

Barroso Lithium Project

Community Information Sheet

December 2022

This Community Information Sheet summarises what people told us when they were asked about the Barroso Lithium Project in October 2022. These views were listened to as part of an initial step of a Social Impact Assessment study commissioned by Savannah Resources. The study is intended to inform the design of the project, taking into account people's concerns and aspirations.

In here, you will find information about:

The context for the study | The issues mentioned by people we spoke with | What's next? | Barroso Lithium Project | Who to contact for further information

The Study

PEOPLE AND THE PROJECT

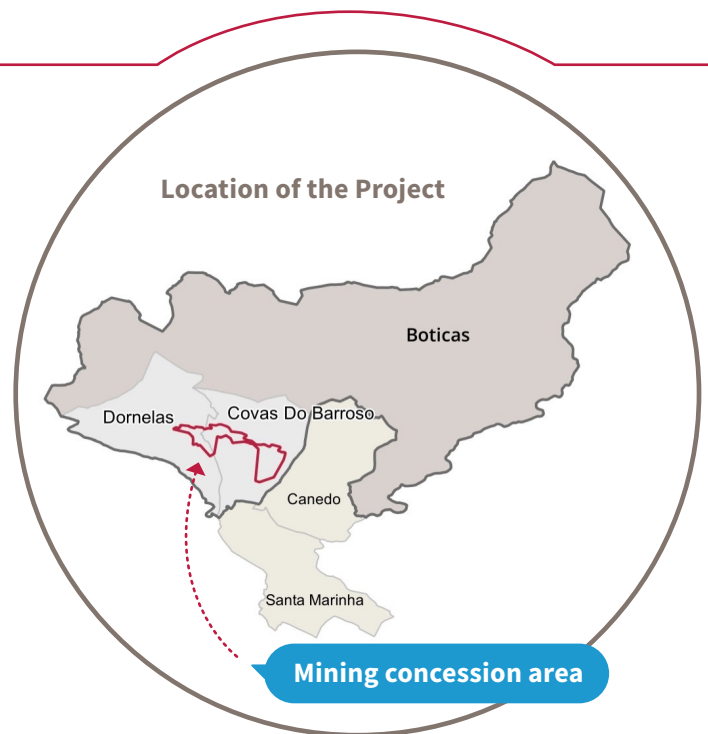
In 2006, the Portuguese Government issued a lease which allows for extraction of minerals in Covas do Barroso and Dornelas parishes, Boticas Municipality (see map). Since 2019, Savannah Resources (Savannah) has been the only owner of the Barroso Lithium Project (the Project).

Savannah has initiated a study called a **"Social Impact Assessment"** or SIA. A SIA looks at possible changes that people – individuals and communities – may experience as a result of the Project and that can influence their well-being. The SIA complements the Environmental Impact Assessment that Savannah is carrying out in accordance with Portuguese laws (for more details, see Page 4).

Savannah is working with social specialists from Community Insights Group (CIG) to conduct the SIA. The first step involved interviewing 22 people to get an initial understanding of the **main issues** perceived as essential or significant to their well-being and how these could be affected by the Project, both in a negative and positive manner. It was also the opportunity to gather insights into how people perceive past and current interactions between Savannah and local communities. These issues are summarized in this Information Sheet.

The interviews were conducted in October 2022. People were contacted in this initial step because, due to their professions, roles in the community and history of interaction with the Project, it was inferred that they had first-hand knowledge or experience representing a broad range of views. The study has been designed to provide more future opportunities for others to express their views.

The CIG team has reported the findings to Savannah and provided practical advice on how to engage with local communities on issues that matter to communities.



The Project focuses on the extraction, treatment and production of a concentrate of "spodumene". Spodumene is a lithium mineral used in the ceramics industry, and to make lithium chemicals which are used in the production of lithium-ion batteries for mobile phones, laptops and electric vehicles.

What people told us about the Barroso Lithium Project and its potential effects on local communities

All quotations are anonymous. Only the CIG team who conducted and analysed the interviews know “who said what”.

INFORMATION AND KNOWLEDGE

People wanted more information about the Project and its potential impacts. They ask for more transparency and dialogue in order to build trust.

“Is the mine open forever? Is it a danger for people later? There are things that are not clarified, people do not know, and that is why they are also resistant to the idea of lithium.”

RELATIONSHIP BETWEEN SAVANNAH & THE COMMUNITIES

When asked about the relationship today with Savannah, the majority of people reported that they would like to see Savannah develop a better relationship with community members. They would like more individual or direct interaction and more regular contact with Savannah.

“Nobody talks to us”

“I keep detecting that some things that are said are untrue.”

“These rivers, then, will no longer be trout rivers of absolute certainty.”

CONFLICTS

People have observed an increase in tensions and conflicts in the local communities and at the political level, between project opponents & supporters.

“There is a certain antagonism, even personal, people don’t even talk to each other.”

NATURAL RESOURCES

People worry about the effects of mining on natural resources, including the loss of access to water and the degradation of ecological systems. There is a demand for understanding the impacts on river fauna (e.g., trout, bogue, mussel), the local fauna and flora in the woods.

AGRICULTURAL HERITAGE SYSTEM

People are concerned about the effects of mining activity on agriculture, in terms of volumes & quality of farming products such as honey, medronho, and cattle. People mentioned the potential threat to Barroso’s Agro-sylvo-pastoral system, recognized as an Important Agricultural System, and its potential consequences on livelihood & local identity.

ENVIRONMENTAL PROTECTION

There are concerns about potential loss of environmental quality due to potential contamination of the rivers, air, soil, and the environment in general.

