

## Third Mutamba Mining Licence Conditionally Awarded

18<sup>th</sup> NOVEMBER 2019

### Highlights:

- The Minister of Mineral Resources and Energy in Mozambique has conditionally awarded a third Mining Concession to the Mutamba Project in Mozambique
  - Concession 9228C has been awarded to Mutamba Mineral Sands S.A, subject to the usual administrative conditions
  - The Concession covers an area of 11,807 hectares ('ha') and is valid until 3 September 2044
- The Mutamba Project comprises one of the most significant undeveloped heavy mineral sands deposits in the world
  - Mutamba contains an Indicated and Inferred Mineral Resource of 4.4 billion tonnes ('Bt'), grading 3.9% total heavy minerals
- Concession 9228C is contiguous with Concessions 9735C and 9229C which cover ground in the districts of Inharrime and Jangamo in southern Mozambique
- The Project benefits from high quality established transport infrastructure, including:
  - Mozambique's main North/South EN1 highway runs through the Project area
  - The port of Inhambane is near the Project area
  - A daily air service runs to the nearby city of Inhambane
  - Reliable grid power is already installed and available in close proximity to the Concessions

Savannah Resources plc (AIM: SAV, FWB: SAV and SWB: SAV) ('Savannah' or the 'Company'), is pleased to announce that the Minister of Mineral Resources and Energy in Mozambique has conditionally awarded a third Mining Concession, 9228C, for the world-class Mutamba Heavy Mineral Sands Project ('Mutamba' or the 'Project') in Mozambique, over which the Company operates a joint venture ('Joint Venture') with Rio Tinto Limited ('Rio Tinto'). Mining Concession 9228C is valid up until 3 September 2044, with the possibility of an additional 25-year extension.

**David Archer, Savannah's Chief Executive Officer said:** *"The conditional award of the third Mining Concession to Mutamba Minerals Sands SA completes the tenement set of the Mutamba Project in Jangamo/Inharrime and represents a significant achievement for Savannah in its Joint Venture with Rio Tinto. To finalise the process, the normal administrative payments and processes need to be completed; these are currently underway for all three licences.*

*We are completing the administrative conditions in a chronological manner following which all three licences will be fully formalised in due course, which, when completed, will continue to consolidate our position in the Mozambican mining industry.*

*“The Project area covered by the Mining Concessions contains an Indicated and Inferred Mineral Resource of 4.4Bt at 3.9% total heavy minerals and constitutes one of the largest remaining mineral sands deposits in the world that is yet to be developed. Therefore, with the conditional approval of Concession 9228C, the potential to create and operate a significant global project within the sector can be realised, thus adding value to the Company and our shareholders.*

*“Once these three Concessions are formalised, they will enable the Joint Venture with Rio Tinto to progress the Pre-Feasibility Study (‘PFS’) towards completion. Upon delivery of the PFS, our interest in this world-class heavy mineral sands project will rise from 20% to 35%, an exciting prospect for Savannah as we continue to develop and diversify our portfolio of assets. I look forward to updating our shareholders on this opportunity and also on our flagship asset, the Mina do Barroso Lithium Project in Portugal, which we are continuing to develop.”*

#### **Further Information**

The Mutamba Project comprises one of the most significant undeveloped heavy mineral sands deposits in the world and contains an Indicated and Inferred Mineral Resource of 4.4Bt, grading 3.9% total heavy minerals.

Savannah is the operator of the Project, with an existing 20% interest in a Consortium Agreement with Rio Tinto, which covers the Project area. Savannah can increase its equity to 35% upon delivery of the PFS, which is currently underway, and ultimately to 51% upon delivery of a Feasibility Study. Notably, the Consortium Agreement includes an offtake agreement on commercial terms for the sale of 100% of production to Rio Tinto (or an affiliate).

Three of the Project’s four Mining Concession applications, 9228C, 9229C and 9230C, were submitted in January 2018. The process of examining the applications commenced at the reopening of the Ministry of Mineral Resources and Energy (‘MIREME’) in April 2018. Due to the significance of the Project, the review was extensive and included inputs from Central, Provincial and District levels of Government. The fourth Mining Concession application, 9735C, was submitted in September 2018.

