

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

4 August 2016

Savannah Resources Plc Oman Resource Drilling Update

Savannah Resources plc (AIM: SAV) ('Savannah' or 'the Company'), the AIM quoted resource development company, announces that six drill holes have now been completed and assay results from two holes have been received from the ongoing drill programme over its highly prospective Block 4 and 5 properties in the Sultanate of Oman, which are prospective for copper and gold. Savannah is earning a 65% shareholding in the Omani company, Al Thuraya LLC, the owner of the Block 4 Project and is a 65% shareholder in Al Fairuz Mining, the holder of the Block 5 licence.

HIGHLIGHTS:

- To date a total of six diamond drill holes for 797m have been completed at Maqail South (three drill holes) in Block 5 and at the Dog's Bone (which is part of the Aarja target one drill hole) and Bayda (two drill holes) prospects in Block 4
- Drilling has been slower than expected due to technical difficulties with the drill rigs and the holy month of Ramadan
- Drilling aiming to:
 - Increase and upgrade current Mineral Resource at Maqail South and Mahab 4, which have a current Indicated and Inferred Mineral Resource of 1.7Mt at a grade of 2.2% copper
 - Further define resource potential at Dog's Bone and Bayda which were parts of previously producing copper mines
- Results from the first two drill holes have now been received
- The first Maqail South hole (16B5DD002) has confirmed the dimensions and grade of
 existing resource with an intercept of 2m at 6.84% copper and 0.3g/t gold from
 47.5m.
- The Dogs Bone hole confirmed the position of known mineralisation and validated historical drilling with an intercept of 5.75m at 1.84% copper and 0.8g/t gold from 109.3m (16B4DD001).
- A revised geological interpretation of Dog's Bone and Aarja is being completed to allow for further targeting of depth extensions to mineralisation.
- Drilling at Mahab 4 is scheduled to commence within the next week.
- An updated mineral resource estimate for both Magail South and Mahab 4 will be released in Q4 2016
- Drilling will also assist the completion of initial geotechnical and metallurgical testwork at both Block 4 and 5, which will feed into feasibility studies and ultimately Ore Reserves as the Company continues to target production in late-2017

David Archer, Savannah's Chief Executive Officer said today "While the drilling has been slower than expected, excellent results are coming from both the Aarja and Maqail South targets. Aarja is shaping up as a moderate-grade, underground deposit that can be readily accessed via the existing portal and decline while Maqail South is being validated as a very attractive, high-grade copper deposit readily mineable via open-cut methods.

"An updated Mineral Resource for both Maqail South and Mahab 4 will be released in Q4, 2016 and will form an important part of our mining studies around a planned mine development for late 2017.

"Drilling is continuing on both Maqail South and Bayda and we keenly await the results from the drilling completed to date."

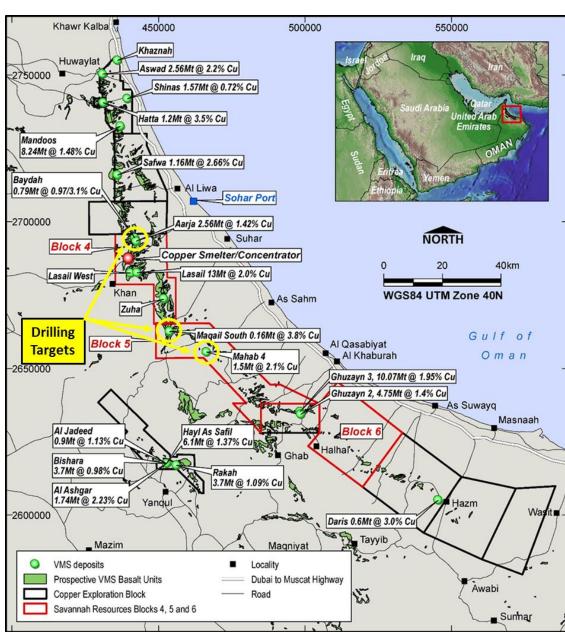


Figure 1. Location Map showing Position of Proposed Drilling

Drilling has been slower than anticipated due to technical issues with the rigs and the holy month of Ramadan. To date the following holes have been completed and are summarised in Table 1.

