



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

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### **Savannah Resources Plc Exploration Update - Jangamo Project**

Savannah Resources plc (AIM: SAV) announces that it has completed over 2,000m of the planned 4,000m scout drilling programme at its highly prospective 180km<sup>2</sup> Jangamo heavy mineral sands project ('Jangamo' or the 'the Project'), located in a world-class mineral sands province in southern Mozambique.

#### **Highlights:**

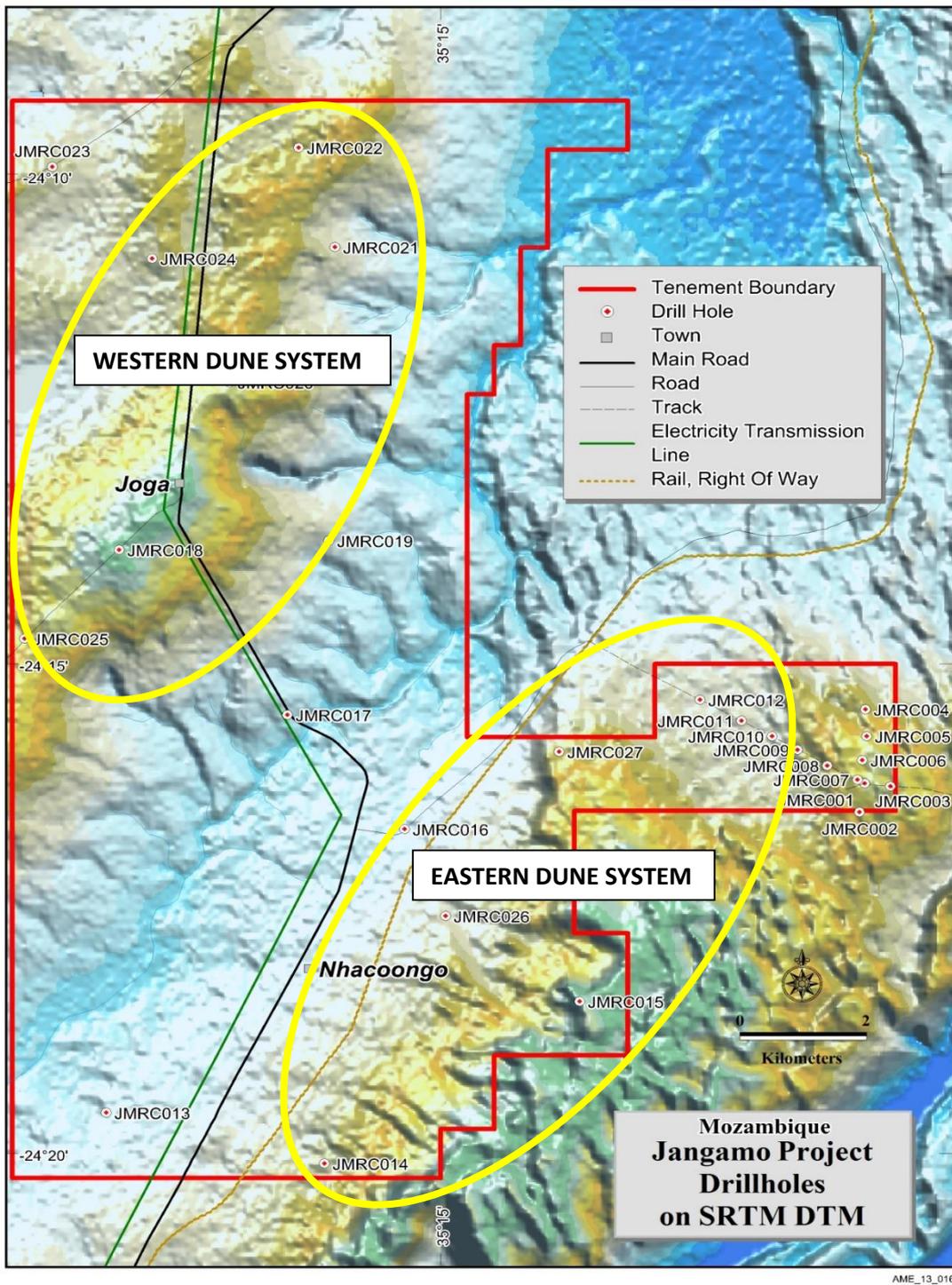
- Visual Heavy Mineral Sands ('HMS') mineralisation identified in many of the holes of the scout drilling programme to date suggesting the potential to outline a major HMS deposit
- First batch of samples to be dispatched this week with results expected in 4-6 weeks
- Commenced a heliborne magnetic and radiometric survey with results expected towards the end of June 2014
- Positive results from the recent ground magnetic survey shows that it is possible to detect the geophysical signature of the HMS deposits using an airborne platform
- World class province - Jangamo is adjacent to Rio Tinto's major Mutamba<sup>1</sup> mineral sands deposit which, along with another licence area in Mozambique, has an exploration target of 7-12 billion tonnes at 3-4.5% THM

Savannah's CEO, David Archer said, "The visual HMS mineralisation identified so far in the 4,000m drilling programme is highly encouraging and we look forward to reporting on first assay results expected in the next 4-6 weeks. In addition, the low level airborne magnetic and radiometric survey is now underway, which will provide us with a better understanding of the prospective dune system and potential additional drill targets. The Project is now poised for further positive results as our 2014 exploration programme is rolled out and we work towards defining a maiden JORC compliant resource towards the end of the year."

