



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

22 September 2016

### **Savannah Resources Plc Mahab 4 and Maqail South Mining Licence Applications Submitted**

Savannah Resources plc (AIM: SAV) ('Savannah' or 'the Company'), the AIM quoted resource development company, announces that two mining licence applications have been submitted to the Public Authority of Mining ('PAM') in the Sultanate of Oman as part of the licencing requirements for new mine developments in Oman (**Figure 1**). The licence applications relate to the Mahab 4 and Maqail South deposits in Block 5. Savannah is a 65% shareholder in Al Fairuz Mining, the holder of the Block 5 licence.

#### **HIGHLIGHTS:**

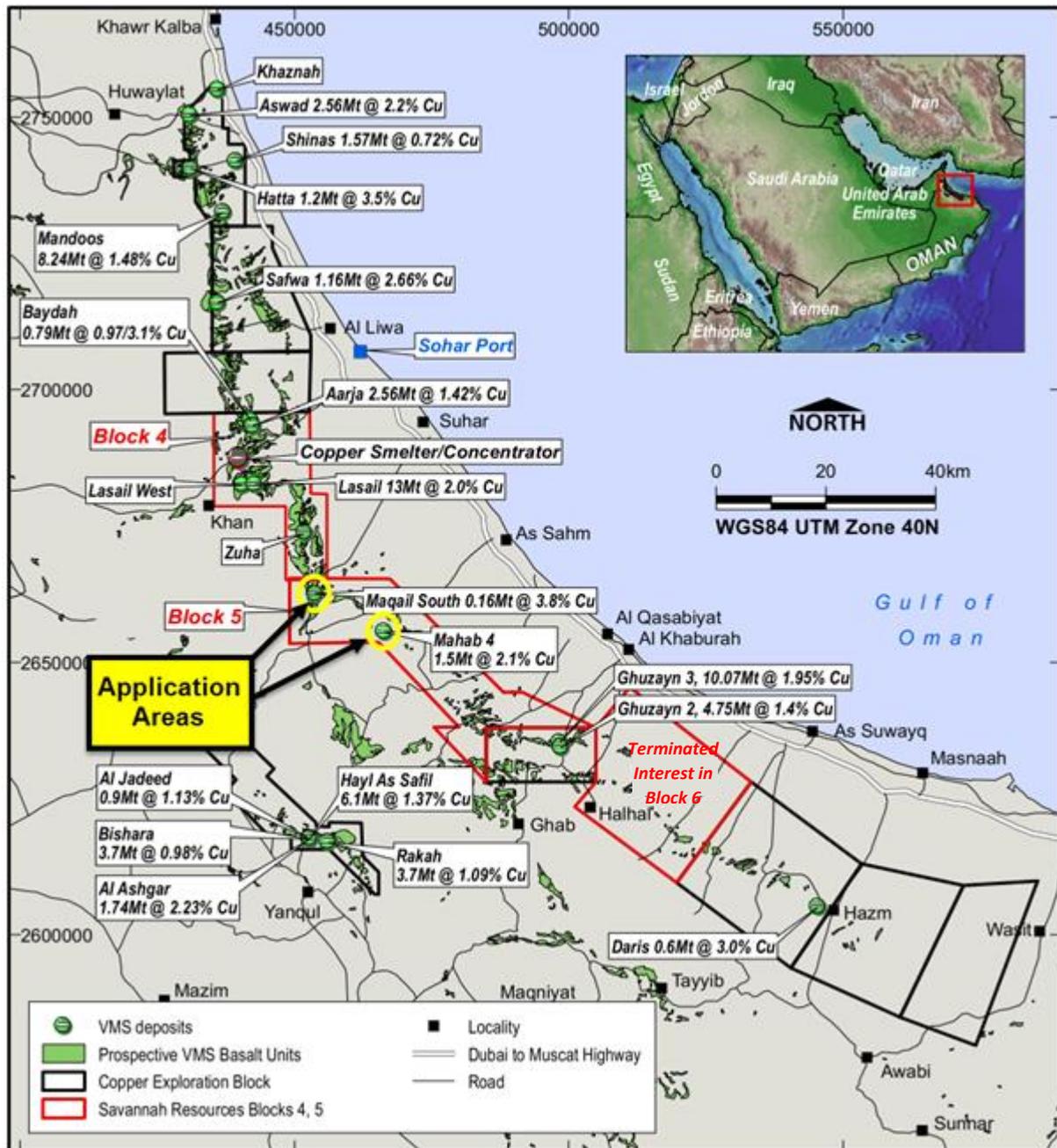
- Applications are a key milestone towards the Company's target of commencing copper mining in late 2017
- Mining Licences applied for over the Mahab 4 and Maqail South deposits in Block 5 with current Indicated and Inferred Mineral Resource of 1.7Mt at 2.2% copper
- Applications are for an open-cut development at the Maqail South deposit and for an underground development at the Mahab 4 deposit
- Advanced discussions with Government ministries have commenced
- Technical feedback is being sought from eight Government departments in order to finalise financial evaluations of the mine developments
- Milestones reached for Savannah to have a 51% shareholding in Al Thuraya Mining (owner of Block 4)
- Interest in Block 6 terminated due to relative progress and prospectivity in Blocks 4 and 5

