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

22 February 2016

Savannah Resources Plc

Oman Copper Gold - Project Update

Savannah Resources plc (AIM: SAV) ('Savannah' or the 'Company'), the AIM quoted resource development company, announces the remaining results from the reverse circulation ('RC') and diamond drilling programme completed at Blocks 4 and 5 in Oman, which are prospective for copper and gold. In addition, the Company has completed the preliminary compilation of data from the historic Lasail deposit in Block 4, which is the largest historical mine in Oman. 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.

HIGHLIGHTS:

- Block 4 and 5 RC/diamond drilling programme completed on 30 December 2015, with results returned from the remaining seven holes which included one re-drill of an abandoned hole
- Further encouraging results include:
    - **16m at 0.85% copper, from 105m in 15B5DD006 at Mahab 4, Block 5**
    - **9m at 0.5% copper and 2g/t gold from 4m in 15B4RC009 at Gaddamah, Block 4**
- Data compilation of historic drill results for 155 holes (18,745m) at the previously producing Lasail Mine has highlighted a number of potential mining opportunities. Significant results identified to date include:
    - **16.8m at 3.1% copper from 86.37m in hole 2-29**
    - **15.8m at 3.9% copper from 0m in hole MOB197-007 (horizontal underground hole)**
    - **15.25m at 2.54% copper from 59.94m in hole 2-31**
    - **56m at 1.52% copper from 103m in hole 2-2**

- Results received to date for the first nine holes drilled by Savannah (previously announced) include:
    - **9m at 4.86% copper, 1.54% zinc, 1.3g/t gold and 37.3g/t silver** from the Dog's Bone target at Aarja in Block 4
    - **6.6m at 6.92% copper, 5.6% zinc, 0.3g/t gold and 23.8g/t silver** at Mahab 4 in Block 5
- Past results from previous exploration of the high-grade (>5% copper) portion of the Mahab 4 deposit in Block 5 (previously announced) include:
    - **51.58m at 5.2% copper in GRB5D035**
    - **56.85m at 6.2% copper in B5MB4D071**
- Based on these existing, high-grade intersections Savannah is developing a strategy to achieve high-grade, low cost copper concentrate production in late 2017 with additional gold upside

David Archer, Savannah's Chief Executive Officer said today "We are making excellent progress with our copper-gold projects in Oman. Additional copper-gold mineralisation has been confirmed at Aarja in Block 4, the high-grade copper envelope of the Mahab 4 deposit in Block 5 where we have defined our current

resource of 1.5Mt at 2.1% copper for 31,500t of contained copper has been extended, gold mineralisation at Gaddamah in Block 4 has been increased, and recently compiled drill data has highlighted both the high-grade open-cut and underground copper potential of the Lasail Mine."

Priorities for Savannah at Blocks 4 and 5 in 2016 include:

- Planning of additional drill programmes at Blocks 4 and 5
- Compilation of a Mineral Resource estimate for the previously producing Aarja, Bayda and Lasail Mines in Block 4
- Feasibility study of an amalgamated mine development of the deposits within Blocks 4 and 5
- Applications for mining leases over the deposits
- Associated financing activities

DETAILS OF DRILLING PROGRAMME

A total of 16 drill holes were completed targeting a series of exploration and resource expansion/confirmation opportunities. A brief summary of the targets tested as part of this latest set of results is provided below (Table 1).

Resource Expansion/Confirmation Targets

Mahab 4, Block 5: Drilling targeting the potential down dip extension of the high-grade Volcanogenic Massive Sulphide ('VMS') stack at Mahab 4 intersected the lower portion of the VMS stratigraphy below the main sulphide pile, which returned a result of 16m at 0.85%Cu, from 105m in 15B5DD006. Further work is now required to test both the down plunge and up plunge sections of the deposit, which has a current Mineral Resource of 1.5Mt at 2.1% copper for 31,500t of contained copper (Figure 1 and 2).

