



SAVANNAH
RESOURCES PLC

AIM: SAV

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AN ENERGY METALS GROUP

Savannah Resources Plc

Option to Acquire Further Ground in the Highly Prospective Lithium Pegmatite Bearing Mina do Barroso Structural Corridors

Highlights

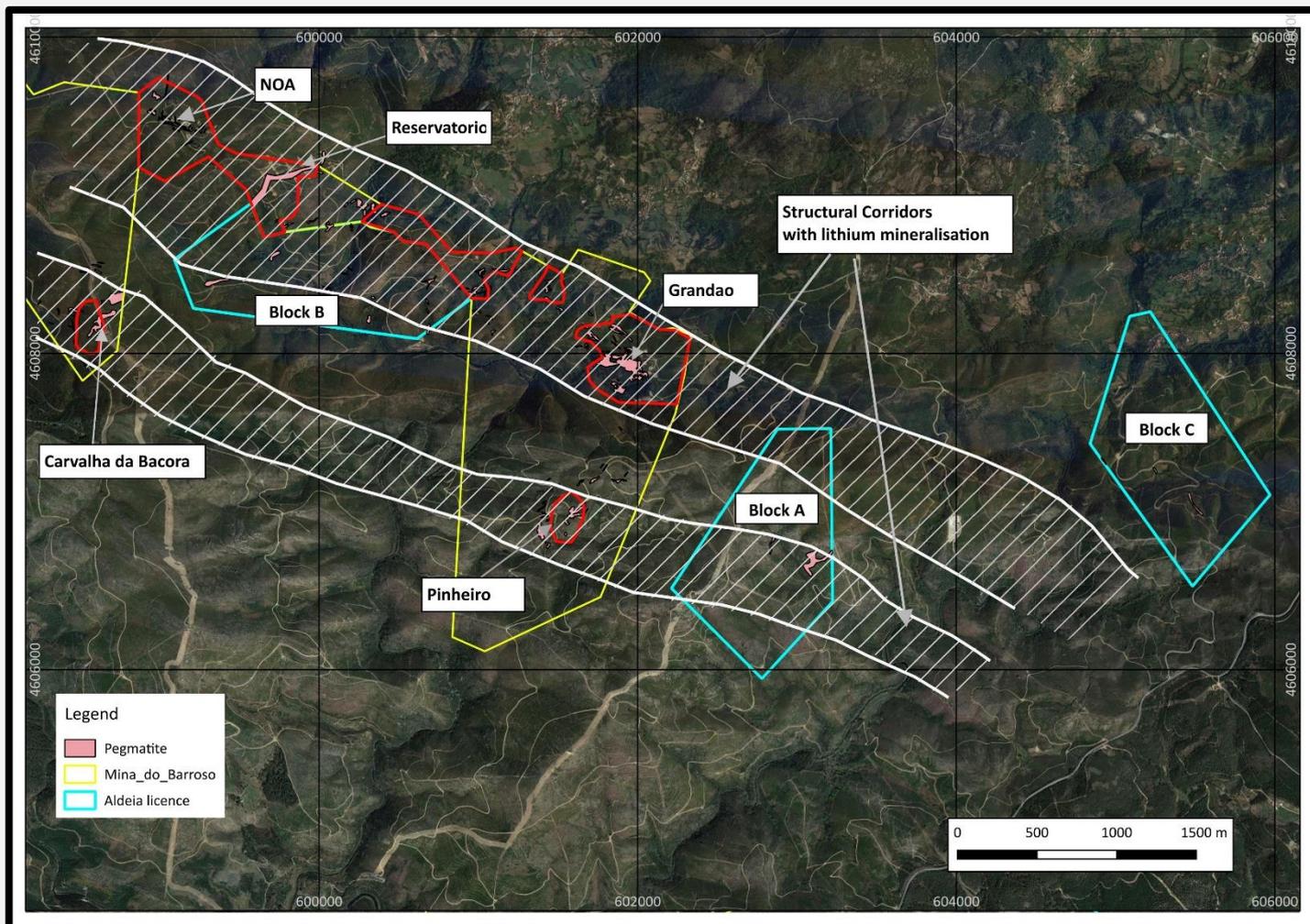
- Savannah has entered into an exclusive due diligence and option agreement for the potential acquisition of a three block Mining Lease for lithium, feldspar and quartz (once granted) totalling 2.94 km².
- Affords Savannah the opportunity to secure a potential extension to the Reservatorio Deposit, which has a current Mineral Resource Estimate of 3.2Mt at 1.0% Li₂O for 32,000t, and to identify additional deposits with at least five known spodumene bearing lithium pegmatites occurring in the tenure area.
- Following the completion of due diligence, Savannah may exercise an exclusive option to acquire the mining lease, once granted.
- During the option period of approximately 12 months, Savannah can conduct exploration.
- All payments are to be staged with payments expected to be made from anticipated revenue generated from the Mina do Barroso mine, once developed.
- The acquisition would provide additional resource potential and further space to optimise the layout for any potential mine development.

