



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

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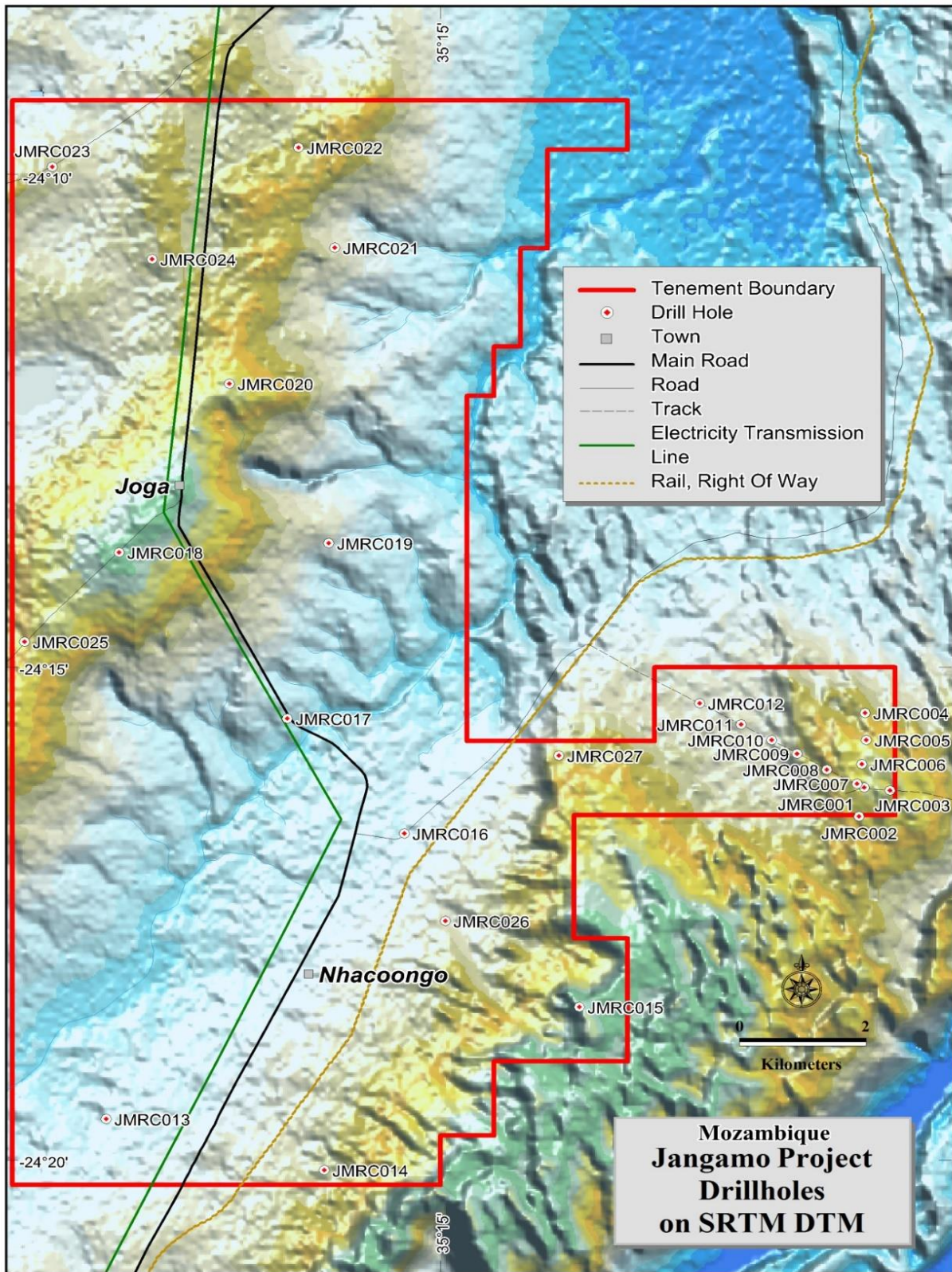
Savannah Resources plc
Testwork Defines High Grade Zones of Heavy Minerals at Jangamo Project

Savannah Resources plc (AIM: SAV) announces that it has received high grade results from further analysis of samples collected from the 27 hole, 1,812m scout drilling programme (Figure 1) at its highly prospective 180km² Jangamo heavy mineral sands project ('Jangamo' or the 'the Project'), located in a world-class mineral sands province in southern Mozambique.

