



savannah resources plc

SAVANNAH  
RESOURCES PLC

AIM: SAV

RNS – 22 February 2017

Savannah Resources Plc / Index: AIM / Epic: SAV / Sector: Mining

## Savannah Resources Plc

### PROJECT PORTFOLIO

### Cash Placing and Subscription of £2.24 million

### Letters of Intent for further £1.01 million cash investment from Al Marjan and Director

Savannah Resources plc (AIM: SAV) ('Savannah' or 'the Company'), the AIM quoted resource development company, is pleased to announce that it has raised approximately £2.24 million (before expenses) through the placing ('Placing') of 29,619,048 new ordinary shares ('Placing Shares') and subscription ('Subscription') for 13,080,152 new ordinary shares ('Subscription Shares') at a placing price of 5.25p per ordinary share (the 'Placing Price') with both new and existing investors. Beaufort Securities acted as broker to the Placing, which was significantly oversubscribed.

#### HIGHLIGHTS:

- Raised gross proceeds of £2.24 million cash
- Funds to be used predominately to support the development of Savannah's asset portfolio and for general working capital purposes, including:
  - Delivery of Mineral Resource updates, licencing documents, and a scoping study at its Block 4 and 5 copper projects in Oman
  - Continued development of the Mutamba Heavy Mineral Sands Project in Mozambique, with scoping and environmental studies currently underway
  - Definition of drill targets at its lithium projects in Finland
- Letters of intent have been received from a Director and Al Marjan Limited, the Company's major shareholder, for an additional £1.01 million cash ordinary shares at the Placing Price, once the Company has exited its current close period

**David Archer, Savannah's Chief Executive Officer said today,** "This significantly oversubscribed placing of £2.24 million (before expenses) demonstrates the support we are receiving from new and existing shareholders in relation to our strategy of developing our copper and mineral sands projects."

MINERAL  
SANDS  
MOZAMBIQUE  
(CONSORTIUM  
AGREEMENT WITH  
RIO TINTO)

COPPER/GOLD  
OMAN

LITHIUM  
FINLAND

## Details of Placing and Subscription and Letters of Intent

The Company will have a pro-forma cash balance of £3.02 million following the receipt of the Placing and Subscription proceeds of £2.24 million. The Company, which is currently in a “close period” that restricts Directors’ trading in the Company’s shares, has received letters of intent in respect of investing on the same terms (this is consistent with the Relationship Agreement between the Company and Al Marjan) as the Placing and Subscription once the Company has exited the “close period”. Specifically:

- Al Marjan Ltd, the Company’s largest shareholder, intends to maintain its shareholding of 29.99% with a subscription of £1.0 million cash;
- the Company’s Chairman, Matthew King, intends to subscribe for £10,000 worth of shares in cash; and
- The proposed subscriptions of both Al Marjan and Matthew King will be executed at the Placing Price.

This would potentially result in further gross cash proceeds of £1.01 million if these letters of intent are subsequently acted upon. The Company will be required to seek additional authorities from shareholders in order to issue 11,190,088 ordinary shares of the shares relating to Al Marjan’s proposed subscription. As such, a resolution to this effect will be included in the Company’s Notice of Annual General Meeting.

The net proceeds of the Placing and Subscription will be used by the Company: to fund work on its Oman copper-gold projects to help deliver Mineral Resource updates, licencing documents, and a scoping study; to pursue its heavy mineral sands portfolio in Mozambique; to define drill targets at its lithium projects in Finland; and for general working capital purposes.

Application will be made for 42,699,200 Placing and Subscription Shares, which will rank *pari passu* with the existing ordinary shares in the Company, to be admitted to trading on AIM (‘Admission’). It is expected that Admission will become effective and dealings will commence at 8.00 a.m. on 8 March 2017.

Following the Placing, the percentage holding of a significant shareholder will increase as per the table below:

Shareholder	Holding prior to the Placing	Percentage of Ordinary Shares prior to the Placing	Number of Placing Shares subscribed for	Holding following Placing	Percentage of Ordinary Shares following Placing
Rémy Welschinger	18,626,109	4.13%	1,904,762	20,530,871	4.16%

Following Admission, the total issued share capital will consist of 493,645,655 ordinary shares of 1p each. As such the total number of voting rights in the Company will be 493,645,655 ordinary shares. This number may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA’s Disclosure and Transparency Rules.

The Company will grant 1,480,952 warrant options over the Company's ordinary shares to Beaufort Securities in connection with the Placing. These warrant options, which vest immediately, have an exercise price of 7.45p per ordinary share, and must be exercised by 7 March 2020.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

**\*\*ENDS\*\***

## CONTACT US

For further information please visit [www.savannahresources.com](http://www.savannahresources.com) or contact:

David Archer	Savannah Resources plc	Tel: +44 20 7117 2489
David Hignell / Gerry Beaney (Nominated Adviser)	Northland Capital Partners Ltd	Tel: +44 20 3861 6625
Jon Belliss / Elliot Hance (Corporate Broker)	Beaufort Securities Ltd	Tel: +44 20 7382 8300
Charlotte Page / Lottie Brocklehurst	St Brides Partners Ltd	Tel: +44 20 7236 1177

## Notes

Savannah Resources Plc (AIM: SAV) is a growth oriented, multi-commodity, mineral development company.

### Mozambique

Savannah operates the Mutamba heavy mineral sands project in Mozambique in collaboration with Rio Tinto, and can earn a 51% interest in the related Consortium, which has an established initial Indicated and Inferred Mineral Resource Estimate of 3.5 billion tonnes at 3.8% THM over the Jangamo and Dongane deposits. Under the terms of the Consortium Agreement with Rio Tinto, upon delivery by Savannah of the following Savannah will earn the corresponding interest in the Mutamba Project: scoping study - 20%; pre-feasibility study - 35%; feasibility study – 51%. Additionally, the Consortium Agreement includes an offtake agreement on commercial terms for the sale of 100% of production to Rio Tinto (or an affiliate).

### Oman

Savannah has interests in two copper blocks in the highly prospective Semail Ophiolite Belt in Oman. The projects, which have an Indicated and Inferred Mineral Resource of 1.7Mt @ 2.2% copper and high-grade intercepts of up to 56.35m at 6.21% Cu, with gold credits, provide Savannah with an excellent opportunity to potentially evolve into a mid-tier copper and gold producer in a relatively short time frame. Together with its Omani partners, Savannah aims to outline further mineral resources to provide the critical mass for a central operating plant to develop the deposits and in

December 2015 outlined exploration targets of between 10,700,000 and 29,250,000 tonnes grading between 1.4% and 2.4% copper.

### Finland

Savannah has Reservation Permits over two new lithium projects, Somero and Erajarvi, covering an area of 159km<sup>2</sup> in Finland. Savannah holds a 100% interest in these projects through its Finnish subsidiary Finkallio Oy. Geological mapping has highlighted the presence of seven pegmatites across the licence areas - two on Somero and five on Erajarvi – with key lithium minerals petalite, spodumene and lepidolite all identified in hand specimens. Follow up work to further expand and define the pegmatites in readiness for drilling is being planned for the second quarter of 2017 (after winter).

Notes - The information in this document that relates to exploration results is based upon information compiled by Mr Dale Ferguson, Technical Director of Savannah Resources Limited. Mr Ferguson is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Mr Ferguson consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.