**David Archer, Savannah's Chief Executive Officer said today** "Savannah is targeting to be in production by late 2017 and the lodging of the Mining Licence applications is an important milestone regarding the development of the combined deposits as an integrated operation. The tempo of our work is increasing and studies that will form the basis of our plans, such as metallurgical testwork and various baseline studies, are well underway.

"The higher grade nature of the two deposits makes them attractive for priority mine development to be followed by the development of other deposits such as those on Block 4."

"Following an intensive round of drilling over recent months, an updated Mineral Resource for both Maqail South and Mahab 4 will be released in Q4 2016, which will form an important part of our mining studies regarding a mine development targeted for late 2017."

Figure 1. Location map showing location of Mining Licence Applications

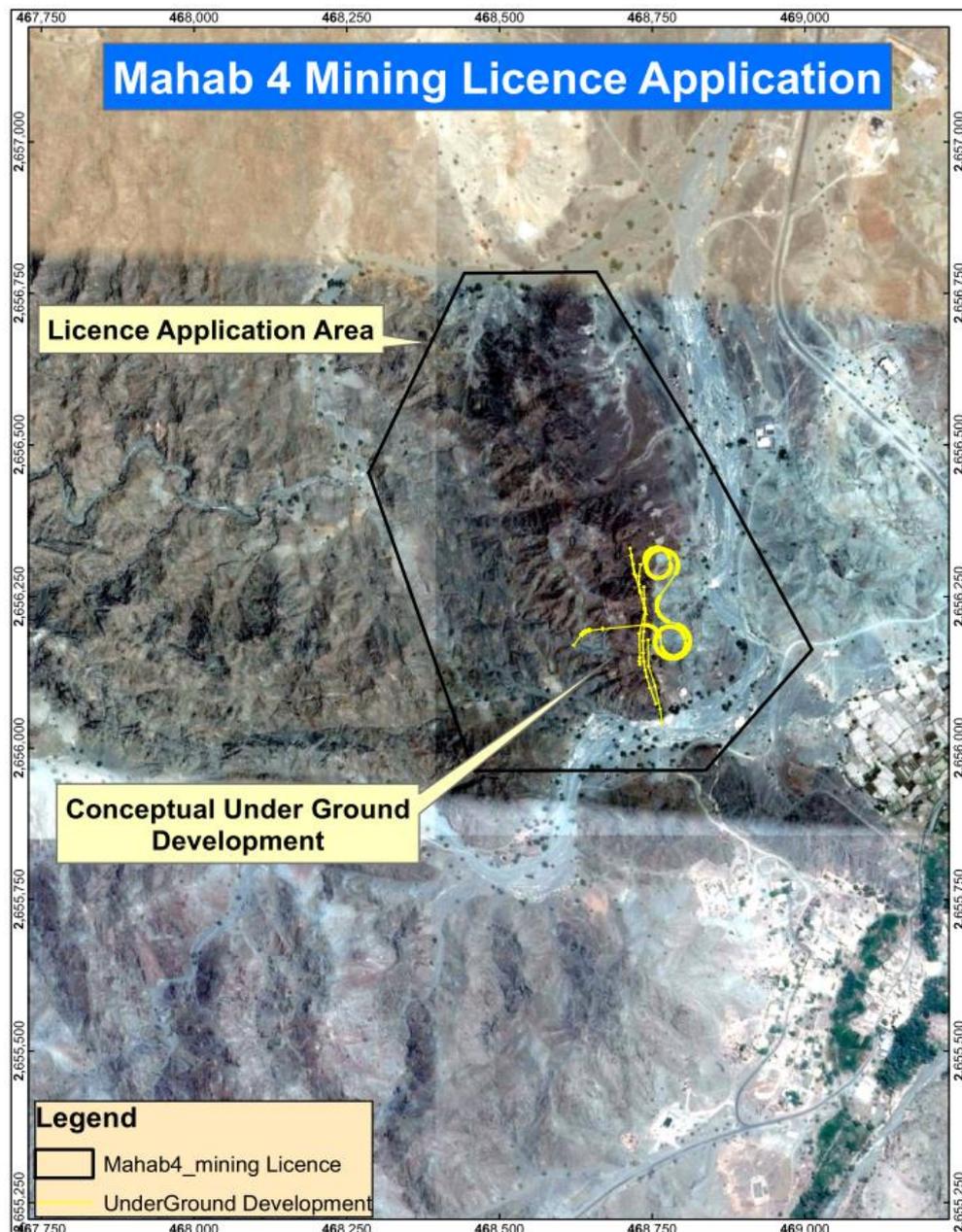


### Mahab 4

Mahab 4 has an Indicated and Inferred Mineral Resource of 1.5Mt at a grade of 2.1% Cu, which was defined by extensive diamond drilling completed by Gentor Resources. An additional eight diamond drill holes for 940m have been recently completed by Savannah to infill the resource to a hole spacing of 25m centres and to collect metallurgical and geotechnical information. This information will also be used in an updated Mineral Resource estimation for the high grade portion of the Mahab 4 resource due for completion in Q4 2016.

A Mining Licence of 0.40km<sup>2</sup> has been applied for that covers the immediate resource area at Mahab 4 and allows additional space for any infrastructure associated with underground mining operations. The conceptual plan is outlined in **Figure 2**.

