

# Barroso Lithium

AN UPDATE ABOUT THE KEY TOPICS FOR THE COMMUNITY

NOVEMBER | 2024



## Welcome

We come to you again with another edition of our community newspaper, to give you up-to-date information on our Barroso Lithium Project.

We've learned a lot thanks to the close work we've done. Transparency is our duty, ensuring that information about the project reaches you efficiently.

I would like to emphasise that we are always available, either through the company's contacts (which can be found at the end of this newspaper) or by talking to any member of our team, who are increasingly present - if any of us doesn't know how to respond, we will certainly direct you to someone who does.

In this edition you will find information about:

### ► **Temporary Administrative Easement:**

This order, granted to Savannah by the Secretary of State for the Environment and Energy and the Directorate-General for Energy and Geology (DGEG), gives the right to work temporarily on private property or wasteland for activities in the public interest.



Emanuel Proença  
CEO of Savannah Resources

### ► **Compulsory Acquisition:**

This mechanism ensures that private owners and wasteland managers or Baldios receive fair compensation, determined by a court, for the transfer of their land rights. This is a common process in large-scale public utility projects such as dams and roads, or even hospitals.

► Savannah will continue to seek constructive solutions with landowners in the Project's concession area, favouring agreements that benefit all parties, for as long as it is legally possible.

► We're also talking about the opening of the first lithium refinery in Europe by our partner AMG Lithium, which opened in September in Germany and will allow lithium to be refined in Europe, increasing the sustainability of battery production. AMG will receive part of Barroso's first lithium production, a development that makes us all proud.

► We've included a summary of a weekend in the community - **a visit to the town of Castro Verde**. It was a long but worthwhile trip that allowed the participants to get to know a reality similar to that of Barroso. We believe it was an enriching activity, and we'll be organising more outings and information soon!

► Finally, we didn't want to miss the opportunity, after an intense summer in Portugal, to honour the firefighters who fight forest fires. I believe that our project will support these brave men and women in the future, and we will do our utmost to ensure that they lack nothing in our community.

**I hope this issue of the newspaper contains relevant information for everyone. If you have any questions, comments or are just curious, please contact us directly or drop by our offices in Boticas or Covas do Barroso.**

**See you soon!**

## Access to Land, Administrative Easement and Compulsory Acquisition:

### I- PROPOSAL TO THE COMMON LANDS (BALDIOS)



*In the previous edition of the Savannah Journal, we shared the private land acquisition programme. In this edition, we return to this theme, also sharing updated information on the programme for accessing vacant land needed for the project to progress, as well as information on the legal resources available in this type of situation, such as the process of obtaining a temporary administrative easement to access the land or the process of compulsory acquisition of land.*

## RECOGNITION AND COMMITMENT TO THE BALDIOS

Savannah Resources recognises the uniqueness of the Baldios system and its historical, cultural and agricultural significance for local communities.



The company recognises its impacts on the Baldios and is determined to provide financial and non-financial compensation to affected communities and individuals.

We are committed to consulting extensively with stakeholders, including Baldios organisations and their members, to reach a mutually beneficial solution.



## Rental proposal:

Given that the Baldios areas are inalienable (they cannot be sold), Savannah proposed a long-term lease for the life of the mine.

The proposals were presented to the Covas do Barroso and Dornelas Baldios organisations in **April 2023**, and included a total of 6 components that add up to a total of 10 million euros to be received in just 16 years (details on page 5).

