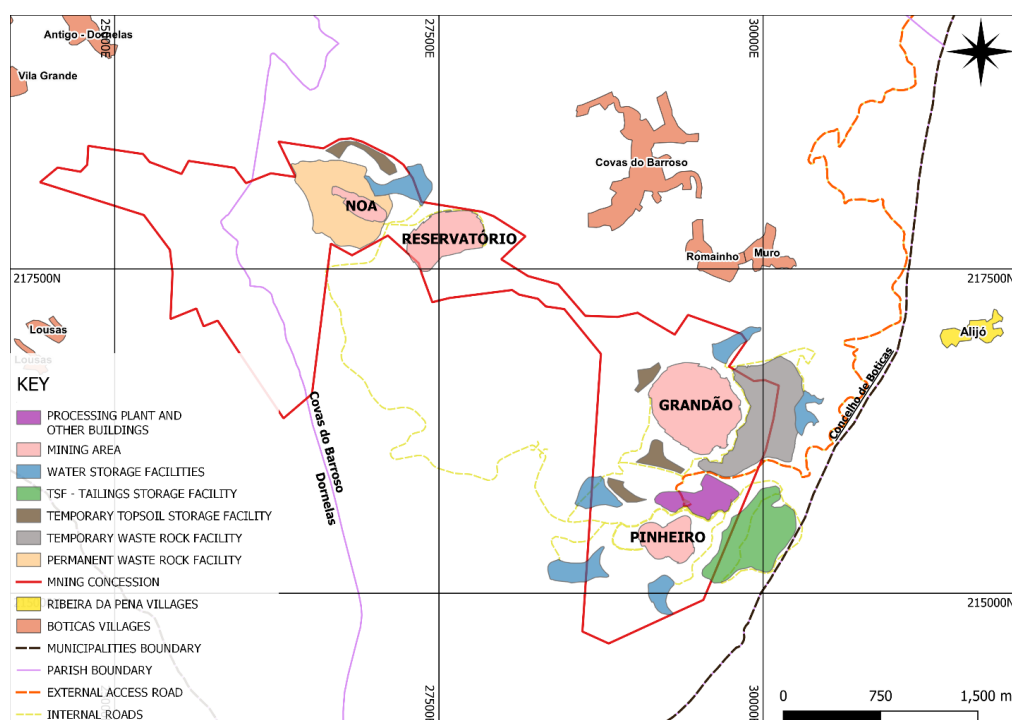
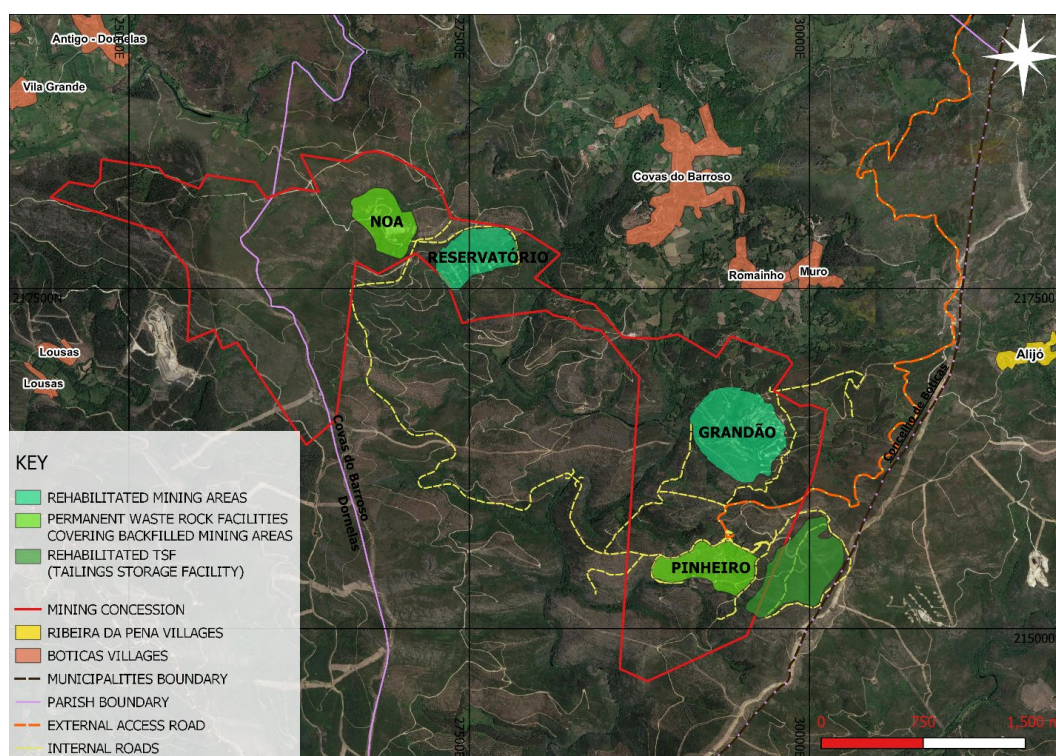


Figure 2: Barroso Lithium Project – final footprint following rehabilitation



Background information:

Before providing its final Environmental Impact Statement ('DIA') on the Project, APA proposed in July 2022 that the EIA evaluation process for the Barroso Lithium Project should continue under Article 16 of Decree-Law No. 151-B/2013, amended and republished by the Decree-law 152-B/2017 of 11 December ('Article 16'), which regulates Environmental Impact Assessments in Portugal. Under Article 16, Savannah has up to 180 business days to redesign or revise certain physical aspects of the Project's design and associated environment, ecology and socio-economic considerations and resubmit them to APA for consideration.

Savannah announced on 6 July 2022 that it had agreed to the EIA review process entering this additional phase. On 16 March 2023, the Company announced that it had made its resubmission to APA ahead of the required deadline.

Following resubmission, APA has a maximum of 50 business days to review the resubmission and provide its DIA.

Receipt of a positive DIA from APA, is regarded as the key element in the Project's overall approval, but there are two subsequent phases in the environmental licencing process.

A positive DIA defines a set of guidelines which must be followed during the Project's development, operation, and closure. During the subsequent Environmental Compliance Report of the Execution Project

(‘RECAPE’) phase of the environmental licencing process, the Project proposer works with the regulator to ensure that these guidelines are followed in the final design of the Project as it is created. If the final design is approved by the regulator, the Project receives a positive Decision on the Environmental Compliance of the Execution Project (‘DCAPE’).

Running in parallel with the RECAPE process is the licencing award process. Once the DCAPE declaration has been made the Project can be awarded its final Environmental Licence, ‘Título Único Ambiental’.

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").

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****ENDS****



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About Savannah

Savannah is the owner of the Barroso Lithium Project, located close to key infrastructure in Northern Portugal which contains the most significant spodumene lithium resource in Western Europe. Following a positive Scoping Study which outlined a conventional operation producing 175,000t of spodumene concentrate per annum, Savannah is progressing the development and environmental licencing of the Barroso Lithium Project.

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".