

SAVANNAH RESOURCES

A bet on the foundations of electrification

- **What is Savannah Resources?** SR owns the Barroso project in northern Portugal, a pre-production lithium mine with >39Mt of high-quality spodumene resource (1.05% Li₂O). Designated strategic by the EC, the project awaits final regulatory approval for construction to begin in late 2026. Operations are expected in 2028 (we estimate Q4) with mining outsourced while SR oversees and manages operations. SR targets 190kt p.a. of 5.5% spodumene concentrate over 14Y. An offtake agreement with refiner AMG for 25% of output (50% under certain conditions) confirms resource quality and supports project financing.
- **Positives.** 1) Europe's largest proven spodumene resource with exploration upside; 2) Spodumene advantages in processing and product optionality; 3) Competitive economics, ranking in top global opex quartile (\$292/t C1 costs); 4) Endorsed by the EC, and the Portuguese and German governments; 5) Demand tailwinds: 26% EV CAGR in Europe (2024-30), lithium's main end-use; 6) Revenue visibility through AMG relationship with potential for additional offtakes.
- **Risks.** 1) Operations >1.5Y away, pending final environmental permits and feasibility; 2) Execution risk in construction and equipment contracting; 3) Financing tied to licensing; 4) European lithium infrastructure still nascent and reliant on China for processing; 5) Lithium price volatility (>80% peak-to-trough in 2022-25); 6) Potential dilutive capital increases to fund project developments.
- **EBITDA of £110m by 2029E.** In its first full year of operation (2029), we project SR to reach £110m EBITDA, £92m EBIT (roughly its current market cap), generating £48m of free cash flow. This assumes production and sale of 195kt of spodumene concentrate at \$1,150/t, yielding \$245m of revenue, with \$20m from byproducts. We expect £111m in EBIT and £61m in FCF, post-ramp-up.
- **Funding & capital increases.** Over 2025-28, we estimate needs of >\$309m to fund capex, opex and working capital. We expect a 65%/35% debt/equity funding split, with >£83m of new equity in 2025-26, doubling the share count to 4.75bn.
- **Valuation: range 6.0-13.2p p.s.** (post new money, including 2.6bn of newly issued shares). SR is a play on Europe's emerging battery supply chain and is set to turn cash-generative once operations begin. Valuation upside (41-207%) is highly sensitive to, and contingent on, lithium price recovery.

Financial Ratios	FY24	FY25E	FY26E	FY27E	FY28E	FY29E
EBITDA (£m)	(4)	(4)	(4)	(5)	34	110
Net profit (£m)	(4)	(4)	(16)	(16)	12	56
EPS (£p)	(0.21)	(0.18)	(0.45)	(0.34)	0.25	1.18
Adj. EPS (£p)	(0.25)	(0.18)	(0.45)	(0.34)	0.28	1.28
P/E (x)	(16.2)	(23.7)	(9.5)	(12.6)	17.3	3.6
P/E Adj. (x)	(13.8)	(23.7)	(9.5)	(12.6)	15.3	3.4
EV/EBITDA (x)	(12.0)	(19.8)	(27.9)	(66.7)	10.3	2.9
Debt/EBITDA (x)	4.2	2.4	6.5	(21.4)	4.4	1.0
P/BV (x)	1.9	2.5	2.0	2.4	2.1	1.5
ROE (%)	(10.8)	(10.2)	(15.7)	(18.8)	12.1	40.0
DPS (£p)	-	-	-	-	-	0.29
Dividend yield (%)	-	-	-	-	-	7%

(*) Historical multiples based on average share price of the year

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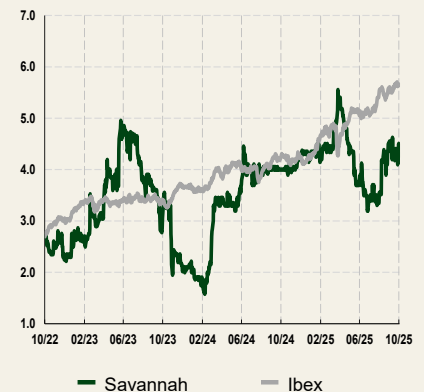
Share Price (*) (£p) 4.30

*Share price at the close of 15 October 2025

SAV:LN / SAVS.L

Market Cap	£ 97 m
Enterprise Value	£ 86 m
Free Float	£ 40 m
N° Shares	2,246 m
Average Daily Volume	£ 100 k

Performance	1m	3m	12m
Absolute %	-5.5	26.5	7.5
Relative %	-8.1	14.8	-24.4



Shareholders

AMG 15.7%, Al Marjan 12.3%, Grupo Lusiaves 10.0%, Pluris 10%, Sliptstream Resources 3.2%, Savannah staff 0.5%, Free float 48.3%

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Key Data

P&L account (£ m)	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	Cash flow (£ m)	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Revenue	-	-	-	-	57	177	184	Net profit	(4)	(4)	(16)	(16)	12	56	62
Other income	-	-	-	-	-	-	-	Depreciation	-	-	-	-	4	13	13
Opex	(4)	(4)	(4)	(5)	(22)	(68)	(68)	Non-cash adjustments	-	-	-	-	2	5	5
EBITDA	(4)	(4)	(4)	(5)	34	110	116	Total cash-flow (CF)	(4)	(4)	(16)	(16)	18	74	80
Net disposals	-	-	-	-	-	-	-	Capex	(4)	(5)	(45)	(112)	(67)	(3)	(3)
EBITDA adj.	(4)	(4)	(4)	(5)	34	110	116	Working capital investment	1	1	1	3	(5)	(20)	(8)
D&A	-	-	-	-	(4)	(13)	(13)	Operating FCF	(8)	(8)	(60)	(126)	(54)	52	69
Provisions	(0)	-	-	-	(2)	(5)	(5)	Financial investments	-	-	-	-	-	-	-
EBIT	(5)	(4)	(4)	(5)	29	92	98	Disposals (acquisitions)	-	(4)	-	-	-	-	-
Net interest	0	0	(12)	(12)	(12)	(12)	(9)	Rights issues	16	5	78	-	-	-	-
EBT	(4)	(4)	(16)	(16)	17	80	89	Others	(0)	-	-	-	-	-	-
Income tax expense	-	-	-	-	(5)	(24)	(27)	FCF before dividends	8	(7)	18	(126)	(54)	52	69
Others	0	-	-	-	-	-	-	Dividends paid	-	-	-	-	-	(14)	(17)
Net income	(4)	(4)	(16)	(16)	12	56	62	Free-cash-flow (FCF)	8	(7)	18	(126)	(54)	38	52
Other compr. income	(1)	-	-	-	-	-	-	Share buybacks	-	-	-	-	-	-	-
Adjustments	-	-	-	-	2	5	5	FCF after buy backs	8	(7)	18	(126)	(54)	38	52
Net Income adj.	(5)	(4)	(16)	(16)	13	61	67								
								Balance sheet (£ m)	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Nº of shares (m)	2,172	2,321	4,750	4,750	4,750	4,750	4,750	Shareholders' equity	39	40	102	86	98	140	185
Average nº of shares (m)	2,000	2,246	3,535	4,750	4,750	4,750	4,750	Minority interests	-	-	-	-	-	-	-
								Provisions and other liabilities	1	1	1	1	1	1	1
YoY Growth	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	Net debt	(18)	(11)	(29)	97	151	113	61
Sales	n.m	n.m	n.m	n.m	n.m	212.5%	4.0%	Capital invested	23	30	74	184	250	254	247
EBITDA	22.2%	2.0%	2.0%	2.0%	(864.5%)	217.9%	5.6%	Goodwill & PPA intangibles	22	18	27	49	61	58	55
EBITDA adjusted	22.2%	2.0%	2.0%	2.0%	(864.5%)	217.9%	5.6%	Fixed operating assets	3	11	46	136	185	173	160
EBIT	31.7%	(7.5%)	2.0%	2.0%	(732.4%)	221.7%	6.6%	Non-operating assets	0	0	0	0	0	0	0
Net income	17.3%	(4.1%)	294.7%	0.6%	(173.2%)	374.5%	11.0%	Working capital	(2)	(3)	(4)	(6)	(8)	3	12
Net income adjusted	28.9%	(18.2%)	294.7%	0.6%	(182.6%)	354.6%	10.1%	Capital employed	23	25	69	179	239	234	227
Operating KPIs	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	Working capital/sales	n.m	n.m	n.m	n.m	(13.3%)	1.9%	6.3%
Pegmatite ore mined (Mtn)	n.m.	n.m.	n.m.	n.m.	0.5	1.5	1.5	Capex to sales	n.m	n.m	n.m	n.m	(118.4%)	(1.4%)	(1.4%)
Spodumene 5.5% concentrated	n.m.	n.m.	n.m.	n.m.	65	195	195								
Spodumene Price (\$/tn)	n.m.	n.m.	n.m.	n.m.	1,000	1,100	1,200	Financial ratios	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
By-products mined (ktn)	n.m.	n.m.	n.m.	n.m.	135	406	406	Net debt/EBITDA	4.2X	2.4X	6.5X	(21.4X)	4.4X	1.0X	0.5X
Total cash costs (\$/tn)	n.m.	n.m.	n.m.	n.m.	472	478	485	Net debt adjusted(*)/EBITDA	4.2X	2.4X	6.5X	(21.4X)	4.4X	1.0X	0.5X
C1 cash costs (\$/tn)	n.m.	n.m.	n.m.	n.m.	320	324	328	Gearing	n.m.	n.m.	n.m.	112%	154%	81%	33%
AISC cash costs (\$/tn)	n.m.	n.m.	n.m.	n.m.	519	424	431	Interest cover	17.9X	16.3X	(0.4X)	(0.4X)	2.5X	7.9X	11.0X
Per share data	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	Margins & ratios	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
EPS (GBp)	(0.21)	(0.18)	(0.45)	(0.34)	0.25	1.18	1.31	EBITDA margin	n.m.	n.m.	n.m.	n.m.	60.8%	61.9%	62.8%
EPS, adjusted (GBp)	(0.25)	(0.18)	(0.45)	(0.34)	0.28	1.28	1.41	EBIT margin	n.m.	n.m.	n.m.	n.m.	50.3%	51.8%	53.1%
CFPS (GBp)	(0.21)	(0.18)	(0.45)	(0.34)	0.37	1.56	1.69	Effective tax rate	-	-	-	-	30.0%	30.0%	30.0%
FCFPS (GBp)	0.55	(0.26)	0.07	0.16	(0.15)	0.38	(2.64)	Pay-out	-	-	-	-	-	24.7%	27.5%
BVPS (GBp)	1.80	1.72	2.15	1.81	2.06	2.95	3.90	ROCE (EBIT/CE)	n.m.	n.m.	n.m.	n.m.	12.0%	39.2%	43.1%
DPS (GBp)	-	-	-	-	-	0.29	0.36	ROE	(10.8%)	(10.2%)	(15.7%)	(18.8%)	12.1%	40.0%	33.6%

Summary & Investment Case

Savannah's business: the Barroso Lithium Project

Savannah Resources (SR) owns the Barroso Lithium Project (BLP) in northern Portugal. The project dates back to 2006, when the C-100 mining lease was granted for 30 years, with SR gaining full ownership in 2017–19. Key milestones include the 2023 Scoping Study, which estimated a project NPV of \$953m (77% IRR) based on initial capex of \$280m, and the September 2025 resource update, when the total JORC Resource (industry standard) was revised to 39Mt (+40%), of which ~27Mt (68%) were measured and indicated. The Exploration Target range was also raised to 35–62Mt (+200%). The first full year of production is expected in 2029, targeting 190kt of ≥5.5% spodumene concentrate — enough to produce about 0.5m EV battery packs per year.

An offtake deal with AMG

In June 2024, Savannah secured a strategic partnership with AMG, a vertically integrated lithium producer, via a £16m equity injection for a 15.7% stake. The deal has a five-year offtake for 45kt p.a. of spodumene (~25% of output), expandable to 90kt (50%) and 10 years if AMG facilitates full project financing. The deal de-risks execution, eases financing and adds medium-term optionality.

A strategic project with strong green credentials

The BLP holds *Strategic Project* status under the EU's Critical Raw Materials Act (March 2025), which facilitates coordinated support and streamline permitting. The project supports Europe's energy transition and will contribute to the CRMA's 2030 target of meeting at least 10% of European demand through local supply. Strong ESG credentials include a commitment to net-zero Scope 1 and 2 emissions over the project's lifetime, aided by Portugal's >80% renewable grid.

What stands in the path to production

SR still awaits land access permission to carry out the final drilling tests needed for the Definitive Feasibility Study (DFS) and the Environmental Compliance Report of the Execution Project (RECAPE). RECAPE approval is expected in 1H26, with DFS completion shortly thereafter. SR will then need to procure equipment for the lithium spodumene concentration plant (which will raise lithium oxide content from 1.05% to >5.5%), with construction expected to begin in 2H26. Production is slated to start in 2028.