Highlights:

- Results confirm the potential for Jangamo to host a major heavy minerals system
- Assay results from heavy media and mineralogy testwork confirm **high grade zones of heavy minerals with total heavy minerals ("THM") of up to 5% including ilmenite, rutile/leucoxene and zircon**
- Initial work suggests that the mineralisation is low in slimes and the THM is ilmenite dominated with lesser magnetite, rutile/leucoxene and zircon
- Mineralisation commences from surface positively impacting the economics of the Project as any potential mining operation would have a very low strip ratio
- Commenced 2014 exploration programme with initial ground magnetics survey nearing completion and preparations for the May 2014 drilling programme well underway
- World class province - Jangamo is adjacent to Rio Tinto's major Mutamba¹ 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, "This more detailed assaying programme at our flagship Jangamo Project on samples from the initial scout drilling campaign have highlighted the possibility of much higher grade zones of THM within the strand systems. Assuming the ground magnetics test programme is successful it is anticipated that an air-magnetic survey will be flown, which will help us define and target these higher grade zones in the next round of scout drilling. The Project is now at a very exciting stage as we continue to confirm the potential for Jangamo to host a major heavy minerals system, and we look forward to further positive results as our 2014 exploration programme picks up pace and we work towards defining a JORC resource by the end of 2014."



AME_13_016

Figure 1 – Drill Hole Locations

Geochemistry Testwork

Drillhole JMRC005 composite sample 0-18m was broken down into its six, three metre individual composite samples and the three metre individual samples were assayed. Analysis included dry screening to remove and determine the volume of slimes present in each sample followed by a heavy media separation to split the heavy minerals from the sample. The heavy minerals were then split into different mineral types using magnetic separation at various magnetic strengths

and then each magnetic fraction was analysed by XRF to confirm its geochemistry. A flow sheet showing the analytical process is contained in the March 13 2014 announcement.

Results from the detailed testwork show a grade range from 3-5% THM with the slimes content for the six samples varying from 2.3% to 15.1% with the majority of the samples less than 10% slimes. Given the early stage of the exploration project and the very wide spacing of the drilling this is an encouraging sign. Importantly the mineralisation starts from surface and as a result any potential mining operation would have a very low strip ratio.

Follow up testwork to isolate minerals into potential products through the use of conventional separation techniques and Qemcsan is underway. This work should give indicative grades of potential products and provide basic processing data for later flowsheet development testwork, and be utilised by leading mineral sands consulting group TZ Minerals International to scope out and characterise the potential of Jangamo and to outline a path for the Project through to a scoping study.

Next Steps

The next steps for the project are:

- Reconnaissance ground magnetics
- Airborne magnetics
- Scout drilling
- Detailed grid drilling
- JORC resource

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 180km² 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 Mozambique¹, 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

¹[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 or contact:

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About Savannah

Savannah Resources Plc (AIM: SAV) is a multi-commodity focussed exploration and development company. Through its 80% ownership of Matilda Minerals Limitada it 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% THM¹ (published in 2008).

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. The Company is also evaluating additional opportunities to expand its portfolio and geographical focus.

Savannah holds two copper projects in the Semail Ophiolite (Oman), the world's largest and best preserved thrust sheet of oceanic crust and upper mantle, provides Savannah with an excellent opportunity to potentially evolve into a mid-tier copper producer in a relatively short time frame. Small to medium sized Cyprus-type Cu-Au VHMS deposits have been worked in the Semail Ophiolite since ancient times. Modern exploration has identified many small to medium sized high grade copper deposits within the belt which as yet have not been brought into production. Together with its Omani partners Savannah will look for ways to aggregate and explore as many of these opportunities as possible with a view to providing the critical mass for a central operating plant to develop the deposits.