### Rental Value Offered: 335 euros per hectare/year,

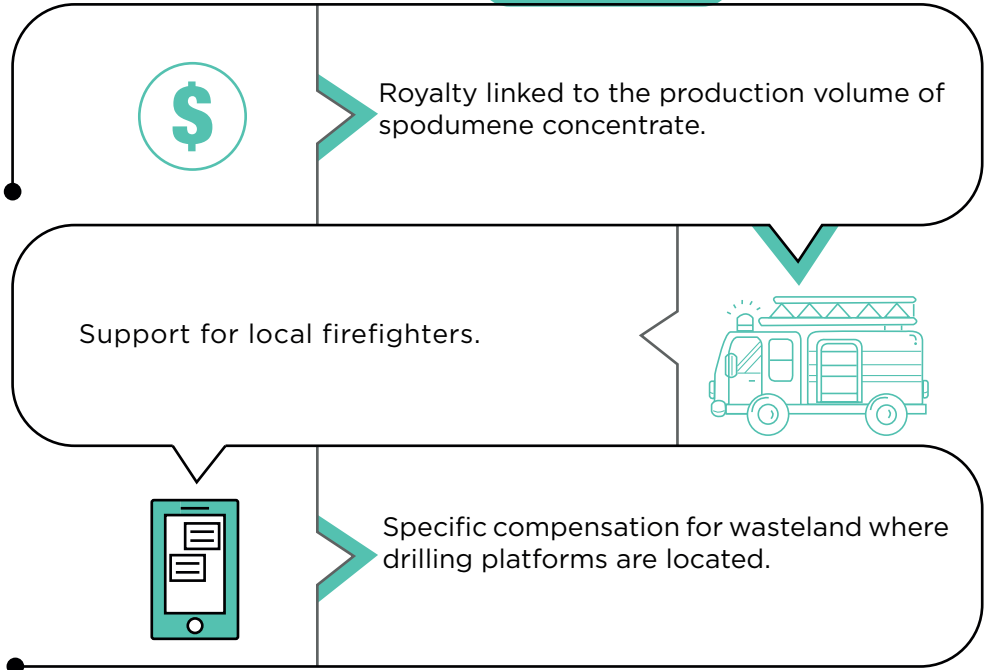
based on the current contract with the Baldios of Covas do Barroso (258 euros/hectare/year), adjusted for inflation.

Savannah considers this value attractive and proposes to lease all the area potentially needed, even if it is not used immediately, allowing the Baldios and individuals to continue using areas not occupied by the company.

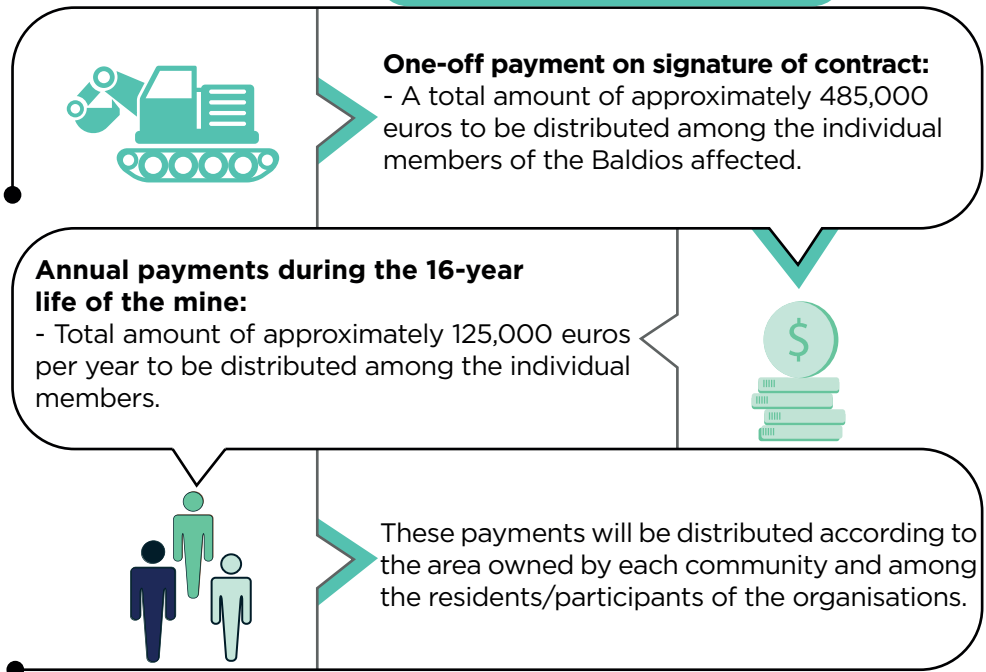
As an example, the company only plans to operate on the west side of the concession from year 8 of the operation, which allows current users to continue using that area for another 8 years, while receiving the agreed rent (which will be and continue to be paid annually from signing).