Strong operational economics

Initial capex was estimated at \$280m (2023 Scoping study), which we have updated to \$309m. Key items include processing facilities (\$108m)—a DMS concentrator plant with flotation circuit—and associated infrastructure (\$17m process, \$36m non-process), plus development, mining, freight, and other costs. The Scoping Study estimated C1 costs of \$292/t (net of \$132/t by-product credits), placing the project in the global first quartile. With a breakeven price of \$600/t (for 5.5% spodumene concentrate, vs our \$660/t assumption), the study points to a highly profitable operation generating average annual EBITDA of \$205m and post-tax free cash flow of \$121m over 14 years.

Risks: delays, execution and commodity prices

We attribute regulatory delays to a combination of red tape and a small but vocal local opposition. Given the sequential nature of the approvals process, any delay can create bottlenecks that push back the entire timeline. We also see execution risk in plant construction, as this type of project is new to Portugal, though we take comfort in Savannah's experienced mining team. Finally, commodity price risk remains inherent to mining — though lithium's 2022–25 volatility was extreme even by industry standards, with SC 6% prices ranging from \$800/t to \$8,500/t.

Financing still pending. We expect 65/35 debt finance and equity

Slow permit progress also affects financing. To date, the project has been fully equity-funded, including contributions from AMG and large private investors. We believe lenders will require full de-risking before committing, including DFS/RECAPE completion and a final investment decision (FID). The project is eligible for a German government loan guarantee via Euler Hermes/KfW, subject to due diligence and contingent on finalizing the AMG offtake (25%, or 50% if AMG provides full financing). We project a 65/35 debt/equity structure, with 2026 as the key fundraising year. We exclude potential grants and public funding from our model as a conservative assumption.

Valuation 6.0p–13.2p per share

We value SR through a DCF with explicit forecasts to 2030 and three scenarios — cautious, base, and optimistic — flexing long-term key assumptions: spodumene prices (\$1,100–1,400/t), gross cash costs (\$500–550/t), and capex/sales (1.5–2.0%). We model operations through 2045 and decommissioning in 2046. Implied EBITDA margins range from 54–67% across scenarios, highlighting Savannah's high-reward potential under favourable pricing conditions.

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Valuation

Please note: our valuation model is based on long-term analysis. The ranges and commentary below are not intended as a short-term assessment of likely share performance

1) 6.0–13.2p per share

We assume a recovery in spodumene lithium prices from current cyclical lows (~\$850/t) to a range of \$1,100–1,400/t from 2027, in line with various market forecasts. Our valuation is based on a DCF model for the Barroso mine, assuming an 18-year operating life through 2046. We use 2026 as the initial valuation year, once construction capex has been raised through project finance and equity. The first three years of operations (2028–30) are modelled explicitly, with long-term DCF estimates (2030–46) derived from three scenarios — cautious, base, and optimistic — flexing key production and pricing assumptions.

For annual spodumene concentrate production, we maintain both the cautious and base scenarios at 195kt per year, reflecting a conservative 85% plant utilization rate (per the company's scoping study). In the optimistic scenario, utilization rises to 92.5% (industry standard), yielding 210kt per year. For pricing, we set long-term spodumene at \$1,100–1,400/t (spot currently ~\$850/t) — the main sensitivity driver. For total cash costs (including freight and royalties but excluding by-product credits), we set the base at \$520/t with a ±5% range. Other assumptions — including annual by-product volumes and pricing and sustaining capex — have a less material impact.

Implicit EBITDA margins range between 54% and 67% under the cautious and optimistic scenarios

SAVANNAH: DCF VALUATION MODEL ASSUMPTIONS

2030-46	Cautious	Base	Optimistic
Concentrated spodumene (ktpa)	195	195	210
LT Spodumene price (\$/t)	1,100	1,250	1,400
By products sourced (ktpa)	400	400	500
By-products pricing (\$/t)	50	50	55
Total cash costs (\$/t) (*)	550	520	500
Sustaining capex to sales	2.00%	1.75%	1.50%
Implicit scenario EBITDA margin	54%	62%	67%

(*) includes freight and royalties, excludes by-product credits

Source: Alantra Equities

10% WACC

We apply a 10% WACC discount rate (35% equity / 65% debt), comprising an 18% cost of equity — reflecting the risk of operations commencing three years from now — and an 8% pre-tax cost of debt, higher than for renewable infrastructure given mining risks. We assume no terminal growth rate, as operations are modelled to end in 2046, though this could extend if additional resources are discovered and approved through new exploration campaigns.

6.0–13.2p p.s. post money valuation range

We arrive at a post new money valuation range of 6.0–13.2p per share across scenarios, equivalent to 41–207% upside. The valuation is particularly sensitive to spodumene pricing.

SAVANNAH: DCF-BASED VALUATION RANGE

(£m)	Cautious	Base	Optimistic	Common assumptions	%
EV	259	394	598	Ke	18.0%
Net debt, adjusted	28	28	28	Pre-tax Kd (*)	8.0%
Others	-	-	-	Post-tax Kd	5.6%
Equity value	287	422	626	Equity/Debt	35%/65%
Number of shares (m)	4,750	4,750	4,750	WACC	10.0%
Target price (£p)	6.04	8.89	13.19	Tax rate	30.0%
Current price (£p)	4.29	4.29	4.29		
Upside	41%	107%	207%		

(*) All-in pre-tax cost of debt

Source: Alantra Equities

2) What could go wrong?

While execution issues and project delays would likely be manageable, with limited long-term impact, revenue risks linked to pricing and volumes are more material. We highlight two scenarios that we consider unlikely but potentially significant:

Sensitivity to commodity pricing is high

- a) **Spodumene concentrate (SC6) prices remain at current levels of \$850/t.** This could likely stem from slower EV demand growth, rapid supply expansion, faster development of lithium alternatives, or a combination of these factors. However, this scenario looks unlikely — with current pricing likely at cycle trough — given the favourable supply-demand dynamics (projected ~0.8Mt of lithium carbonate supply deficit by 2035).

Applying spot prices to our base-case valuation scenario yields a valuation of 2.7p per share — a 70% decline from our 8.9p base valuation. Notably, this level is close to current market prices and therefore a good indication of what the shares are discounting — namely, no recovery in SC6 prices, which we view as overly pessimistic. A reverse DCF suggests Savannah's shares currently imply SC6 prices of around ~\$1,000/t.

SAVANNAH: BASE CASE SENSITIVITY TO LITHIUM PRICING (*)

Diff to base-case pricing	Spot (32%)	(20%)	(12%)	(4%)	0%	4%	12%	20%
Spodumene concentrate price	850	1,000	1,100	1,200	1,250	1,300	1,400	1,500
EV	101	211	284	357	394	430	503	577
Implied TP	2.73	5.04	6.58	8.12	8.89	9.66	11.20	12.74
Upside	(37%)	17%	53%	89%	107%	125%	160%	196%

(*) Base case key assumptions in all scenarios — only Spodumene Concentrate price is changed

Source: Alantra Equities

- b) **By-product revenue does not materialize**, removing the offset to cash costs. We currently assume annual sales of 400kt of by-products (feldspar and quartz) at \$50/t, generating \$20m in revenue per year. This offsets cash costs by \$103/t of SC6 produced. Under this scenario, our base-case valuation would fall to 7.24p per share, or 18% lower.

I. Savannah at a glance

1) A unique European Lithium mining company

Savannah Resources is the sole owner of the Barroso Lithium Project in northern Portugal. The project originates from a 30-year C-100 mining lease granted in 2006, with Savannah acquiring full ownership between 2017 and 2019. Key milestones include the 2023 Scoping Study, which outlined a project NPV of \$953m (77% IRR) based on initial capex of \$280m, and the September 2025 resource update, which increased the total JORC Resource by 40% to 39Mt, including 26.6Mt in the Measured and Indicated categories (68% of total).

A European lithium mine in the north of Portugal

The Barroso mine project

The Barroso project — fully owned by Savannah — is a surface-built, hard-rock lithium mine in northern Portugal. It extracts a resource known as Spodumene, a lithium-bearing mineral found in pegmatite, which is processed on-site into a high-grade concentrate and sold to refineries for conversion into battery-grade lithium.

Until recently, the project had identified 28Mt of pegmatite deposits containing spodumene and accessory minerals for the ceramics industry. However, the September 2025 drilling results suggest total pegmatite resources have reached 39Mt — implying 5.1Mt of spodumene concentrate — with further upside potential through ongoing exploration to 100Mt. Of this, 26.6Mt are classified as Measured and Indicated (JORC standard, proven and probable equivalent). With the processing plant running at a 1.5Mt per year throughput rate, this would yield roughly 195kt per year of 5.5% spodumene concentrate over the mine's estimated 18-year life.

The project holds *Strategic Project* status under the EU Critical Raw Materials Act, which requires at least 10% of Europe's lithium demand be met from domestic sources by 2030. Among approved hard-rock projects, Barroso is one of the most promising and one of only two based on spodumene — the preferred feedstock for battery-grade lithium refining — while most others rely on alternative lithium-bearing minerals, which are harder-to process and lack established refining infrastructure.

Some environmental permits are still pending...

Where are is Barroso in terms of licensing?

Mining projects require strict licensing procedures before operations can begin. In Barroso's case, several key milestones have already been achieved. Notably, the Environmental Impact Declaration (DIA) has been granted, providing the foundation for further approvals. Pending licenses include:

1. **RECAPE (ESG compliance report)** – ensures that all ESG conditions set out in the DIA are incorporated into the project's final design. Approval is expected in 2Q26.
2. **DCAPE + TUA (Final Environmental Licence)** – final steps in the environmental permitting process. Once the project design is approved under the DCAPE, the TUA is issued, formally authorizing construction and operation. Approval is also expected in 2Q26.

In parallel, Savannah is completing the **Definitive Feasibility Study (DFS)**, which provides the project's final technical and economic design. The DFS itself does not require regulatory approval but its engineering design underpins both the RECAPE and DCAPE submissions. Completion is targeted for 1H26.

... but construction is slated for 2H26

Once these approvals are obtained and the DFS completed, the **Final Investment Decision (FID)** is expected in 2H26. If positive, and financing is secured, construction could begin (estimated at 18–24 months), with operations targeted for 2028 (we estimate 4Q28). From there, spodumene production is expected for 18 years (14 years in the Scoping Study).

Listed in AIM since 2010

2) Savannah's capital market story

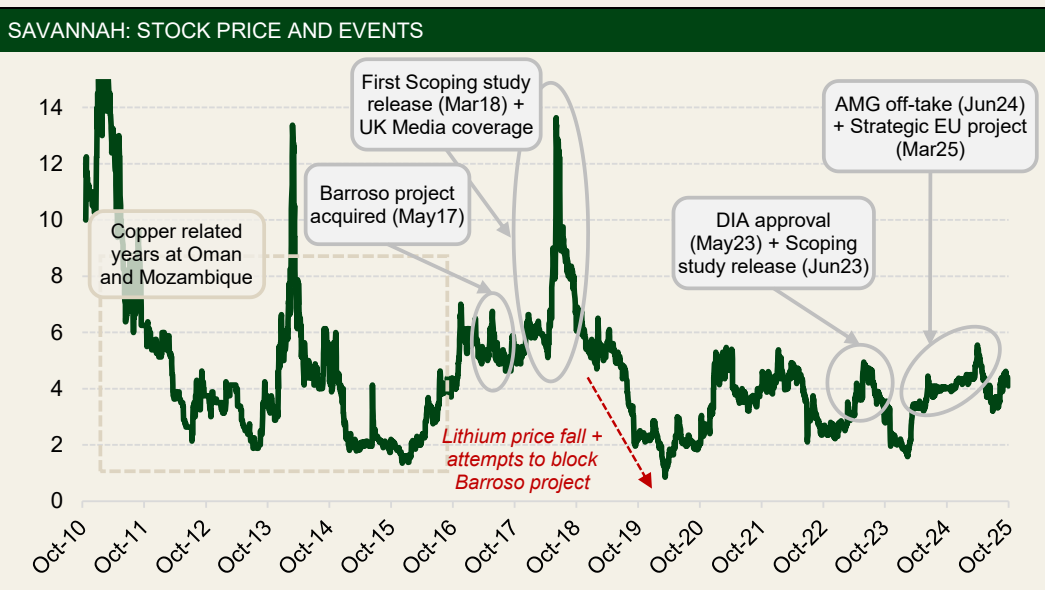
Savannah Resources plc joined AIM (ticker: SAV) in 2010 as a small multi-commodity explorer. In its early years, it focused on copper and heavy mineral sands projects in Africa and Oman, leading to periodic exploration-driven rallies:

- **2014–2016:** Shares were tied to copper assets in Oman, where Savannah announced initial JORC resources at Mahab 4 and Maqail South. Drilling success briefly lifted the stock, though limited funding and permitting delays curbed progress.

