



SAVANNAH
RESOURCES PLC

AIM: SAV

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

Savannah Resources Plc

PROJECT PORTFOLIO

Pre-development Programme Underway at Mutamba Project, Mozambique

Savannah Resources plc (AIM: SAV) ('Savannah' or 'the Company'), announces that it has commissioned a scoping study and environmental studies, and that it has a fully operational and expanded team in place for the Mutamba (mineral sands) Project in Mozambique being developed by Savannah and Rio Tinto as part of a consortium agreement (the 'Consortium') (Figure 1).

HIGHLIGHTS:

- Mineral sands industry expert TZ Minerals International ('TZMI') has been commissioned to conduct a scoping study to evaluate an initial phase, low capex, long life, dry mining operation around a potential 200Mt well graded resource
- Scoping study is expected to take around 4 months to complete
- Scoping study to focus on large mineralised areas of >5% THM, identified from Mineral Resource Estimate work conducted at Mutamba Project (Figure 1)
- Leading Mozambican environmental consultants ERM and IMPACTO have been awarded the contracts to conduct environmental studies for the Mutamba Project North and Chilubane deposit, which are expected to take 3-4 months to complete
- An environmental study is a key document which is required for the lodging of a mining concession for any potential development
- Data compilation and a detailed review of the Chilubane deposit is underway to further understand and evaluate the project and is expected to take 6-8 weeks to complete
- In addition to new staff hired, all of Rio Tinto's former in-country team has been employed by Savannah and integrated into the in-country team

Savannah's CEO, David Archer said: "Following the release of the first Mineral Resource Estimate of 3.5 billion tonnes at 3.8% THM for the Jangamo and Dongane deposits, which was a major milestone for Savannah and the Company's Consortium partner, Rio Tinto, we have now turned our attention to pre-development activities to continue our evaluations and understanding of the Mutamba Project. This will include a scoping study

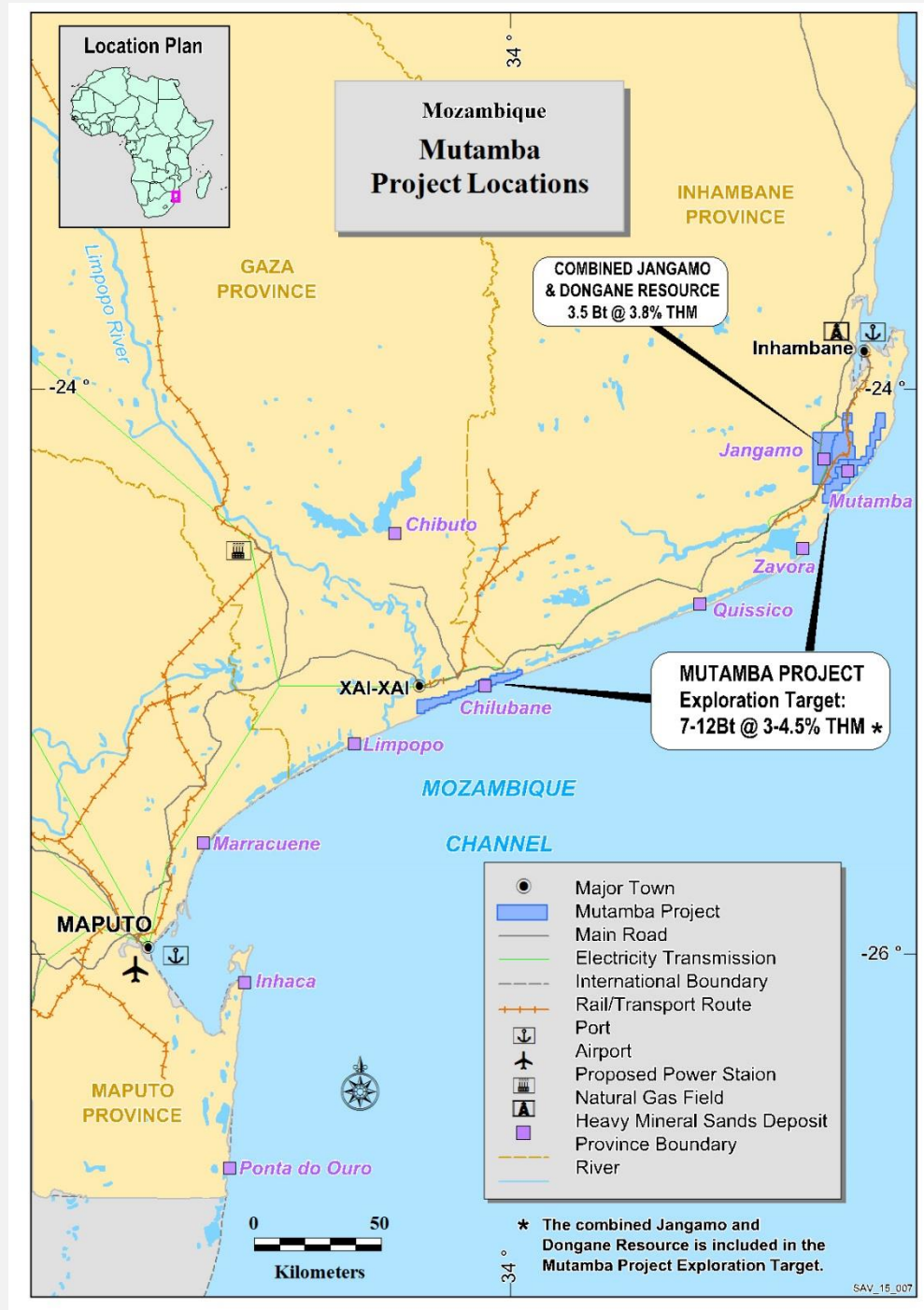
MINERAL
SANDS
MOZAMBIQUE
(CONSORTIUM
AGREEMENT WITH
RIO TINTO)

