

ASX ANNOUNCEMENT

11 May 2023

CAPITAL RAISING, CORPORATE AND OPERATIONS UPDATE

Savannah Goldfields Limited ("Savannah" or "the Company") (ASX:SVG) is pleased to advise that it has received firm commitments to raise \$2.7 million and to also provide an update on corporate and operational matters.

HIGHLIGHTS

- Firm commitments received to raise \$2.7 million via a placement and conditional placement to institutional and sophisticated investors.
- Raising by way of placement and conditional placement of ordinary shares at \$0.15 per share. Subject to shareholder approval, subscribers will be issued 1 free attaching option for every 2 ordinary shares subscribed for. Options will be exercisable to acquire an ordinary share at \$0.23 and expire 30 April 2025.
- Payment of the \$6.25m final payment to the vendors of the Georgetown Project has been made with the payment funded from a combination of existing cash and a drawdown on the short term debt facility provided by Norfolk Enchants Pty Ltd.
- Payment of this final payment will allow for the release of security interests that the Georgetown Project vendors hold over the Georgetown Gold Processing Plant and associated tenements.
- Gold production continues to ramp up post the wet weather interruptions with the weekly gold pour yesterday of gold doré bars totalling 14.5 kg, representing the highest weekly gold doré production since early December 2022.
- The first third party ore commenced being processed yesterday at the Georgetown Processing Plant in line with Savannah's strategy of the Georgetown Processing Plant becoming a regional processing hub that can also process third party ore on a toll treatment basis in addition to processing ore from Savannah's own projects.

Capital Raising

The capital raising will comprise of the issue of approximately 18 million fully paid ordinary shares to institutional and sophisticated investors at an issue price of \$0.15 per share to raise \$2.7 million and will be completed in two tranches with an initial tranche of 7 million shares (\$1,050,000) ("Placement") to be issued pursuant to Savannah's existing ASX Listing Rule 7.1 placement capacity and a further 11 million shares (\$1,650,000) ("Conditional Placement") to be issued subject to obtaining shareholder approval at a general meeting to be held in late June 2023 ("EGM").

Subject to receipt of shareholder approval, subscribers to both the Placement and Conditional Placement will be issued 1 free attaching option for every 2 ordinary shares subscribed for. Options will be exercisable to acquire an ordinary share at \$0.23 and expire 30 April 2025. The Options will be unlisted.

The Conditional Placement commitments include subscription commitments from entities associated with directors of the Company. The participation by director related entities in the

Conditional Placement is subject to receipt of necessary shareholder approvals to be obtained at the EGM.

The proceeds of the Placement and Conditional Placement will be applied for the purposes of:

- part repayment of short-term borrowings used for final balance payment of the consideration for the acquisition of Masterson Minerals Pty Ltd, owner of the Georgetown Gold Project as per ASX announcements on 7 February 2022 and 9 May 2023;
- current mining activities at Agate Creek and near term exploration program expenditure including drilling programs at both the Agate Creek and Georgetown Gold Projects; and
- the costs of the offers and general working capital.

An Appendix 3B – New Issue Announcement in relation to the capital raising will be released to ASX today.

Melbourne Capital and Bizzell Capital Partners were the joint lead managers to the capital raising.

Georgetown Project Acquisition Final Payment Made

Savannah made the final acquisition consideration payment yesterday of \$6.25 million to the vendors of the Georgetown Project.

This final payment was made from existing cash reserves together with funds from a further draw down under a short-term loan facility that the Company has in place with Norfolk Enchants Pty Ltd.

Payment of this final amount to the Georgetown Project vendors will allow for the release of security interests that the Georgetown Project vendors held over the Georgetown Gold Processing Plant and associated mining and exploration tenements.

Operations Update

The 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.

With mining and processing operations now back to normal following the weather interruptions experienced earlier this year, the Company's weekly gold pour yesterday from ore mined at the Company's 100% owned Agate Creek Gold Mine in North Queensland was almost 14.5 kg of gold doré bars representing the highest weekly gold doré production since early December 2022.



Gold doré bars (SVG067 and SVG068) poured 9 May 2023.

Savannah has also advanced its strategy of the Georgetown Processing Plant becoming a regional processing hub that can process third party ore on a toll treatment basis with the first parcel of third party ore having commenced being processed yesterday. This is pursuant to an initial agreement entered into recently to process an initial parcel of ore from a third party project that is located within 50 km of Georgetown. Under the terms of the agreement entered into, Savannah will recover its costs of processing the ore and then receive a percentage of the gold recovered. Other opportunities to source third party ore are also being actively reviewed.

Savannah's Chairman, Stephen Bizzell, commented:

"We are pleased to have received strong support for this capital raising from existing and new investors and to have completed the final payment to complete the Georgetown Project acquisition which has been a key enabler of Savannah's transition to becoming a gold producer and which will underpin our longer-term regional gold production expansion strategy. It is also pleasing to see the weekly gold production ramping up strongly to in excess of the production rates achieved prior to the wet weather disruptions earlier this year".

This Announcement is Authorised by the Board of Directors

For further information, please contact:

Stephen Bizzell (Chairman) or Brett Thompson (CEO)

P (07) 3108 3500

E admin@savannahgoldfields.com