**Focused on lithium
since late 2017**

- **2017:** Acquired a mineral sands project in Mozambique, later consolidated into a joint venture with Rio Tinto, where Savannah held a majority stake. The news initially boosted sentiment, but the rally faded amid slow project advancement.
- **Late 2017–2018:** Acquired the Mina do Barroso lithium project in Portugal — a pivotal shift that redefined Savannah as a European lithium developer. The first JORC Resource and Scoping Study in 2018–19 drove the strongest share price rally to date.

Post-strategic pivot, Savannah's shares have remained closely tied to Barroso's development milestones. The stock has moved meaningfully on key events including environmental permit approvals and the scoping study release (mid-2023), the strategic offtake deal with AMG and prospects for German-backed funding (mid-2024), and recognition under the EU Critical Raw Materials Act (early 2025). Most importantly, the 40% JORC resource upgrade announced in September 2025 further lifted the stock.

**Experienced
management at the
helm****3) Management with a strong mining background**

Savannah is led by an experienced management team combining financial and mining expertise. CEO Emanuel Proença (appointed September 2023) brings extensive leadership experience across Portugal. CFO Henrique Freire (appointed April 2025) previously served as CFO of EDP's listed Brazilian subsidiary, part of the global utility group. CTO Dale Ferguson (former interim CEO; c.12 years with the company) brings over 25 years of mining and commodity development experience and was instrumental in converting the mining concession from feldspar to lithium. The broader management team complements this core with diverse, specialized expertise across their respective fields.

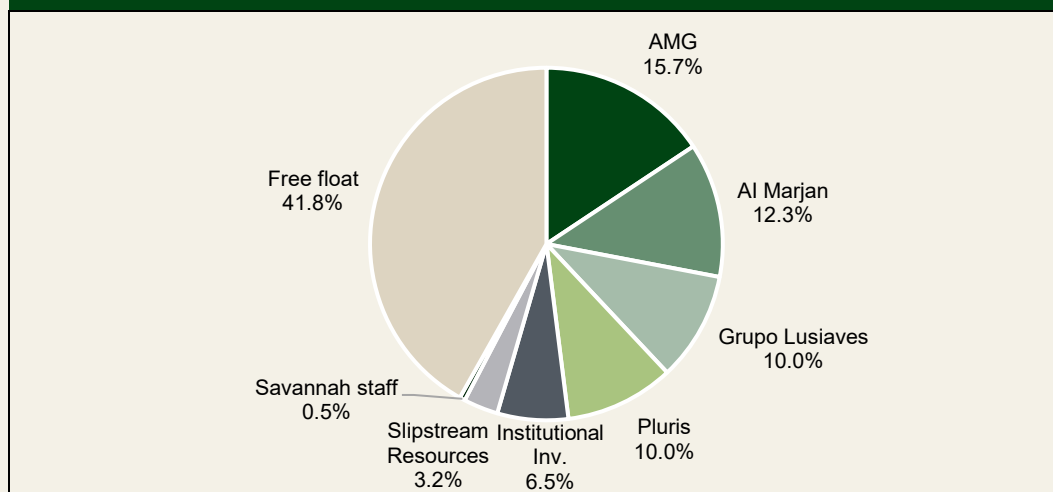
SAVANNAH: TOP MANAGEMENT

 Emanuel Proença - CEO 10y experience in CEO and senior leadership roles in Portugal & former BCG project leader		
 Henrique Freire - CFO +10y in leadership roles within the energy sector and 10y in the advisory business	 Michael McGarty - CCO 30y experience in international financial management	 Dale Ferguson - CTO 25y experience in project development in a range of commodities
 Boris Daza - Development manager 18y experience in development of mining projects	 Brad Patrick - Engineering & DFS +20y experience in Lithium Mining engineering and studies	 John Morris Pereira - Exploration Manager +25y experience in Geology, leading teams and drill campaigns
 Thomas Gaultier - Community Manager 14y experience in Negotiation, Facilitation and Mediation	 Michael Tamlin - Offtake & Commercial Lithium Industry expert with +30y experience in executive roles	 Egidio Ribeiro - Project Finance ~18y experience in project financing

Source: Savannah Resources, Alantra Equities

41.8% free float**4) A healthy shareholder structure backing the project**

Savannah's shareholder base is well-diversified with strategic anchor investors. AMG (15.7%), a Dutch-listed critical materials group with lithium refining operations, is the largest holder, followed by Omani private capital Al Marjan (12.3%) and Portuguese business groups Grupo Lusiaves and Pluris (10% each). Other institutional investors hold 6.5%, while Slipstream Resources, which sold the project to Savannah in 2017–19, retains 3.2% (including the CTO's stake). Staff own 0.5%, with the remaining 41.8% in free float.

SAVANNAH: SHAREHOLDER STRUCTURE

Source: Company reports, Alantra Equities

Seven-member board, one independent

Savannah's seven-member board brings deep mining and finance expertise. Chairman Mr Anthon was part of the team that took Orocobre/Allkem from IPO to its \$11bn merger with Livent, providing valuable lithium-sector credentials. Three Portuguese nationals — Deputy Chair Mr Silveira, director Mr Pinto (representing Lusiaves and Pluris's combined 20% stake), and CEO Mr Proença — provide critical local knowledge. Two proprietary directors represent strategic shareholders: Mr Connor (AMG) and Mr Sulaiman (Al Marjan). Mr Griffin serves as the sole independent director, bringing over 20 years of mining and finance experience across sector-related boards. All directors are non-executive except the CEO.

SAVANNAH: BOARD STRUCTURE

Name	Role	Comments
Mr Anthon	Chairman	+30y experience as an executive and lawyer; and, 10y in Lithium sector with Orocobre / Allkem (from IPO to \$11bn merge with Livent)
Mr Silveira	Vice-chairman	+20y experience in leading management roles in Portugal and Europe
Mr Connor	Proprietary	Represents AMG's 15.7% stake
Mr Sulaiman	Proprietary	Represents Al Marjan's 12.3% stake
Mr Pinto	Proprietary	Represents Lusiaves and Pluris's combined 20% stake
Mr Griffin	Independent	+20y experience in mining & finance
Mr Proença	Executive (CEO)	+10y experience in CEO and senior leadership roles in Portugal

Source: Company reports, Alantra Equities

II. SWOT analysis

1) Strengths and opportunities

- **Large, high-quality resource.** Recent drilling increased Barroso's JORC (mining reporting standard) resource by 40% to 39Mt at an average 1.05% Li₂O grade. It also defined a 35–62Mt exploration target across five JORC-classified orebodies (plus eight additional prospects), underscoring mine-life extension and scale-up potential. The adjacent Aldeia area — under option — contains even higher-grade mineralization.
- **Cost advantage.** Barroso's open-pit design and shallow ore bodies support a low strip ratio (~6:1) and simplified mining. That, plus Portugal's low labour costs and access to cheap renewable power, result in a lean operating base relative to Australian or Canadian peers. Processing uses a standard DMS + flotation circuit, yielding a C1 cost of ~\$292/t (net of by-products), placing Barroso in the first global cost quartile. Its location ~145km from a port also provides a logistical cost advantage at \$12–14/t vs \$70–90/t for the average Australian mine.
- **Off-take agreement de-risks project.** The supply deal with AMG, Europe's largest lithium refiner, validates Barroso's spodumene quality and provides early commercial visibility. It covers 25% of output (up to 50% if AMG helps to fully finance the project), leaving 50–75% uncommitted and preserving flexibility for other partners. Financing discussions are ongoing, supported by a potential \$270m German government loan guarantee (letter of intent by export credit agency Euler Hermes). Also, Savannah could become an M&A target.
- **Strong national and EU support.** Barroso holds Strategic Project status under the EU Critical Raw Materials Act—one of only two spodumene-based projects among nine approved extraction sites — supporting the EU's goal of meeting 10% of lithium demand domestically by 2030. It enjoys Portuguese government and parliamentary support, and its ESG credentials — 80% renewable power, closed-loop water system — align with EU sustainability standards.
- **Structural demand tailwinds.** Rechargeable batteries—used in EVs, energy storage and electronics—account for ~70% of lithium demand, expected to rise sharply. The IEA projects EV sales to grow from ~14m to >40m units in 2024–35, driving global lithium demand from ~1Mt LCE to 3.5–4Mt. Barroso's 2028 start positions it to capture upside from a tightening market, with spodumene prices forecast to remain above >\$,1000/t.

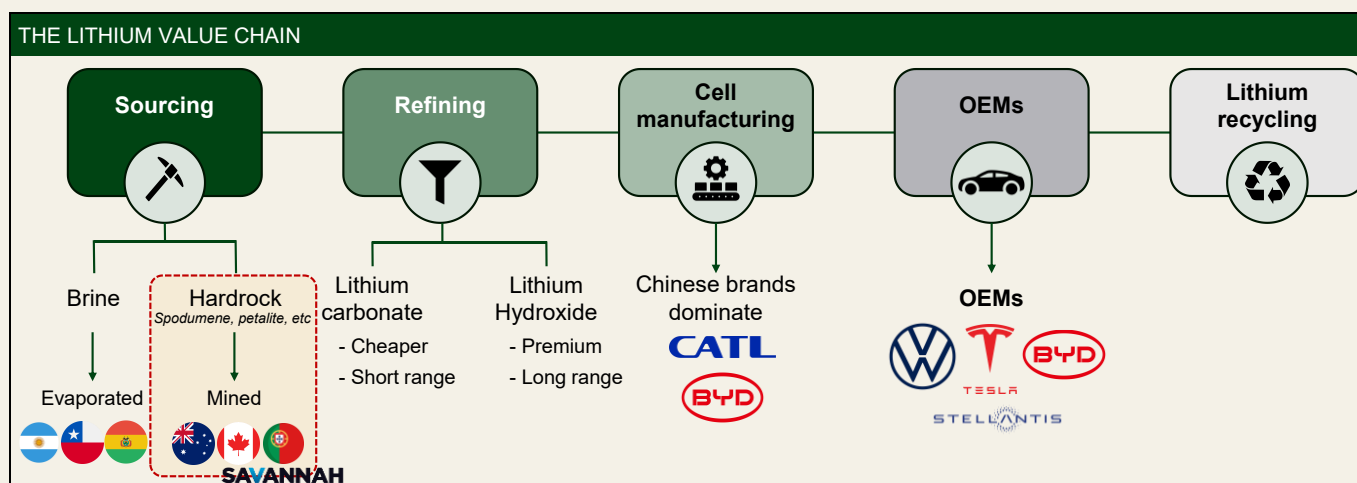
2) Weaknesses and threats

- **A pre-money operation.** Cash inflows are not expected until late 2028.
- **Regulatory and licensing delays.** Savannah awaits the second temporary land-access approval (delayed >10 months) to clear the project's last two hurdles: the DFS (definitive feasibility study) and the final environmental license, with completion expected in 1H26. Additional timeline slippages or community appeals may postpone cash generation.
- **Reliance on Chinese refining.** Although medium-term plans target all lithium extraction and refining in Europe, the near-term intermediate steps between spodumene concentrate and battery grade lithium hydroxide production take place in China, creating geopolitical exposure.
- **Cost overruns and price volatility.** The 2023 estimate (\$280m capex, \$292/t C1 cost) faces inflation risk in equipment, construction, and labour, potentially eroding IRR. We now estimate \$309m capex and ~\$360/t average C1 cost, with upside risk across opex, maintenance, and closure. This comes amid >80% price swings in lithium derivatives (peak-to-trough 2022–25).
- **Financing and dilution risk.** We estimate \$309m funding needs, with a 65%/35% debt-to-equity split, implying ~\$100m equity issuance that could dilute existing shareholders. With Savannah's current market cap at ~£100m, the company's small size amplifies dilution risk if lithium prices or equity markets weaken during the financing window. However, potential public grants could reduce the amount of equity and debt needed.
- **Technological disruption.** Lithium remains the dominant chemistry for EVs and premium energy storage but rising R&D in sodium-ion batteries could gradually shift demand amongst price sensitive battery buyers. Should sodium achieve commercial scale or cost parity, long-term lithium pricing could face pressure. Nonetheless, lithium demand from premium and long-range EVs should remain resilient.

