



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

25 June 2014

Savannah Resources Plc
Airborne Magnetics Identify Multiple Potential Strand Lines - Jangamo Project

Savannah Resources plc (AIM: SAV) announces that it has received preliminary results from the recent airmagnetic survey completed at its highly prospective, 180km² Jangamo heavy mineral sands ("HMS") project ('Jangamo' or 'the Project'), located in a world-class mineral sands province in southern Mozambique.

Highlights:

- **Heliborne magnetic and radiometric survey (Figure 1) completed** and preliminary results have been received
- **Preliminary results highlight the potential for multiple, multi-kilometre long strandlines** within the highly prospective dune systems in the eastern and western parts of the tenement
- **Re-worked strandlines are likely to carry higher grade HMS** (example of one potential strandline target in Figure 2)
- **Most of the newly identified potential strandlines have not yet been drill tested**
- Positive results from the airmagnetic survey confirm its effectiveness as an exploration tool to detect the geophysical signature of potential HMS strandline targets
- Drill testing of these potential strandlines is underway
- Final airmagnetic results are due for delivery towards the end of June 2014
- 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, "We are pleased to report that we continue to deliver on our enunciated milestones and timelines for our Jangamo Project."

"The preliminary airmagnetic results are encouraging and will provide us with a better understanding of the prospective dune systems and our drillhole targeting. Significantly, we have identified multiple, multi-kilometre long potential strandlines which represent an excellent opportunity for us to discover high grade HMS within the Project area.

"It is also important to note that most of the potential strandlines were not drilled in either the 2013 or the current scout drilling campaign and that re-worked strandlines are likely to carry higher grades. Drill testing of these excellent targets is currently underway, while the drill rig is on-site."



Figure 1. NRG (New Resolution Geophysics) heliborne AMAG / RAD platform onsite at Jangamo Project

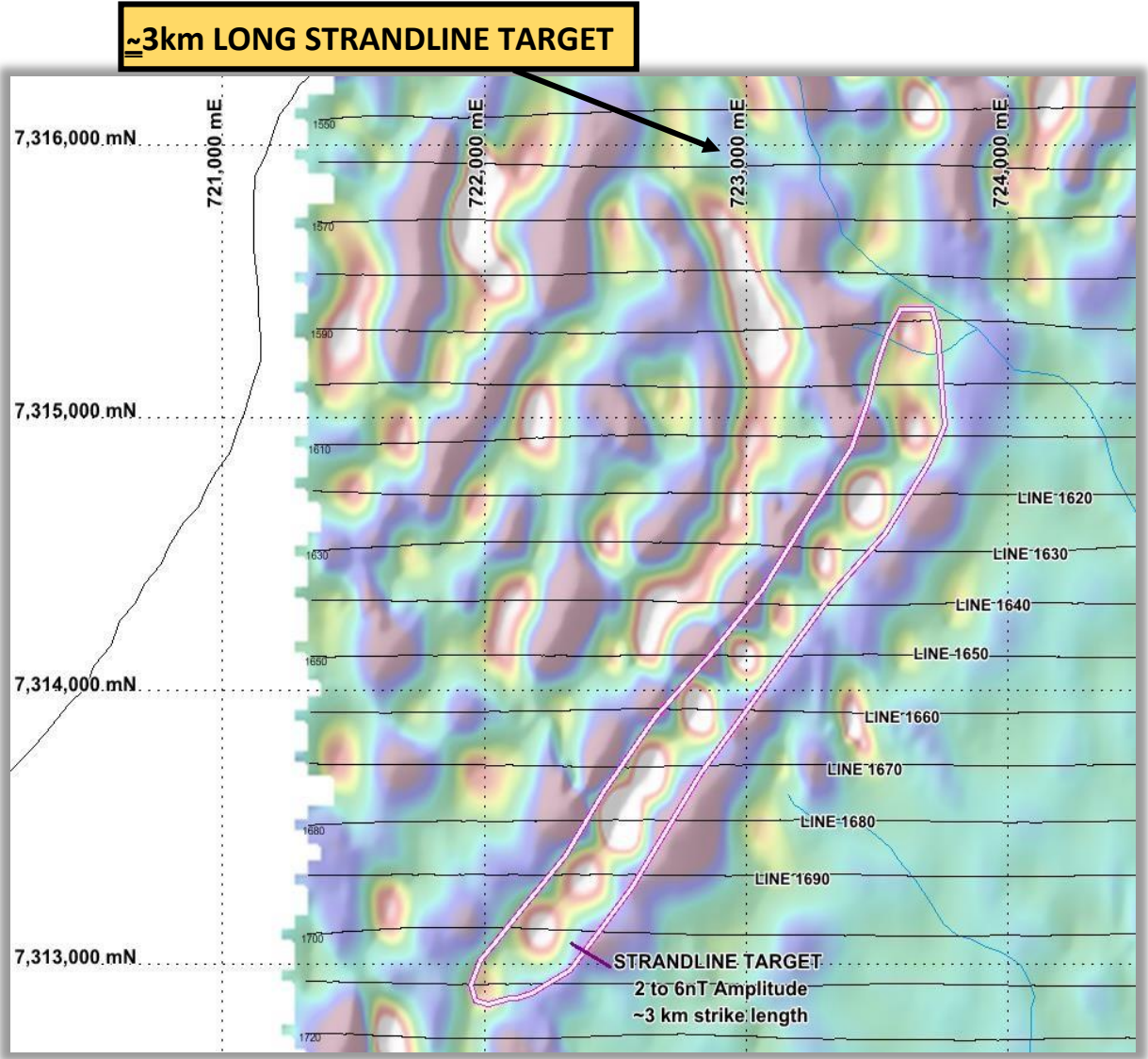


Figure 2. Residual TMI image with 2D models of one example HMS target projected in plan view.

Next Steps

The next steps for the Project are:

- Finalisation of airborne magnetics processing and interpretation
- Completion of scout and strandline drilling and assaying
- Detailed 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 180km² along an extensive dune system near the village of Jangamo, about 350km to the North East of the capital, Maputo.

Jangamo 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 Jangamo. 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)

****ENDS****

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

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Notes

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% THM1 (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.