Figure 1. Mahab 4 Orebody showing cross section for the recent drilling

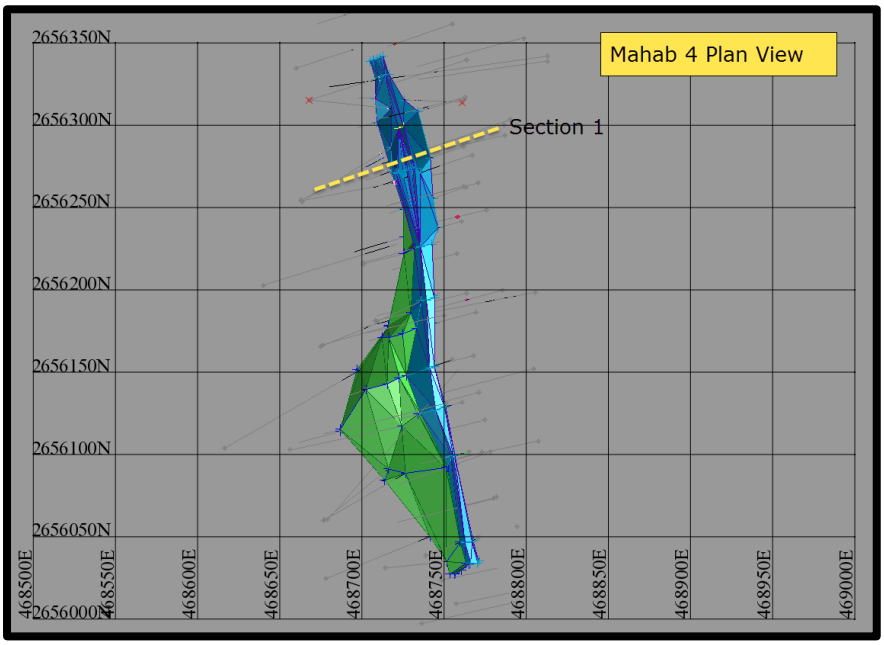
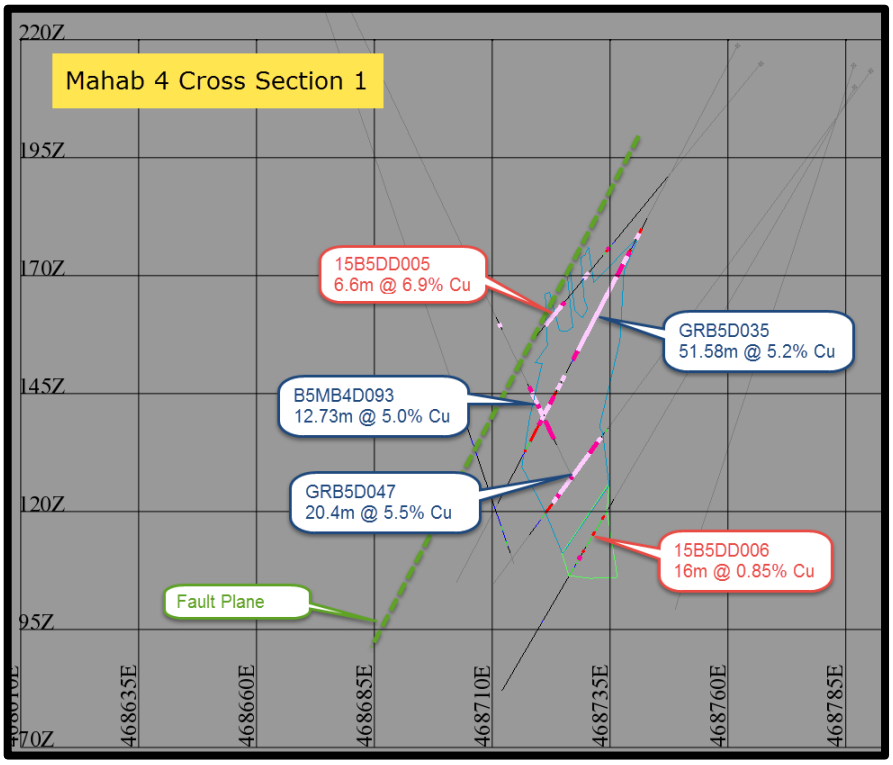