III. Deep dive into the lithium industry

1) Understanding the lithium value chain

Lithium is an alkali metal, and the lightest of all metals, combining low weight with strong reactivity. These traits give it high energy density and fast charge/discharge performance, making it essential for batteries in EVs, energy storage, and electronics — explaining its growing global demand as these grow. Below we detail the value chain, which is key to understanding where Savannah fits:



Source: Alantra Equities

Lithium is extracted from two main sources:

- 1) **Brine** — historically dominant — sourced from South American salt flats (Chile, Argentina, Bolivia). Lithium-rich brine is pumped to the surface and concentrated by solar evaporation over ~18 months.
- 2) **Hard rock** — now the largest global source — which mines lithium-bearing pegmatites (primarily spodumene). Australia leads production, with further projects in Canada, Brazil, Africa, and Portugal. Savannah's operation focuses on hard rock mining.

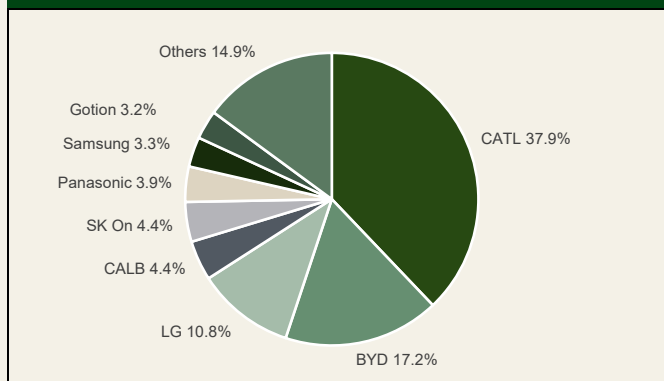
Both routes require refining into battery-grade chemicals:

- 1) **Lithium carbonate (Li_2CO_3)** — primarily from brine (but also from spodumene). Used in LFP batteries, which are cheaper and well-suited to shorter-range EVs and stationary storage. It is also widely used in non-battery sectors such as glass and ceramics.
- 2) **Lithium hydroxide (LiOH)** — in rising demand for high-nickel chemistries (e.g., NCM, NCA) that power long-range EVs. It is more expensive but enables higher energy density. Mainly refined from hard rock spodumene, though it can be converted from carbonate.

Refining is highly concentrated in China, accounting for over 70% of global capacity, though new plants are emerging in Europe, North America, and Australia to diversify supply chains.

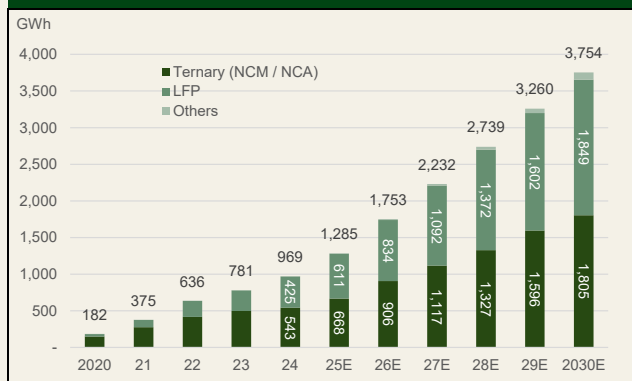
After refining, lithium chemicals are sold to cell manufacturers such as BYD and CATL —both Chinese and industry leaders—or, in Savannah's case, potentially to European or Chinese firms such as CALB (building a gigafactory in Portugal). Battery cells are then supplied to automakers (Tesla, BYD, Stellantis, etc). Recycling is still small but growing quickly and will help sustainability, especially if supply tightens in the early 2030s.

GLOBAL EV BATTERY MARKET SHARE IN 2024



Source: CATL, GGII Report, SNE Research, Alantra Equities

SHIPMENTS OF EV BATTERIES BY CATHODE CHEMISTRY



Source: CATL, GGII Report, Alantra Equities

2) Uses and demand

Rechargeable batteries account for 70%+ of lithium demand, spanning EVs, battery energy storage systems (BESS), and portable devices (like phones).

EVs are the dominant demand growth driver...

- 1) **EVs** are the largest and fastest-growing end market for lithium. Lithium-ion batteries power nearly all EVs due to their high energy density, long cycle life, and improving cost competitiveness. According to the IEA, global EV sales are expected to rise from ~14m units in 2023 to ~60m by 2035, sustaining strong lithium demand over the next decade. In Europe, EV volumes could grow at ~26% CAGR over 2024–30, with battery kWh demand likely growing faster as ranges increase and energy density improves.

SALES VOLUME AND MARKET PENETRATION OF ELECTRIFIED VEHICLES (PHEV, BEV) IN EUROPE

(million units)	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2024-30E
Passenger Vehicles	1.4	2.3	2.6	2.9	2.9	3.4	5.0	6.7	8.2	9.7	10.9	24.7%
Commercial Vehicles	0.0	0.1	0.1	0.2	0.1	0.3	0.5	0.8	1.0	1.2	1.3	58.0%
Total	1.4	2.3	2.7	3.1	3.0	3.7	5.5	7.5	9.2	10.9	12.2	26.5%
Market penetration	8.5%				17.2%						60.2%	+43pp

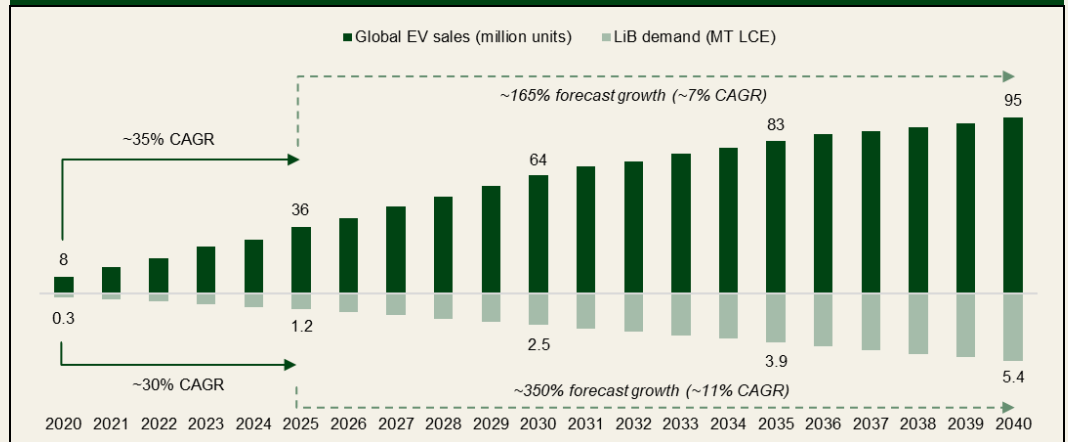
Source: CATL, Intl. Org. of Motor Vehicle Manufacturers, European Automobile Manufacturers Association, GGII Report, Alantra Equities

... but BESS will ~10x over the next ten years

- 2) **BESS technology** is used to store renewable energy from solar and wind, stabilizing grids and improving efficiency. Though smaller than EVs, BESS is expanding rapidly. BloombergNEF estimates global installed storage capacity will grow from ~60GWh in 2024 to more than 500GWh by 2035 — a near 10X, driven by increasing renewable penetration.
- 3) **Other uses** (portable devices, ceramics, glass, lubricants, pharmaceuticals) are a shrinking share of total demand as EVs dominate growth.

Overall, global lithium demand is projected to grow from ~1Mt LCE (lithium carbonate equivalent) in 2024 to 3.5–4Mt by 2035 (according to the IEA). EVs will remain the driver, with battery energy storage systems (BESS adding steady structural growth).

GLOBAL LITHIUM AND EV DEMAND



Source: Vulcan Energy ppt, Benchmark Minerals Intelligence, Alantra Equities

How real is the threat of technological change?

Technological change is a distant but latent threat for the lithium industry. For example, sodium-ion batteries — an emerging technology — operate similarly to lithium-ion but use sodium as the charge carrier.

Sodium-ion batteries pose a threat, but currently represent <1% of the market

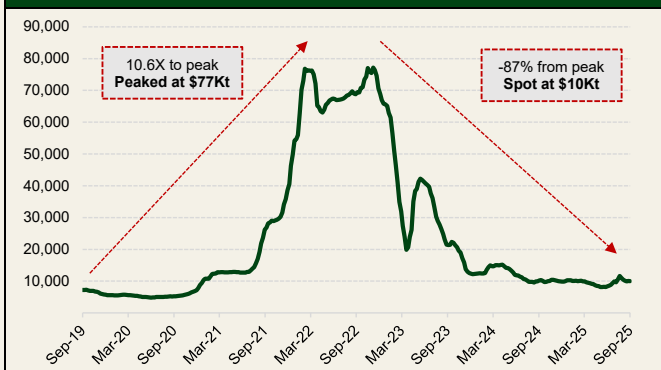
On the positive side, sodium-ion cells perform better in extreme temperatures, are less reactive, and are cheaper thanks to the abundance and easier extraction of sodium. They also benefit from a supply chain that can largely rely on existing lithium-ion infrastructure. **On the downside**, their lower energy density — 100–160 Wh/kg vs 200–300 Wh/kg for lithium-ion — makes them less suitable for long-range or high-performance EVs, the fastest-growing market segment. They also face competition from other emerging technologies such as condensed batteries, M3P, and solid-state cells.

CATL, the world's largest battery maker, plans large-scale rollout of first-gen sodium-ion in 4Q25, targeting BESS and compact EVs. Early output will use hybrid packs (sodium + lithium) to balance cost and performance. Adoption should remain focused on lower-performance use cases, with Li-ion staying dominant in EVs (~99% share).

3) Lithium price trends

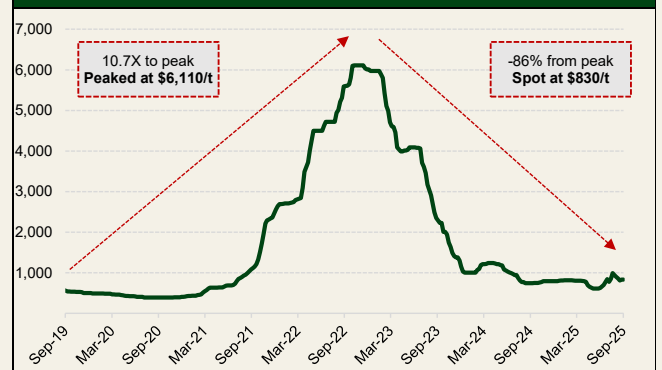
Lithium prices have swung sharply in recent years, driven by speculation that demand growth would outpace new supply. The market then flipped from shortage to oversupply, sending prices tumbling, and is now entering a more balanced phase — though volatility remains high.

LITHIUM CARBONATE PRICES (CNY CONVERTED TO USD)



Source: Reuters, Alantra Equities

SPODUMENE PRICES IN USD (SC6)



Source: Bloomberg, Alantra Equities

- 2022 boom.** Prices surged to record highs in 2022 as EV demand outpaced supply, logistics were tight, and mine ramp-ups lagged. China spot prices for lithium carbonate (LC) touched ~\$80,000/t (spodumene, SC6, >\$6,000/t), drawing large investment into new projects.

In 2023, LC and SC6 prices collapsed >85%

We estimate spodumene pricing at ~\$1,100–1,400/t by 2027...

... supported by a strong supply-demand imbalance

2) **Lithium winter.** By late 2023 the market flipped to oversupply as new capacity came online faster than demand could absorb it. Lithium carbonate prices collapsed from ~\$80,000/t to ~\$20,000/t (spodumene ~\$1,000/t) — a drop of nearly 75%. This downturn persisted through most of 2024, with LC at ~\$10,000/t (SC6 at ~\$800/t) forcing higher-cost producers to cut operations and delay expansion projects.

3) **Current setup and outlook.** Into 2025, prices have largely stabilized near trough levels (\$10,000/t for LC and \$800/t for SC6). However, the market is rebalancing on production constraints — including CATL's temporary closure of its Jianxiawo lithium mine — alongside resilient EV demand as project additions slow. Consensus points to a gradual recovery, with LC at ~\$15,000–16,000/t and SC6 at ~\$1,100–1,400/t by 2027 (e.g. Goldman Sachs: \$15,646/t and \$1,155/t).

We view current prices as cyclical troughs, with fundamentals pointing to renewed tightness later in the decade. Multiple industry forecasts (Albemarle, Canaccord, Benchmark Minerals) converge on ~3.8Mt LCE demand by 2035 vs. ~3.0Mt supply, implying an ~800kt shortfall. Even by 2030, demand may exceed supply by 200–300kt LCE as mine development and permitting lag. With a potential supply gap from ~2027, and steady EV/BESS growth, prices are near the bottom, likely ahead of a gradual rebound.