- Maqail South: Two drill holes 16B5DD001 (93m), 16B5DD002 (81.5m) and 16B5DD002 (72.8m) completed.
- Aarja (Dogs Bone Lode): One drill hole 16B4DD001 (261m) completed.
- Bayda: Two drill holes 16B4DD002 (139m) and 16B4DD003 (150m) completed.

Table 1. Drill Hole Colar and Significant Drill Intercept Summary Table

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Hole ID	Prospect	Northing	Easting	rL	Azimuth	Dip	EOH	From (m)	To (m)	Down hole	Grade	Grade	Grade	Grade
					(Deg)	(Deg)	(m)			Interval (m)	% Cu	% Zn	g/t Au	g/t Ag
16B5DD001	Maqail South	2661240.0	453578.0	403.0	276	-54	93.00			Assa	ays Pendin	g		
16B5DD001A	Maqail South	2661240.0	453578.0	403.0	276	-54	75.00			Hole	in Progre	SS		
16B5DD002	Maqail South	2661240.0	453578.0	403.0	314	-55	81.50	47.50	49.50	2.00	6.84	0.02	0.3	5
16B5DD003	Maqail South	2661240.0	453578.0	403.0	135	-80	72.80			Assa	ays Pendin	g		
16B5DD004	Maqail South	2661278.0	453520.0	390.0	180	-75				To be	e Complet	ed		
16B5DD005	Maqail South	2661210.0	453553.0	407.0	23	-72				To be	e Complet	ed		
16B5DD006	Maqail South	2661210.0	453553.0	407.0	259	-71				To be	e Complet	ed		
16B5DD007	Maqail South	2661230.0	453530.0	412.0	261	-70				To be	e Complet	ed		
16B4DD001	Dogs Bone/Aarja	2692584.0	440376.0	225.0	342	-72	261	109.30	115.10	5.75	1.84	0.09	0.8	8
								131.12	133.60	2.51	2.62	0.07	1.0	6
								155.65	168.00	12.35	0.20	0.38	0.3	2
16B4DD002	Bayda	2694175.0	441040.0	226.0	270	-74	139			Assa	ays Pendin	g		
16B4DD003	Bayda	2694275.0	440997.0	223.0	0	-90	150			Assa	ays Pendin	g		

• Significant high grade assays were calculated using a 1% copper cut-off with no more than 1m of internal dilution.

Samples were assayed via the following method

- $\bullet~$ The tested samples were dried at 85°C, crushed and pulverised to 75 μm
- The method for gold analysis was using fire assay (using 30g samples) with an atomic absorption spectrometry (AAS) finish, which detected gold in the range of 5ppb 10ppm. A re-assay with gravimetric finish was used with the initial assay detected >10ppm gold (and silver) using a further 30g sample
- The method for copper analysis was a 24 element inductively coupled plasma optical emission spectrometry (ICP-OES) analysis of an Aqua Regia digest
- Full details can be found in the JORC Table 1 attached

Magail South

Maqail South has an Inferred Mineral Resource of 0.16Mt at a grade of 3.8% Cu, which has been defined by five holes completed by Gentor Resources. Seven diamond holes for 550m are proposed (Figure 2) to infill the resource to a hole spacing of 25m centres which will allow for an Indicated Resource classification and to continue exploration to the west where the resource remains open. To date, three holes have been completed 16B5DD001 (93m),