Figure 2. Cross Section through the Mahab 4 Ore body showing recent drilling in RED



Exploration Targets

Gaddamah, Block 4: Drilling targeted a gold rich zone associated with a late stage shear zone has continued to provide encouraging results including **9m at 0.5% copper and 2g/t gold from 4m in 15B4RC009.** The prospectivity is supported by previous results including **15.9m at 1.91,g/t gold and 1.2% copper from BEC23,** which is located at the southern end of the gold zone.

VTEM 4 (Aarja) and VTEM 13 (Zuha North), Block 4: Testing of two high priority Versatile Time Domain Electromagnetics ('VTEM') targets for the presence of VMS mineralisation.

VTEM 13 - Pyrite and epidote alteration was identified on the pillow margins around the interpreted target position in hole 15B4DD002, indicating hydrothermal alteration has occurred in the area. The favourable geological setting and the alteration in the area warrant further investigation to explain the presence of the strong VTEM anomaly. The hole has been cased with PVC for follow up DHEM geophysics to test for the presence of off hole conductors.

VTEM 4 – Drill testing of VTEM 4 did not intersect alteration or likely cause of the VTEM anomaly and a review is underway to review and refine this target for follow up work.

Hole ID	Prospect	Northing	Easting	rL	Azimuth (Deg)	Dip (Deg)	EOH (m)	From (m)	To (m)	Down Hole Interval (m)	Grade % Cu	Grade % Zn	Grade g/t Au	Grade g/t Ag
15B4RC009	Gaddamah	2684594.0	440340.0	283	0	-90	30.00	4.00	13.0	9.0	0.5	2.0	2.0	7.2
15B4RC010	Gaddamah	2684586.0	440348.0	282	0	-90	30.00	5.00	12.0	7.0	0.2	1.7	0.1	0.0

15B4RC001	*VTEM Target #4*	2693035.0	440591.0	228	270	-70	100	No Significant Assays					
15B5DD007	*Mahab 4*	2656314.00	468761.00	215	255	-55	93.35	No Significant Assays					
15B5DD008	*Mahab 4*	2656351.0	468794.0	215	262	-50	125	Hole terminated before target					
15B5DD008A	*Mahab 4*	2656351.0	468794.0	215	262	-50	216	No Significant Assays					
15B5DD006	*Mahab 4*	2656301.0	468786.0	215	255	-60	149	105.00	121.00	16.00	0.9	No Significant Assays	
15B4DD002	*Zuha North*	2678185.0	451615.0	212	270	-65	159	No Significant Assays					

Table 1. Summary of Results from recent 7 drill holes

Samples were assayed via the following method

- The tested samples were dried at 85°C, crushed and pulverised to 75 µm
- The method for gold analysis was using was fire assay (using 30g samples) with an atomic absorption spectrometry (AAS) finish, which detected gold in the range of 5ppb - 10ppm. A re-assay with gravimetric finish was used with the initial assay detected >10ppm gold (and silver) using a further 30g sample
- The method for copper analysis was a 24 element inductively coupled plasma optical emission spectrometry (ICP-OES) analysis of an Aqua Regia digest

Lasail Data Compilation

The Lasail Mine is the largest VMS deposit within the Oman Ophiolite Belt and 13Mt at 2% copper was mined between 1986 and 1994. Savannah has been carefully locating and digitally capturing the available historical drill data and mining data to build up a detailed 3D model of the old mine. Based on this data Savannah has been able to identify several potential areas, which could present future mining opportunities.