LITHIUM DEMAND AND SUPPLY 2035

(Mt LCE)	2035
Projected Demand	~3.8
Projected Supply	~3.0
Deficit	~0.8

Source: Albemarle, Canaccord, Benchmark Minerals, Alantra Equities

The critical raw materials act classified Barroso as a strategic project

4) Europe's push for domestic sourcing

The EU's Critical Raw Materials Act (CRMA, 2023) aims to enhance the bloc's supply chain resilience and reduce reliance on foreign sources for materials critical to the energy transition. By 2030, at least 10% of the EU's annual lithium demand must be domestically sourced, with similar targets for other strategic materials, such as nickel, cobalt, and rare earths.

Within lithium, only nine extraction projects have been "selected" under the CRMA. Of these, Barroso (Portugal) and Keliber (Finland) are the only spodumene-based projects — the lithium-bearing pegmatite best suited for refining into battery-grade chemicals — with open-pit designs. Both are central to the EU's self-sufficiency goals, as other approved projects target alternative pegmatites such as petalite, which would require additional refining investment since spodumene is the leading hard-rock source.

Given its favourable geology, advanced permitting progress, and strong regulatory alignment, Barroso is positioned as a leading European project. It is likely to receive continued policy support and could supply roughly 10% of the EU's 10% domestic lithium sourcing target by 2030, reinforcing its strategic role in Europe's emerging lithium supply chain.

SELECTED EU LITHIUM PROJECTS UNDER THE CRMA

Project name	Country	Process	Mine type	Ore / mineral found	Exp. Start
Keliber	Finland	extraction + refining	open-pit	Spodumene	2026-27
Savannah	Portugal	extraction	open-pit	Spodumene	2028
Cinovec	Czechia	extraction + refining	underground	Other Li-pegmatite	2029-30
Emili	France	extraction + refining	underground	Other Li-pegmatite	2030
Las Navas	Spain	extraction	n.a.	Other Li-pegmatite	2027-28
Mina Doade	Spain	extraction	underground	Other Li-pegmatite	2028-29
Romano Miage	Portugal	extraction	open-pit + underground	Petalite	2028-29
Vulcan Energy	Germany	extraction	Brine	Dissolved Li	2027-28
Ageli	France	extraction + refining	Brine	Dissolved Li	2031

Source: Alantra Equities

IV. The Barroso project

1) Deep diving into the Barroso mine

The Barroso mine is located in northern Portugal, about 145km from the nearest seaport, in a region rich in hard-rock lithium resources. The project, owned entirely by Savannah Resources, contains ~39Mt of lithium-bearing material, 68% of which are Measured and Indicated. The envisaged processing capacity to convert the ore into a concentrate with 5.5% lithium oxide content is 1.5Mt per year, producing around 195kt of 5.5% spodumene concentrate.

~145km away from a deep water sea port

a) Location and area

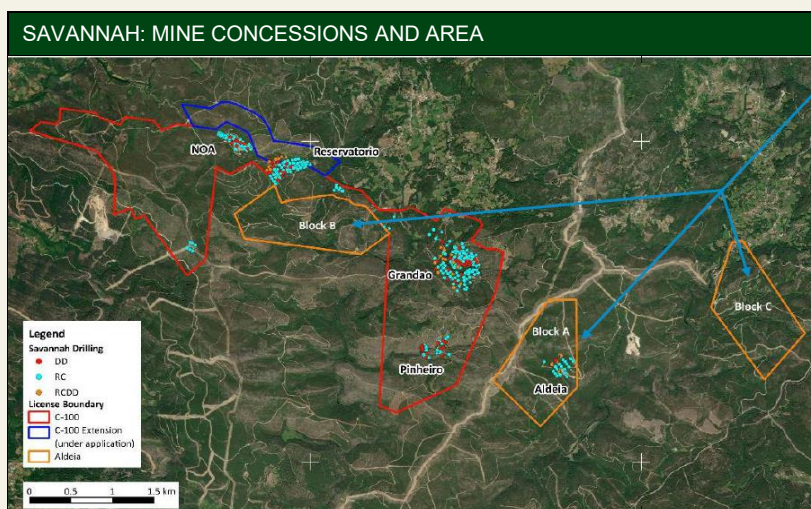
The Barroso Lithium Project lies in northern Portugal, in the municipality of Boticas, ~145km from Porto and the port of Leixões, which will serve as its main logistics hub. Barroso may also use the ports of Viana do Castelo, Aveiro, and Figueira da Foz, all within 300km. The region forms part of the Barroso–Alvão granitic belt, a well-known pegmatite field hosting lithium-bearing formations. This belt extends for ~40km and also hosts other lithium projects such as the Romano Mine, located about 30km northeast of Barroso (but its resource is petalite, not spodumene).

Barroso holds a 30-year concession to 2036; and an option to purchase an adjacent block

Savannah owns 100% of the C-100 mining lease (a 30-year concession running to 2036, extendable by 20 years), which was expanded by 250m northwards following the project's positive environmental approval (DIA). The newly granted area is referred to as the C-100 Extension. The concession includes several pegmatite deposits — Grandão, Reservatório, Pinheiro, and NOA — while Aldeia, a neighbouring concession with three additional blocks (Aldeia A, B, and C), remains under option to purchase by end-2025. Our model assumes this acquisition will proceed.



Source: Alantra Equities



Source: Alantra Equities

Spodumene is the preferred hard rock pegmatite

b) Resource quality

Spodumene offers significant commercial and processing advantages compared with other hard-rock lithium minerals such as lepidolite or petalite. They include:

- **Superior lithium content.** Spodumene typically contains higher lithium concentrations than alternative hard-rock sources. Barroso's 1.05% Li_2O grade is considered robust.
- **Proven extraction methods.** Spodumene processing represents the most mature technology in the hard-rock lithium sector, with decades of operational experience.
- **Downstream versatility.** Spodumene concentrate is processed into lithium carbonate (Li_2CO_3) or lithium hydroxide (LiOH) — the preferred compound for high-nickel cathode EV batteries.

39Mt of JORC resources found, of which 26.6Mt are measured and indicated

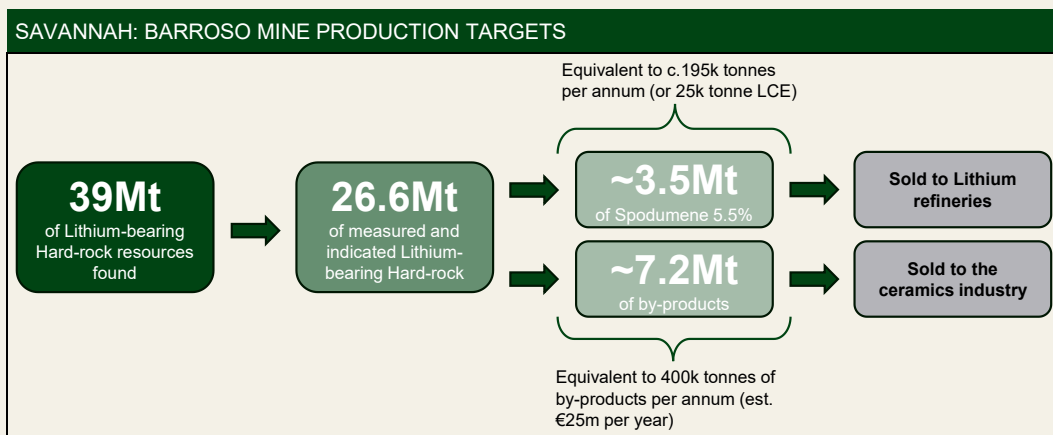
1.5Mtn of plant throughput, yielding 195ktpa of spodumene concentrate and 400ktpa in by-products

c) Extraction and expected production

Barroso hosts an estimated 39Mt of lithium-bearing hard-rock resources, in the form of spodumene-rich pegmatite — Europe's largest of its class. From this resource, 26.6Mt (68%) are Measured and Indicated, equivalent to Proven and Probable under international standards. Ore will be processed on-site through a dense media separation (DMS) plant and flotation circuit, converting spodumene from low-grade ore to a 5.5% Li₂O concentrate (known as SC5.5) — the industry-standard feedstock for lithium hydroxide and carbonate refineries.

Running at an estimated 85% utilization, the plant is expected to process 1.5Mt of ore per year, yielding about 195kt of 5.5% spodumene concentrate annually — roughly 25kt of lithium-carbonate equivalent (LCE). Output is capacity-constrained rather than resource-limited; higher reserves would extend mine life rather than annual concentrated output. Should plant utilization rise to industry-standard levels (~92%), annual throughput and concentrated output could be accelerated. At planned capacity, Barroso would be one of Europe's leading lithium suppliers, albeit still modest globally at around 1% of projected 2030 output.

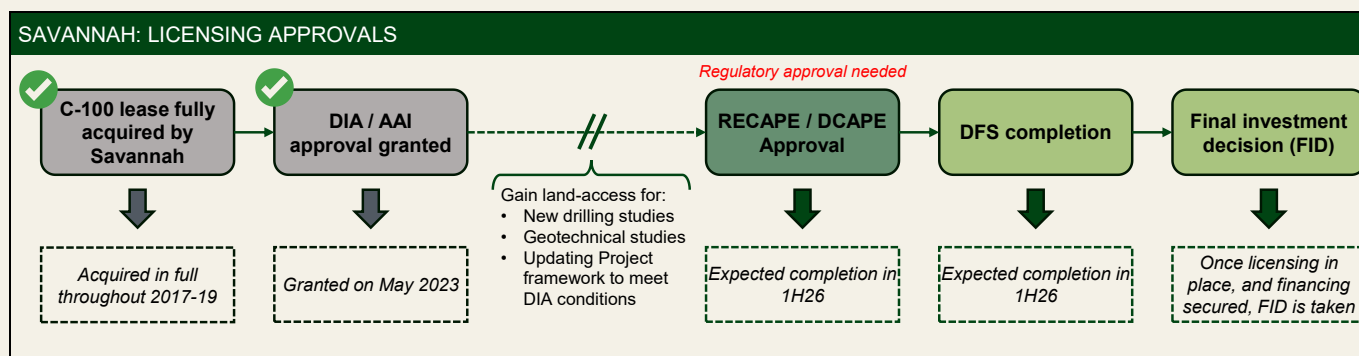
Part of the processing waste will be sold as ceramic by-products (quartz-feldspar) for the Iberian ceramics industry. The Scoping Study assumes annual production of 400kt at \$54/t, contributing ~8% of total project revenues (~€25m annually). Mica by-products present further optionality, potentially serving insulation and construction markets, though these are not included in the Scoping Study.



Source: Alantra Equities

2) Licensing

Mining projects require rigorous licensing procedures before construction can begin. In Barroso's case, several key milestones have already been achieved, with final technical and environmental steps still pending. The sequence below follows Portuguese permitting practice and Savannah's current timetable.



Source: Alantra Equities

What has been achieved so far:

- **DIA – Environmental Impact Declaration:** Granted on May 2023. Confirmed the project's design and set mandatory ESG conditions.
- **Land access progress:** Temporary access granted by the government in Dec-2024 to complete DFS/RECAPE fieldwork (notably drilling tests). In parallel, Savannah continued to purchase plots from private landowners and negotiate concession agreements where resources justify it — like in the C-100 Extension.

What still needs to happen before construction:

Pending approval for environmental licenses

- **RECAPE / DCAPE & TUA – ESG Compliance Report and Final Environmental License:** Targeted for submission in early 2026, with responses expected by end-1H26. The RECAPE certifies that the final design meets all ESG conditions set out in the DIA report (air, noise, water, biodiversity, community, visual, etc.). Running in parallel, the DCAPE verifies compliance at execution level and is required for the final environmental license (TUA), which formally authorizes construction and operation.

DFS completion should confirm the project's economic viability

- **DFS – Definitive Feasibility Study:** Targeted for completion in 1H26. It does not require regulatory approval (internal study). The DFS builds on drilling data — i.e. the “we think there is significant amount of lithium here” phase — and translates it into an official mine plan — i.e. “we can mine it profitably.” It defines plant design and operating parameters, establishes the mine schedule, and sets the detailed budget and engineering designs required for contractor selection, lender due diligence, and final board approval for construction.

The DFS has been a major source of project delay, with temporary land access to perform studies held up by nearly a year. Savannah is now awaiting its second temporary land access (submitted in February) to allow geotechnical drilling to take place, with a decision expected in 4Q25. Final DFS completion is therefore expected in 1H26.

- **FID – Final Investment Decision:** in early 2H26. Once all licensing is in place, a positive FID by the board would pave the way for full construction.

Targeted construction in 2H26, lasting for 18-24 months

Savannah targets a 2026 construction start, likely happening in 2H26. The build phase is estimated at 12–18 months, though a more conservative 18–24-month window is prudent to account for contracting and sequencing risks/delays. On that basis, the plant should complete construction by mid-2028 at the earliest, or late-2028 under a slower schedule. The 2023 Scoping Study outlined a ~14-year operating life from first ore extraction, but — as discussed below — this could extend to 18 years or more, as we model in estimates.

