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

7 September 2016

Savannah Resources Plc
Anomalous Lithium Identified on Finland Projects

Savannah Resources plc (AIM: SAV) ('Savannah' or 'the Company'), the AIM quoted resource development company, announces that reconnaissance rockchip sampling over its new lithium projects in Finland, Somero and Erajarvi, has returned anomalous lithium results.

HIGHLIGHTS:

- 4 weeks of an 8-10 week reconnaissance geological mapping and rockchip sampling programme has been completed
- A total of 70 rockchip samples have been collected to date and submitted to the laboratory for analysis, with 3 assay results returned to date
- Initial analysis, geological mapping and rock chip sampling has highlighted:
    - Somero Project has **prospective pegmatites up to 1,200m long and 50m wide with an initial rockchip assay of 4% lithium oxide ('Li_2O')**
    - Erajarvi Project has **prospective pegmatites up to 800m long and 30m wide with an initial rockchip assay of 1.29% Li_2O**
- Key lithium minerals petalite, spodumene and lepidolite were all identified in hand specimens
- The remaining assays are expected to be received over the next four to six weeks and the results will be announced as soon as practicable thereafter
- Finland is one of the most prospective countries on mainland Europe for potential lithium discoveries. Both project areas have excellent access to high quality infrastructure and are located close to potential final customers

David Archer, Savannah's Chief Executive Officer said today, "We are very pleased that this early work is already confirming both encouraging grades and defining significant pegmatites at surface containing key lithium minerals. Finland is a lithium focus for a number of companies, both because of its excellent mining legislation and its infrastructure endowment. These initial results are promising and we keenly await the next set of results."

Figure 1. Location map showing position of new lithium projects in Finland

Summary Table of Rock Chip Results

SAMPLE	Northing	Easting	Fe203 (%)	Li2O (%)	Cs (ppm)	Nb (ppm)	Rb (ppm)	Sn (ppm)	Ta (ppm)
FIN001	6732953	314874	0.64	4	21.7	<5	43.9	<5	4.9
FIN002	6733042	314481	1.16	0.02	39.3	69	163.5	16	31.6
FIN003	6829974	376485	1.12	1.29	1540	67	3020	356	162
Datum: ETRS-TM35FIN									

SOMERO LITHIUM PROJECT

Savannah's Somero Reservation **(Figure 2**) is located less than 2km south of TSX listed Nortec Minerals' Kietyonmaki and Hirvikalio lithium deposits, which were drilled by the GTK (Finnish Government Department). Historical geological mapping of the area has confirmed the presence of 56 pegmatites, some with the lithium minerals petalite and spodumene, but no geochemical sampling had been completed to date. Recent work completed by Savannah focusing on these pegmatites has highlighted **a series of pegmatites up to 1.2km in length and 50m wide**, with some of the pegmatites like the Torkkomaki prospect containing massive zones of petalite, which has returned a **high-grade lithium assay result of 4% Li_2O (Figure 3).** A total of 70 rock chip samples were collected and submitted for analysis and to date three assays have been returned.

Figure 2. Somero Project Tenement boundary/local geology highlighting pegmatite swarm

