

3 December 2024

## **Savannah receives LoI from Euler Hermes on behalf of the German Federal Ministry of Economic Affairs for a project finance loan guarantee of up to USD 270m**

Savannah Resources Plc announces a significant step in its project financing for the development of the Barroso Lithium Project (the 'Project') in Portugal, Europe's largest spodumene lithium deposit. Euler Hermes AG, the export credit agency acting for the German Government has confirmed in a non-binding Letter of Interest, the potential for a guarantee on a loan up to USD 270 million, for Savannah's Project.

### **Highlights**

- Euler Hermes AG has confirmed "*eligibility in principle*" for Savannah to receive an Untied Loan Guarantee ([UFG](#)) for a loan up to USD 270 million for construction of the Barroso Lithium Project.
- This potential funding support is based on the supply of lithium to Germany through Savannah's offtake Heads of Terms with AMG<sup>1</sup> for 90ktpa spodumene concentrate for 10 years.
- 80% of a UFG-covered loan would be guaranteed by the Federal Republic of Germany. This provides an attractive basis for a Project Finance loan of up to USD 270 million (capped at 60% of Project CAPEX, which Savannah's 2023 Scoping Study reported at USD 280 million) from Germany's KfW IPEX-Bank and / or other banks.
- Along with Savannah's strategic partner AMG, KfW IPEX-Bank supported Savannah in this UFG process.
- [KfW IPEX-Bank's](#) long-established track record of providing debt funding to mineral development projects globally, makes it well placed to recognise the differentiating features of Savannah's Project and its importance for the future of the European automotive sector.
- Savannah welcomes this potential funding which represents a significant milestone in establishing a full financing solution for the Project and will continue pursuing this, along with other potential sources of funding until that is achieved.

**Emanuel Proença, CEO of Savannah, said,** "We are pleased to announce this endorsement of the Project and key step towards putting in place a full project financing solution. The possibility of obtaining a substantial portion of the Project's overall finance under this longstanding German Government loan guarantee scheme makes the debt funding of the Project more attractive to financiers and offers the chance of lower interest costs. The support from the German Government and global tier-1 bank, KfW IPEX-Bank, clearly underlines for all stakeholders the Project's strategic significance and the responsible approach Savannah is taking to its development.

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<sup>1</sup> See Company's RNS dated 20 June 2024 for further details of this strategic partnership, under which AMG can increase its offtake to 90ktpa for 10 years (from 5 years at 45ktpa) if it provides an acceptable full project funding solution for the Project's construction

“Debt funding represents a key element in the Project’s overall funding solution, and work is progressing well on complementary sources of funds, including funding from other government / supranational bodies (grant, equity, debt), and additional potential offtakers and strategic investors. There remains significant work ahead to take the Project to construction and production, but Savannah is demonstrably moving forwards with great confidence and purpose.”

### **Next steps**

Savannah, KfW IPEX-Bank, and AMG shall move into the “*Project Financing Stage*” of KfW IPEX-Bank’s and Euler Hermes AG’s processes. This involves due diligence being undertaken by KfW IPEX-Bank, Euler Hermes AG and its advisers including but not limited to, economic, technical, legal, and ESG matters before any potential loan and related terms can be confirmed. The Company will make further announcements as appropriate.

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

Through 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 lithium battery value chain. Once in operation the Project will produce enough lithium (contained in c.190,000tpa of spodumene concentrate) for approximately half a million vehicle battery packs per year, and hence make a significant contribution towards the European Commission's Critical Raw Material Act goal of a minimum 10% of European endogenous lithium production from 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.

The Company is listed and regulated on the AIM Market of the London Stock Exchange and trades under the ticker "SAV".