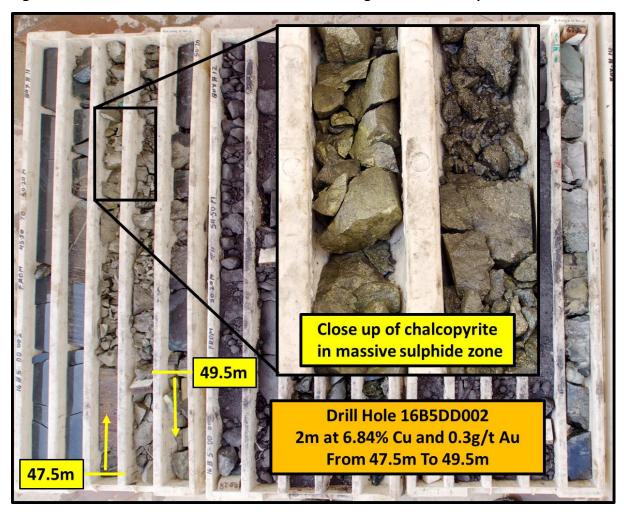
16B5DD002 (81.50m) and 16B5DD003 (72.8m) and results for 16B5DD002 have now been received.

16B5DD002: Drilling intersected a 10m wide zone of alteration from 47.7m to 58.2m with a 2m wide zone of massive sulphide from 47.5m to 49.5m and the assay results returned a result of 2m at 6.84% Copper and 0.3g/t Gold (Figure 3).

453,450mE 453,5 453,500mE 453,600mE 453,650ml N GRB5D0023 2,661,300mN GRB5D036 6.25m @ 3.3%Cu 2.03m @ 2.0%Cu 16B5DD002 2.0m @ 6.84%Cu **Massive Sulphide** 2,661,250mN B5MQSD105 1.98m @ 6.7%Cu 16B5DD003 0 **Hole in Progess** GRB5D031 2,661,200mN 8.46m @ 4.8%Cu Mineralised Intercep >5% Cu 3-5% Cu 16B5DD001 1-3% Cu **Assays Pending** GRB5D0024 0.5-1% Cu 0-0.5% Cu 6.68m @ 7.4%Cu Planned Holes Magail South - Longitudinal Projection (Plan View) 100

Figure 2. Magail South - Longitudinal Project (Plan View) showing new drilling

Figure 3. Diamond drill core from 16B5DD002 showing the massive sulphide zone

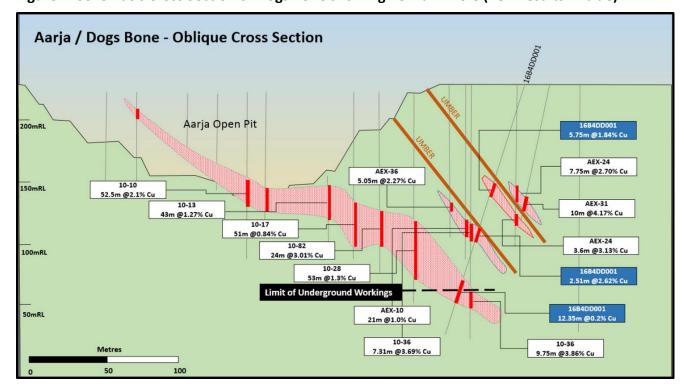


Dog's Bone

Dog's Bone is a lens of high-grade massive sulphide that is situated above the mineralisation that was mined at the historic Aarja Mine between 1988 and 1994 by Oman Mining Company L.L.C. ("OMCO") producing about 2.6Mt at a grade of 1.4% Cu.

A 261m drill hole (16B4DD001) was successfully completed, which located and confirmed the continuity of the known mineralisation intersected with **5.75m of massive sulphide mineralisation grading 1.84% copper and 0.8glt gold.** The new result also intersected new zones of mineralisation further down the hole and has given confidence for the use of the historical data in a resource estimate (**Figure 4**).

Figure 4: Schematic Cross Section of Dogs Bone showing new drill hole (new results in blue)



Bayda

Bayda is a historic mining area that was mined by OMCO between 1980 and 1994 producing 1Mt at a grade of 3% Cu from a small underground operation. Two diamond drill holes have been planned to test the presence of the mineralisation and the continuity of mineralised zones of greater than 1% Cu which are at the southern end of the mineralised area. Both holes 16B4DD002 (139m) and 16B4DD003 (150m) have now been completed and assay results are pending.

