



AN ENERGY METALS GROUP

RNS – 3 April 2018

PROJECT
PORTFOLIO

MINERAL
SANDS
MOZAMBIQUE
(CONSORTIUM
AGREEMENT WITH
RIO TINTO)

COPPER/GOLD
OMAN

LITHIUM
PORTUGAL

Savannah Resources Plc

Cash Subscriptions of £1.52 million Letters of Intent for a Further £0.58 million Cash Subscription from Al Marjan and Employees

Savannah Resources plc (AIM: SAV and SWB: SAV) ('Savannah' or 'the Company'), the AIM quoted resource development company, announces that it has raised approximately £1.52 million cash (before expenses) through the subscription by both new and existing investors (the 'Subscription') for 27,636,361 new ordinary shares of 1p each ('Ordinary Shares') at a placing price of 5.5p per ordinary share ('Subscription Shares'). The Company has received letters of intent for a further £0.58 million giving gross proceeds of £2.1 million (together with the Subscription, the 'Fundraise').

HIGHLIGHTS:

- Subscription has raised gross proceeds of approximately £1.52 million cash in oversubscribed fundraise
- Letters of intent received from a Directors' related party (Al Marjan Ltd) for an additional £0.565 million cash for new shares once the Company has exited its current close period
- Funds to be used to advance Savannah's project pipeline:
 - continue resource definition drilling and scoping study at the Mina do Barroso Lithium Project in Portugal as the Company fast-tracks it to a decision to mine;
 - continue activities to commence copper mining in Oman later this year; and
 - advance the Preliminary Feasibility Study for the world-class Mutamba Heavy Mineral Sands Project in Mozambique.

David Archer, Savannah's Chief Executive Officer said today, *"The oversubscribed Fundraise evidences the continued strong support from both our cornerstone shareholder, Al Marjan Ltd, and from a number of other existing and new shareholders. The funds raised will be principally directed to continuing resource definition drilling of the Mina do Barroso Mining Lease in Portugal, so that we can build upon the existing Mineral Resource of 9.1Mt at 1.03% Li₂O, containing 94,100t of Li₂O. Alongside this we are undertaking further metallurgical test work and are focussed on completing the Scoping Study being undertaken by Hatch. We believe the project has the potential to be the first significant lithium producer in Europe."*

Figure 1. Aerial View of Grandao Deposit – Mina do Barroso, Portugal



Details of the Fundraise

The Company will have a pro-forma cash balance of £2.4 million following the receipt of the net proceeds of the Fundraise and upon actioning of the letters of intent.

The Company, which is currently in a “close period” that restricts Directors’ and applicable employees trading in the Company’s Ordinary Shares, has received letters of intent in respect of subscribing on the same terms as the Subscription from a Directors’ related party (this is consistent with the Relationship Agreement between the Company and Al Marjan) and from a number of employees once the Company has exited the “close period”. This would potentially result in further cash proceeds of £0.58 million (and issue of up to 10,545,457 Ordinary Shares) if such letters of intent are subsequently acted upon, and Al Marjan Ltd, the Company’s largest shareholder, shall have 28.2% with a subscription of £0.565 million cash.

The net proceeds of the Fundraise will be used by Savannah to advance its pipeline of projects. This includes further drilling at the Mina do Barroso Lithium Project in Portugal, where there are ongoing Reverse Circulation and diamond core drilling programmes underway and metallurgical test work. In addition, a scoping study is being undertaken by internationally recognised consultants, Hatch. The funds raised will also be used to advance the Company’s high-grade copper mine development in Oman. Additionally, funds raised will be used for the Preliminary Feasibility Study of the Mutamba Heavy Mineral Sands Project in Mozambique.

Voting Rights and Regulatory Information

Application will be made for the 27,636,361 Subscription Shares, 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 6 April 2018.

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

Shareholder	Holding Prior to the Fundraise	Percentage of Ordinary Shares prior to the Fundraise	Number of Shares Subscribed for	Holding Following Fundraise	Percentage of Ordinary Shares Following Fundraise
Al Marjan Ltd	186,878,750	28.3%	10,272,728	197,151,478	28.2%
Husain Salman Ghulam Al-Lawati	31,792,519	4.8%	2,727,273	34,519,792	4.9%
Karl-Erik von Bahr	24,557,080	3.7%	3,445,445	28,002,525	4.0%
Slipstream Resources Investments Pty Ltd	30,000,000	4.5%	0	30,000,000	4.3%

Following Admission of the Subscription Shares, the total issued share capital will consist of 687,620,083 Ordinary Shares. As such, the total number of voting rights in the Company will be 687,620,083 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. Market soundings, as defined in MAR, were taken in respect of the Fundraise 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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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".