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

savannah resources plc

SAVANNAH RESOURCES PLC

AIM: SAV

RNS – 22 December 2016

PROJECT PORTFOLIO

MINERAL SANDS MOZAMBIQUE (CONSORTIUM AGREEMENT WITH RIO TINTO)

COPPER/GOLD *OMAN*

LITHIUM *FINLAND*

# Savannah Resources Plc

## Seven Lithium Bearing Pegmatites Identified on Finland Projects

Savannah Resources plc (AIM: SAV) ('Savannah' or 'the Company'), the AIM quoted resource development company, announces that all results have now been received from reconnaissance rockchip sampling over its new lithium projects in Finland, Somero and Erajarvi (Figure 1). The work programme has returned anomalous lithium mineralisation across both projects, leading to the discovery of seven lithium bearing pegmatites.

**HIGHLIGHTS:**

- A total of 524 rockchip samples have been collected from the Somero (244 samples) and Erajarvi (288 samples) licences and submitted to the laboratory for analysis
- Results have highlighted **seven pegmatites with anomalous lithium - two on Somero and five on Erajarvi**
- Geological mapping and rock chip sampling has highlighted:
    - Somero Project, **prospective pegmatites with assays of up to 4.47% lithium oxide ('$Li_2O$') at the Torkkamaki Prospect and mineralisation traced over 150m along strike and remaining open**
    - Erajarvi Project, prospective pegmatites with **assays of up to 1.56% $Li_2O$ at the Viitaniemi Prospect and mineralisation traced for over 350m before it was covered by glacial till**
- Key lithium minerals petalite, spodumene and lepidolite were all identified in hand specimens
- Follow up work to further expand and define the seven anomalous pegmatites in readiness for drilling is being planned for Q2 2017 (following winter)
- Finland is one of the most prospective countries on mainland Europe for potential lithium discoveries. Both project areas enjoy 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 extremely pleased that the assaying programme has confirmed at least seven pegmatites anomalous in lithium with the Torkkomaki and Viitaniemi pegmatites looking to have potential for scale. Finland is a lithium focus for a number of companies thanks to its significant resource

potential, excellent mining legislation and infrastructure endowment, and we believe the results we have received to date support our recent decision to move into this prospective region. I look forward to providing further updates on our exploration programme in the New Year as we continue to prove up the resource potential of these assets."

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


**ROCK CHIP SAMPLING PROGRAMME**

Sampling in glaciated terrains such as Finland presents a series of unique challenges which at times make it very difficult to get a representative rock chis samples. Millions of years of glaciation has meant that most of the outcrop has been rounded making it virtually impossible to sample with a conventional hammer and softer minerals such as lithium have been stripped from the surface of the boulder. When combined, these two factors mean that moderate levels of anomalism in the rock samples are considered significant and further follow-up sampling is then required using high powered drills **(Figure 2).** This method of sampling tends to be largely used in follow-up sampling due to the weight of the equipment and the time taken to obtain a representative sample.

**Figure 2. Boulder sampling using a high-powered masonry drill**

Source: Company Photos

A total of 532 samples were collected and sent for analysis, with 18 of them were anomalous for lithium above 0.1% Li2O. Fourteen of the samples were from Erajarvi and four from Somero, with the highest-grade sample of 4.47% Li2O from a petalite outcrop at Somero **(Tables 1-3).**

**Table 1: Summary samples sent for analysis**

| Savannah Batch No. | No. of Samples | No. from Somero | No. from Erajarvi | Sample Method | Lab Batch No |
|---|---|---|---|---|---|
| SAV-2016-FIN-01 | 67 | 67 | 0 | Peroxide | 501629 |
| SAV-2016-FIN-02 | 184 | 7 | 177 | Four Acid | 501640 |
| SAV-2016-FIN-03 | 107 | 0 | 107 | Four Acid | 501649 |
| SAV-2016-FIN-04 | 174 | 170 | 4 | Four Acid | 501669 |
| **Total** | **532** | **244** | **288** | | |

**Table 2. Summary of Somero anomalous samples above 0.1% Li2O**

| SampleID | District | Easting_TM35FIN | Northing_TM35FIN | Rock_type | Li2O% |
|---|---|---|---|---|---|
| MM20253 | Somero | 314874 | 6732953 | White pegmatite | 4.47 |
| MM20254 | Somero | 314874 | 6732953 | White pegmatite | 1.42 |
| MM20255 | Somero | 314874 | 6732953 | White pegmatite | 0.23% |
| MM20474 | Somero | 312926 | 6731461 | Pale pink pegmatite | 0.2% |

