

# Savannah Resources PLC

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## Savannah Resources all set to lead the lithium charge in Portugal

"We're concentrating on the energy metals," says David Archer of Savannah Resources PLC (LON:SAV).

"We've secured this very exciting project in Portugal. It could be the best lithium project in Europe."

These are bold claims to make, given the strength of the competition from the likes of European Metals Holdings and European Lithium.

READ: Savannah delivers 3.2 mln tonne maiden lithium resource at Mina do Barroso

But in making that claim, Archer has a geological trick up his sleeve.

"Our Mina do Barroso project in Portugal is in spodumene," he explains. "Hard rock spodumene is a demonstrably successful mode of producing lithium from mines. The product is highly sought."

Other projects on the continent do stand out for their size or location, but in Archer's book, the geology of Mina do Barroso trumps it all.

"It's open-cut and the metallurgical work says we can produce a 6% lithium concentrate," he says.

READ: Savannah Resources hits "some of best grades ever seen in Europe" at lithium deposit in Portugal

What's more, it could be very sizeable indeed.

Overall, Savannah's Portuguese land package comprises more than a thousand square kilometres of ground, with Mina do Barroso the only area which has been looked at really closely.

And even here, much of the previous work focused on the production of ceramics rather than lithium. That's left a situation in which strike length, width and down-dip potential hasn't yet been properly assessed. It's a process that Savannah is beginning to rectify, with encouraging results.

Among the most recent highlights have been drill intercepts from the Grandao deposit of 25 metres at 1.56% Li<sub>2</sub>O, 22 metres at 1.41% Li<sub>2</sub>O, 15 metres at 1.09% and 49 metres at 1.09% Li<sub>2</sub>O. A second deposit at Reservatorio is also being drilled out, with equally promising results.

Drilling remains ongoing.

Already the company has established a mineral resource of 14 mln tonnes of ore grading 1.1% Li<sub>2</sub>O at Mina do Barroso. It's also been mooted that a development decision might also be taken this year, though with drilling continuing, it's also possible the company will want to see exactly how extensive its lithium resource base really is

**Price:** 4.636p

**Market Cap:** £48.56M

### 1 Year Share Price Graph



### Share Information

**Code:** SAV

**Listing:** AIM

**52 week High Low**  
10.00p 4.30p

**Sector:** General Mining

**Website:** savannahresources.com

### Company Synopsis:

*Savannah Resources Plc (AIM: SAV) is a multi-commodity development company focused on building cash generative and profitable mining operations.*

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before it sets the bulldozers rolling.

#### Strong demand

The backdrop to all this is the burgeoning market for lithium, as it is used increasingly in batteries and particularly in electric vehicles.

"We see a very strong emerging lithium requirement in Europe," says Archer. "European car manufacturers are very keen on securing the whole value chain. And we're the closest European analogue to the successful Australian producers."

Even so, Archer is keen that Savannah doesn't put all its eggs in one particular basket.

"We have a pipeline of projects," he says. "We are not a single project company."

To that end, Savannah also holds the Mutamba mineral sands project in Mozambique, the Block 4 and 5 copper projects in Oman, and the Somero and Eräjärvi lithium projects in Finland.

Of all the traditional metals, copper is in many ways the metal of the moment, having been on its longest consistent winning streak in nigh on 30 years. Markets are bullish on the ongoing industrialisation and modernization of Asian economies, not to mention the opportunities presented by the rise of the affluent middle-classes in ever-greater numbers.

"Oman is in the final stages of licensing and we hope to have that completed shortly," says Archer. "It's a project that's on a fairly modest scale, but we've been overwhelmed by the degree of interest from copper traders."

Meanwhile, at Mutamba the successful completion of a scoping study has led to pre-feasibility work. This project, too, Archer sees as benefiting from the rise in electric vehicles, as titanium is also a major component in batteries.

Following an £11.5mln raise that was completed in early July, there's plenty of money in the bank to make all these things happen. The company is well-supported, including by an Omani conglomerate which is as interested in the energy assets as in the Omani copper projects.

So, what should investors look out for this year? There's no doubt Portugal will play a leading role in Savannah's newsflow.

"The government is looking to support the development of a lithium industry in the country," says Archer. "And Tesla has been looking around in Portugal. I think we'll be leading the charge there."

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