

ASX ANNOUNCEMENT

8 November 2022

COMPLETION OF GEORGETOWN GOLD PLANT & TENEMENT PACKAGE ACQUISITION

Savannah Goldfields Limited ("Savannah" or "the Company") (ASX:SVG) is pleased to announce that it completed yesterday the acquisition of Masterson Minerals Pty Ltd, owner of the Georgetown gold processing plant and an extensive portfolio of mining and exploration leases.

Savannah entered into a share sale agreement earlier this year with respect to the acquisition. Under the agreement, Savannah was able to obtain early access to the processing plant to undertake refurbishment works which were substantially completed in late August enabling processing of ore from Savannah's Agate Creek gold mine to commence and the first gold pour at the Georgetown Gold Processing Plant from ore mined at Agate Creek occurred during September.

The ability to process ore through the Georgetown Gold Processing Plant has already transformed the operations at Savannah's Agate Creek gold mine and will underpin the Company's regional expansion strategy.



Georgetown Gold Processing Plant

Georgetown Gold Project

A Share Sale Agreement was executed earlier this year to purchase Masterson Minerals Pty Ltd and its wholly owned subsidiary, Kempton Minerals Pty Ltd, owners of the Georgetown

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Gold Project ('Georgetown Project') which includes the Georgetown gold processing plant and an extensive portfolio of mining and exploration leases.

Acquisition of the Georgetown Project and the refurbishment and recommissioning of the Georgetown Gold Processing Plant has facilitated the Company's recent transition from an explorer to a gold producer and will underpin the Company's regional gold expansion strategy. The Georgetown Project's assets include:

- An operational carbon in pulp (CIP) processing plant which has current capacity to operate at more than 200,000 tonnes per annum (tpa)
- Seventeen mining leases and 13 exploration permits covering 515km² close to the plant in a well-mineralised yet significantly under-explored region
- An initial JORC inferred resource of 951,000 tonnes at 3.9 grams of gold per tonne (g/t) for 119,000 ounces of gold from just five of the prospect areas, with an upgrade of the resource planned for later this year (refer ASX announcement of 7 February 2022)
- Strong potential to define additional high grade open cut gold resources which have potential to be mined and processed in the near term

The project acquisition importantly provides Savannah ownership of processing infrastructure and control over its own gold production.

Only 100km by road from the Agate Creek gold project, Georgetown has reduced by up to 700km the distance the Agate Creek ore has previously been transported for processing, saving Savannah an estimated \$80-100/tonne of ore.

Site works and electrical and mechanical refurbishment programs at the Processing Plant at Georgetown were substantially completed in August enabling processing of ore to commence. In addition to the processing plant refurbishment works, re-establishment of associated site infrastructure including water, tailings, offices, maintenance stores, workshops has been undertaken and is also now substantially complete.

Savannah Goldfields is targeting two production centres, the first being Georgetown, for initially processing Agate Creek high grade ore and a second plant is planned to be established at Agate Creek for the longer term production from that project.

The Georgetown processing plant is the only processing plant within a 400km radius and is surrounded by stranded gold mineralisation and dozens of old open pits, underpinning the vision for Georgetown to become a regional processing hub.

Historical activity in the region mined only oxide ore. Sulphide material was never mined, presenting significant opportunities in a region that contains more than 1,000 mines, prospects and mineral occurrences. More than 10Moz of gold has been mined historically in the region. Ownership of the Georgetown processing plant additionally offers Savannah opportunities for joint ventures and / or acquisitions of stranded gold deposits.

Georgetown Project Acquisition Transaction Details

The Share Sale Agreement for the acquisition of the Georgetown Project, together with subsequent Deeds of Variation, provided for the following acquisition consideration to be paid by the Company:

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- Deposit, Early Completion and Completion Payments totaling \$9,950,000 (plus settlement adjustments of ~\$0.4m) (now all paid) and the issue of 2.5m Savannah ordinary shares and 2.5m options to acquire ordinary shares (60c exercise price, expiring 31 December 2023) to the vendors, which were issued yesterday.
- Deferred Payment: Final payment of \$6.95m payable in February 2023 - of which a maximum of \$2.15m is payable in Savannah ordinary shares at the then prevailing share price (shares issued at Savannah's election). The Deferred Payment is expected to be funded from cashflows from ongoing gold production.
- Capped Royalty: Savannah will pay the vendors a 1% net smelter royalty on the value of gold produced from the Georgetown tenements that have been acquired, capped at a total royalty payment of \$5m.

Further details of the acquisition are contained in the Company's ASX announcement of 7 February 2022, titled '*Transformational Gold Plant and Tenement Package Acquisition*'.