**Table 3. Summary of Erajarvi anomalous samples above 0.1% Li2O**

| SampleID | District | Easting_TM35FIN | Northing_TM35FIN | Rock_type | Li2O% |
|---|---|---|---|---|---|
| MM20154 | Eräjärvi | 376551 | 6830116 | White pegmatite | 0.37% |
| MM20155 | Eräjärvi | 376551 | 6830116 | White pegmatite | 1.56% |
| MM20156 | Eräjärvi | 376551 | 6830116 | White pegmatite | 0.59% |
| MM20157 | Eräjärvi | 376551 | 6830116 | White pegmatite | 1.07% |
| MM20159 | Eräjärvi | 376288 | 6830073 | White pegmatite | 0.15% |
| MM20165 | Eräjärvi | 376288 | 6830073 | White pegmatite | 0.22% |
| MM20167 | Eräjärvi | 376288 | 6830073 | White pegmatite | 0.16% |
| MM20219 | Eräjärvi | 368206 | 6827483 | White pegmatite | 0.14% |
| MM20237 | Eräjärvi | 368786 | 6830685 | White pegmatite | 0.21% |
| MM20238 | Eräjärvi | 368786 | 6830685 | White pegmatite | 0.13% |
| MM20247 | Eräjärvi | 368757 | 6830585 | White pegmatite | 0.11% |
| MM20256 | Eräjärvi | 376294 | 6830075 | White pegmatite | 0.21% |
| MM20262 | Eräjärvi | 368961 | 6830952 | White pegmatite | 0.14% |
| MM20271 | Eräjärvi | 368930 | 6830737 | White pegmatite | 0.13% |

**SOMERO LITHIUM PROJECT**

Savannah's Somero Reservation **(Figure 3**) 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). Recent work completed by Savannah focused on obtaining a representative sample from all the known pegmatites within the licence. Two of the pegmatites sampled returned anomalous lithium results with the most significant of these being the Torkkomaki, which contains massive zones of petalite, with results returning a **high-grade lithium assay result of 4.47% $Li_2O$ (Figure 3).** Mapping has traced the petalite zone for over 150m which remains open along strike in both directions.

