



savannah resources plc

SAVANNAH
RESOURCES PLC

AIM: SAV

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Savannah Resources Plc

Mahab 4 and Maqail South Licencing and Oman Scoping Study Update

Savannah Resources plc (AIM: SAV) ('Savannah' or 'the Company'), the AIM quoted resource development company, is pleased to announce that results of a hydrogeological baseline assessment will bolster the "in principle" approval of its proposed TSF and that key approvals relating to the Block 5 Mahab 4 and Maqail South mining licence applications for copper development in Oman have been received.

HIGHLIGHTS:

- Successfully completed hydrogeological baseline assessments for the proposed tailings storage facility ('TSF'), which will support development at both mines, and which already has approval in principle from the Ministry of Environment and Climate Affairs ('MECA') subject to studies and test work being presented
- This is a key study to bolster the TSF's in principle approval concept which is subject to further studies and test work being presented to MECA
- Solid progress towards the grant of mining licences for the first two of a planned series of high grade copper mine developments in Oman
 - Regulatory approval or "No Objection" received from five Ministries for the Maqail South Licence application to date – targeting open cut development
 - Regulatory approval or "No Objection" received from four Ministries for the Mahab 4 Licence application to date – targeting underground development
- Commenced the Environmental Impact Assessment ('EIA') into the design and efficacy of the proposed TSF and copper concentrator / processing plant
- Economic scoping study for the potential mine development is approaching completion
- Targeting commencement of mining in H1 2018

David Archer, Savannah's Chief Executive Officer said today "Solid progress continues to be made towards the award of mining licences for each of the initial mine developments, the processing plant and the TSF. We are working towards the mining licences being awarded around the year end, with the licence for the TSF targeted to be granted soon thereafter. In parallel, we have largely completed the economic scoping study for the initial mine developments; this is based on two run-of-mine ore streams being treated at

PROJECT
PORTFOLIO

MINERAL
SANDS

MOZAMBIQUE
(CONSORTIUM
AGREEMENT WITH
RIO TINTO)

COPPER/GOLD
OMAN

LITHIUM

PORTUGAL
AND FINLAND

a common, centrally located copper concentration plant with an associated TSF. The study has been conceived and undertaken so that it can be converted into a detailed design with relative ease and speed to meet our development timelines of commencing production in H1 2018. Furthermore, the proposed plant and TSF have been designed to treat ores from both Maqail South and Mahab 4 but also offer the potential to treat ore from other high-grade copper deposits, located in Oman, adding further potential upside.”

Figure 1. Project Location Map



Savannah has a 65% shareholding in the Omani company Al Fairuz Mining LLC, the holder of the Block 5 licence and is earning a 65% shareholding (currently has 51% shareholding) in the Omani company, Al Thuraya LLC, the holder of the Block 4 licence.

The process for permitting mining activities in Oman is administered through the Public Authority of Mining (“PAM”). Upon submission of the mining licence application, approval or “No Objection” is required from eight Ministries for the licence to be granted. Savannah has now received “No Objection” letters from five of the required ministries for the Maqail South application and four of

the eight Ministries for the Mahab 4 application. Positive discussions are continuing for the remaining Ministries at both projects, with final approvals expected to all be received in Q4 2017.

A summary of the Ministries and their approval status is given in Table 1.

Table 1: Approval Status of Mining Licence Applications

Ministry	Status (Mahab 4)	Status (Maqail South)
Ministry of Defence	No objection received	No objection received
Royal Oman Police	No objection received	No objection received
Ministry of Culture and Heritage	No objection received	No objection received
Ministry of Tourism	No objection received	Under review
Ministry of Environment and Climate Affairs	EIA under review	EIA under review
Ministry of Regional Municipalities and Water Resources ('MRMWR')	EIA under review	No objection received
Ministry of Interior	Under review	No objection received
Ministry of Housing	Under review	Under review
Public Authority of Mining	Preliminary Economic Assessment to be Submitted	Preliminary Economic Assessment to be Submitted

EIA Update

- Good progress has been made with the MRMWR with a “No Objection” being received for Maqail South and discussions on going for Mahab 4.
- Savannah’s hydro-geological consultants, Andam International, have completed the collection of baseline hydrology and assessment of the aquifers surrounding the proposed processing plant and tailings storage facility areas to determine if there are likely to be any adverse impacts on the area.
- The TSF now has in principle approval from MECA and their work has commenced on reviewing this option in detail.
- Preparation of the final EIA documentation for the tailings dam and processing facility is now underway.

Mining Licence Application:

- Good progress made with the Maqail South mining licence. The Wali Sohar and the community council gave their “No Objection” to the project and forwarded their letter to the Ministry of Interior.
- Other ministerial approvals are awaited with five of the eight having been received for Maqail South and four out of eight for Mahab 4.

Feasibility Studies

- The scoping study for the development of the Mahab 4 and Maqail South projects is in final stages with the majority of work for the evaluation having been completed and now being reviewed.

- Inputs are being sought from Ministries as to the taxation and royalty rates that might apply as a final element in the study.
- For the underground mine at Mahab 4, the scoping study has introduced a refinement to the mine design with the location of the decline and vent shaft moved to the hanging wall side of the mineralisation, so to remain in the more competent Geotimes basalts.
- The vent shaft has been replaced with a series of vent rises that are less capital intensive and require less skill and equipment expertise.

Processing Options

- Discussions are continuing with an Australian company about potentially providing a hire plant option in addition to owner operator options.

Community Relations

- We continue to see good support from local communities and the Wali (community leaders) from the Sohar and Saham regions where the projects are located.

Public Authority of Mining (“PAM”)

- We continue to work closely with PAM as the relevant licencing authority. In conjunction with the receipt of the balance of the Ministerial approvals being received we will submit an economic assessment for their assessment. We anticipate that the final Ministerial approvals will be received in December 2017 and that the mining licences for each of the mines will be issued shortly thereafter.

Competent Person and Regulatory Information

The information in this announcement 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.

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

****ENDS****

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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's Portuguese portfolio comprises a 75% interest in one approved mining lease and nine exploration licence applications for lithium. The project areas cover approximately 1,024km² of highly prospective lithium ground in northern Portugal. 348km² of the tenement applications are on course for government approval, with the remaining 670km² currently subject to overlapping exploration licence applications from third parties. The highly strategic Mina do Barroso project has in place an approved mining plan and an environmental impact assessment with a granted 30-year mining lease (expiring in 2036). Mina do Barroso represents a near-term mining opportunity for the Company and Savannah's focus upon defining a JORC compliant mineral resource estimate means that a development decision could be made as early as the end of 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 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.