

ASX ANNOUNCEMENT

31 December 2024

CORPORATE UPDATE

The Directors of Savannah Goldfields Ltd (**Savannah** or **the Company**) (ASX : **SVG**) are pleased to provide an update on various financing activities and other recent corporate developments together with the Company's progress towards recommencement of its mining and processing operations.

Savannah has recently entered into amendments to its existing debt facility agreements, extending the facility maturities by twelve months and the Company is also finalising preparations for an equity capital raising and progressing other non-dilutive financing initiatives to strengthen the Company's balance sheet to underpin future production and resource growth activities.

Equity Raising

The Company intends to undertake an equity capital raising of approximately \$6,000,000 by way of a combination of an accelerated non-renounceable entitlement offer ('Entitlement Offer') to existing shareholders together with a placement and conditional placement (collectively 'the Offer').

Morgans Corporate Ltd has entered into an agreement with the Company to act as Lead Manager with respect to the Offer and, subject to the execution of a separate underwriting agreement, it is intended that Morgans Corporate Ltd will underwrite the Entitlement Offer component of the Offer.

Bizzell Capital Partners Pty Ltd, an entity associated with Savannah's Chairman, has confirmed that it will sub-underwrite a significant portion of the Entitlement Offer to the extent permitted by the *Corporations Act 2001* (Cth) and Savannah's other directors have all committed to participate in the capital raising to take up their entitlements.

The equity raising is currently expected to be undertaken in January 2025, at an issue price to be determined, and a Prospectus for the Entitlement Offer will be lodged by the Company with ASIC and ASX at the commencement of the Offer together with lodgment of an Appendix 3B. Further details about the Entitlement Offer will be set out in these documents including the issue price, entitlement offer ratio, eligibility to participate and the key dates for the Entitlement Offer.

Current Debt Facilities

The Company has recently entered into amendments to the debt facility agreements with its lenders Norfolk Enchants Pty Ltd, Nambia Pty Ltd (an entity associated with director Rick Anthon) and Bizzell Nominees Pty Ltd (an entity associated with the Company's Chairman) to extend the maturity of these facilities to 31 October 2025, 15 January 2026 and 31 January 2026 respectively which extensions were each by a further minimum 12 months providing

timeframes for Savannah to execute on its other financing initiatives and to also allow for operations to be recommenced prior to the facilities maturing.

The Company continues to have access to the working capital loan facility provided by Bizzell Nominees Pty Ltd, which, in conjunction with the other funding sources, Savannah will utilise to meet its working capital requirements including for the restart of mining and processing operations. The Bizzell Nominees facility is currently drawn to approximately \$3m of a \$7.5m facility limit.

Convertible Notes Interest Payment and Proposed Amendments to Terms of Issue

Interest on the Company's existing issued Convertible Notes for the six month period to 30 September 2024 is being met by way of issue of further convertible notes, subject to receipt of any necessary shareholder approvals.

Savannah will also be seeking approval from holders of the Company's existing issued Convertible Notes, and approval from shareholders, if necessary, including pursuant to the ASX Listing Rules, to amend the Terms of Issue of the Convertible Notes that currently mature 31 October 2025.

The Proposed Amendments, if approved, will extend the maturity date of the Convertible Notes to 31 December 2026 and reduce the conversion price of the Convertible Notes to 4 cents. Each Convertible Note (which has a face value of 28 cents) would therefore be convertible into 7 ordinary shares.

Other Financing Initiatives

The Company is also progressing other non-dilutive funding initiatives to further strengthen the Company's balance sheet to underpin future production and resource growth activities. Initiatives at the project level being progressed include the sale of a gross revenue royalty or other interest in the Agate Creek and Georgetown projects.

Whilst negotiations are progressing for the sale of a royalty or other interest in the Agate Creek and Georgetown projects, no binding documentation has yet been entered into in respect of such a transaction and there can be no guarantee that a transaction will complete.

Consummation of such a transaction will be subject to the satisfactory completion of technical and legal due diligence, entry into of formal binding transaction documentation and any necessary consents and approvals from security holders and shareholders.

The proceeds of the Offer together with the proceeds of the proposed sale of a royalty or other project interest, and drawings from the Bizzell Nominees Loan Facility, will be applied for:

- planning and preparations for mining and processing operations restart;
- payment of existing creditors;
- working capital requirements for the restart of mining and processing operations;
- additional financial assurances to be provided pursuant to requirements under Environmental Authorities;
- exploration and resource definition drilling programs;
- part repayment of borrowings; and
- the costs of the Offer and general working capital.

Annual General Meeting

The Company intends to hold its 2024 AGM on Friday 7 February 2025 and the Notice of Meeting is expected to be despatched to shareholders in the coming week.

Operations Update

Whilst mining and processing operations have been suspended since early 2024, significant progress has since been made in the planning and preparations for recommencement of gold production.

Some of the ongoing workstreams include:

- reviewing and optimising the mining schedule and pit designs for next stage of mining at Agate Creek;
- planned contractor / equipment / personnel hire strategy and early contractor engagement;
- reviewing and implementing initiatives to reduce the cost structure for when operations recommence;
- progressing amendments to environmental permitting and obtaining necessary approvals for expanded mining activities at Agate Creek. This is still ongoing and mining operations at Agate Creek will not restart prior to these being finalised;
- review of processing plan and operating strategy for the processing plant and identification of critical spares and consumable inventories required prior to processing restart;
- undertaking maintenance and developing forward maintenance plan for processing plant and site infrastructure;
- progressing the mine planning and approvals for accessing other ore sources from the Georgetown project portfolio including the recently drilled Big Reef deposit;
- advancing toll-treatment opportunities for processing of third party ore;
- drill program plans have been developed on several projects - Electric Light, Red Dam, Big Reef and Agate Creek Sherwood. The drilling programs are designed to increase mineral resources and assist with mine planning for processing;
- full project reviews on the >500km² tenement area acquired as part of the Georgetown Project acquisition;
- on-going drill target generation is also progressing with the expectation of 6 additional prospects being included in the drilling programs for 2025 and 2026; and
- work also continues on access agreements with landholders including Native Title ground clearance scheduling.

The gold production restart timetable continues to be refined and remains dependent on timing of completion of current permit amendments and approvals processes with a second quarter 2025 recommencement of operations targeted.

This Announcement is Authorised by the Board of Directors

Paul Marshall
Company Secretary

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