Figure 2. Mahab 4 Mining Licence Application Area

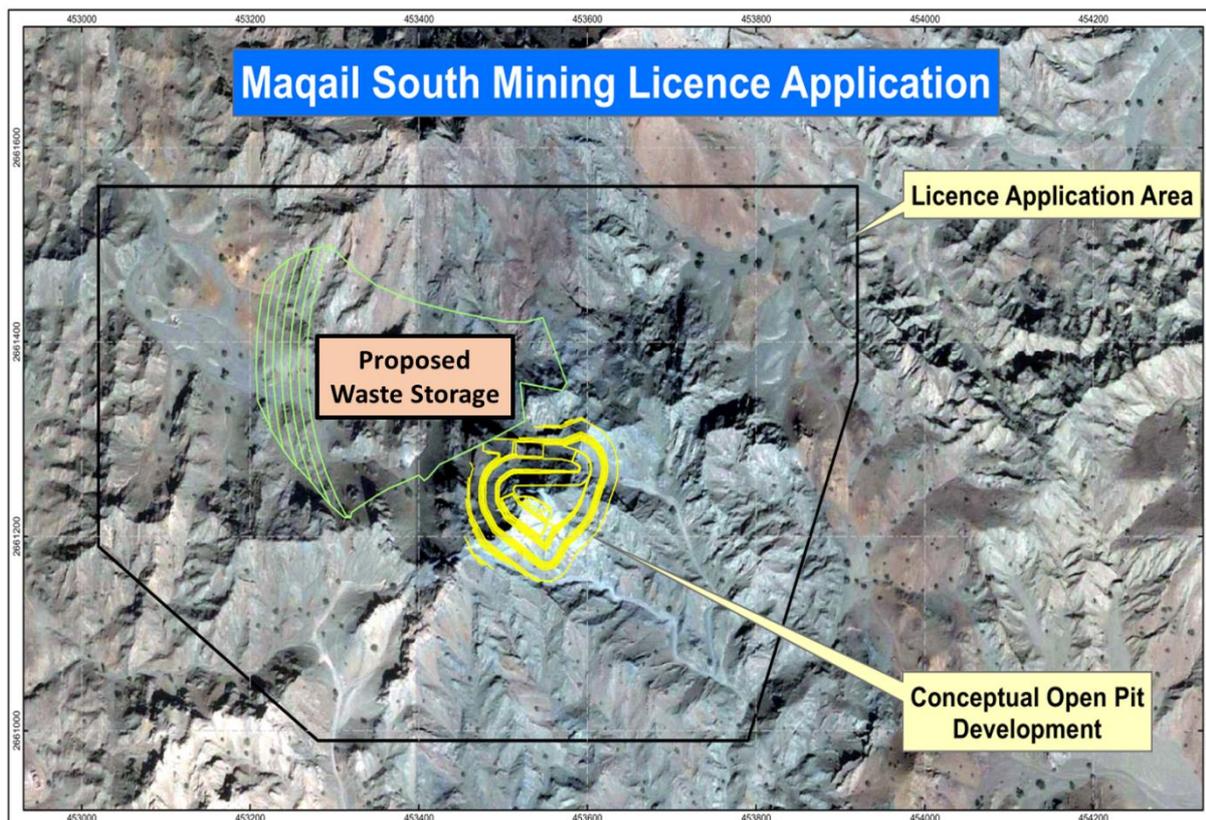


### Maqail South

Maqail South has a current Inferred Mineral Resource of 0.16Mt at a grade of 3.8% Cu, which was defined by five holes completed by Gentor Resources. An additional eight diamond drill holes for 620m have recently been completed by Savannah to infill the resource to a hole spacing of 25m centres. This will allow for an Indicated Mineral Resource classification to be made in Q4 2016. The drilling has also tested an area to the west where the Mineral Resource remains open.

A Mining Licence of 0.46km<sup>2</sup> has been applied for at Maqail South that covers the immediate resource and the surrounding area needed for infrastructure associated with open pit mining operations. The application area and conceptual open pit development are shown in **Figure 3**.

**Figure 3: Maqail South Mining Licence Application Area**



#### **Block 4 Update**

Savannah has now met the requirements to be entitled to become a 51% shareholder in Al Thuraya Mining (the owner of Block 4 exploration licence) and in conjunction with the existing shareholders in Al Thuraya Mining the process of filing the appropriate paperwork to achieve this is in process. Under the terms of the shareholder agreement (announced on 18 November 2014) Savannah continues to earn an interest of up to 65% in Al Thuraya Mining.

#### **Block 6 Update**

As a result of the Company's ongoing portfolio review process, and in light of the very positive results reported in this announcement along with the significant progress that has been made on both Blocks 4 and 5, the Company has terminated its interest in Block 6 in Oman as it is considered immaterial to the Company's overall growth strategy. The Company is prioritising its efforts around commencing mining at Block 5 in late 2017. Any value assigned to Block 6 will be written off at the next balance sheet date.

#### **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 [www.savannahresources.com](http://www.savannahresources.com) or contact:

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#### **Notes**

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

#### Oman

Savannah has interests in two 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 Reservation Permits over two new lithium projects, Somero and Erajarvi, covering an area of 159km<sup>2</sup> 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.