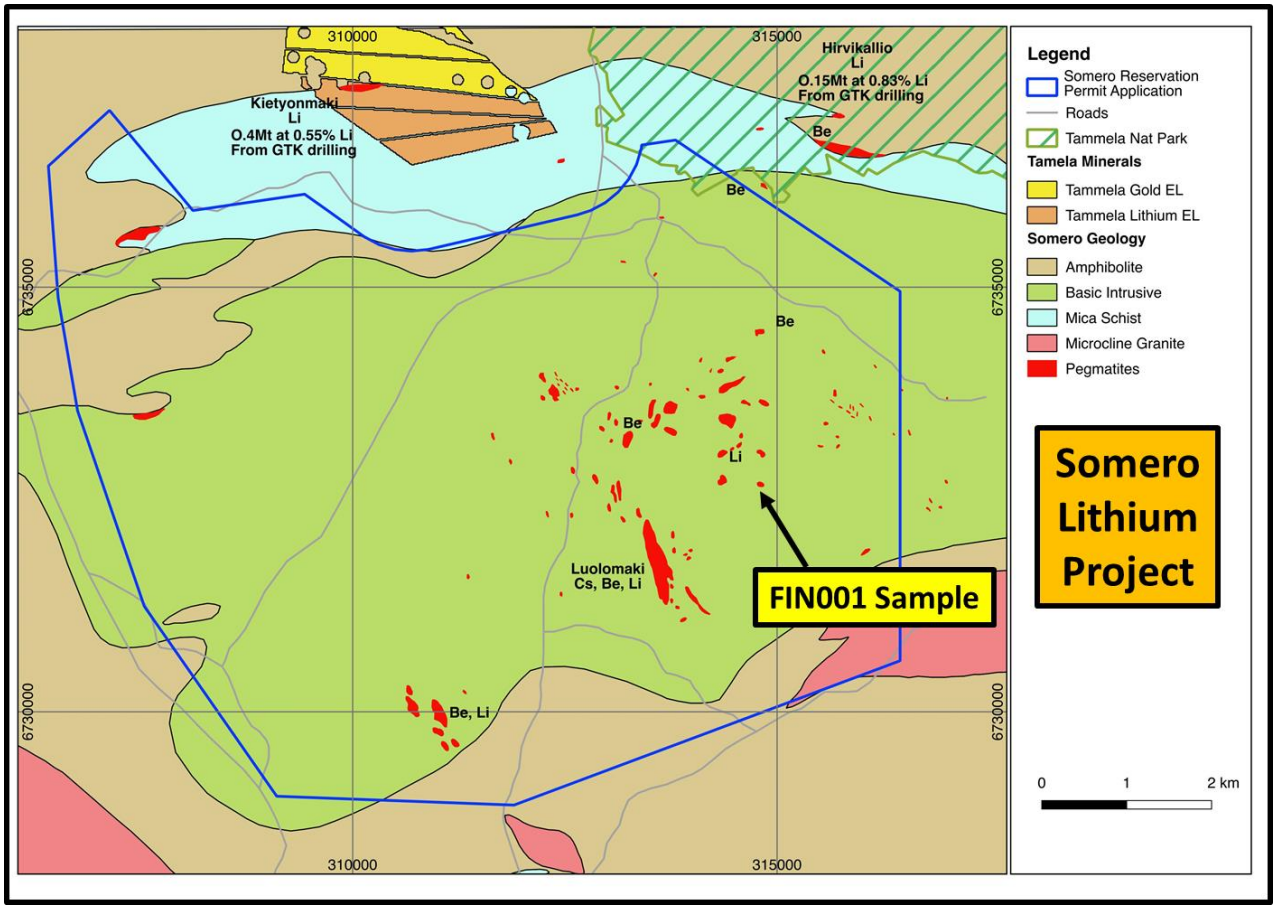

Figure 3. Pegmatite outcrop at the Torkkomaki Prospect showing massive occurrences of the lithium mineral Petalite (FIN001: 4% Li_2O)

ERAJARVI LITHIUM PROJECT

The Erajarvi Project (Figure 4) reservation covers a swarm of at least 61 known pegmatites that have been mapped in the area, but to date no geochemical sampling has been conducted. Preliminary mapping indicates that the potential lithium bearing pegmatites are in the contacts of the granite plutons or in the schists close to the contacts, with larger pegmatites over 10m wide generally not encountered farther than 1.5km from the granites. The larger pegmatites in the region include Niemelä pegmatite, which is up to 30m wide and at least 800m long) and Vitaniemi, which is at least 400m in strike, over 100m in width, 10m

in thickness and open in all directions. The prospectivity of these pegmatites was confirmed in the recent mapping and sampling program with abundant lithium minerals spodumene, lepidolite, petalite identified in the **Vitaniemi pegmatite** and a sample collected from here assaying **1.29%Li_2O (Figure 5)**.

