

ASX ANNOUNCEMENT

25 January 2023

PLACEMENT AND OPERATIONS UPDATE

Savannah Goldfields Limited ("Savannah" or "the Company") (ASX:SVG) is pleased to announce that it has received firm commitments to raise \$4 million at \$0.20 cents per share via a placement to institutional and sophisticated investors, including a cornerstone investment from Collins St Value Fund¹.

HIGHLIGHTS

- Shares are to be issued under the placement at \$0.20, representing a 25% premium to the closing price on 24 January 2023 and an 18% premium to the 30-day volume weighted average price (VWAP).
- Proceeds of the placement will be utilised towards the final consideration payments due for the purchase of the Georgetown Project and further upgrades to the Georgetown gold processing plant to increase throughput capacity and for general working capital purposes.
- Gold production continues from the Company's Agate Creek gold mine with over 4,100 ounces produced in the December quarter and over 5,000 ounces produced to date since commencement of production in September 2022.
- Gold sales since commencement of production exceed \$13 million.
- Significant heavy rainfall over the past month in North Queensland has impacted mining activities and access to the minesite but sufficient stockpiles of ore had been transported to the Georgetown processing plant prior to the wet season which has enabled processing of ore and gold production to continue.

Placement

The placement will comprise the issue of 20,000,000 fully paid ordinary shares at an issue price of \$0.20 per share and will be completed in two tranches with an initial tranche of 16,250,000 shares (\$3,250,000) to be issued pursuant to Savannah's existing ASX Listing Rule 7.1 placement capacity and a further 3,750,000 shares (\$750,000) to be issued subject to obtaining shareholder approval at a general meeting to be held in March 2023.

The placement issue price of \$0.20 per share represents a 25% premium to the closing price of Savannah shares on the ASX on 24 January 2023 and an 18% premium to the 30-day VWAP to that date.

Collins St Value Fund have subscribed for 12,500,000 shares (\$2,500,000) in the upfront tranche of the placement and will become a substantial shareholder of Savannah following settlement of the placement.

Proceeds of the placement will be utilised towards the final consideration payments due for the purchase of the Georgetown Project and further upgrades to the Georgetown gold processing plant to increase throughput capacity and for general working capital purposes.

Operations Update

The recent completion of the acquisition of the Georgetown Project and the refurbishment and recommissioning of the Georgetown Gold Processing Plant has facilitated the Company's transition from an explorer to a gold producer and will underpin the Company's longer term regional gold production expansion strategy.

Gold production continues from ore mined from the Company's 100% owned Agate Creek gold mine with over 4,100 ounces produced in the December quarter and over 5,000 ounces produced to date since commencement of gold production in September 2022.

Gold sales since commencement of production exceed \$13 million.

Significant heavy rainfall over the past month in North Queensland has impacted mining activities at Agate Creek and access to the minesite. The Company had made preparations for the potential impacts of the wet season by having significant stockpiles of Agate Creek ore transported to the Georgetown processing plant prior to the commencement of the wet season which has enabled processing of ore and gold production to continue albeit at a reduced rate due to weather impacts on ore handling and crushing.

In addition to the Agate Creek ore, the Company has also reclaimed approximately 50,000 tonnes of historical tailings and have these available for processing at the Georgetown processing plant.

Savannah's Chairman, Stephen Bizzell, commented:

We are pleased to welcome Collins St Value Fund¹ as a substantial shareholder in Savannah. Their investment is a strong endorsement of Savannah's strategy to leverage the existing production infrastructure at Georgetown together with the substantial exploration potential of its exploration and mining leases to grow substantial shareholder value.

The funds raised in the placement will enable us to continue to advance our growth options at our operations in North Queensland and to underpin a long term gold production growth profile for Savannah.

This Announcement is Authorised by the Board of Directors

For further information, please contact:

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¹ About Collins Street Value Fund:

The Collins St Value Fund (the Fund) is one of Australia's few true to label high conviction, long only, value funds. The Fund is one of a number of funds managed by boutique manager, Collins St Asset Management, and seeks to identify deep value opportunities within the universe of ASX listed companies that can generate strong medium term returns as part of its concentrated portfolio of typically 12-20 holdings. Launched in February 2016, the Collins St Value Fund offers a rare exposure to the listed Australian market through a performance fee only structure. The Fund has generated returns in excess of 14% per annum net of all performance fees and costs since inception.