3) The upsides to the project

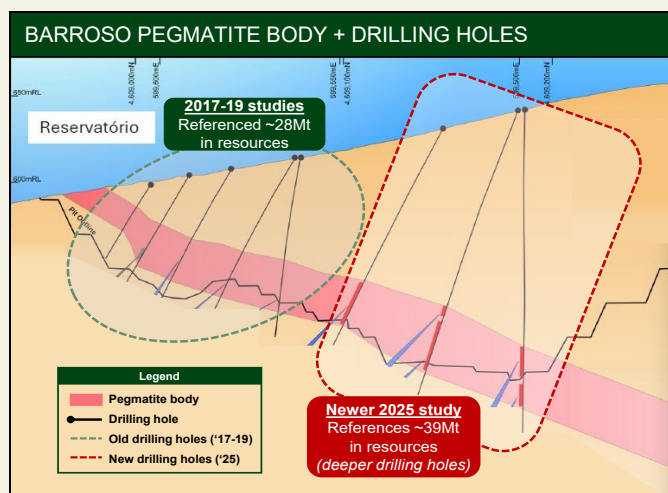
In September 2025, Savannah published updated drilling results and a revised resource model for Barroso. The takeaway is clear: the project now hosts more mineable material of the right quality than previously booked, with additional upside still open. Combined with the potential integration of the adjacent Aldeia concession, these results open several paths to value — extending mine life, improving early-year grade and cash flow, and providing scope to scale processing capacity if market conditions allow.

35-62Mt exploration target could take resources to >70Mt

- 1) **Bigger, better base resource:** The latest drilling campaign increased total resources by ~40% to ~39Mt at ~1.05% Li₂O — a larger and better-defined base. The uplift came mainly from Reservatório and Pinheiro, where new drilling confirmed broader and more continuous mineralization. All five deposits remain open, suggesting further extensions are likely. Savannah has set a new exploration target of ~35–62Mt at 0.9–1.2% Li₂O, potentially supporting a path toward >100Mt in resources over time.

Aldeia is partly undrilled, and shows promising grades

- 2) **Aldeia concession — high-grade add-on next door:** The 25-year Aldeia concession, adjacent to Barroso, adds a high-grade option. Savannah received the option to acquire it by end-2025 (granted in December 2024) — we expect it will be exercised before year end. Aldeia Block A hosts ~3.5Mt at ~1.3% Li₂O — about 25% above the project average. Blocks B and C remain largely untested but show promising early results. Integrating these blocks could extend mine life and increase output and grade, boosting NPV, payback, and margins.



Source: Alantra Equities

ALDEIA CONCESSION (ONLY BLOCK A MEASURED)

Estimate Date	June 2023 / May 2024		
Classification	Indicated	Inferred	Total resources
Tonnes (Mt)	1.6 Mt	1.8 Mt	3.5 Mt
Li₂O* % (Grade)	1.31%	1.29%	1.30%
Li₂O Contained	21,300 t	23,700 t	45,000 t

*Li₂O = Lithium Oxide

Source: Alantra Equities

Average plant runs at 92% utilization

- 3) **Higher plant utilization:** The Scoping Study assumes an 85% utilization rate for the DMS plant, limiting hard rock throughput to 1.5Mt per year, which returns 195kt of concentrate. Most plants operate closer to 92%; achieving this level could accelerate output and returns.
- 4) **More pegmatites inside the existing footprint:** Also, additional fieldwork has identified several new pegmatites within the current lease, with surface grades up to ~3% Li₂O. These targets remain undrilled but represent low-cost internal growth. Each new discovery that converts to resource adds flexibility for grade management and scheduling.

Well placed for future tenders

- 5) **Regional add-ons and optionality:** Barroso sits within a broader mineralized system. Combining the existing resource with the exploration target offers visibility to >70Mt, with room for further growth. Savannah is also well positioned for upcoming national tenders that could expand its landholding. Together, these factors reinforce Barroso's strategic role in Europe and support future partnerships, offtake flexibility, and financing options — including potential throughput increases beyond the initial 1.5Mt per year if market conditions justify.

V. The partnership with AMG

A strategic agreement with Dutch-listed AMG plus a £16m equity injection for a 15.8% stake

1) Strategic agreement with a European lithium player

In June 2024, supported by the Scoping Study and following a selection process, Savannah entered a strategic agreement with AMG Critical Materials — a Dutch-listed critical materials company (~€7bn market cap) with a division focused on lithium. AMG aims to cover the entire lithium supply chain by 2026, investing roughly €1bn to achieve vertical integration. Its interests span from mining to the production of technical- and battery-grade lithium carbonate and hydroxide. The table below summarizes AMG's main assets and initiatives.

AMG LITHIUM: KEY ASSETS AND INTERESTS			
Asset	Location	Status/Capacity	Strategic Role
Mibra Mine	Brazil	Low-cost spodumene mine and production of technical grade lithium carbonate. Capacity 130Ktn p.a.	Low-cost resource
Bitterfeld Refinery	Germany	EU's first LiOH* refinery. Currently 20KTn annual capacity, targeting 100Kt p.a. by 2030.	Premier European lithium refiner
R&D	Germany	Operates pilot plant for next-generation solid-state battery	Lithium battery tech. development
Zinnwald Lit. (25.1%)	Germany / Czech Rep.	Capacity 18KTn of LHM**, peaking at 35KTn starting 2030	Access to large lithium deposits
Savannah R. (15.8%)	Portugal	Capacity 195KTn of spodumene p.a. starting 2028	5Y offtake of 45Kt spodumene con.

*LiOH = Lithium hydroxide **LHM = Lithium hydroxide monohydrate Source: AMG, Alantra Equities

Off-take agreement for 45ktpa (25% of production)...

The agreement between Savannah and AMG focuses on project financing and securing lithium supply for the European battery value chain. Key terms of the agreement are summarized in the table below.

SUMMARY OF AGREEMENT BETWEEN SAVANNAH AND AMG CRITICAL MATERIALS	
Key conditions	Comment / Details
Equity stake	AMG invests £16m in Savannah in Jun24 (at a 35% premium to 30D VWAP) for a 15.8% stake, taking a board seat
Offtake agreement	AMG to buy 45KTn p.a. of spodumene concentrate (~25% of planned production) for five years at market prices
Offtake optionality	Offtake can increase to 90KTn p.a. over 10Y if AMG supports Savannah securing a full financing solution for Barroso
Barroso ownership	Savannah remains 100% owner of the Barroso project

Source: Savannah, Alantra Equities

The agreement also contemplates co-operating in mutually beneficial opportunities, including a spodumene to lithium carbonate refinery in Spain or Portugal, and a study for the joint construction of a feldspar / spodumene pilot plant in Portugal.

...helped secure a letter of intent for a \$270m project finance

Although not formally part of the Savannah–AMG agreement, a major consequence was the Euler Hermes (Germany's export credit agency) letter of intent issued in December 2024. This confirmed "eligibility in principle" for Savannah to receive up to \$270m in Untied Loan Guarantee (UFG) financing for the Barroso Project — with 80% of the facility guaranteed by the German government. This could result in Project Finance of up to \$270m (capped at 60% of project capex) from KfW IPEX-Bank (the export-finance subsidiary of Germany's state-owned bank) and/or other lenders. This loan is currently under due diligence. If Savannah secures this financing, the offtake option for 90kt per year over 10 years would come into effect.

2) Pros and cons

Advantages for Savannah:

A validating stamp to the project

- Capital funding:** AMG invested £16m in Savannah and may further assist by leveraging its position in Germany to secure financing backed by the German government or government-owned banks.
- Commercial validation:** As an established, and vertically integrated player in the lithium supply chain, AMG's commitment stamps the Barroso project with commercial and technical approval. This enhances the project's credibility in the eyes of potential debt and equity investors.

Challenges for Savannah:

Offtake prices to be negotiated

- **Client concentration:** If the offtake increases to 90ktn p.a. for 10 years, Savannah will link nearly half of its prospects to one partner resulting in concentration risk. Still, Savannah has 100ktn p.a. to diversify with other potential clients.
- **Offtake at spot prices:** Current offtake agreement is at market prices. In our view, Savannah would benefit from having not only volume visibility but also pricing and cash flow visibility. However, the agreement could potentially be structured as a fixed price or as a range referenced to spot prices — but with a cap and a floor, so that both parties could share the benefit. That has been the case with other suppliers, and we do not discard this from happening in the future — facilitating access to bank debt.

Advantages for AMG:

- **Low-cost access to European resources:** While AMG's Brazilian mine is competitive, sourcing lithium within Europe offers logistical, geopolitical, and project-management advantages. Barroso's expected cash costs are also likely to compare favorably with AMG's other European investment, Zinnwald. In the long term, AMG could even consider a full takeover of Savannah to secure full control of the asset.
- **Strategic influence:** As Savannah's largest shareholder on record and being represented on Savannah's board, AMG can influence and track board decisions.

Challenges for AMG:

- **Execution risk.** By taking a stake at an early development stage, AMG is exposed to Savannah's delivery on the Barroso project. It recently experienced challenges in expanding its Brazilian activities.
- **Market volatility.** Given lithium price volatility, AMG is incrementally exposed through Savannah, partially offsetting the advantages that lower lithium prices would bring to its processing business.

3) Factors to watch

AMG Lithium ultimately seeks to benefit from the development of European lithium projects, and the future of this business is therefore linked to battery market development in the region. The main usages are linked to automotive and energy projects, where batteries support intermittent energy sources. Factors influencing the development of those markets are mainly:

- **Regulation.** European emissions regulation, whereby the target of all vehicles being zero emissions by 2035 is slated for revision, with the likely outcome of current targets being relaxed and/or postponed. This may be a short-term negative for energy demand.
- **Incentives.** European demand for EVs has been partially linked to government incentives, with demand often falling after subsidy removal. Current demand levels are low, with consumers opting for electrified vehicles (PHEVs, HEVs) over fully electric (BEVs). Many European plants dedicated to EV production are operating well below capacity, with OEMs and suppliers laying off personnel. Moreover, Chinese BEV imports are taking market share despite EU tariffs, leaving local producers without benefit.
- **Tariffs.** Potentially higher tariffs on imported BEVs and batteries (we have recently seen such a move in the steel market), and the construction of battery assembly plants on European soil should benefit local producers.
- **Localisation of supply chains.** If projects like Barroso are successful, pressure is likely to grow for greater localisation of supply chains, as a result of the de-globalisation process and growing geopolitical tensions.

VI. A cost-competitive mine

The 2023 Scoping Study lays the project's economics but is somewhat outdated

1) The Scoping Study

The June 2023 Scoping Study was based on a 28Mt resource grading 1.05% Li₂O, of which 20.5Mt were included in the mine plan and expected to be processed over the life of mine. At an 85% plant utilization rate, this implies 1.5Mt per year of throughput over 14 years, yielding 190–200kt per year of spodumene concentrate (~2.6Mt in total). Concentrate pricing was set at an average of \$1,464/t (5.5% Li₂O) — a reasonable forecast at the time — while by-product sales (mainly quartz and feldspar for ceramics) were estimated at 400kt per year at \$50–55/t. In total, the study forecast \$4.2bn in total revenue, of which ~8% would come from by-products.

However, key assumptions have since changed. The September 2025 resource update increased the total resource by 40% to 39Mt, including 26.6Mt of Measured and Indicated resources (JORC), from which the first Proven and Probable reserves will be defined. Spodumene prices have also fluctuated sharply, rendering 2023 pricing assumptions outdated. Nonetheless, the underlying engineering and operating parameters remain valid: the new data mainly affect project scale and valuation rather than the project's design or cost structure.

The study estimated all-in sustaining cash costs (AISC) of \$409/t, comprising:

- **Operating costs:** \$410/t, covering mining, processing, SG&A, and community costs;
- **C1 costs:** \$292/t, including freight and deducting by-product credits; and
- **All-in sustaining costs (AISC):** \$409/t, incorporating royalties (4% of spodumene revenue), sustaining capex, and closure/rehabilitation charges.

We do not expect material deviations beyond inflationary adjustments. Updated forecasts are presented in the next section.

On the investment side, the study estimated a total capex of \$431m (including \$40m contingency), divided into:

- **Initial construction capex:** \$236m excluding contingencies (\$280m including), covering the plant, infrastructure, mining setup, land acquisition, and community investments;
- **Sustaining capex:** \$49m over the mine life, mainly for plant maintenance, site roads, and tailings facilities; and
- **Closure and rehabilitation capex:** \$102m, deployed progressively from the second year of operations.

We foresee only moderate cost inflation-driven cost revisions and, should mine life extend beyond 14 years after the resource expansion, a like-for-like annual uplift in sustaining capital. Otherwise, capital requirements remain broadly in line with those outlined in 2023.