### Additional



### Payments to Members individual landowners:





## Summary table of the proposal made to the Baldios in April 2023:

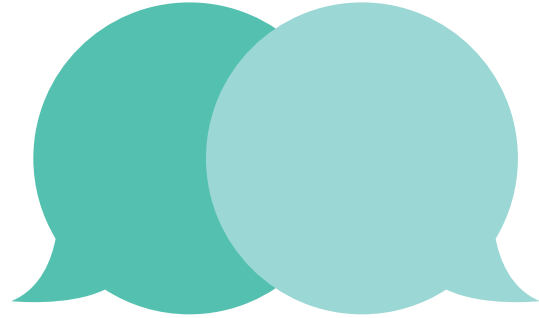
<b>Compensation element for Baldios land</b>	<b>Unit rate</b>	<b>Covas do Barroso € Euro</b>	<b>Dornelas € Euro</b>	<b>Global € Euro</b>
<b>TOTAL TO BALDIOS ORGANIZATIONS OVER THE LIFE OF THE MINE</b>		5,345,000	975,000	6,320,000
● Rental fee	335€ per year per ha	3,300,000	685,000	3,985,000
● Royalty based on concentrate production	0.65€ p/T spodumene concentrate sold	1,700,000		1,700,000
● Support for Local Firefighters		290,000	290,000	580,000
● Additional for drilling rigs		55,000		55,000

<b>TOTAL FOR RESIDENTS/ SHAREHOLDERS THROUGHOUT THE LIFE OF THE MINE</b>		2,300,000	485,000	2,785,000
● Single payment with contract signature		400,000	85,000	485,000
● Annual payments to residents/ shareholders	125,000€ per year	1,900,000	400,000	2,300,000

## Future Discussions:

Savannah is available to enter into agreements regarding the compensation for the loss of agricultural areas that may result from the land acquisition.

The company remains open to dialogue and is committed to reach agreements that benefit all parties involved.



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## II- ADMINISTRATIVE EASEMENT

### Temporary administrative easement:

It is a limited land right granted for a specific period.



It facilitates the execution of projects without the need for total compulsory acquisition of the land.



It allows a public or private entity to temporarily use private property for specific activities related to projects in the public interest.



The owners retain ownership rights, but full use of the land is temporarily restricted for the duration of the easement.



## Rights and obligations

The use of the property must be directly related to a project in the public interest, such as resource extraction.

The affected owner is entitled to compensation for the temporary use of their land.

At the end of the authorised period, **the land must be returned to the owner** in the same condition as it was found, unless otherwise agreed.

## Savannah Resources case:

Savannah Resources applied for, and obtained, a temporary administrative easement issued by the Portuguese government.

This right allows Savannah to carry out the non-invasive activities necessary to complete the environmental licensing work.

The granting of this easement reinforces the importance of the project in the context of the energy transition.

### Benefits of the Mechanism:

- It allows projects of national interest to go ahead without disrespecting the rights of private property owners.
- It avoids the need for total compulsory acquisition, keeping the property with the original owners.
- It guarantees that, once the activities have been completed, the land can be returned to the owners under the agreed conditions.

## Legal implications and commitments:

With the temporary administrative easement granted, Savannah is legally authorised to carry out the necessary work and activities on the land identified.

The company must respect the temporary limitations imposed on private property.

Savannah is also committed to ensuring that landowners are properly compensated for the use of their land.



## III - Compulsory Acquisition

### MAIN OBJECTIVE:

Savannah intends to acquire or utilise the land needed to carry out the Barroso Lithium Project through the establishment of amicable agreements. However, in some cases, recourse to the legal mechanism of compulsory acquisition may be necessary, as is common in other government concessions - road construction; dams; wind farms, etc.

### COMPULSORY ACQUISITION

#### PROCESS:

##### 1 Notification:

- Private owners and Baldios organisations are notified by Savannah of the intention to initiate proceedings and are informed of the estimated valuation by court-appointed experts
- Until the next step, it is still possible to negotiate amicable agreements.

##### 2 Declaration of Public Utility (DUP):

- The state issues the DUP, allowing Savannah access to the properties to develop the project.

##### 3 Administrative Possession:

- Savannah takes administrative possession of the compulsory acquired land, including private land and Baldios.

##### 4 Complaints and appeals:

- Any claims or appeals to the compulsory acquisition and/or valuation process will be decided in court.

##### 5 Payment of Compensation:

- The court pays the compensation determined to the individual owners and organisations of the Baldios, as assessed by the court expert and adjusted by arbitration proceedings or appeals, if applicable.