Some of the significant results returned to date include (note that the holes were not assayed for gold):

Near Surface Intercepts

- 16.8m at 3.1% copper from 86.37m in hole 2-29
- 15.25m at 2.54% copper from 59.94m in hole 2-31
- 56m at 1.52% copper from 103m in hole 2-2

Deeper Intercepts

- 15.8m at 3.9% copper from 0m in hole MOB197-007 (horizontal underground hole)
- 16.9m at 2.0% copper from 3.4m in hole MOB197-008 (horizontal underground hole)
- 11.9m at 2.4% copper from 42m in hole 2-455 (horizontal underground hole)

Work is continuing to verify those areas that have and have not been mined and will be followed by some high level scoping studies to determine the potential viability of the areas as a mining opportunity. Full details of the data compilation are available in the attached JORC Table 1 information.

Figure 3. Historical Lasail Deposit highlighting mineralised areas outside mined areas

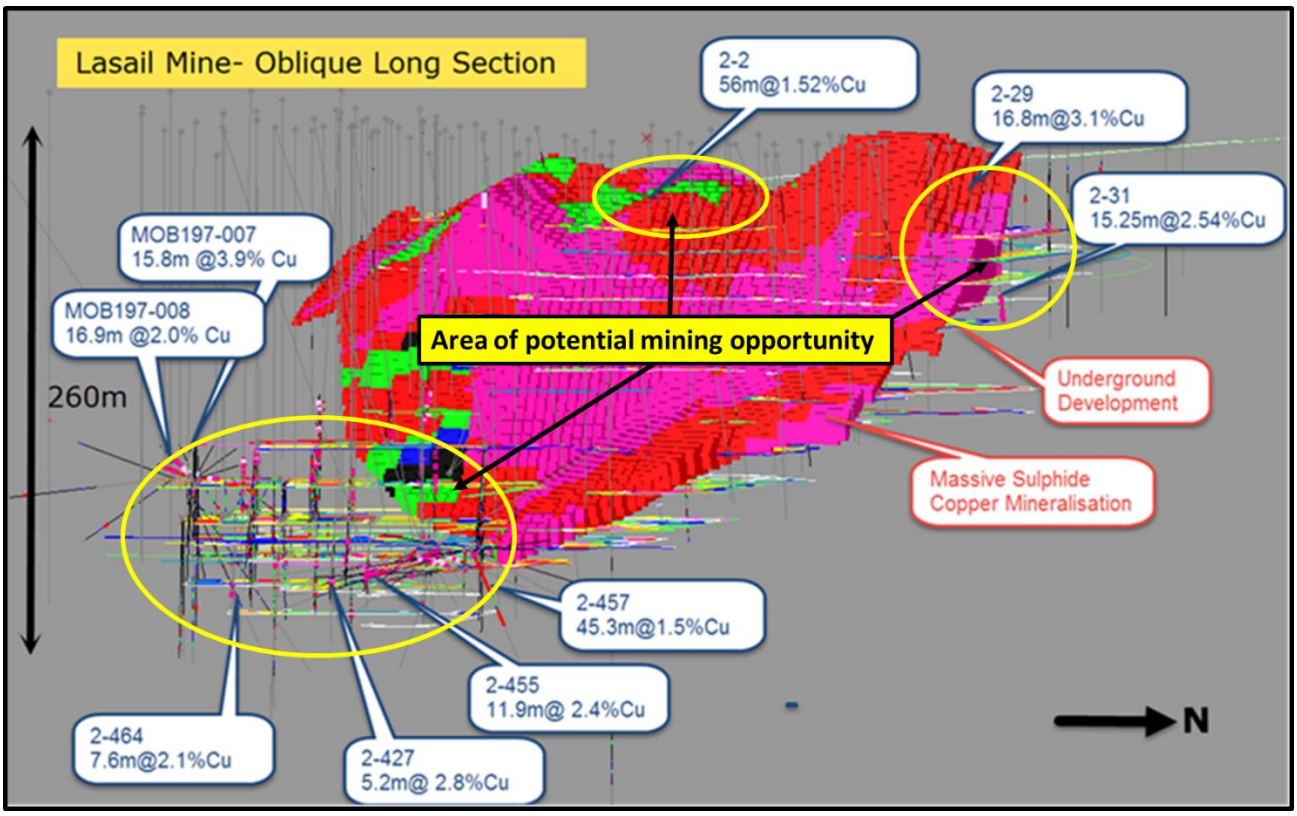


Table 2. Initial summary of historical results from the old Lasail Mine

Hole ID	Prospect	Northing	Easting	rL	Azimuth (Deg)	Dip (Deg)	EOH (m)	From (m)	To (m)	Down hole Interval (m)	Grade % Cu
2-2	*Lasail*	2684665.55	442582.23	250.00	267	-60	180.00	103.22	159.22	56*	1.5
2-29	*Lasail*	2684874.48	442597.29	250.00	0	-90	106.68	86.37	103.22	16.85	3.1
2-31	*Lasail*	2684855.96	442529.03	250.00	0	-90	91.75	59.94	75.19	15.25	2.5
2-464	*Lasail*	2684500.00	442786.01	20.07	70	-20	69.40	44.00	51.60	7.60	2.1
2-427	*Lasail*	2684548.04	442755.37	42.17	70	-24	102.00	70.10	75.30	5.20	2.8
2-455	*Lasail*	2684652.17	442837.95	21.17	180	-4	86.00	42.00	53.90	11.90	2.4
2-457	*Lasail*	2684657.39	442822.58	30.67	0	-65	74.40	0.00	45.30	45.30	1.5
MOB197-007	*Lasail*	2684458.83	442748.12	64.27	165	44	25.00	0.00	15.80	15.80	3.9
MOB197-008	*Lasail*	2684458.83	442748.12	64.27	165	22	20.50	3.40	20.50	16.90	2.0

***It is important to note that the data compilation work is still ongoing and the data set is not complete and work is continuing to determine what areas have and have not been mined and the results above could change as additional data is located and added to the database.**

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.

****ENDS****

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Notes

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

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 @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 3-4.5% THM (published in 2008).

Savannah has interests in three 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 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.

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.*
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*
