



SAVANNAH
RESOURCES PLC

AIM: SAV

Savannah Resources Plc / Index: AIM / Epic: SAV / Sector: Mining

RNS – 12 October 2016

PROJECT
PORTFOLIO

Savannah Resources Plc

Completion of £0.83 million Subscription by Directors and Major Shareholder

Savannah Resources plc (AIM: SAV) ('Savannah' or 'the Company'), the AIM quoted resource development company, announces that further to the recent cash placing to raise £1.42 million, as announced on 26 September 2016, certain Directors of the Company and Al Marjan Ltd ('Al Marjan'), the Company's major shareholder, have now subscribed for 23,576,741 new ordinary shares in the Company (the 'Subscription Shares') at a price of 3.5p per ordinary share (the 'Subscription Price'), raising cash proceeds of £825,186 (the 'Subscription').

Details of the Subscription

- Al Marjan to maintain shareholding of 29.99% with a subscription of £685,370 cash;
- Savannah's CEO, David Archer to maintain his shareholding of 5.77% with a subscription of £129,816 cash; and
- Savannah's Chairman, Matthew King, to subscribe for £10,000 worth of Subscription Shares, representing a holding of 0.20% of the Company's total issued share capital as enlarged by the Subscription.

As previously announced, the net proceeds of the Subscription will be used by the Company as follows:

MINERAL SANDS
CONSORTIUM
AGREEMENT WITH
RIO TINTO -
MOZAMBIQUE

COPPER/GOLD
OMAN

LITHIUM
FINLAND

- to fund work on its Oman Copper-Gold Project to help deliver Mineral Resource updates, licencing documents, and a scoping study;
- to progress its heavy mineral sands projects in Mozambique following the announcement confirming the new Consortium Agreement with Rio Tinto Group on 11 October 2016;
- to define drill targets at its lithium projects in Finland; and
- to provide the Company with additional working capital.

Application will be made for the Subscription Shares, which will 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 dealings will commence at 8.00 a.m. on 17 October 2016.

Following Admission the total issued share capital will consist of 449,446,455 ordinary shares of 1p each ('Ordinary Shares'). As such the total number of voting rights in the Company will be 449,446,455 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.

Related Party Transaction

David Archer, Matthew King and Al Marjan are directors of and substantial shareholders in the Company (the 'Related Parties'). The Subscription by the Related Parties constitutes a related party transaction in accordance with AIM Rule 13. Dale Ferguson, who is not subscribing for Subscription Shares and is therefore an independent Director for these purposes, having consulted with the Company's Nominated Adviser, considers the Subscription by the Related Parties to be fair and reasonable insofar as Savannah's Shareholders are concerned.

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

****ENDS****

CONTACT US

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Notes

Savannah Resources Plc (AIM: SAV) is a growth oriented, multi-commodity, development company.

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 at a grade of 2.2% copper and high grade intercepts of up to 56.35m at a grade of 6.21% Cu, with additional gold upside potential, 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.

Mozambique

Savannah operates combined projects with Rio Tinto, and can earn a 51% interest in heavy mineral sands projects in Mozambique, which have a combined exploration target of 7-12Bn tonnes at 3-4.5% THM (published in 2008). Under the terms of the agreement with Rio Tinto Savannah must deliver the following to earn corresponding interest in the combined projects: Scoping Study - 20%; pre-feasibility study - 35%; feasibility study – 51%. Additionally there is an offtake agreement for Rio Tinto to take 100% of production.

Finland

Savannah has Reservation Permits over two new lithium projects, Somero and Erajarvi, covering an area of 159km² in Finland. Savannah holds a 100% interest in these projects through its Finnish subsidiary Finkallio Oy. Geological mapping by the Finnish Government within the project areas has highlighted the presence of lithium minerals spodumene, lepidolite and petalite with the Government also identifying Somero and Erajarvi as one of the most prospective areas to discover lithium deposits in Finland. Savannah plans to initiate an exploration programme including data compilation, geological mapping and surface sampling with the aim of generating drill ready targets during 2016.