#### COMPULSORY ACQUISITION



- Ensures that private landowners and Baldios receive fair compensation, determined by a court, for the transfer of their rights to the land.

- It is common practice in state concession projects to balance the needs of the project and the country, guaranteeing fair compensation for the communities.

- The court determines fair value based on the current yield of the land and the price history of similar land in the region, not on the values previously offered by Savannah.

#### Benchmarking:

With no guarantee of the court's final assessment, it should be remembered that the study carried out by Savannah using the "income method" resulted in an approximate value of 1.06 euros per square metre.

#### Important Note:



The court has complete discretion in determining the valuation, and the final figures may vary.





# VISIT TO CASTRO VERDE MEETING OF COMMUNITIES:



### Among the main topics covered were:

Savannah organised a special trip to the Castro Verde region, open to all interested parties in the community.

This experience was an opportunity to get to know the reality of a village with a long history of coexistence with a mining project - the SOMINCOR mine has been operating there for more than 40 years - and to see how the local communities are impacted in their daily lives.

We had the privilege of being greeted and welcomed by the President of the Santa Bárbara de Padrões Parish Council and several residents of the village, with whom the group was able to chat and exchange ideas on important issues for both communities.

Co-operation between the municipality of Castro Verde and SOMINCOR;

The demographic impact of the Mine and the settlement of people in Castro Verde, including children of the land who have returned;

Professional opportunities and impact on economic development of the region;

The preservation of biodiversity, exemplified by the Mine's location in an area of the Natura 2000 network;

Complaints management in the event of unexpected incidents related to the Mine;

Current concerns of the Castro Verde community - the biggest fear being the closure of the mining complex.

Our visit also included a visit to points of cultural and historical interest, such as the church of A Do Corvo, built and renovated with the support of SOMINCOR.

We were also able to observe the mine from the houses adjacent to the industrial complex, a perspective that allowed us to realise how close the two are.

Back in Barroso, we believe that this experience not only helped to clarify many of the participants' doubts and concerns, but also reinforced our conviction that, by using the best professionals and the best practices and technologies, it is possible to reconcile mining with sustainable development and the quality of life of local populations.

We have returned even more confident in our commitment to working together to ensure that the Barroso Lithium Project is an example of responsibility, innovation, collaboration and transparency, always with people at the centre of decisions.

## WITNESSES:

*"I was pleased to hear the President of the Council's concern, which wasn't the question of the mine being open, but that it closes."*

**- Resident of Covas do Barroso**



*"The people there are all happy."*

**- Resident of Dornelas**



*"Everyone should be able to go there for a walk to see how people live there and how happy they are to work and live next to a mine."*

**- Resident of Dornelas**



*"There should be more initiatives like this. They should invite our representatives there."*

**- Resident of Covas do Barroso**



*"I didn't expect the mine to be so close to the village."*

**- Residente of Covas do Barroso**



*"The most interesting thing was to hear the president of the local council say that their biggest fear is that the mine will close."*

**- Resident of Dornelas**



## AMG REFINERY

### Inauguration of the New Hydroxide Refinery of Lithium in Bitterfeld-Wolfen, Germany

#### AMG Critical Materials N.V. (AMG) -

Savannah's strategic partner and the company's largest shareholder -celebrated the official opening of its lithium hydroxide refinery in Bitterfeld-Wolfen, Germany. This refinery, operated by subsidiary AMG Lithium B.V., marks an important step in the production of high purity lithium, an essential component for electric vehicle batteries.

The expectation is that once production starts at the Barroso Lithium Project, part of the lithium extracted in Barroso will be refined at AMG's facilities, thus contributing to the establishment of a European lithium battery value chain.

With an annual capacity of 20,000 tonnes per module, the refinery will be able to produce enough for the batteries of around 500,000 electric vehicles a year. By 2030, production could reach 100,000 tonnes per year, representing 14% of the European lithium market.

The refinery not only guarantees a local and secure supply of lithium for European industry, but also supports the objectives of the European Critical Raw Materials Act.

The idea is to make Europe more independent in the supply of essential raw materials for batteries and other innovative technologies.



#### CURIOSITY:



The lithium refining process involves complex chemical reactions, where the lithium is purified and converted into lithium hydroxide or lithium carbonate. This process is crucial to guaranteeing the quality required for battery applications!