Further detailed mapping and systematic sampling of the Erajarvi reservation is now underway, with this work expected to take at least four weeks.

Figure 4. Erajarvi Project Tenement boundary/local geology highlighting pegmatite swarm

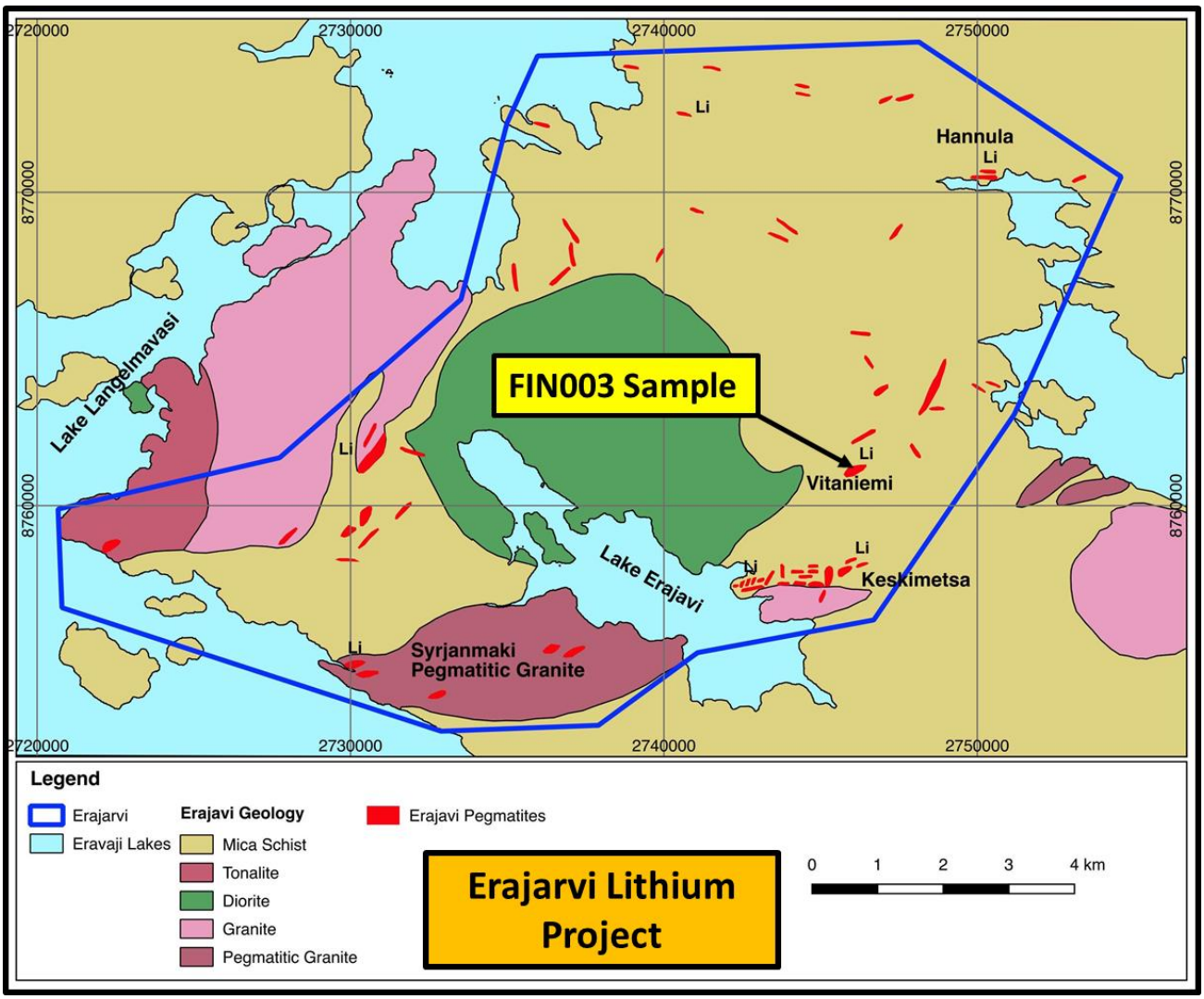

Figure 5. Old pit on the Vitaniemi pegmatite and abundant lithium minerals located in the pegmatite, predominantly Petalite, Spodumene and Lepidolite (FIN003: 1.29% Li_2O)

Key Reference: Geological Survey of Finland Bulletin 134 (1981) Granitic pegmatites of the Erajarvi area in Orivesi, Southern Finland

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****

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Notes

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

Oman

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.

Mozambique

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 registered applications over two new lithium projects, Somero and Erajarvi, 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 Erajarvi as one of the most prospective areas to discover lithium deposits in Finland. Savannah plans to initiate an exploration programme including data compilation, geological mapping and surface sampling with the aim of generating drill ready targets during 2016.

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.*
		• Assay results obtained relate to rock chip sampling
		• All rock chip samples were random in nature to ensure that they were representative
		• Total sample of around 1kg was pulverized for assaying
		• Samples were geologically logged on site and there AMG co-ordinates recorded.
		• Samples are then dispatched to ALS Laboratories in Perth 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).
		  • Al2O3, As, CaO, Co, Cr2O3, Cu, Fe2O3, K2O, Li2O, MgO, MnO, Ni, Pb, S, SiO2, TiO2, Zn all assayed via inductively Coupled Plasma - Atomic Emission Spectroscopy (ICP - AES). A prepared sample (0.2g) is added to sodium peroxide flux (~2.6g), mixed well and then fused in a 670°C furnace. The resulting melt is cooled and then dissolved in 30% hydrochloric acid. This solution is then analysed by ICP-AES and the results are corrected for spectral inter-element interferences.
