

8 September 2020

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Result of the Placing to raise approximately £2.3 million

Savannah Resources plc (AIM: SAV, FWB: SAV and SWB: SAV), the resource development company, today reports that, further to the announcement made earlier today regarding the proposed Placing, the Company has conditionally placed 130,011,270 Ordinary Shares at the Placing Price of 1.8 pence per Ordinary Share (the "**Placing Shares**"), raising gross Placing proceeds of £2.34 million cash in what was a significantly oversubscribed Placing.

The definitions referenced in this announcement remain in line with those from the announcement published at 10.24 a.m. (BST) on 8 September 2020, unless otherwise stated.

David Archer, Savannah's CEO commented: "We have been delighted to see the strong equity capital market support for the Placing which was heavily over-subscribed by both existing and new shareholders. Existing institutional shareholders participated in the Placing together with subscriptions from new institutions and sophisticated investors. The overall interest goes to underscore the strong emerging investment interest in the fast growing, lithium value chain in Europe. The net proceeds of the Placing will be used to supplement Savannah's existing working capital as we continue to advance our Mina do Barroso lithium project in Portugal and Mutamba mineral sands joint venture in Mozambique.

“The recent share price performance of electric vehicle manufacturers such as Tesla (+820% in last 12 months) and the 60% increase in first half sales of electric vehicle in the EU, despite the impact of the Coronavirus, provide good indications of the positive outlook for the e-mobility revolution, which is so dependent on lithium and lithium ion battery technology. At the same time, the addition of lithium to the European Commission’s list of critical raw materials last week highlights the concern the European authorities have about the future availability of this key metal in light of the supply deficit that is expected to materialise in the 2020s. These factors, coupled with the post-COVID recovery funding and new industrial initiatives which have been proposed by the Portuguese Government and the European Commission, are creating an extremely supportive backdrop to the development and long-term successful operation of Mina do Barroso.

“Focusing on the near term, the working capital secured by this placing will give Savannah a more robust financial position while it finalises an offtake agreement for the Project’s lithium concentrate, continues its negotiations with potential strategic partners, progresses the Project’s Definitive Feasibility Study (“DFS”) towards completion, and responds to further information requests from Portugal’s environmental regulator following the submission of the Project’s Environmental Impact Assessment and Mine Plan in May.

“Capital will also be used to maintain our ongoing operations in Mozambique, where we are working with our partner Rio Tinto to progress the 4.4Bt Mutamba mineral sands joint venture (“JV”) project. The Company announced on 1 September that it was divesting its majority stakes in two copper projects (Blocks 4 & 5) in Oman in a transaction with ASX-listed company, Force Commodities Ltd (“Force”), which is expected to be completed in October.

“With the company’s cash position strengthened and our focus now wholly on Mina do Barroso and Mutamba, Savannah expects to make significant progress in the months ahead. This should result in important newsflow, particularly regarding the commercialisation of Mina do Barroso.”

Admission and dealings

In addition, the Company has today issued 2,019,945 Ordinary Shares (the “Fee Shares”) at the Placing Price in satisfaction of certain professional fees.

Application will be made to the London Stock Exchange for the Placing Shares to be issued pursuant to the Placing and for the Fee Shares to be admitted to trading on AIM (“Admission”). The Placing Shares and the Fee Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive dividends and other distributions declared, made or paid after their date of issue.

It is expected that Admission will become effective and dealings in the Placing Shares will commence at 8.00 am on or around 15 September 2020.

Following Admission of the Placing Shares and the Fee Shares, the Company's issued and fully paid share capital will consist of 1,430,991,035 Ordinary Shares. As such, the total number of voting rights in the Company will be 1,430,991,035 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, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

Following the Fundraise, the percentage holds of certain significant shareholders will change 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	268,262,589	20.65%	0	268,262,589	18.75%
Slipstream Resources Investments Pty Ltd	147,180,000	11.33%	0	147,180,000	10.29%

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