#### **Scout Drilling Programme**

The Project is covered by a series of north-east trending Quaternary dunal and fluvial deposits, many of which have confirmed HMS mineralisation. Over 2,000m of the planned 4,000m scout drilling programme has now been completed with drill testing of the eastern dune system complete and with visual HMS mineralisation identified in many of the holes. The drilling rig has moved onto the western dune system to commence drilling. The first batch of samples is due to be dispatched this week with results expected in 4-6 weeks.

Figure 1: Planned Drill Hole Locations on Sirotem Digital Elevation Model (“SRTM DTM”)



### Airborne Geophysics Programme

The data acquired during the field campaign shows that it is possible to detect the geophysical signature of the HMS deposits using an airborne platform, providing that the correct data density and resolution are selected. Based on these findings it was concluded that the use of a heliborne AMAG / RAD platform for any follow-up geophysical surveys is the preferred option using the contractors NRG (New Resolution Geophysics).

This survey will aid significantly in outlining the extent of the mineralised system and importantly any re-worked strand lines, which are likely to carry higher grade HMS. This survey is now underway with results expected towards the end of June 2014.

## **Next Steps**

The next steps for the project are:

- Airborne magnetics and interpretation
- Completion of scout drilling and assaying
- Detailed resource grid drilling and assaying
- Potential delineation of a JORC resource

Savannah is currently on track to deliver all these outcomes during the 2014 exploration programme.

## **Further Information**

### **Jangamo Project - Exploration Licence 3617L**

The Jangamo Project is located in Southern Mozambique within a world class mineral sands province and is highly prospective for mineral sands including zircon, ilmenite and rutile. The Project covers an area of 180km<sup>2</sup> along an extensive dune system near the village of Jangamo, about 350km to the North East of the capital, Maputo.

The Jangamo Project lies immediately to the west of Rio Tinto's ('Rio') Mutamba deposit, one of two major deposits Rio has defined in Mozambique<sup>1</sup>, which collectively have an exploration target of 7-12Bn tonnes at 3-4.5% THM (published in 2008). Importantly, exploration work conducted at the Project to date indicates that the geology and geomorphology of Jangamo is similar to that of Rio's adjacent Mutamba deposit.

The Project area features excellent infrastructure with both grid power and the main EN1 highway cutting through the middle of the Project. The nearby town of Inhambane is serviced daily by LAMAir flights out of Maputo and there is excellent logistics in place to support operations, including a small port. The licence is valid until 10 December 2017.

### **Mozambique Mineral Sands**

Based on extensive heavy mineral sand deposits located along most of the 2,700km long coastline, Mozambique has the potential to grow as one of the world's foremost producers of titanium and zirconium minerals. The country is currently the world's fourth largest producer of titanium feedstocks and the fifth largest producer of zircon. Furthermore, in Mozambique, FTSE 250 listed Kenmare Resources Plc has developed the producing Moma Mine, which has a Proved and Probable Ore Reserve of 869Mt @ 3.7% THM and a Measured Indicated and Inferred Mineral Resource of 7.4Bt @ 2.9% THM. Other large deposits, which further underpin Mozambique's prospectivity, includes the Chibuto heavy sands deposit, which averages 4% THM and has a reserve of 72 million tonnes of ilmenite, 2.6 million tonnes of zircon and 400,000 tonnes of rutile, and Rio Tinto's Mutamba and Mutamago deposits, which combined have an exploration target of 7-12Bn tonnes at 3-4.5% THM.

## Competent Person

Dale Ferguson: The technical information related to Exploration Results contained in this Announcement has been reviewed and approved by Mr D. Ferguson. Mr Ferguson has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ferguson is a Director of Savannah Resources plc and a Member of the Australasian Institute of Mining and Metallurgy. Mr Ferguson consents to the inclusion in this announcement of such information in the form and context in which it appears.

## Notes

<sup>1</sup>[http://www.riotinto.com/documents/ReportsPublications/Titanium mineral sands exploration target in Mozambique.pdf](http://www.riotinto.com/documents/ReportsPublications/Titanium_mineral_sands_exploration_target_in_Mozambique.pdf)

For further information please visit [www.savannahresources.com](http://www.savannahresources.com) or contact:

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## About Savannah

Savannah Resources Plc (AIM: SAV) is a growth oriented, multi-commodity focussed exploration and development company. It has an 80% shareholding in Matilda Minerals Limitada which operates the Jangamo exploration project in a world class mineral sands province in Mozambique which borders Rio Tinto's Mutamba deposit, one of two major deposits Rio Tinto has defined in Mozambique, which collectively have an exploration target of 7-12Bn tonnes at 3-4.5% THM<sup>1</sup> (published in 2008).

Savannah also has the right to acquire two copper projects in the highly prospective Semail Ophiolite Belt in Oman. The projects, which have an Indicated and Inferred Mineral Resource of 1.7Mt @ 2.2% copper and high grade intercepts of up to 56.35m at 6.21% Cu, provide Savannah with an excellent opportunity to potentially evolve into a mid-tier copper 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.

In addition, Savannah owns an effective 20.9% strategic shareholding in Alecto Minerals Plc which provides Savannah with exposure to both the highly prospective Kossanto Gold Project in the prolific Kenieba inlier in Mali and also to the Wayu Boda and Aysid Meketel gold / base metal projects in Ethiopia for which Alecto has a joint venture with Centamin Plc. Under this joint venture, Centamin Plc is committing up to US\$14m in exploration funding to earn up to 70% of each project.

**\*\*ENDS\*\***