

20 June 2024

**Savannah Resources Plc
(AIM: SAV, FWB: SAV and SWB: SAV) ('Savannah', or the 'Company')**

**Comprehensive Strategic Partnership with AMG Fulfills Near Term Funding Requirements and Offers
Potential Full Project Financing Solution for the Barroso Lithium Project**

Savannah Resources Plc, the developer of the Barroso Lithium Project (the 'Project') in Portugal, Europe's largest spodumene lithium deposit, has entered a strategic partnership with the AMG Critical Materials N.V. Group ('AMG') the Amsterdam-listed, global critical materials business. AMG's wholly owned German subsidiary, AMG Lithium B.V., an established spodumene concentrate producer and, in the second half of 2024, the first major European lithium chemical producer, has invested GBP16m in Savannah through a subscription for 342,612,420 new ordinary shares of 1 pence each in the Company ("Ordinary Shares") at a price of 4.67p (representing a 35% premium to the 30-day VWAP) to become the Company's largest shareholder.

This investment will allow Savannah to reach a Final Investment Decision ('FID') point on the Project. The partnership also includes an offtake heads of terms agreement (the 'Offtake HoT') through which, once final agreements are negotiated and signed, AMG can purchase 45ktpa of spodumene concentrate from the Project (approximately 25% of total) for 5 years based on prevailing market prices at the time. In addition, AMG will take a lead role in the partnership in securing a 'full project financing solution' for the Project's development. If such financing is successful, the Offtake HoT anticipates the increase and extension of the offtake arrangements to 90ktpa for 10 years.

Highlights:

- **First outcome from Savannah's Strategic Partnership Process** The process has delivered an agreement with AMG, a global critical materials business and established operator in the lithium sector, which is targeting 100ktpa of battery grade lithium chemical production from its new lithium hydroxide production facility in Germany.
- **Initial funding finances Savannah's Project through to an FID** Savannah is now fully funded to complete its planned workstreams including, the Project's Definitive Feasibility Study, the Environmental Licencing process, team expansion, and relevant land acquisitions following AMG's equity investment in Savannah of GBP 16m at 4.67p/share (a 35% premium to 30-day VWAP and matching the placing price of Savannah's July 2023 fundraise).
- **Offtake HoT:** Once the Project is in production, AMG can purchase 45ktpa of a target 5.5% L_2O spodumene concentrate from the Project for 5 years at a European-equivalent spodumene concentrate price. Through this agreement, Savannah and AMG will be contributing towards the 2030 domestic extraction and processing targets for battery grade lithium raw material set in the 2023 European Critical Raw Materials Act.
- **Full funding solution:** Under the Offtake HoT AMG shall be able to increase its offtake to 90ktpa for 10 years if it provides Savannah with a full funding solution for the Project's construction which is accepted by Savannah. The June 2023 Scoping Study estimated the initial capital expenditure for the Project including a 19% contingency at USD 280m.
- **Corporate and technical input:** As part of the strategic partnership and investment, AMG also receives the right to nominate one director to sit on Savannah's Board. This is expected to be taken by one of AMG Lithium's senior directors, who can provide technical input into the Project's ongoing development and construction. AMG is expected and prepared to provide further, regular, technical input to the Project through a working group.

- **AMG becomes Savannah's largest shareholder** Through its investment AMG becomes Savannah's largest shareholder with a 15.77% stake in the enlarged issued share capital of Savannah on Admission.
 - **Co-operation agreement opportunities:** AMG and Savannah have also entered into a co-operation agreement whereby they have agreed to work together on a number of mutually beneficial opportunities including a study for joint construction of a feldspar/spodumene pilot plant in Portugal and a study for the construction of a Spodumene-to-Lithium Carbonate refinery in Portugal or Spain. Both endeavours could potentially help to further develop Portugal's lithium industry as it looks to become an integral part in the European lithium battery value chain.
 - **Significant unallocated offtake remains:** This agreement leaves Savannah with most of its future spodumene concentrate production unallocated. This could be sold to an additional partner or on to the open market.

Emanuel Proença, CEO of Savannah, said "We are delighted to announce this partnership with AMG, which represents another huge de-risking step for the Barroso Lithium Project. The Savannah team and I are really looking forward to working closely with AMG Lithium's team from now on. With this investment, which follows a significant due diligence exercise, Savannah is now fully funded to complete all its current work streams. Pleasingly shareholder dilution and commitment of offtake have been kept to a minimum, providing Savannah with opportunities for further partnerships and commercial arrangements in the future.

"AMG is an ideal partner for Savannah. It is a long established, listed and profitable global metals business with a lithium upstream business that is probably the best placed to serve the booming battery and EV production sector in Europe. All stakeholders can now be certain that the first batches of Savannah's future spodumene concentrate production will be going into lithium chemical production in Europe, for the European lithium battery value chain.

"There remains significant work ahead to take the Project to construction and production, but with the AMG partnership, Savannah can move forward with greater confidence and purpose into a very exciting future.

"We are excited to partner with Savannah on its development of the Barroso Lithium Project, Europe's largest spodumene project," said **Dr. Schimmelbusch, Chairman and CEO of AMG** "This partnership with Savannah advances AMG's lithium expansion strategy and further solidifies our spodumene sourcing."

AMG Subscription

The Company has entered into a subscription agreement (the 'Subscription Agreement') with AMG Lithium B.V., to subscribe for 342,612,420 new Ordinary Shares at a price of 4.67 pence per new ordinary share, (the 'Subscription Shares') equating to 15.77% of the enlarged issued share capital of the Company, following Admission.