A competitive operating cost base

2) Low opex sets Barroso apart

A key differentiator for Barroso from its peers is its exceptionally low operating cost base. Savannah estimates OPEX cash costs at around \$410/t, broken down as follows: \$205/t for mining operations; \$171/t for the concentrator and processing plant; \$27/t for SG&A; and \$8/t for community expenditure. Including \$14/t freight and subtracting \$132/t in by-product credits, C1 operating costs stand at \$292/t.

While processing costs are broadly in line with peers given Savannah's use of a standard, proven DMS-flotation plant, the cost advantage derives mainly from low mining and logistics costs. This is underpinned by several structural factors:

- 1) **Open-pit mining:** Barroso's ore bodies lie close to the surface and extend laterally, allowing open-pit rather than underground mining. This eliminates costly tunnelling, ventilation and deep-earth extraction equipment, significantly lowering mining costs.
- 2) **Low strip ratio:** The open-pit design allows a low strip ratio—the amount of waste per tonne of spodumene—reducing project costs through less transport and storage. Savannah estimates a strip ratio of 6–7:1 at Barroso, compared with 7–8:1 at Keliber (Finland) and 9–10:1 at Greenbush (Australia), placing Barroso at the mid-to-low end of the cost curve.

- 3) **Cheaper labour:** Portugal benefits from one of the lowest industrial labour cost structures in Europe, particularly in its northern interior. Local wage levels are well below those in competing jurisdictions such as Australia or Canada, providing a material structural advantage.
- 4) **Low-cost electricity:** Portugal's electricity prices rank among the most competitive in Western Europe, thanks to an 80%+ renewable energy mix. This enables Savannah to power operations at roughly US\$0.10/kWh versus US\$0.14–0.15/kWh in Australia, while supporting its low-carbon strategy.
- 5) **Proximity to ports:** The mine lies only 145km by road from the deep-water port of Leixões (Porto), reducing transport costs to roughly US\$12–14/t. In contrast, Australian producers typically face US\$70–90/t in combined rail-to-port and shipping costs to China.

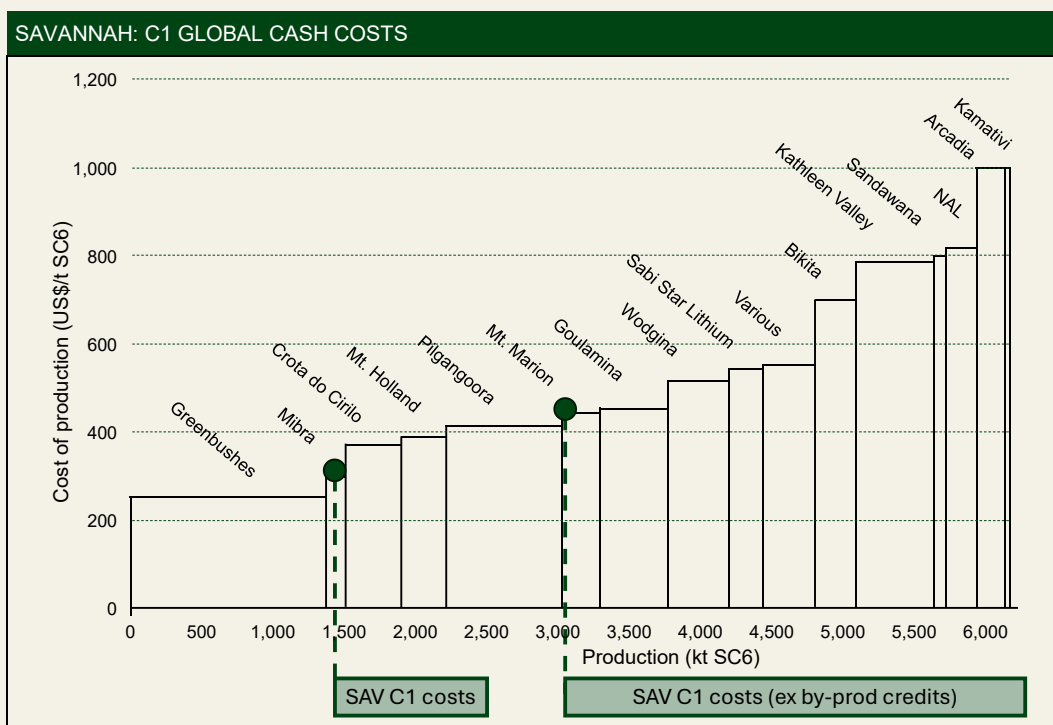
Savannah will, however, incur community payments (~US\$8/t) and royalties (~4% of revenue). Consequently, higher spodumene prices or output levels will increase total cash costs. Community spending covers local engagement, infrastructure, and environmental offsetting.

In the 1st quartile of the global cost curve

Where does Savannah rank against peers?

Overall, Barroso's opex profile places it firmly in the first quartile of the global spodumene cost curve, combining low mining and transport costs with strong ESG credentials. Savannah estimates C1 costs at \$292/t, or \$424/t excluding by-product credits. On this basis, Barroso's cost structure is comparable to Greenbushes, the world's most efficient spodumene mine.

Despite higher labour, energy, and freight costs, Greenbushes retains its edge through superior ore grades and scale — producing ~1.4Mt per year of concentrate versus Barroso's projected ~195kt. Nonetheless, Barroso's combination of cost efficiency, favourable logistics, and European location makes it uniquely competitive among emerging lithium projects.



Source: Alantra Equities

VII. Our P&L estimates

We apply more conservative assumptions than Savannah's 2023 Scoping Study, including a 10% discount rate (vs 8%) and lower spodumene prices of \$1,274/t (vs \$1,450/t), partly offset by a larger mined resource (26.6 Mt vs 20.5 Mt). On this basis, we derive a project NPV of \$628m (vs \$953m) and an IRR of 31% (vs 77%). We forecast operations to begin in late 2028, with the first full year in 2029. Post ramp-up, we project EBITDA of £116m and EBIT of £98m, with Savannah reaching profitability in 2028 at a £13m net profit.

\$628m NPV and 30% IRR (vs Scoping Study's \$953m and 77%)

1) Our view versus the (outdated) Scoping Study

The 2023 scoping study derived an implicit post-tax NPV of \$953m — using an optimistic 8% discount rate — for the Barroso Project, equivalent to a 77% IRR. Since then, key assumptions have changed — notably the resource base, spodumene pricing outlook, and cost & capex inflation. After updating these factors, we estimate the project's NPV at around \$628m, using a more conservative 10% discount rate, implying a 30% IRR. Applying the same discount rate as Savannah's study (8%), our model would yield an NPV of roughly \$800m. The main differences stem from lower assumed spodumene prices and higher cost/capex inflation, partially offset by a larger resource base.

SAVANNAH: SCOPING STUDY VS OUR ASSUMPTIONS		
Metric	Scoping study	Alantra
Total resources (Mt)	28.0	39.1
LOM resources mined (Mt)	20.5	26.6
Life of mine (years)	14	18
Throughout p.a. @ 85% plant utilisation (ktn)	1.5	1.5
Spodumene 5.5% p.a. (ktpa)	191	195
By-product produced (ktpa)	400	400
Opex cash costs, average (\$/t)	410	449
C1 cash costs, average (\$/t)	292	360
AISC cash costs, average (\$/t)	409	476
Initial capex (\$m)	280	309
Maintenance capex (\$m)	49	63
Closure capex (\$m)	102	113
Royalty fare (%)	4%	4%
Corporate tax fare (%)	30%	30%
Average spodumene price (\$/t)	1,450	1,256
NPV (\$m)	953 (@ 8% disc)	628 (@ 10% disc)
IRR (%)	77%	30%

Source: Company reports, Alantra Equities

Below we detail the reasoning behind each of our key assumptions:

- LOM resources mined.** We assume 26.6Mt of hard-rock ore will be mined, corresponding to the Measured and Indicated portion of the latest JORC resource (September 2025). We exclude the Inferred 12.5Mt out of caution, given its lower geological confidence. This contrasts with Savannah's earlier 20.5Mt estimate, based on prior drilling results.
- Life of mine.** We extend the mine life to 18 years (vs Savannah's 14), based on a 26.6Mt mineable inventory and an annual processing rate of 1.5Mt at 85% plant utilization. While we align with the company on throughput, our longer mine life reflects the expanded reserves. A higher utilization rate — if achieved — could lift annual throughput and shorten the operating horizon, though we have not modelled this scenario.
- Plant recovery rate, spodumene, and by-products.** We assume production of ~195kt per year of 5.5% spodumene concentrate and ~400kt per year of quartz/feldspar by-products. We exclude mica sales, consistent with the Scoping Study, though these remain potential upside.

- **Opex cash costs.** We estimate combined operating costs (mining, processing, SG&A, and community) of \$449/t, above the scoping figure of \$410/t. This reflects the gradual inflation of input costs — particularly labour, electricity, and diesel-linked reagents — at ~1% p.a. across the project's life, which we view as a prudent assumption.
- **C1 cash costs.** Our estimated \$344/t average C1 cost compares to Savannah's \$292/t. The variance is due to the higher opex costs, higher freight inflation (fuel-linked) and more conservative by-product pricing (\$50/t vs the study's \$54/t) — resulting in smaller credit offset.
- **Initial capex.** We forecast an initial capital requirement of \$309m, up 10% from \$280m in the 2023 study. The increase reflects ~2% annual inflation in equipment, DMS/flotation plant, and construction materials through to 2026 — when construction begins — and an additional ~\$10m allowance for updated engineering scope and construction contingencies.
- **Maintenance capex.** We estimate \$63m in maintenance capex, up c.30% from \$49m in the scoping study. The increase reflects the longer mine life, deeper pit extensions (from the increased resource), longer hauls, and periodic equipment replacement. Sustaining capex is deployed throughout operations, averaging \$3–4m p.a. over the mine life.
- **Closure capex.** The same logic as maintenance capex applies: since pits will likely be deeper and the mine will last for longer, more rehabilitation will be needed. We estimate \$113m vs the scoping study's \$102m.

2) Our earnings estimates

a) Production and sales

Production to start in September 2028

We expect mining to start in September 2028, with limited production (~65 kt) in that year. At full ramp-up in 2029, output should reach 195 kt per year. No revenues are expected for 2025–27.

50% sold via PPA, rest at spot

We assume Savannah secures offtake agreements for roughly 50% of annual production (~98 kt per year) at a fixed PPA price of ~\$1,200/t, with the remaining 50% sold on the spot market. Our long-term (>2030) price assumption for SC6 spodumene is \$1,350/t, while the contracted portion remains fixed at \$1,200/t over the project's life.

For quartz–feldspar by-products sold into the ceramics market, we assume spot pricing of ~\$50/t, equivalent to €22m per year (or €7m in 2028) at 400 kt output. A potential offtake agreement could also be reached, which would be a positive development.

SAVANNAH: REVENUE BREAKDOWN			
(\$ m)	2028E	2029E	2030E
Spodumene (SC5.5) produced (ktpa)	65	195	195
o/w PPA (ktpa)	33	98	98
o/w merchant (ktpa)	33	98	98
Spodumene Price, average (\$/t)	1,100	1,150	1,200
o/w PPA (\$/t)	1,200	1,200	1,200
o/w merchant (\$/t)	1,000	1,100	1,200
Spodumene revenues (\$m)	72	224	234
By-products produced (ktpa)	135	406	406
By-products pricing (\$/t)	50	50	50
By-products revenues (\$m)	7	20	20
Total revenues (\$m)	78	245	254

Source: Alantra Equities

b) P&L estimates

Savannah is listed in UK, and as such its earnings are reported in GBP (£). In principle, Savannah sells in USD (\$), has operating costs (wages, etc) in EUR (€), and reports in GBP (£). We estimate long-term FX rates of:

- USD/EUR rate of \$1.17/€; and
- USD/GBP of \$1.38/£

No revenue over 2025-27

From 2025 to 2027, we estimate no revenues, as operations are not expected to start until late 2028. However, the company will continue to incur costs — mainly salaries, rental and land leases, and other corporate and geological expenses. For 2025–27, we assume these remain broadly in line with 2024 levels, resulting in an operating loss of £4–5m per year.

2029 will be the first ramp-up year, yielding >60% EBITDA margins

In 2028, when operations run for only four months, we forecast £57m in revenue. This should rise to £177m in 2029 as plant throughput reaches full capacity (195ktpa), and to £184m in 2030 as spot spodumene pricing improves. EBITDA margins should remain near 60%, expanding ~1pp per year as pricing growth outpaces cost inflation. We forecast EBITDA of £34m (2028), £110m (2029), and £116m (2030). After depreciation and mine-closure provisions, EBIT is expected at roughly 50% of sales, reaching £28m (2028), £92m (2029), and £98m (2030).