COPPER/GOLD
OMAN

LITHIUM
FINLAND

and environmental studies being conducted by leading industry consultants TZMI and IMPACTO/ERM respectively, as well as further exploration work to evaluate the high-grade zones of THM at the Ravene deposit, which we believe will further strengthen the Mineral Resource and ultimately commercial value of the project. We believe that we have a substantial mineral sands project in Mozambique and are working on a fast-paced development strategy as we look to establish a low capex, long life, dry mining operation.”

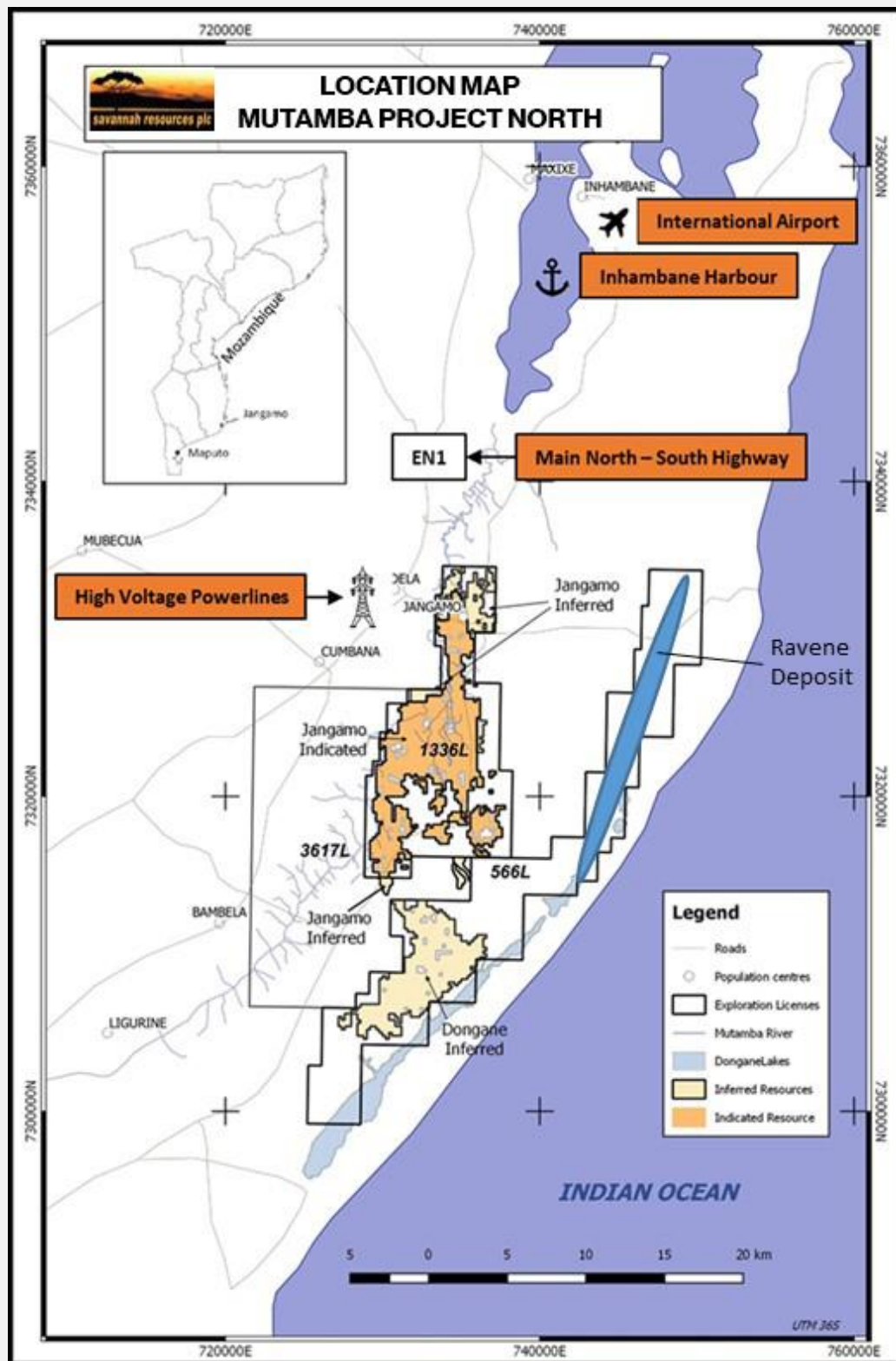
Figure 1. Mutamba Project Location Map



Note 1: * It is important to note that the above table is a summary of Exploration Targets and the potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource

Note 2: The Mutamba Project includes the Mutamba Project North (consisting of Jangamo, Dongane and Ravene deposits) and the Chilubane deposit is located 180km to the south west of the Mutamba Project North. The current resource statement includes only the Jangamo and Dongane deposits.

Figure 2. Mutamba Project North Location Map



Expanded Team Fully Operational

Since the formation of the Mutamba Project additional staff have been employed and all of Rio Tinto's former in-country team has been engaged by Savannah. This complements and significantly augments Savannah's existing in-country capability, the result of this is that we have developed a team with deep and relevant experience (geologists, safety personnel, field support staff and mineral sands laboratory operators).

Scoping Study

Savannah believes that there is an excellent opportunity to potentially define an initial phase, low capex, long life, dry mining project of around a 200Mt well graded resource, associated with a series of reworked coastal dunes. To fully evaluate the Mutamba Project, the Consortium has engaged leading mineral sands consultants, TZMI, to conduct the scoping study, which is expected to take around four months to complete.

TZMI is an independent consulting company established in 1994 and provides insight and expert advice on the mineral sands sector. TZMI brings together a leading industry team containing technical, engineering, processing and operational experience, together with a strategic and commercial competency. TZMI has a wealth of scoping/feasibility study experience including recent and relevant experience in the African mineral sands sector.

The scoping study will take specific project characteristics (location, infrastructure, geology) into account leveraging off work previously undertaken to increase the level of detail of the operating and capital cost estimates to that of a scoping study, for the purposes of completing an economic evaluation. Consideration will also be given to the product mix and potential to supply ilmenite.

Concepts for infrastructure will be drawn from TZMI's experience and location specific information provided by Savannah. As part of the process TZMI will determine scoping level operating and capital cost estimates. A cash flow model will be developed, the output of which will be used to define the key project metrics.

