



savannah resources plc

SAVANNAH
RESOURCES PLC

AIM: SAV

RNS – 28 March 2018

AN ENERGY METALS GROUP

PROJECT
PORTFOLIO

Savannah Resources Plc

Payment of Portuguese Project Deferred Consideration Exercise of Options

Savannah Resources plc (AIM: SAV and SWB: SAV) ('Savannah' or 'the Company'), the AIM quoted resource development company, announces that it has approved the settlement of the first deferred consideration tranche in accordance with the terms of the acquisition of the Company's portfolio of Portuguese lithium projects in May 2017 ('Milestone 1').

In addition, the Company announces that it has approved the issue of 1,500,000 new ordinary shares of 1 pence each in the capital of the Company ('Ordinary Shares') in respect of 2013 share options at an exercise price of 3.0 pence per share (the 'Option Shares') following an exercise of share options.

Issue of Milestone 1 Deferred Consideration – Further Detail

In accordance with the share purchase agreement dated 24 May 2017 between the Company and the vendors of the Company's Portuguese lithium portfolio, the Company has commenced the settlement of the Milestone 1 payment of 20,000,000 Ordinary Shares (to be subject to orderly market provisions for six months) (the 'Deferred Equity Consideration') and AUD1.5million. The Milestone 1 payment was triggered following the Company's announcement of 26 February 2018, in which Savannah reported a JORC compliant inferred mineral resource estimate of 9.1Mt at 1.03% Li₂O*, thus exceeding Milestone 1's 7.5Mt at no less than 1% Li₂O. The Deferred Equity Consideration will be issued at 5.85 pence per Ordinary Share.

Milestone 2, being an obligation to issue a further 20,000,000 Ordinary Shares and to pay an additional AUD1.5 million (under the May 2017 share purchase agreement), will be realised within a 30-day timeframe of an announcement of an additional 5.9Mt inferred mineral resource estimate, being the balance of a total of 15Mt at no less than 1% Li₂O (which is the combined target for Milestone 1 and Milestone 2).

MINERAL
SANDS
MOZAMBIQUE
(CONSORTIUM
AGREEMENT WITH
RIO TINTO)

COPPER/GOLD
OMAN

LITHIUM
PORTUGAL

Voting Rights and Regulatory Information

Application will be made for the 21,500,000 Option Shares and Deferred Equity Consideration, which will rank *pari passu* with the existing Ordinary Shares, to be admitted to trading on AIM ('Admission'). It is expected that Admission will become effective and dealings will commence at 8:00am on or around 4 April 2018.

Following Admission, the total issued share capital will consist of 659,983,722 Ordinary Shares. As such, the total number of voting rights in the Company will be 659,983,722 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.

*Milestone 1 – inadvertently described as an Indicated Mineral Resource in the Company's 25 May 2017 announcement.

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

****ENDS****

CONTACT US

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About Savannah

We are a diversified resources group (AIM: SAV) with a portfolio of energy metals projects - lithium in Portugal and copper in Oman - together with the world-class Mutamba Heavy Mineral Sands Project in Mozambique, which is being developed in a consortium with the global major Rio Tinto. We are committed to serving the interests of our shareholders and to delivering outcomes that will improve the lives of our staff and the communities we work with.

The group is listed and regulated on AIM and the Company's ordinary shares are also available on the Börse Stuttgart (SWB) under the ticker "SAV".