SAVANNAH: OPERATING ESTIMATES

(£ m)	2024	2025E	2026E	2027E	2028E	2029E	2030E
Revenue	-	-	-	-	57	177	184
Opex	(4)	(4)	(4)	(5)	(23)	(68)	(68)
EBITDA	(4)	(4)	(4)	(5)	34	110	116
% margin	n.m.	n.m.	n.m.	n.m.	60%	62%	63%
D&A	-	-	-	-	(4)	(13)	(13)
Other	(0)	-	-	-	(2)	(5)	(5)
EBIT	(5)	(4)	(4)	(5)	28	92	98
% margin	n.m.	n.m.	n.m.	n.m.	49%	52%	53%

(*) Excludes one offs, like gains and losses on disposal;

Source: Alantra Equities

8% all-in cost of debt

Below EBIT, we assume initial capex is 65 per cent debt-funded (~£145m) at an 8% all-in cost of debt. Interest expense is forecast at £12m from 2026 onward, when construction begins. As principal is repaid via project free cash flow from 2029, interest falls to £8m by 2030.

30% tax rate

We project a 30% tax rate. Taxes run to £5m in 2028 and £24–27m at full scale. This implies net losses of £4m in 2025 (pre-interest) and £16m in 2026–27 as interest costs rise, before turning to a £13m profit in 2028 and £60–70m in 2029–30.

SAVANNAH: P&L ESTIMATES

(£m)	2024	2025E	2026E	2027E	2028E	2029E	2030E
Net interest	0	0	(12)	(12)	(12)	(12)	(8)
Pretax profit	(4)	(4)	(16)	(16)	16	80	90
Income taxes	-	-	-	-	(5)	(24)	(27)
Other	0	-	-	-	-	-	-
Net income	(4)	(4)	(16)	(16)	11	56	63
Adjustments (*)	(1)	-	-	-	2	5	5
Net income, adjusted	(5)	(4)	(16)	(16)	13	61	68

(*) Excludes one offs, like gains and losses on disposal;

Source: Alantra Equities

Equity issuance to double the share count

We are assuming equity raises to cover 35% of initial capex (~£83m), Savannah's share count should climb from 2,172m in 2024 to 4,752m by 2026. Consequently, adjusted EPS is set to move from negative 0.2p–0.4p in 2024–27 to positive 1.2–1.3p by 2029–30.

SAVANNAH: EPS ESTIMATES							
(£ m)	2024	2025E	2026E	2027E	2028E	2029E	2030E
Net profit, adjusted (£m)	(5)	(4)	(16)	(16)	13	61	67
Net profit (£m)	(4)	(4)	(16)	(16)	12	56	62
Share count, EoP (m)	2,172	2,321	4,752	4,752	4,752	4,752	4,752
Share count, average (m)	,000	2,246	3,536	4,752	4,752	4,752	4,752
EPS, adjusted (£p)	(0.2)	(0.2)	(0.5)	(0.3)	0.3	1.3	1.4
EPS (£p)	(0.2)	(0.2)	(0.5)	(0.3)	0.2	1.2	1.3

(*) Excludes one offs, like gains and losses on disposal;

Source: Alantra Equities

VIII. Balance sheet and cash flow needs

Capex needs are concentrated over 2026–28 (£224m), then fall to around £3m per year over the projected life of the mine.

1) Capex needs for the project

According to the Scoping Study, Savannah estimated will need \$280m of initial capex, \$49m of sustaining capex, and \$102m of closure and rehab capex, for a total of \$431m.

\$485m in total capex — +13% vs Scoping Study

We differ, estimating \$309m (+11%) for initial capex, \$63m (+29%) for sustaining capex, and \$113m (+10%) for closure capex — a \$485m (+13%) total. Reasons have been developed before, but long story short we adjust for inflation, and the increase in the mine size (deeper, larger pits). In pounds, that is equivalent to £224m (initial), £46m (sustaining), and £82m (closure).

Initial \$309m capex spread over 2026-28

We expect the initial capex to be spread over three financial years, starting in 2H26 and lasting until 2H28. We anticipate it to be back end loaded, concentrating in 2H27 and 1H28. We project capex outflows of £45m in 2026, £112m in 2027 and £67m in 2028. From 2029, and until the mine's end in 2046, we allocate the sustaining capex evenly (~£3m of annual capex outflows). We factor-in £81.6m of closing capex in 2046.

SAVANNAH: CAPEX ESTIMATES

(£ m)	2024	2025E	2026E	2027E	2028E	2029E	2030E
Total capex	4	5	45	112	67	3	3
Initial capex	-	-	45	112	67	-	-
Sustaining capex	-	-	-	-	-	3	3
Closure capex	-	-	-	-	-	-	-

Source: Alantra Equities

2) The funding sources

We assume the initial capex will be 65% funded through project finance / 35% through fresh equity

We expect Savannah to fund most capex through debt and project finance, with equity covering the remainder. Whilst we exclude grants from our model, any received would likely reduce both debt and equity requirements.

- **Project finance.** Savannah is currently undergoing preliminary due diligence from potential lenders in the context of the letter of intent from Euler Hermes, Germany's export credit agency (it sets a limit of \$270m, covering ~85% of the loan). Another requirement is the loan size being capped at 60% of project capex. Overall we expect Savannah to complement covered loans with other banking sources. For the cost, Savannah should be financing close to industry rates for early-stage projects (high single digit interest rates). Overall, we expect credit to finance ~65% of the project.
- **Fresh equity.** We expect this to cover ~35% of finance needs, or \$100-110m under a \$309m capex scenario. We are modelling capital increases of \$108m (£78m) in 2026, 35% of the initial capex. This is already accounted for in our valuation. Pre-mining operations opex, is also likely to be funded by a combination of debt and equity finance.
- **Public funding and grants.** Grants will likely come from Portuguese government entities, including the Banco Português de Fomento (BPF, development bank), the Agency for Competitiveness and Innovation (IAPMEI), and Portugal's Trade & Investment Agency (AICEP). Although Savannah is likely to access some grants, we have no visibility on those and are not considering them in our financing case.

The EC "strategic project" designation, under the EC's Critical Raw Material Act, is a supporting factor to access funding but not a source of funds. Entities like the European Investment Bank, national promotional banks, and private lenders, have dedicated funding for such cases. Likewise, publicly administered funds like the European Regional Development Fund and the Cohesion Fund should be easier to access.

We set below alternative sources of finance, mentioned in Savannah's filings, but not considered in our projections as we see them less favourable for the company:

- **Offtake prepayments.** Industrial partners could provide prepayment and working capital facilities in exchange for long-term supply contracts. These carry implicit financial costs requiring careful assessment. We expect Savannah to balance offtake agreements with spot market exposure, either through AMG increasing its commitment to 50% or new parties becoming involved.
- **Royalty and stream finance.** Commodity-based royalty and stream finance groups could provide up-front payments in exchange for exposure to future revenue or production streams
- **Mezzanine finance.** This is also mentioned in Savannah's annual accounts and is the most junior form of equity, sitting just above equity in the capital structure.
- **Public grants.** The Portuguese government could award grants, reducing funding needs, and providing upside to our capital increase base case scenario.

Public grants could reduce funding needs

Savannah appointed Cutfield Freeman & Co as its project finance advisor in July 2025 and is expected to structure and lead the group's future funding strategy.

If Savannah seeks new partners, we expect entities like AMG looking to secure upstream resources through offtake agreements. Historically, automotive OEMs took equity stakes in lithium miners or signed offtake agreements. We view these as less likely partners now, as automotive balance sheets have weakened and EV adoption has disappointed in most Western markets, leading to investment deferrals. For completeness, the table below shows several cases of OEMs investing in the lithium supply chain.

EXAMPLES OF AUTOMOTIVE INVESTING IN LITHIUM AND SIGNING OFFTAKE AGREEMENTS

OEM	Miner / Project	Signed	Investment	Stake / Deal type
GM	Lithium Americas / Thacker Pass Mine	31 Jan 23	\$650m	Sole access Ph. 1 production (~1m EVs p.a.)
Stellantis	Vulcan Energy Resources (Germany)	24 Jun 22	€50m	8% equity stake
NIO Inc.	Greenwing Res. / S. Jorge Lithium (Argentina)	26 Sep 22	A\$12m	12.2% equity stake, plus project stake option
GM	Controlled Thermal Res. / Hell's Kitchen Lith., Cal.	2 Jul 21	Undisclosed	Long-term offtake rights
Mercedes	Rock Tech Lithium (Germany)	20 Oct 22	Undisclosed	Supply deal ~10Kt p.a. of LiOH,
BMW	European Lithium (*) / Wolfsberg Lithium (Austria)	20 Dec 22	\$15m	Offtake with prepayment for ~50Kt LiOH,

(*) owned through Critical Metals Corp

Source: Companies, Alantra Equities

3) Our cash flow estimates

After completing pre-production investments and commencing operations, Savannah should rapidly become a strong cash generator. We project free cash flow of £52m in 2029, enabling the company to pay its maiden dividend that year.

SAVANNAH: CASH FLOW AND CHANGE IN NET DEBT

(£ m)	2024	2025E	2026E	2027E	2028E	2029E	2030E
Total cash flow	(4)	(4)	(16)	(16)	18	74	80
Capex	(4)	(5)	(45)	(112)	(67)	(3)	(3)
Working capital	1	1	1	3	(5)	(20)	(8)
Operating FCF	(8)	(8)	(60)	(126)	(54)	52	69
Financial investments	-	-	-	-	-	-	-
Capital Increase	16	5	78	-	-	-	-
Disposals / (acquisitions)	-	(4)	-	-	-	-	-
Others	(0)	-	-	-	-	-	-
Free cash flow	8	(7)	18	(126)	(54)	52	69
Dividends	-	-	-	-	-	(14)	(17)
Buybacks	-	-	-	-	-	-	-
Change in net debt	8	(7)	18	(126)	(54)	38	52

Source: Alantra Equities

Aldeia block acquired in 2025

We forecast acquisitions of ~£4m in 2025, as Savannah is expected to exercise its option to acquire the Aldeia land block. This outflow is offset by the £4.8m raised via an accelerated bookbuild in June.

From 2026 to 2028, we anticipate plant construction to drive a cumulative operating cash outflow of £240m, primarily for capex. This will be partially funded by a £78m equity raise in 2026, with the balance added to the group's net debt under project finance.

By 2029–30, once the project reaches its steady state. We forecast cumulative operating free cash flow of £120m—of which £90m used to service and repay debt, and the remaining £30m distributed as dividends.

20% working capital to sales

We expect working-capital requirements to be significant only in the early phase of operations—amounting to 30–40 per cent of sales—before gliding down to around 20 per cent, in line with other mining projects once they reach cruise speed. The table below contains our working-capital expectations:

SAVANNAH: WORKING CAPITAL ESTIMATES

(£ m)	2024	2025E	2026E	2027E	2028E	2029E	2030E
Inventories	-	-	-	-	6	15	15
Trade receivables	1	-	-	-	5	22	30
Trade Payables	3	3	4	6	12	19	19
Working capital	3	3	4	6	23	55	64
% to sales	n.m.	n.m.	n.m.	n.m.	40%	31%	35%

Source: Alantra Equities

£151m net debt peak in 2028, but rapid deleverage thereafter

We expect Savannah to move from its current net cash position to a net debt peak of £151m in 2028, immediately after plant completion. Thereafter, strong cash-flow generation should reduce net debt to £61m by 2030.

SAVANNAH: NET DEBT

(£ m)	2024	2025E	2026E	2027E	2028E	2029E	2030E
Net debt / (cash)	(17)	(10)	(28)	97	151	113	61
EBITDA	(4)	(4)	(4)	(5)	34	110	116
Net debt/EBITDA (x)	n.m.	n.m.	n.m.	n.m.	4.4	1.0	0.5

Source: Alantra Equities

£14-17m of annual dividends over 2029-30

We expect Savannah to start paying dividend as early as 2029, provided all project finance conditions are fulfilled (e.g. principal repayment, ratios, etc.). We project a total payment of £14-17m p.a. over 2029-30, ramping up thereafter as debt is paid-off (2031). We expect free cashflows after that date to be mostly distributed to shareholders (save an emergency buffer).

SAVANNAH: DIVIDEND AND PAYOUT ESTIMATES

(£ m)	2024	2025E	2026E	2027E	2028E	2029E	2030E
Dividends (£m)	-	-	-	-	-	14	17
DPS (gbpx)	-	-	-	-	-	0.3	0.4
Adj. EPS (gbpx)	(0.2)	(0.2)	(0.5)	(0.3)	0.3	1.3	1.4
Payout (%)	-	-	-	-	-	23%	26%

Source: Alantra Equities

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