**Figure 3. Somero Project showing local geology highlighting pegmatites sampled**

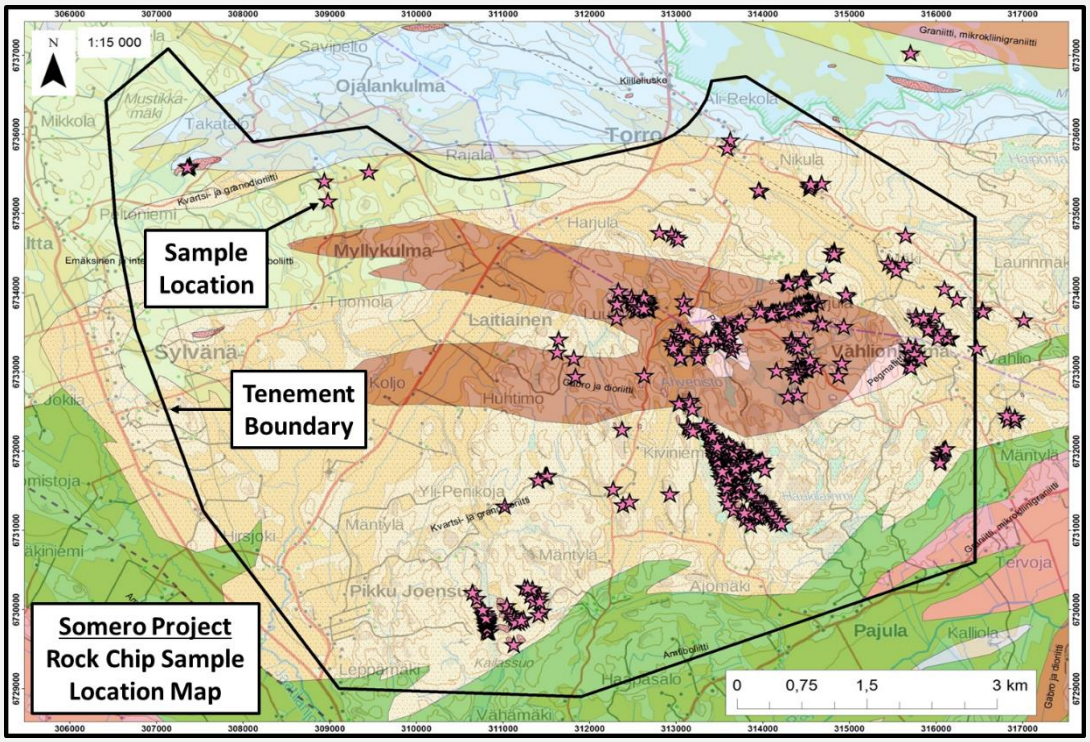



**Figure 4. Somero Project showing local geology highlighting lithium bearing pegmatites**

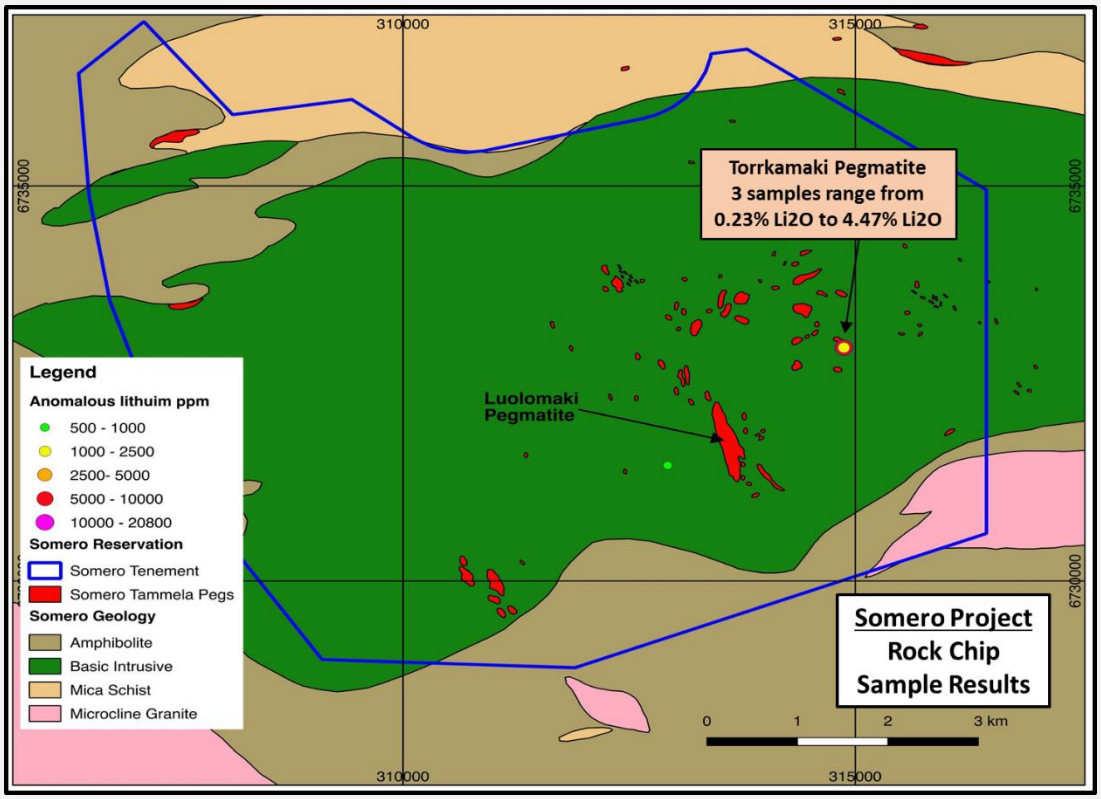


**Figure 5. Pegmatite outcrop at the Torkkomaki Prospect showing massive occurrences of the lithium mineral Petalite (MM20253: 4.47% $Li_2O$)**

Source: Company Photos

## ERAJARVI LITHIUM PROJECT

The Erajarvi Project **(Figure 6)** reservation covers a swarm of at least 61 known pegmatites that have been mapped in the area, and work focused on sampling as many of these bodies as possible. Sampling confirmed that five of the bodies returned anomalous lithium with the Viitaniemi pegmatite returning the best results with assays as high as 1.56% Li2O. Mapping has traced the body for at least 350m before it was lost under glacial cover and limited outcrop confirms that the body is at least 10m in thickness and open in all directions. The prospectivity of these pegmatites was confirmed in the recent mapping and sampling program and further detailed sampling to further define the prospectivity of the lithium bearing pegmatites.

