

## ASX ANNOUNCEMENT

3 May 2024

### UPDATE ON SALE OF INTEREST IN ASHFORD COKING COAL PROJECT

#### Highlights:

- Definitive Transaction Agreements now entered into for the sale of Savannah's remaining shareholding in Renison Coal Pty Ltd, the entity that owns the Ashford Coking Coal Project, to Clara Resources Australia Ltd (Clara) for total consideration of \$3.95m plus a \$0.75 per tonne royalty on coal sales.
- Condition precedent of Clara shareholder approval has been satisfied which will enable Completion of the sale to occur no later than 22 May 2024.
- The transaction terms have been amended from the Terms Sheet entered into in February to bring forward \$685,000 of the previously deferred consideration to now be paid at Completion. The consideration to be received by Savannah for the sale of its remaining shareholding interest in Renison Coal Pty Ltd now comprises:
  - Upfront consideration of:
    - \$3,060,000 cash to be paid to Savannah at Completion; and
    - 11.1 million Clara ordinary shares which will be issued today which will take Savannah's shareholding interest in Clara to approximately 19.5%;
  - Deferred consideration of \$800,000 cash to be paid by Clara to Savannah as follows:
    - \$400,000 cash within 5 business days following the grant of a Mining Lease at the Ashford Project; and
    - \$400,000 cash within 5 business days following the first sale of coal from the Ashford Project.
  - A retained royalty interest for Savannah to be paid \$0.75 per tonne for every tonne of coal produced from the Ashford project. The current Indicated and Inferred Resource at Ashford is 14.8 million tonnes<sup>1</sup> of in-situ coal.
- Completion of this transaction will allow Savannah to:
  - Bring forward realisation of value for the Ashford Project for Savannah shareholders;

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<sup>1</sup> Refer to Savannah ASX announcement dated 20 November 2017

- Remain focussed on progressing the Company's gold mining and exploration projects;
- Provide a 'pure play' gold investment profile for Savannah investors; and
- Retain considerable exposure to the Ashford Coking Coal Projects' future potential through the ~19.5% shareholding interest in Clara, the further deferred cash consideration to be paid to Savannah and the retained royalty interest on coal sold from the project.

### **Ashford Coking Coal Sale Transaction**

The Directors of Savannah Resources Ltd (**Savannah** or **the Company**) (ASX : **SVG**) are pleased to advise that Savannah has entered into a share purchase agreement and other ancillary transaction documents (**Definitive Transaction Agreements**) to give effect to the sale of Savannah's remaining shareholding in Renison Coal Pty Ltd, the entity that owns the Ashford Coking Coal Project, to Clara Resources Australia Ltd (**Clara**). The entering into of Definitive Transaction Agreements follows the earlier entering into of a binding Terms Sheet in relation to the Transaction as per Savannah's ASX Announcement of 15 February 2024.

The Consideration to be received by Savannah in respect of the sale of its remaining shareholding in Renison Coal Pty Ltd is now as follows:

- 1) Payment to Savannah of A\$3.06m cash by Clara on completion with completion to now occur by no later than 22 May 2024.
- 2) Issue to Savannah, at nil cost, 11.1 million Clara Shares. The issue of these shares will occur today and increases Savannah's shareholding in Clara to 19.5%. These shares will be subject to voluntary escrow for 6 months from the date of issue.
- 3) Two (2) deferred cash payments by Clara to Savannah:
  - i. A\$400,000 cash within 5 business days following the grant of a Mining Lease over any of the Ashford tenements; and
  - ii. A\$400,000 cash within 5 business days following receipt of payment for the first sale of coal from the Ashford Project.
- 4) A royalty payment to Savannah of \$0.75 per tonne of coal sold from the Ashford Project, pursuant to a Royalty Agreement. The current Indicated and Inferred Resource at Ashford is 14.8 million tonnes<sup>2</sup> of in-situ coal.

Savannah's Chairman, Stephen Bizzell, commented:

*"Completion of the sale of Savannah's remaining shareholding in Renison Coal Pty Ltd will allow Savannah to bring forward realisation of value for the Ashford Project for Savannah shareholders. It allows Savannah to remain focussed on progressing our gold mining and exploration projects in North Queensland and provides a 'pure play' gold investment profile for Savannah investors. Savannah shareholders will retain considerable exposure to the Ashford Coking Coal Projects' future potential through the ~19.5% shareholding interest in Clara and*

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<sup>2</sup> Refer to Savannah ASX announcement dated 20 November 2017

*the further deferred cash consideration to be received and the retained royalty interest on coal sold from the project.”*

**This Announcement is Authorised by the Board of Directors**

A handwritten signature in blue ink that reads "Paul Marshall".

Paul Marshall  
Company Secretary

**For further information contact:**

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The information relating to the Mineral Resources at the Ashford Coking Coal Project is extracted from the ASX Announcement as follows:

ASX Announcement titled:

**‘Ashford Coking Coal Project - Increased Resource’ dated 20 November 2017.**

The report is available to view on the Savannah Resources website [www.Savannahresources.com.au](http://www.Savannahresources.com.au). The report was issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, and also “Australian Guidelines for the Estimation and Classification of Coal Resources, (2014)”. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.