Savannah's Chairman, Stephen Bizzell, commented:

Completion of the acquisition of the Georgetown Gold Project achieves another significant milestone for Savannah as it completes its transition to a gold production company. It has provided Savannah with a unique opportunity to expand our footprint in the Etheridge Goldfields region and create substantial value for Savannah's shareholders by leveraging the existing production infrastructure of Georgetown, the substantial exploration potential of its exploration and mining leases and multiple processing growth options to underpin a longer term gold production growth profile for Savannah.

Processing of high grade Agate Creek ore through the Georgetown facility is already providing a substantial cash flow to Savannah and has eliminated the previous reliance on third party milling facilities and has substantially cut production costs. Savannah envisages cash flow generated will enable the company to also fund the construction of a second mill at Agate Creek, once permitting and environmental approvals are in place to monetise the 471k oz we have in oxide JORC Mineral Resources currently outlined at Agate Creek, and also fund a broader appraisal of the company's projects with a view to materially expanding the existing considerable Mineral Resources. The company also intends for surplus cash to be available to fund dividend distributions to shareholders.

Given the endowment of Georgetown's tenements and the central location of the Georgetown plant to other stranded gold resources in the region we see excellent potential for the development of a regional processing hub at Georgetown focused on sulphide resources. Savannah should thus emerge in the medium term with two production centres processing oxide and sulphide ores, underpinning a strong growth profile in production and the creation of significant shareholder value.

This Announcement is Authorised by the Board of Directors

For further information, please contact:

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Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled by Mr Scott Hall who is a member of the Australian Institute of Mining and Metallurgy. Mr Hall is a full-time employee of Savannah Goldfields Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Hall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

ASX Announcement titled: '*Georgetown Project Mineral Resources*' dated 7 February 2022.

The report is available to view on the Savannah Goldfields website www.savannahgoldfields.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.

Appendix 1 Georgetown Resource Estimate

Mineral Resources on the Georgetown Project tenements that are being acquired by Savannah pursuant to the acquisition of Masterson Minerals Pty Ltd (refer ASX announcement of 7 February 2022 for details of the acquisition).

Previous Resource estimates for Red Dam, Jubilee Plunger and Electric Light were undertaken under JORC 2004 and comprised a mixture of polygonal and block model estimates. For these deposits the existing interpretations were updated utilising more recent survey and additional drilling and form the basis of the current estimates undertaken using the block model method and inverse distance estimation. For Big Reef no previous estimates or interpretations were available and geological interpretations were constructed from the available mapping, trenching and drilling information collated. Suitable top cuts were applied to the distribution for each deposit. Both mined and unmined areas were estimated to provide a comparison to the previous pre-mining estimates and mine production.

The current estimates are based on a 0.5 g/t Au interpretation cut-off to generate interpretation with continuity and a minimum down hole width of 2 m (between 1 to 1.5 m true width). Reconciliation of the previously mined areas indicates metal prediction within 10% but with mine production at lower tonnage and higher grade. This suggests that in oxide more selective mining is. It is likely sulphide mining will have less visual control and the current estimates with lower selectivity are more realistic.

The majority of the prospects were drilled between the mid-1980s to 2010. The earliest drilling at each deposit included some open hole drilling before progressing to face sample RC drilling (generally in the 1990s). Some of the earliest drilling displays evidence of down hole contamination or tailing of grades with evidence of excessive mineralised widths and lower high-grade zones. In some areas where this is most obvious the drill intercept has been reduced to more typical widths and the contaminated tail effectively excluded. Some issues will remain, but these will be limited to just some drill holes and is not expected to impact the resource estimation significantly.

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The Inferred Mineral Resources are summarised below and are principally contained within existing Mining Leases, though a few have extensions into the surrounding exploration leases as listed.

Inferred Mineral Resource estimates at 1 g/t Au cut-off

Mineral Resource	Mass kt	Au g/t	Ag g/t	Density t/m ³	Au koz*	Tenement
Red Dam	201	5.7	12	2.89	37	ML30203, EPM9158
Electric Light	388	3.7	0.7	2.59	46	ML3548, EPM8545
Jubilee Plunger	87	3.2	21.3	2.58	9	ML3374
Big Reef	107	3	NA~	2.44	10	ML3280, ML3279, ML3278, EPM15547
Union	167	3.2	NA~	2.4	17	ML3366
Total	951	3.9			119	

**Ounces rounded and reported to nearest 1,000 ounces ~ Ag assays for Big Reef and Union are limited and Ag cannot be estimated*

Further details of the Mineral Resource estimate are contained in Savannah's ASX announcement of 7 February 2022.

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