

# Savannah Resources



Sponsored Research

United Kingdom | Basic Resources

Analysers

16 January 2025

Company Profile

Corporate Events

## Buy

Recommendation unchanged

Share price: **GBP 4.35**

closing price as of 15/01/2025

Target price: **GBP 7.80**

Target Price unchanged

Upside/Downside Potential **79.3%**

Reuters/Bloomberg SAVS.L|SAV LN

Market capitalisation (GBPm) **102**

Current N° of shares (m) 2,353

Free float **56%**

Daily avg. no. trad. sh. 12 mth (k) 3,730

Daily avg. trad. vol. 12 mth (k) 1,852.31

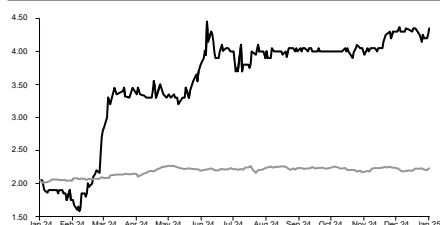
Price high/low 12 months 4.45 / 1.58

Abs Perfs 1/3/12 mths (%) 1.16/8.75/112.20

Key financials (GBP)	12/23	12/24e	12/25e
Sales (m)	0	0	0
EBITDA (m)	(4)	(3)	(3)
EBITDA margin	nm	nm	nm
EBIT (m)	(4)	(3)	(3)
EBIT margin	nm	nm	nm
Net Profit (adj.)(m)	0	0	0
ROCE	-19.3%	-12.4%	-9.6%
Net debt/(cash) (m)	(10)	(13)	(9)
Net Debt/Equity	-0.3	-0.3	-0.2
Debt/EBITDA	2.7	3.6	2.6
Int. cover(EBITDA/Fin. int)	33.0	high	high
EV/Sales	nm	nm	nm
EV/EBITDA	nm	nm	nm
EV/EBITDA (adj.)	nm	nm	nm
EV/EBIT	nm	nm	nm
P/E (adj.)	nm	nm	nm
P/BV	nm	nm	nm
OpFCF yield	-6.3%	-13.8%	-11.2%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	0.00	0.00	0.00
BVPS	0.02	0.02	0.02
DPS	0.00	0.00	0.00

## Shareholders

AMG Lithium 16%; Al Marjan LTD 13%; Mário Ferreira 9%; Slipstream Resources International PTY LTD 3%; Grupo Lusiaves 3%;



Source: FactSet

— SAVANNAH RESOURCES — FTSE All Share (Rebased)

## Analyst(s)

Carlos Jesus  
carlos.jesus@caixabi.pt  
+351 21 389 6812

## Developments in the Barroso Lithium Project

**The facts:** Savannah reported further progress in the development phase of the Barroso Lithium Project. Advances in key stages of the DFS, along in other areas of the project should help to complete the DFS and environmental licencing process later this year.

**Our analysis:** According to the company, fieldwork restarted in December (following the award of the temporary land access order) and is advancing quickly, with drilling underway at the Reservatório orebody. Progress is also being made in terms of project layout, equipment procurement and costings. In the infrastructure side, the preliminary bypass road design is complete, with stakeholder consultation now in progress. The company is also purchasing additional plots and initiated the process for compulsory acquisition of relevant land, which it does not own. The company will officially submit the request for a Declaração de Utilidade Pública (Declaration of Public Utility) to government authorities, which grants the necessary public utility needed for compulsory acquisitions. At the same time, the company will continue to try to reach friendly agreements with landowners. Savannah anticipates 2025 to be a busy year in terms of development work of the Barroso Project, with further drilling anticipated in the next months, along with further works to complete design stages in some areas. At the environmental licencing, the company cites good progress in many studies required for the compliance stage (RECAPE) of the process.

Key milestones and expected news flow during the first half of 2025:

- DFS:
  - Completion of drilling programme
  - JORC compliant resource updates
  - Completion of capex and opex estimates
  - Market study for feldspar-quartz by-product
- Environmental licencing: work streams for RECAPE completion
- Infrastructure: bypass road design and submission of DIA application
- Recruitment: continue to expand technical team
- Stakeholder engagement
- Long-term land access: potential use of compulsory acquisitions

**Conclusion & Action:** Works at the final stages of development of the Barroso Lithium Project are gaining momentum, namely since December, along with the expansion of drilling activity. Several design stages are completed and should update the development plan that will support the DFS and environmental licencing process, which is expected later in 2025. We anticipate the start of operations in the Barroso Lithium Project in 2027, which should be a milestone in terms of helping to ensure security of supply in Europe of a key element in the energy transition process.