ACCESS TO THE BALDIOS

The Baldios are an important and unique feature of the community land system. People fear losing access to those baldios. They are concerned about the consequences on livelihoods and their identity.

“The Baldio is a space that is being grazed by animals, through community support, those farmers who are receiving a subsidy that they no longer receive if (...) the exploitation of lithium jeopardizes the forage area.”

JOB OPPORTUNITIES

Increase in income to service providers to the Project, better salaries and more employment opportunities are seen as possible benefits of the Project.

“More companies, more jobs.”

“Restaurants will win because there will be more people coming here, they will need more meals.”

WORKFORCE COMPETITION

People see a flipside of increased job opportunities: the potential loss of available workforce and lack of wage competitiveness with the Project.

“This type of project could give another type of dynamic to these regions”

EXISTING INFRASTRUCTURE

The increase in population brought about by the Project is seen to place demands on the capacity of existing infrastructure and public services such as roads and health centers.

DEVELOPMENT OF THE REGION

If developed in a responsible manner, with care for social and environmental issues, and if it benefits the development of the region, people said that the Project would be welcome.

ROADS AND TRANSPORT

There is a perceived opportunity to improve accessibility in the area, in terms of quality and number of roads (e.g., connections to A24) and public transport services (e.g., buses, TGV to Chaves).

CULTURAL IDENTITY

There is a fear of the ‘Barroso’ name being linked to mining activities, leading to a potential negative image for the neighbouring area.

“I believe that this project can bring some of our emigrants back to us.”

COMMUNITIES CLOSEST TO THE MINE

Those living very close to the mine sites are seen as particularly exposed to potential negative impacts.

“People [closest to the mine] no longer have a horizon, that is, people stopped having a horizon overnight, it’s very complicated”

RE-POPULATION

A further benefit identified is the opportunity for re-population and for greater diversity in the communities.

NUISANCES

Potential increase in nuisances, for example, dust, noise, vibrations and truck traffic were also mentioned as concerns.

LANDSCAPE

People worry about negative visual impacts on the original landscape and loss of place identity is a concern.

What’s next?

1

LISTENING TO MORE VIEWS

The next steps of the Social Impact Assessment will involve listening to many more people. Those who have an interest in, or may be affected by the Project if it goes ahead, will be given the opportunity to express their concerns and expectations, make comments and ask questions. The upcoming interactions with communities will strengthen Savannah’s understanding of the context for the Project.

2

REVISING BARROSO LITHIUM PROJECT DESIGN

The design revisions which are currently underway, are taking into account the environmental authority’s (APA) requests, technical considerations, environmental and social issues and feedback from local communities and other stakeholders. Savannah will share the information on what changes have been made to the mine design in a new Information Sheet that will be distributed around the end of the 1st quarter of 2023.

3

CONTRIBUTING TO DECISION-MAKING FOR THE PROJECT

The studies will inform the regulator’s evaluations and decisions on whether to grant licensing. The licences would allow Savannah to begin construction.

Update on the Barroso Lithium Project

Savannah is planning to expand its mining operation and install a spodumene concentration plant. Before it can do so, the Project must be granted an environmental licence by the national regulator, Agência Portuguesa do Ambiente (APA). The approval is granted on condition that APA accepts and finds satisfactory an “**Environmental Impact Assessment**” report or EIA, submitted by Savannah.

The process of preparing the EIA is meant to ensure that Savannah thinks carefully about the Project’s likely impacts on the environment and local communities, and takes the necessary actions to avoid or reduce negative impacts and to enhance positive impacts.

The **first version of the EIA** was submitted in 2020 and was subject to public consultation between April and July 2021. Following APA’s request for adjustments to the Project’s design (what is referred to as “Article 16”), Savannah is currently making the necessary revisions and preparing the second version of the EIA. This must be submitted for APA’s review in March 2023. If approved, the APA will issue a “Declaration of Impacts” or DIA, which will inform which detailed studies will be required to understand and manage specific impacts associated with the Project, as part of the next stage of licensing.

The Project’s planned infrastructure includes access roads, a mill for the treatment of minerals, a power substation, water control systems, fuel tanks, mechanical workshops, warehouses, offices and medical facilities. The extraction will be carried out via open pit mining, using explosives, with blasting occurring 3 times per week on weekdays between 12 noon and 3pm.

If the Project is approved, construction is expected to start in **2025** for an approximate period of 1 year. The first lithium production (which includes extraction as well as treatment of the minerals before being sold) is scheduled for **2026**. Four open pits will be mined, not all at the same time, but progressively, with each pit being rehabilitated after its completion. During its operating life, the lease area will contain a combination of working areas, areas undergoing rehabilitation and areas where rehabilitation has been completed.



Give your feedback or request further information

SAVANNAH RESOURCES

Savannah is a mining company headquartered in London.

If you would like more information or have any questions or comments, please visit or contact the Barroso Lithium Project Information Centre in Boticas:

Information Centre 5 de Outubro, n°26, Boticas
Phone: 276 413 042

or by emailing to info@savannahresources.com
Open on weekdays, during business hours.

COMMUNITY INSIGHTS GROUP (CIG)

CIG helps project developers around the world in their efforts to respect people’s rights, avoid harm and make a difference in their communities. You can read more about us at communityinsights.eu

You can contact Sergio Moreira directly by phone or WhatsApp:

 **915 789 732**

Or by emailing to info@communityinsights.eu

Many thanks to all those who have taken the time to speak with us and share their views.