



savannah resources plc



SAVANNAH
RESOURCES PLC

AIM: SAV

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Savannah Resources Plc

Cash Subscription of £1.3 million

PROJECT PORTFOLIO

MINERAL
SANDS

MOZAMBIQUE
(CONSORTIUM
AGREEMENT WITH
RIO TINTO)

COPPER/GOLD
OMAN

LITHIUM

PORTUGAL
AND FINLAND

Savannah Resources plc (AIM: SAV) ('Savannah' or 'the Company'), the AIM quoted resource development company, announces that it has raised approximately £1.3 million (before expenses) through the subscription ('Subscription') of 25,085,954 new ordinary shares ('Subscription Shares') at a subscription price of 5.25p per ordinary share (the 'Subscription Price') and the issue of one warrant per two Subscription Shares having an exercise price of 6.0p with both new and existing investors (the 'Warrants').

HIGHLIGHTS:

- Raised gross proceeds of approximately £1.3 million cash
- Funds to be used predominately to support:
 - Development of the newly acquired lithium projects in Portugal – drilling due to commence in the coming weeks at Mina do Barroso
 - Continued progression of the world-class Mutamba Heavy Mineral Sands Project in Mozambique – tender process underway to commission a group to undertake Pre-Feasibility Study
 - Advancement of Block 4 and 5 copper projects in Oman into production - mining expected to commence in H1 2018
 - General working capital purposes

Matthew King, Savannah's Chairman said today, "Following the recent acquisition of our very exciting lithium projects in Portugal, we have augmented our funds with this capital raising, which was strongly led by our largest shareholder Al Marjan Ltd. We are excited that a drilling programme at our Mina do Barroso mining licence will start in the next few weeks and look forward to providing shareholders with further updates as appropriate."

Details of Subscription

The Company will have a pro-forma cash balance of approximately £2.5 million following the receipt of the gross Subscription proceeds of £1.3 million, specifically:

- Al Marjan Ltd, the Company's largest shareholder, has increased its shareholding to 29.26% with a cash subscription of £520,000;
- Manohar Shenoy, an Alternate Director of the Company, has subscribed for £200,000 worth of Subscription Shares which shall, when combined with the Al Marjan holding, not exceed a holding of 29.99% of the Company's shares from time to time; and
- David Archer, CEO of Savannah, has subscribed for £300,000 worth of Subscription Shares in cash, providing him with a total holding of 5.65% of the Company's total voting rights following the Subscription.

The net proceeds of the Subscription will be used by Savannah to fund work on its Portuguese lithium projects, to advance the Company's Mutamba Project in joint venture with Rio Tinto in Mozambique, further work on the Oman Copper-Gold Project as well as for general working capital purposes to support the Company.

Issue of Share Options

The Company has also granted options over 500,000 ordinary shares of 1 pence each in the Company ('Share Options'). The Share Options are being issued to an employee in recognition of both his significant contribution towards progressing Savannah's portfolio of development projects in 2017 and also as part of policy of retaining talented personnel in the Company.

The Share Options have an exercise price of 6.75p, an exercise period limit of four years: 50% vesting after 12 months of completed service and 50% after 24 months of completed service (measured from time of issue). The exercise price represents a premium of 35% to the closing price on 6 July 2017.

Related Party Transaction

David Archer, Manohar Shenoy and Al Marjan are respectively directors and substantial shareholders of the Company (the 'Related Parties'). The Subscription by the Related Parties constitutes a related party transaction in accordance with AIM Rule 13. Matthew King and Dale Ferguson, who are not subscribing for Subscription Shares and are therefore independent Directors for these purposes, having consulted with the Company's Nominated Adviser, consider the Subscription by the Related Parties to be fair and reasonable insofar as Savannah's Shareholders are concerned.

Voting Rights and Regulatory Information

Application will be made for the Subscription Shares, which will rank pari passu with the existing ordinary shares of 1p each ('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 or around 13 July 2017. The Warrants are to be issued one business day following Admission, having an exercise price of 6.0p and being exercisable within three years from the date of issue.

Following the Subscription, the percentage holding of certain directors and significant shareholders will increase as per the table below:

Shareholder	Holding prior to the Subscription	Percentage of Ordinary Shares prior to the Subscription	Number of Shares subscribed for	Holding following Subscription	Percentage of Ordinary Shares following Subscription
David Archer	25,931,251	4.85%	5,714,286	31,645,537	5.65%
Al Marjan	153,845,417	28.78%	9,904,762	163,750,179	29.26%
Manohar Shenoy	0	0%	3,809,524	3,809,524	0.68%

In addition, the Company's Chief Financial Officer, Michael McGarty, has subscribed for 95,283 Subscription Shares in cash at the Subscription Price, providing him with a total holding of 0.017% of the Company's issued share capital with voting rights following Admission.

Following Admission, the total issued share capital will consist of 559,626,043 Ordinary Shares. As such the total number of voting rights in the Company will be 559,626,043 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.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014. The Market Abuse Regulation (MAR) became effective from 3 July 2016. Market soundings, as defined in MAR, were taken in respect of the Subscription with the result that certain persons became aware of inside information, as permitted by MAR. That inside information is set out in this announcement and has been disclosed as soon as possible in accordance with paragraph 7 of article 17 of MAR. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to the Company and its securities.

****ENDS****

CONTACT US

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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 4.4 billion tonnes at 3.9% THM over the Jangamo, Dongane and Ravene deposits. Under the terms of the Consortium Agreement with Rio Tinto, upon delivery by Savannah of the following will earn the corresponding interest in the Mutamba Project (which currently is 20% following delivery of scoping study in May 2017): pre-feasibility study - 35%; feasibility study – 51%. Additionally, the Consortium Agreement includes an offtake agreement on commercial terms for the sale of 100% of heavy mineral concentrate 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.

Portugal

Savannah holds a 75% interest one mining licence and nine prospective applications for the exploration and development of lithium, covering an area in excess of 1,018km² in northern Portugal. This includes the highly strategic Mina do Barroso prospect, which with an approved Mining Plan ('MP'), Environmental Impact Assessment ('EIA') and a 30-year mining concession/Mining Licence ('ML'), means that with a defined JORC resource a development decision could be made as early as Q4 2018.

Finland

Savannah has Reservation Permits over two lithium projects, covering an area of 159km². Geological mapping has highlighted the presence of seven pegmatites with key lithium minerals petalite, spodumene and lepidolite all identified.