Savannah Resources plc (AIM: SAV and SWB: SAV) ('Savannah' or the 'Company'), the AIM quoted resource development company, announces that it has entered into an exclusive due diligence and option agreement (the 'Agreement') with Aldeia & Irmão, S.A. ('Aldeia'), a private Portuguese company, with a view to acquiring a Mining Lease, once granted, over areas of land abutting the southern end of the Reservatorio Lithium Deposit (Figure 1) and adjacent areas to the Company's Mina do Barroso Lithium Project, located in northern Portugal ('Mina do Barroso' or the 'Project') (the 'Proposed Licence Area').

Savannah's CEO, David Archer said: "The option over the Aldeia ground will be accretive to the overall development of Mina do Barroso as it opens the opportunity to secure potential strike extensions to the existing Reservatorio Deposit whilst also offering the potential to discover additional deposits. These extensions and discoveries could, in turn, increase the overall resource of the Project, extend the current

defined mine life of 11 years, and/or potentially increase annual production. In addition, this will give us additional flexibility in terms of configuring the layout of our site infrastructure and provides an opportunity to reduce the costs for the Project at the same time. We look forward to providing shareholders with further updates on this highly prospective development opportunity following the conclusion of due diligence.”

Figure 1. Location Map showing the position of the Aldeia Mining Lease Application Relative to Savannah’s C100 Mina do Barroso Mining Lease and main the lithium pegmatite corridors



Geological Rationale

The Mining Lease Application for lithium, feldspar and quartz covers key areas of the newly identified lithium pegmatite bearing structural corridors adjacent to and within the vicinity of the Company’s C100 Mining Lease.

The Company believes that the areas covered by Aldeia’s Mining Lease Application could contain an extension of the known mineralisation associated with the Reservatorio pegmatite, as well as at least five other pegmatite bodies, which have been confirmed to host lithium bearing spodumene mineralisation by past academic studies. The Mining Lease Application consists of three blocks (A, B and C) each totalling 0.98 km² in area.

Savannah's due diligence programme will include detailed geological mapping, rock chip sampling, as well as a detailed ownership, environmental and commercial review to fully characterise the opportunity and its overall potential.

Commercial Rationale

The key commercial aspects and potential value that the additional ground could provide include:

- Potential increase in the current Mineral Resource Estimate, which could provide the opportunity to extend the currently defined mine life of 11 years, as highlighted by the recent Scoping Study, and/or potentially increase annual processing rates.
- Expanding the site footprint could increase options for the positioning of infrastructure and reduce mining and infrastructure costs, particularly given the close proximity of the Aldeia Block B to the Reservatorio Deposit.

Key Commercial Terms

The Agreement provides the Company with a 70-day exclusive due diligence period, which will commence immediately, whereby Savannah will conduct technical, financial, and legal due diligence.

Subject to the Company receiving satisfactory results from due diligence, Savannah shall be entitled to trigger the commencement of an exclusive option to purchase the Mining Lease, once granted ('Option').

The Option expires on 25 June 2019 and, if exercised, Savannah would purchase the Mining Lease, once granted ('Commitment to Purchase'). The purchase price of the Option is €350,000, payable in instalments.

Upon Savannah providing a Commitment to Purchase, the parties shall have a maximum of five years to submit, and to have approved, a mining lease application over the ground. Upon approval of the Mining Lease, Aldeia will apply to register the Mining Lease in the name of a subsidiary of Savannah.

The total purchase price for the acquisition of the Mining Lease once granted is €3.25m, which would be paid in monthly instalments following the transfer of the Mining Lease to a wholly owned subsidiary of Savannah. The majority of these payments are expected to be made whilst the Mina do Barroso Project is in production and generating revenue.

Further Updates

The Company looks forward to providing shareholders with further updates regarding the Proposed Licence Area following the conclusion of its due diligence.

Regulatory Information

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

Competent Persons

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 Australasian 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.

****ENDS****

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CONTACT US

For further information please visit www.savannahresources.com or contact:

David Archer	Savannah Resources plc	Tel: +44 20 7117 2489
David Hignell / Dugald J. Carlean (Nominated Adviser)	Northland Capital Partners Limited	Tel: +44 20 3861 6625
Christopher Raggett / Abigail Wayne (Broker)	finnCap Ltd	Tel: +44 20 7220 0500
Grant Barker (Equity Adviser)	Whitman Howard	Tel: +44 020 7659 1225
Charlotte Page / Lottie Wadham (Financial PR)	St Brides Partners Ltd	Tel: +44 20 7236 1177

About Savannah

Savannah is 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. Savannah is committed to serving the interests of our shareholders and to delivering outcomes that will improve the lives of our staff and the communities the Company works 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".