



savannah resources plc

SAVANNAH
RESOURCES PLC

AIM: SAV

RNS – 21 August 2017

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Savannah Resources Plc

PROJECT PORTFOLIO

Issue of Shares in Connection with Acquiring Full Ownership of Matilda Minerals Limitada and Share Option Issue

MINERAL
SANDS
MOZAMBIQUE
(CONSORTIUM
AGREEMENT WITH
RIO TINTO)

COPPER/GOLD
OMAN

LITHIUM
PORTUGAL
AND FINLAND

Savannah Resources plc (AIM: SAV) ('Savannah' or 'the Company'), Savannah Resources Plc (AIM: SAV) ('Savannah' or 'the Company'), the AIM quoted resource development company, is pleased to announce that it has increased its interest in Matilda Minerals Limitada ('Matilda'), which holds the prospecting rights in the 180km² Jangamo heavy mineral sands tenement in Mozambique (which is part of the Mutamba Heavy Minerals Sands Project and subject to the Company's previously announced Consortium Agreement with Rio Tinto), to 100%, by way of the acquisition of a further 20% equity interest in the entity. This 20% interest has been secured in consideration of AUD100,000 (~GBP60,000) payable by issue of 1,194,074 ordinary shares of 1p in the Company ('Ordinary Shares') at an issue price of 5.056p (calculated by reference to 30 day volume weighted average as above) (the 'Transfer Shares').

As part of this acquisition, Savannah announces that it has agreed with the vendors of Matilda to cancel the deferred consideration terms detailed in the Company's RNS on 9 September 2013, for consideration of AUD50,000 (~GBP30,000) payable by issue of 597,037 Ordinary Shares at an issue price of 5.056p (being the Company's 30 day volume weighted average price for the 30 dealing days prior to the date of approved issue) (together with the Transfer Shares, the 'Consideration Shares').

Savannah's CEO, David Archer said: "We're pleased to have reached agreement with the vendors of Matilda to eliminate the deferred consideration obligations from the 2013 acquisition and also to finalise the purchase of the 20% not already owned by Savannah. I am pleased to confirm that this transaction has been approved by the Mozambique Ministry of Mineral Resources, which has been very supportive of our activities in country."

Details of Consideration Shares Issue

Application will be made for the Consideration Shares, which shall 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 dealing will commence at 8:00am on or around 24 August 2017.

Following Admission, the Company’s total issue share capital will consist of 561,417,154 Ordinary Shares. As such, the total number of voting rights in the Company will be 561,417,154 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.

Issue of Share Options

The Company has also granted options over 500,000 Ordinary Shares (‘Share Options’). The Share Options are being issued to a member of the Company’s management in recognition of both his significant contribution towards progressing Savannah’s portfolio of development projects in 2017 and also as part of the Company’s policy to retain talented personnel.

The Share Options have an exercise price of 6.24p, an exercise period limit of four years subject to performance related milestones, including obtaining a mining licence for the Mutamba Project in Mozambique. The exercise price represents a premium of 35% to the closing price on 17 August 2017.

Regulatory Information

Of the Consideration Shares, 1,552,296 will be issued to John Paul O’Donoghue: Savannah’s African Operations General Manager and co-founder of Matilda. Following the issue of the Consideration Shares, Mr. O’Donoghue will be the beneficial owner of 3,137,878 Ordinary Shares in Savannah, representing 0.55% of the Company’s total voting rights.

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

****ENDS****

CONTACT US

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About Savannah

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, 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.

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.

This announcement 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.

This announcement is based upon information compiled by Mr Colin Rothnie, an independent consultant. Mr Rothnie 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 Rothnie consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.