APPENDIX 1 – HMS RESULTS

<i>JMRC 005 (Interval)</i>	SAVO 091 0-3m	SAVO 092 3-6m	SAVO 093 6-9m	SAVO 094 9-12m	SAVO 095 12-15m	SAVO 096 15-18m
Screening						
	% Mass	% Mass	% Mass	% Mass	% Mass	% Mass
Sand Fraction	91.7	84.9	85.6	90.2	94.5	97.7
Slimes	8.3	15.1	14.4	9.8	5.5	2.3
Total	100	100	100	100	100	100
Heavy Liquid Separation						
	% HM	% HM	% HM	% HM	% HM	% HM
Of sand fraction	3.41	3.51	5.07	5.41	4.29	5.07
In ground	3.13	2.98	4.34	4.88	4.05	4.95
XRF of HM						
	SAVO 091	SAVO 092	SAVO 093	SAVO 094	SAVO 095	SAVO 096
	%	%	%	%	%	%
TiO2	33.3	33.8	35.1	35.3	33.6	33.5
Fe2O3	44.5	44.9	46.8	47.1	44.5	44.7
ZrO2+HfO2	2.03	2.02	2.18	2.17	1.94	1.89
SiO2	8.52	8.1	6.84	6.69	8.63	8.53
Al2O3	8.84	8.72	7.11	6.7	8.27	8.1
Cr2O3	1.85	1.81	1.51	1.66	1.89	1.86
CaO	0.19	0.09	0.08	0.11	0.38	0.56
MgO	0.98	0.91	0.82	0.9	1.14	1.11
MnO	0.87	0.88	0.91	0.92	0.91	0.91
CeO2	0.094	0.104	0.084	0.07	0.09	0.07
U + Th	247	255	212	222	233	212
K2O	0.03	0.03	0.03	0.02	0.03	0.03
Nb2O5	0.046	0.049	0.05	0.048	0.049	0.048
P2O5	0.102	0.107	0.09	0.078	0.089	0.072
SO3	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01
V2O5	0.22	0.22	0.23	0.23	0.23	0.23
LOI1000	-1.85	-1.95	-2.06	-2.08	-1.84	-1.84

Magnetic Fractionation of HM

	SAVO 091	SAVO 092	SAVO 093	SAVO 094	SAVO 095	SAVO 096
	% Distribution	% Distribution	% Distribution	% Distribution	% Distribution	% Distribution
	<u>Mass</u>	<u>Mass</u>	<u>Mass</u>	<u>Mass</u>	<u>Mass</u>	<u>Mass</u>
Magnetics	12.5	11.0	13.9	12.7	11.8	12.0
Paramagnetic	71.8	72.7	73.0	74.2	73.1	73.6
Non-magnetic	15.7	16.3	13.0	13.1	15.2	14.4
	100	100	100	100	100	100

- **Magnetics:** reporting to mags at 1000 Gauss
- **Paramagnetic:** reporting to mags between 1000 and 5000 Gauss
- **Weakly paramagnetic:** reporting to mags between 5000 and 17,500 gauss
- **Non-magnetic:** reporting to non-mags at 17,500
- * *Insufficient mass available to assay fractions separately*
- XRF analysis for TiO₂, Fe₂O₃, ZrO₂, SiO₂, Al₂O₃, SO₃, MgO, MnO, CeO₂, U, Th, P₂O₅, V₂O₅, Nb₂O₅, CaO, K₂O, Cr₂O₃, LOI @ 1000°C.
- Both lab and Savannah QA/QC sampling was reviewed and found to have excellent repeatability.
- **XRF:** X-Ray Fluorescence, a method of multi element analysis.
- **Flow Sheet,** please refer to March 13th 2014 Announcement

****ENDS****