Recommendations for further project development will also be included and an outline provided suggesting work to be undertaken in subsequent phases of the Project development.

Environmental Studies

To obtain a mining concession in Mozambique an environmental study of a mining project must be lodged with an application for a mining concession. The scope of work for such a study covers the full procedural requirements for lodging an application for a mining concession. To fast track this pre-development work the Consortium has decided to split the work into two blocks and has engaged leading Mozambique consulting companies ERM (Mutamba Project North - Dongane, Jangamo and Ravene deposits) and IMPACTO (Chilubane deposit) to conduct this work.

IMPACTO is the benchmark company in the field of environmental consulting in Mozambique, it is based in Maputo and has been established in the market for 20 years. IMPACTO has highly qualified

environmental and social consultants with extensive experience in carrying out a wide range of environmental and social studies in Mozambique including, inter alia, Environmental and Social Impact Assessments, preparation of Environmental and Social Management Plans (i.e. subsidiary plans, including Communication Plans and Grievance Procedures, Waste Management Plans, Environmental and Social Monitoring Plans) and Resettlement Action Plans.

ERM is a leading sustainability consulting company, advising governments and business worldwide on environmental, health, safety, risk, and social issues. ERM employs around 5,000 highly trained professional and technical staff in all sectors of sustainability-related work. ERM has over 160 offices in 40 countries worldwide, and has completed projects across the world. ERM has been involved in environmental and social management projects in Mozambique since the early 1990s, including Environmental and Social Impact Assessments for oil & gas and mining developments across Mozambique.

Chilubane Geological Information Review

A detailed data set for the Chilubane deposit has now been received from Rio Tinto and a review and evaluation of this information is now underway, which is expected to take 6-8 weeks to complete.

Competent Person

The information in this document 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.

The information in this document that relates to the resource estimation is based upon information compiled by Mr Colin Rothnie, an independent consultant. Mr Rothnie 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 Rothnie 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, mineral 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, upon delivery by Savannah of the following Savannah will earn the 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 gold credits, 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.

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.