The Subscription Agreement includes a lock-in period of up to 24 months followed by a 12-month orderly market provision whereby AMG shall be required, at least 10 Business Days prior to any sale, to consult with the Company and its nominated adviser regarding the details of such sale.

AMG Relationship Agreement

Following the Subscription, AMG will hold 342,612,420 Ordinary Shares in the Company, representing approximately 15.77% of the enlarged issued share capital of the Company. AMG has entered into a relationship agreement (the "Relationship Agreement") with the Company and SP Angel (the Company's Nominated Adviser). Under the Relationship Agreement, for so long as it is interested in Ordinary Shares carrying 10 per cent. or more of the Company's voting share capital, AMG has undertaken that it will not act to unduly influence the Company or its Board and will ensure that transactions entered into with the Company are on an arms' length basis and independently considered by the Company. The Agreement provides AMG with the right to maintain its proportional shareholding in future fundraises exceeding 5 per cent of the Company's issued share capital. The Relationship Agreement provides that for so long as AMG is interested in Ordinary Shares carrying at least 10 per cent. of the Company's voting share capital, AMG shall be entitled to appoint one director to the board of the Company.

Admission of Subscription Shares and Total Voting Rights

Application has been made to the London Stock Exchange for Admission of the 342,612,420 Subscription Shares which is expected to become effective and dealings in the Subscription Shares commence at 8.00 a.m. on 21 June 2024.

The issue of the Subscription Shares has been made from the authorities granted to Directors to issue ordinary shares at the Annual General Meeting of the Company held on 19 June 2023.

On Admission, the total number of Ordinary Shares in issue will be 2,172,774,204 and the total number of voting rights will therefore be 2,172,774,204. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Further Information

About AMG Critical Materials N.V. ('AMG')

Established in 2007, AMG is a global critical materials company at the forefront of CO₂ reduction trends. AMG produces highly engineered specialty materials and provides vacuum furnace systems and services to the transportation, infrastructure, energy and specialty metals & chemicals end markets. AMG has approximately 3,600 employees and operates globally with production facilities in Germany, the United Kingdom, France, the United States, China, Mexico, Brazil, India, Sri Lanka, and Mozambique, and has sales and customer service offices in Japan.

AMG Critical Materials operates through three wholly owned subsidiaries, AMG Lithium, AMG Vanadium, and AMG Technologies. The three new subsidiaries have different end markets: AMG Lithium is supplying the market for vehicle and stationary batteries, through cathode producers ("e-mobility" and "e-storage"). AMG Vanadium is supplying vanadium to the high-performance steel market and the market for stationary vanadium redox flow batteries ("e-saving" and "e-storage"). AMG Technologies' primary market is aerospace engines where high stress materials are at work ("e-saving"). AMG considers the trends behind these markets to be powerful and persistent, and its aggressive investment strategy has positioned these companies and AMG as a whole as a high growth company.

The Company is listed on the Amsterdam Stock Exchange (AMS: AMG) with a current market cap of EUR 527m. In its 2023 Annual Report, AMG reported record financial results including, revenue of USD 1,626m, Adjusted EBITDA of USD 350m (including a USD 237m contribution from the AMG Lithium subsidiary), and Cash from Operating Activities of USD 223m.

<https://amg-nv.com/>

AMG Lithium

AMG Lithium is built around a management team which boasts significant prior experience in the lithium industry. Operationally, the Mibra spodumene mine in Brazil and the Bitterfeld refinery in Germany are the cornerstones of AMG Lithium's transatlantic lithium value chain. In 2022, the Company began the engineering for the expansion of the lithium concentrator at Mibra from 90,000t to 130,000t per annum. In addition to its existing sales of spodumene concentrate to third party customers, the Mibra project will also provide feed to the Bitterfeld refinery.

At the Bitterfeld refinery, AMG is presently in the process of starting up with extensive process and product qualifications and audits and expects to be in full production later this year. The Bitterfeld refinery will be the first facility of its kind in Europe. The layout of Bitterfeld is designed for 5 modules with an ultimate capacity of 100,000t per annum.

<https://amglithium.com>

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").

Savannah - Enabling Europe's energy transition.

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About Savannah

Savannah Resources is a mineral resource development company and the sole owner of the Barroso Lithium Project in northern Portugal, the largest battery grade spodumene lithium resource outlined to date in Europe.

Through the Barroso Lithium Project (the 'Project'), Savannah will help Portugal to play an important role in providing a long-term, locally sourced, lithium raw material supply for Europe's rapidly developing lithium battery value chain. After the Environmental Licence was granted in May 2023 and the Scoping Study confirmed the economic potential of the Project in June 2023, production is now targeted and on track to begin in 2026. At that stage, Savannah will start producing enough lithium (contained in c.190,000tpa of spodumene concentrate) for approximately half a million vehicle battery packs per year, equal to a significant portion of the European Commission's Critical Raw Material Act goal of a minimum 10% of European endogenous lithium production set for 2030. Savannah is focused on the responsible development and operation of the Barroso Lithium Project so that its impact on the environment is minimised and the socio-economic benefits that it can bring to all its stakeholders are maximised.

In June 2024, Savannah entered a strategic partnership with AMG Critical Materials N.V., the global critical materials business and established lithium market participant. AMG has invested GBP 16m in Savannah in exchange for a 15.8% stake in the Company and a 5 year, 45ktpa spodumene offtake agreement. This investment alongside existing cash provides Savannah with the finance required to take the Project to a Final Investment Decision point. AMG can increase its offtake to 90ktpa for 10 years if it provides an acceptable full project funding solution for the Project's construction.

The Company is listed and regulated on the London Stock Exchange's Alternative Investment Market (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".

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