Competent Person

The information in this announcement that relates to exploration results is based upon information compiled by Mr Dale Ferguson, Technical Director of Savannah Resources Limited. Mr Ferguson is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Ferguson consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

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

ENDS

For further information please visit <u>www.savannahresources.com</u> or contact:

David Archer	Savannah Resources plc	Tel: +44 20 7117 2489
David Hignell / Gerry Beaney	Northland Capital Partners	Tel: +44 20 3861 6625
(Nominated Adviser)	Ltd	
Jon Belliss / Elliot Hance	Beaufort Securities Ltd	Tel: +44 20 7382 8300
(Corporate Broker)		
Charlotte Heap / Lottie	St Brides Partners Ltd	Tel: +44 20 7236 1177
Brocklehurst		

Notes

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

<u>Oman</u>

Savannah has interests in three 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.

<u>Mozambique</u>

Savannah has agreed to acquire 100% of Matilda Minerals Limitada which currently operates the Jangamo exploration project, and has agreed with Rio Tinto to form a joint venture in Mozambique to develop the combined Mutamba/Jangamo Project. Formation of the joint venture remains subject to approval by the Ministry of Mineral Resources and Energy of the Republic of Mozambique. Jangamo has a 65Mt Inferred Mineral Resource at a grade of 4.2% total heavy minerals ("THM") at a 2.5% cut-off grade. The Mutamba, Dongane and Chilubane deposits have a combined exploration target of 7-12Bn tonnes at a grade of 3-4.5% THM (published in 2008).

Finland

Savannah has Reservation Permits over two lithium projects, Somero and Eräjärvi, 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 Eräjärvi as two of the most prospective areas for the discovery lithium deposits in Finland. During 2016 Savannah is undertaking an exploration programme including data compilation, geological mapping and surface sampling with the aim of generating drill ready targets.

APPENDIX 1 – JORC 2012 Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary				
Sampling techniques	 Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	 All data at the Maqail South and Dogs Bone Prospects has been gathered from diamond core. HQ and NQ core sizes have been used. Holes have been angled to optimally intersect lithology structures. Sampling from diamond drilling is by half core sampling of NQ or HQ core Core is geologically logged and samples selected based on geological logging. Samples are then dispatched to Bureau Veritas in Turkey for analysis using the following process route. Whole sample is dried at 85°C, Crush to 70% -10 mesh (2mm), 100% pulverize to 85%passing -200 mesh (75 µm). Au: 30gr Fire Assay / lead collection fusion / AAS finish / 5ppb - 10ppm Au>10ppm (& Ag if also over-limit): 30gr / fire assay fusion / GRAVIMETRIC finish 24 Element (Mo, Cu, Zn, Ag, Ni, Co, Mn, Fe, As, Sr, Cd, Sb, Bi, Ca,P, Cr, Mg, Al, Na K, W, Hg, S) Aqua Regia Digest ICP-OES finish. 				
Drilling	Drill type (eg core, reverse circulation, open-hole hammer, rotary air	 Bulk density determinations are made for all samples that are assayed, using the Archimedes method. This measurement is completed in Oman by Savannah employees. Diamond drilling used HQ2 or NQ2 sized equipment. Diamond core 				
techniques	blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	 was not orientated. Down hole surveys are completed using a single shot Tropari device at approximately 30-50m intervals down hole. 				
Drill sample recovery	 Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	 Diamond core recoveries were recorded in the drill logs. It is unknown if a relationship exists between sample recovery and grade. Areas of poor recoveries were observed and recorded in the logging. In areas of poor recovery additional drilling muds were applied to improve recovery. 				

Criteria	JORC Code explanation	Commentary
Logging	 Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	 All drill holes were logged for recovery, RQD, geology and structure. Logging of recorded lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. Diamond core was photographed wet. All drill holes were logged in full.
Sub-sampling techniques and sample preparation	 If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	 HQ and NQ core was cut in half using a core saw. Certified reference standards, blanks and duplicates are routinely inserted in the sample sequence to assess the quality of sampling and analysis. Sample sizes are considered appropriate for the style of mineralisation expected.
Quality of assay data and laboratory tests	 The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	 The analytical techniques used are appropriate for the elements and mineralization styles being explored for. Savannahs QAQC protocol is to industry standards with standard reference material and blanks submitted at a minimum of 5% frequency rate.
Verification of sampling and assaying	 The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	 No independent or alternative verification of the assays has been made No twin holes have been drilled No adjustments have been made to the assay data
Location of data points	 Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. 	 Holes have been located using a handheld GPS unit using WGS84 Zone 40N co-ordinates. Holes have been downhole surveyed using a Tropari single shot device