## Barroso Lithium Project in Conferences:

### International Circular Hydrometallurgy Symposium (ICHS)

Date: 9 september 2024  
Location: Mechelen, Belgium



### Energy 2024 Conference

Date: 12 september 2024  
Location: Lisbon, Portugal



### Fastmarkets European Battery Raw Materials Conference 2024

Date: 16-18 september 2024  
Location: Amsterdam, Netherlands



### Greenfest 2024

Date: 27-29 september 2024  
Location: Braga, Portugal



## Message for the firefighters:

The scourge of forest fires has once again ravaged the country, consuming forests, properties and dreams.

It was a period of great anxiety for all of us, following the events closely and preparing ourselves for the worst, should the fire also approach our little corner of Barroso.

During those days of uncertainty, one thing remained constant: the **men and women of the fire brigades, from the north to the south of the country, demonstrated - once again - that they are the true national heroes.**

To them, to all of them, we address a **word of deep admiration and sincere appreciation. Their sacrifice, their courage and their determination** are an example to us all.

Fortunately, the fire didn't reach the municipality of Boticas, where the Barroso Lithium Project is located, unlike regions such as Albergaria-a-Velha, Baião or Vila Pouca de Aguiar, which were heavily affected.

However, we are aware of **the challenges facing our region.** Our project includes the construction **of three water reservoirs** which, as well as supplying the project's needs, will always be available to the fire brigade in the event of an emergency and can also be used by farmers during years of drought.

Our tanks could, for example, be used by fire-fighting helicopters, thus helping to protect local communities.



Savannah also works closely with the public authorities, guaranteeing communication and prompt coordination of the resources needed to deal with any risk situations.

Our initiatives include plans for clearing forests, creating buffer zones and improving access, which are essential for preventing and protecting the region.

**We have a real admiration for the brave Boticas Volunteer Firefighters, a group of tireless heroes whom we will always be ready to support.**





## A new chapter for the Barroso Lithium Project

November represented another exciting milestone for the Savannah team - we officially opened the doors of our newly renovated Geology Centre!

This event marked an important step in our journey - it was a pleasure to welcome so many members of the community and celebrate together.

The Geology Centre offers a modern and professional environment that will enhance our geological work and reinforce our commitment to excellence in the Barroso Lithium Project.

It was also designed to welcome those who want to know more about the Project and to hold our regular events for the Community!

This renewal is testimony to our continued investment in developing our presence in the Barroso region.

We're only at the beginning - there's a lot more to do and we're looking forward to sharing many more successful moments with everyone along the way.



## OUR TEAM CONTINUES TO GROW:



Part of the Savannah team at the Boticas information center.

In the last year, we've welcomed more than 12 new members to the Savannah team, and soon 5 more will be joining us to close 2024 on a high note!

The Communications team has grown significantly, and Community Relations has been strengthened to improve dialogue with the local community.

We also have a new Business Development team dedicated to exploring opportunities and consolidating long-term partnerships.

We hired employees from different backgrounds, including some who moved to Barroso, helping to integrate the team into the community.

By the end of the year, we plan to integrate more professionals - geologists and field assistants - who are fundamental to the drilling programme and the progress of the project, a reinforcement that ensures we are prepared for future challenges.

We believe that the key to sustainable development lies in investing in local talent.

Most of the new hires are professionals from the region or who have moved to Boticas, committed to the future of Barroso.

Our team is dedicated and committed to the success of the project and its positive impact on the community.

Savannah is already planning new hires to guarantee the skills needed to meet the project's demands.

The trend is clear: we will continue to expand our local team, attracting professionals who share our vision and believe in the positive impact of the Barroso Lithium Project and the future of the region.

**If you would like more information or have any questions or comments, please visit or contact the Barroso Lithium Project Information Centres.**

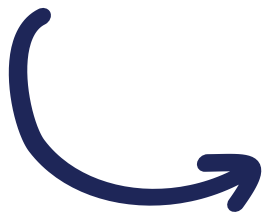
# Barroso Lithium

## Community Channel

Are you interested in  
receiving updates on the  
project's progress?

Join our Whatsapp  
channel!

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Activate notifications by  
clicking on the bell!



**SAVANNAH**