**Figure 6. Erajarvi Project showing local geology highlighting pegmatites sampled**

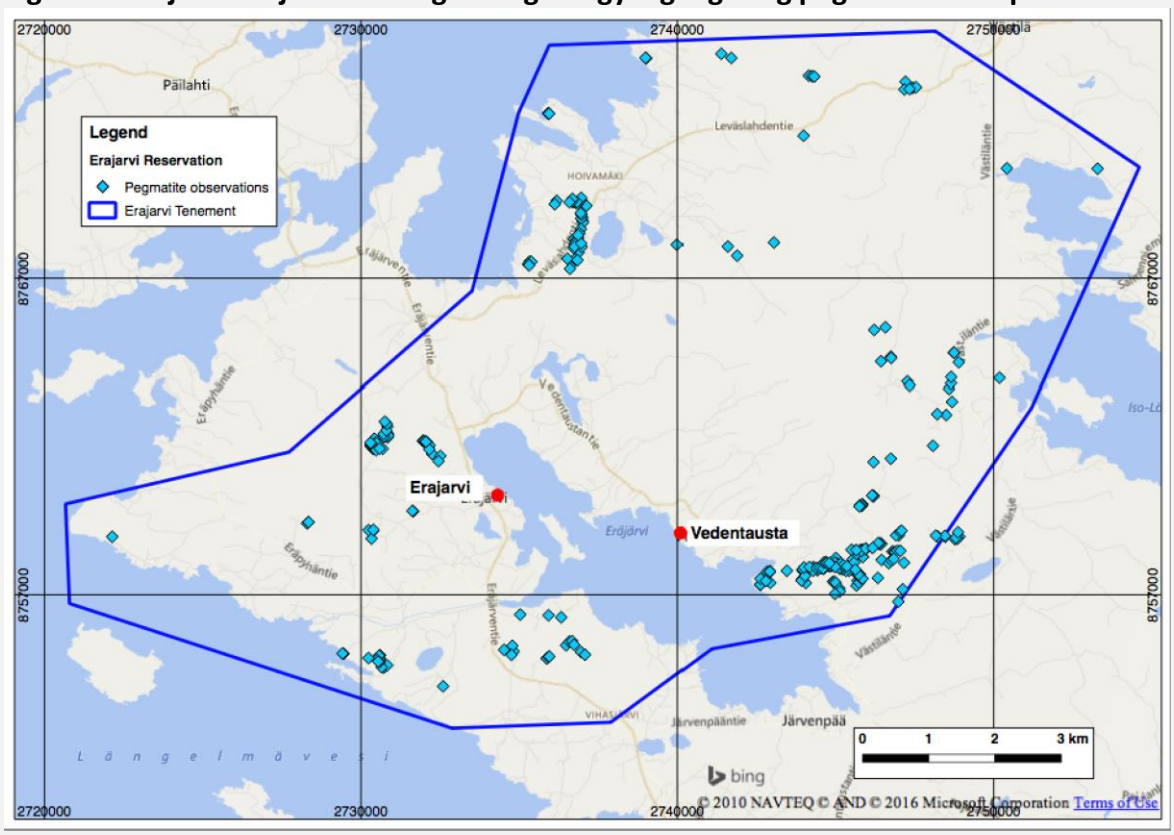
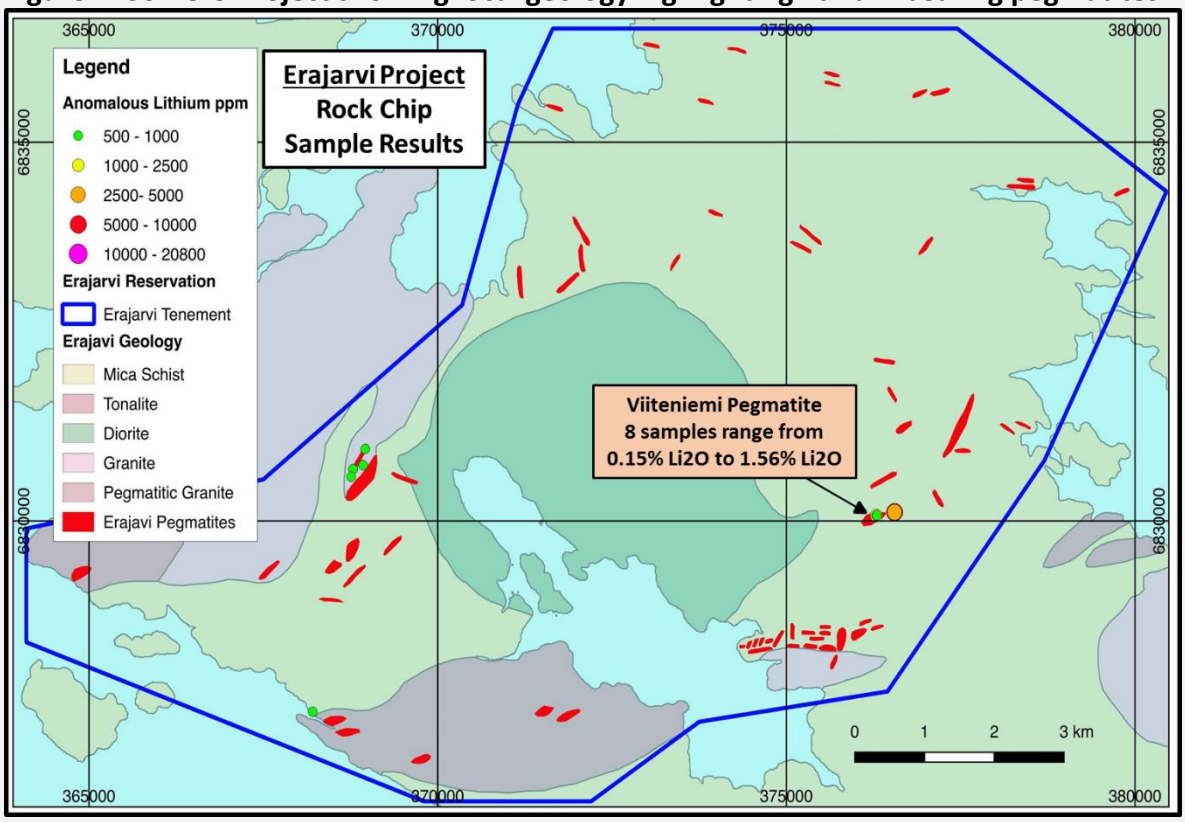