Criteria	JORC Code explanation	Commentary			
	Quality and adequacy of topographic control.	 Detailed topographic data is available for Maqail South. Limited topographic data is available for Dogs Bone. The quality of the data at Maqail South is excellent with elevations recorded to an accuracy of 0.1m. Topographic data at Dogs bone is limited to a survey of the historical open pit and immediate surroundings. 			
Data spacing and distribution	 Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	 Hole spacing is approximately 25m by 25m at Maqail South. Hole spacing at Dogs Bone is approximately at 20m centers selectively targeting the mineralized zone. Data at Maqail South is sufficient to establish geological and grade continuity needed for Mineral Resource estimation. The current drilling is infilling previously reported Mineral Resources. 			
Orientation of data in relation to geological structure	 Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	 Drill holes are angled approximately perpendicular to the orientation of the lithological trends Orientation of the holes does not bias sampling data. Reported intervals are down hole widths and are not necessarily true widths of mineralisation. 			
Sample security	The measures taken to ensure sample security.	Chain of custody is managed by Savannah. Samples are stored on site in a locked yard. Samples are then transported to Turkey by airfreight. Savannah personnel have no contact with the samples once they have been dispatched.			
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits or reviews of the sampling techniques or data have been completed.			

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	 Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	 The Dogs Bone Prospect is located with the exploration permit referred to as Block 4. Savannah has a 65% interest in the Block with the remainder being held by a local JV partner. The Maqail South Prospect is located with the exploration permit referred to as Block 5 Savannah has a 65% interest in the Block with the remainder being held by a local JV partner. The tenement is in good standing with no known impediment to renewal.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	 Previous exploration has been completed around Dogs Bone between 1980-1994 by OMCO with historical mining being completed in the area. Previous exploration has been completed at Maqail South by Gentor Resources between 2010 - 2012.
Geology	Deposit type, geological setting and style of mineralisation.	The deposit type being tested is the Cyprus type VMS model. VMS mineralisation is interpreted to have formed on a mid ocean ridge and then emplaced as an ophiolite on the Arabian Craton. Several examples of this model exist in the region.
Drill hole Information	 A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	 The location of the drilling at Dogs Bone and Maqail South are summarised in Table 1 in the body of this release. Previously completed holes by Gentor at Maqail South are not all reported in this release. Previously completed holes by OMCO at Dogs Bone are not all reported in this release. Not all holes completed in this program by Savannah have been reported in this release.
Data aggregation methods	 In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used 	 Significant intersections are based on greater than 0.5% Cu and may include up to a maximum of 3.0m of internal dilution, with a minimum composite grade of 1.0% Cu. Cu grades used for calculating significant intersections are uncut. Minimum and maximum diamond core sample intervals used for

Criteria	JORC Code explanation	Commentary
	for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	 intersection calculation are 0.2m and 1.2m respectively subject to location of geological boundaries. No metal equivalents are used in the intersection calculation. Where core loss occurs; the average length weighted grade of the two adjacent samples are attributed to the interval for the purpose of calculating the intersection. The maximum interval of missing core which can be incorporated with the reported intersection is 1m.
Relationship between mineralisation widths and intercept lengths	 These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	 Exploration results are reported as length weighted averages. No high grade cuts have been applied to the reporting of the exploration results. No metal equivalent values have been used. Down hole intervals have been reported. True widths are not known.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Relevant diagrams and maps have been included in the main body of the release.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All results have been reported.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	The interpretation of the results at Maqail South and Dogs Bone are consistent with the observations and information obtained from historical data collected and geophysical surveys completed in the area.
Further work	 The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	Further drilling is planned for Dogs Bone to improve the confidence in the dimensions of the identified mineralisation.