

2 November 2020

Completion of Divestment of Copper Projects in Oman

Savannah Resources plc (AIM: SAV, FWB: SAV and SWB: SAV), the resource development company, confirms that it has now completed the sale announced on 1 September 2020 of its stakes in the Block 4 and Block 5 copper projects in Oman (the “Projects”) to Force Commodities Ltd (“Force”), an ASX listed mine development company.

Transaction Highlights

- Consideration and other payments:
 - Savannah will receive 50m new fully paid ordinary shares issued by Force (deemed issue price of 1 Australian cent per Force share) giving Savannah a 4.9% stake in Force after 4m shares are used to settle some Transaction costs
 - Savannah will receive preferential payment of AUD\$3.5m in cash from an existing loan (announced 10 April 2014) out of cash flow generated from production on Block 5
 - Savannah shall receive payment of a 1.0% net smelter royalty on any future metal sales (from Block 4 and/or Block 5) (the 1% applies to Force’s proportional ownership of each project)
- Legal entity structure divestment
 - Savannah has transferred 100% ownership of Savannah Resources B.V., which holds Savannah’s interests in the Projects, to Force
- The structure of the Transaction enables Savannah to maintain an interest in the Projects’ long-term economic success, and allows the Company to wholly focus its resources on development of the Mina do Barroso Lithium Project in Portugal and the Mutamba Mineral Sands Project in Mozambique

David Archer, Savannah’s CEO commented: “We have now concluded the sale of our Projects in Oman to Force, which we first announced in September.

“The strategic review we initiated last year looked at a number of options regarding Savannah’s ongoing participation in the Projects. It concluded that an appropriately structured divestment, which allowed Savannah to retain an interest in the Projects’ long term economic success, represented the best outcome available to us. The Transaction gives Savannah a meaningful shareholding in Force as well as the potential for cash payments from any future production from the Projects.

“Force’s experienced management team has shown great enthusiasm for the Projects since we first engaged with them on the Transaction. For example, in the weeks since the Transaction was announced, Force’s in-country team have been conducting fieldwork on both blocks, and a new Scoping Study on Block 5 is also planned.

“My thanks go to all those involved for their considerable efforts in finalising this Transaction. I would also like to reiterate my gratitude to our staff in Oman who have continued to work diligently and professionally during this period of transition.

“With responsibility for Oman now lying with Force, Savannah is free to concentrate more of its management time, resources and capital on its priority projects in Portugal and Mozambique. We look forward to doing this and providing news in the near term of our progress.”

Details of the Transaction

The Transaction constitutes a substantial transaction under AIM Rule 12. The key terms can be found in the Company press release dated 1 September 2020.

<http://www.savannahresources.com/cms/wp-content/uploads/2020/09/Divestment-of-Copper-Projects-in-Oman.pdf>

About Force

Force is a base metals exploration and development focused company headquartered in Perth, Western Australia and are listed on the Australian Stock Exchange (ASX:4CE) but are currently in voluntary suspension pending relisting. Force went into voluntary suspension in January 2020 to restructure and refinance the company and to change the senior management of the company following the failure of several of their business opportunities and the inability to raise further capital. Over the past 6 months Force has been undergoing a structured process to relist the company including changing senior management and identifying new sources of capital. Force has steadily gained momentum during the restructure through the identification of a high-quality project for acquisition and appointments of high calibre senior professionals to its Board and Executive. The culmination of the relisting process is the injection of new funds (a process overseen by boutique corporate advisory firm 62 Capital) based on the acquisition of the Projects.

Regulatory Information

In its 2020 Interims the Company reported a loss of £5.5m for the year, including £5.4m related to the impairment of intangible exploration assets, in respect of the Projects being divested under the Transaction.

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

Capitalised terms used but not otherwise defined in this announcement bear the meanings ascribed to them in the Company’s announcement of 1 September 2020.

****ENDS****

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

Savannah Resources PLC
David Archer, CEO

Tel: +44 20 7117 2489

SP Angel Corporate Finance LLP (Nominated Advisor)
David Hignell / Charlie Bouverat

Tel: +44 20 3470 0470

finnCap Ltd (Joint Broker)
Christopher Raggett

Tel: +44 20 7220 0500

WH Ireland Limited (Joint Broker)
James Joyce/ Matt Chan (Corporate Finance)
Adam Pollock/ Jasper Berry (Corporate Broking)

Tel: +44 20 7220 1698

St Brides Partners Ltd (Financial PR)
Charlotte Page / Cosima Akerman

Tel: +44 20 7236 1177

About Savannah

Savannah is a diversified resources group (AIM: SAV) with two development stage projects, a hardrock lithium project in Portugal which has the largest spodumene lithium resource in Europe, and the world-class Mutamba Heavy Mineral Sands Project in Mozambique, which is being developed in a consortium with the global major Rio Tinto. The Board is committed to serving the interests of its shareholders and to delivering outcomes that will improve the lives of the communities we work with and our staff.

The Company is listed and regulated on AIM and the Company's ordinary shares are also available on the Quotation Board of the Frankfurt Stock Exchange (FWB) under the symbol FWB: SAV, and the Börse Stuttgart (SWB) under the ticker "SAV".