**Figure 7. Somero Project showing local geology highlighting lithium bearing pegmatites**




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****

**CONTACT US**


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

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

**Notes**

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

*Mozambique*

Savannah operates the Mutamba heavy mineral sands project in Mozambique in collaboration with Rio Tinto, and can earn a 51% interest in the related Consortium, which has an established initial Indicated and Inferred Mineral Resource Estimate of 3.5 billion tonnes at 3.8% THM over the Jangamo and Dongane deposits. Under the terms of the Consortium Agreement with Rio Tinto, Savannah must deliver the following to earn corresponding interest in the Mutamba Project: scoping study - 20%; pre-feasibility study - 35%; feasibility study – 51%. Additionally, the Consortium Agreement includes an offtake agreement on commercial terms for the sale of 100% of production to Rio Tinto (or an affiliate).

*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 @ 2.2% copper and high grade intercepts of up to 56.35m at 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 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), 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.

*Finland*

Savannah has Reservation Permits 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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *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<br>• All rock chip samples were random in nature to ensure that they were representative<br>• Total sample of around 1kg was pulverized for assaying<br>• Samples were geologically logged on site and there AMG co-ordinates recorded.<br>• Samples are then dispatched to ALS Laboratories in Perth for analysis using the following process route.<br>  • Whole sample is dried at 85°C, Crush to 70% -10 mesh (2mm), 100% pulverize to 85%passing -200 mesh (75 µm).<br>  • 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.<br>  • 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.<br>• 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.<br>• 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.<br>• The use of twinned holes.<br>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.<br>• Discuss any adjustment to assay data. | • No independent or alternative verification of the assays has been made<br>• 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.<br>• Specification of the grid system used.<br>• Quality and adequacy of topographic control. | • Holes have been located using a handheld GPS unit using WGS84<br>• No topographic data is available |
| Data spacing and distribution | • Data spacing for reporting of Exploration Results.<br>• 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.<br>• Whether sample compositing has been applied. | • Sample spacing was random and based on geological observations<br>• 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.<br>• 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.*<br>• *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<br>• Earajarvi, 100% owned prospecting permit VA2016:0018<br>• 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. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral* | • Further geological mapping and rock chip sampling is underway to |

| Criteria | JORC Code explanation | Commentary |
| --- | --- | --- |
| | *extensions or depth extensions or large-scale step-out drilling).*<br>• *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 define the areas of potential anomalism |