		  • Cs, Nb, Rb, Sn, Ta, Th, U all assayed via inductively Coupled Plasma - Mass Spectroscopy (ICP - MS). A prepared sample (0.2g) is added to sodium peroxide flux (~2.6g), mixed well and then fused in a 670°C furnace. The resulting melt is cooled and then dissolved in 30% hydrochloric acid. This solution is then analysed by ICP-MS and the results are corrected for inter-element interferences.

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.	• 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.

Criteria	JORC Code explanation	Commentary
	• 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.	
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 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. • Quality and adequacy of topographic control.	• Holes have been located using a handheld GPS unit using WGS84 • No topographic data is available
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.	• Sample spacing was random and based on geological observations • Samples were collected along or on potential mineralized rock types
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.	• Sampling has predominantly targeted pegmatite bodies and at times the alteration halo around the pegmatites into the country rock
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 Perth 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.*	• Somero, 100% owned prospecting permit VA2016:0019 • Earajarvi, 100% owned prospecting permit VA2016:0018 • 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.*	• Key Reference: Geological Survey of Finland Bulletin 134 (1981) Granitic pegmatites of the Erajarvi area in Orivesi, Southern Finland
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit type is LCT (Lithium, Cesium, Tantalum) pegmatites are a petrogenetically defined subset of granitic pegmatites that are associated with certain granites. They consist mostly of quartz, potassium feldspar, albite, and muscovite. Common accessory minerals include garnet, tourmaline, and apatite. The major lithium ore minerals are spodumene, petalite, and lepidolite; cesium mainly comes from pollucite; and tantalum mostly comes from columbite-tantalite.
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.*	• Further exploration work is underway and will be reported when it becomes available.

Criteria	JORC Code explanation	Commentary
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 geological mapping and rock chip sampling is underway to further define the areas of potential anomalism