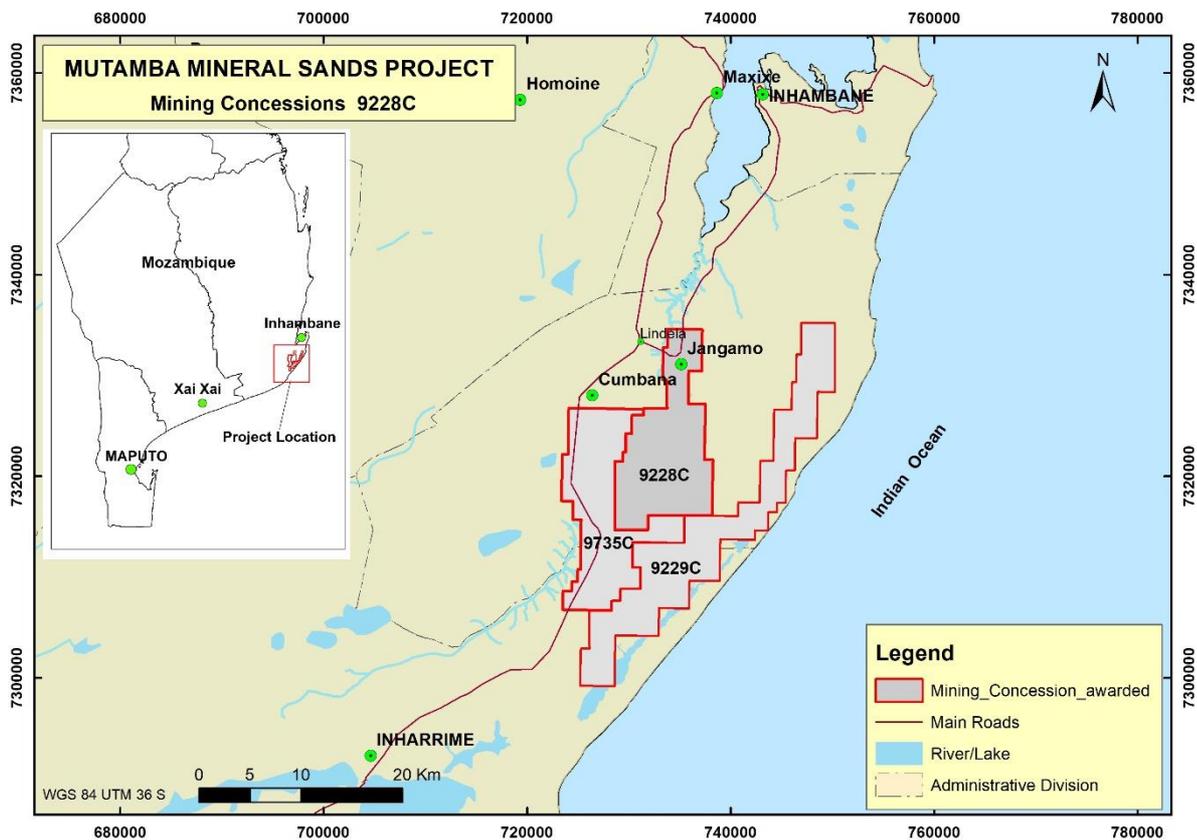
Mining Concession 9228C has been conditionally awarded to Mutamba Mineral Sands S.A., a wholly owned subsidiary of Rio Tinto which forms part of the Mutamba Project Joint Venture; this brings the total awarded Mining Concessions to three, covering a total area of 39,881 ha. These are very well served by road and air transport and are situated near the port of Inhambane. A 30MVA electricity substation was inaugurated in January 2019 and sits at the edge of the Project area. In addition, there is a 32MVA electricity substation less than 100km away in the town of Massinga.

Mining Licence application 9230C in the name of Mutamba Minerals Sands S.A., at Chilubane, Gaza Province is still under consideration.

**Table 1.** Summary of Mining Concessions Awarded

Name	Area (Ha)	Square Kilometres	Expiry Date
9228C-Jangamo	11,807	118.07	03/09/2044
9735C-Jangamo	11,948	119.48	09/04/2044
9229C-Dongane/Ravene	16,126	161.26	06/05/2044
<b>TOTAL</b>	<b>39,881</b>	<b>398.81</b>	

**Figure 1.** Mutamba Mineral Sands Project Map – Mining Concessions



### Competent Person and Regulatory Information

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 Australasian 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.

## Regulatory Information

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

**\*\*ENDS\*\***

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For further information please visit [www.savannahresources.com](http://www.savannahresources.com) or contact:

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## About Savannah

Savannah is a diversified resources group (AIM: SAV) with a portfolio of energy metals projects - lithium in Portugal and copper in Oman - together with the world-class Mutamba Heavy Mineral Sands Project in Mozambique, which is being developed in a consortium with the global major Rio Tinto. The Board is committed to serving the interests of its shareholders and to delivering outcomes that will improve the lives of the communities we work with and our staff.

The Company is listed and regulated on AIM and the Company's ordinary shares are also available on the Quotation Board of the Frankfurt Stock Exchange (FWB) under the symbol FWB: SAV, and the Börse Stuttgart (SWB) under the ticker "SAV".