	• *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.*
		• All data at the Lasail Prospect has been gathered from diamond core collected by previous explorers OMCO, Prospection or Bishi Metals Ltd between 1975 and 1992.
		• Sample techniques are not known.
		• Geological logs exist for 73 of the surface drill holes completed by Prospection and Bishi Metals. Assay data has been collected either from historic assay certificates or transposed from mine cross sections.
		  ◦ Assays methods are not know.
		  ◦ Intervals of 0.2-2.0m have been routinely sampled for Cu with selected holes assayed for Silver (Ag) and Zinc (Zn).
		• No bulk density determinations are available for the core samples.

Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Samples have all been collected from diamond core of BQ, NQ or HQ size. • No downhole surveys are available for the holes. Planned dips and azimuths have been assumed.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Diamond core recoveries were recorded in the drill logs. It is unknown if a relationship exists between sample recovery and grade. Average recoveries of >90% are recorded.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	• Logging recorded lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. Logging is only available for holes drilled from surface.

Criteria	JORC Code explanation	Commentary
	• The total length and percentage of the relevant intersections logged.	
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• HQ, NQ and BQ core was sampled. It is not known how the sampling was completed. • No information regarding standards, blanks or duplicate samples is available.
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. • 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. • 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.	• The assay certificates available are from a reputable commercial laboratory in Canada. No information is available to the sample preparation techniques and analysis methods.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• No independent or alternative verification of the assays has been made • No twin holes have been drilled • 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. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Holes have been located from co-ordinates on the drill logs. The position of some holes have been confirmed by visual inspection in the field and recording using a handheld GPS. • No down hole survey information is available • No topographic data is available
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • 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. • Whether sample compositing has been applied.	• Hole spacing is approximately 25m by 25m. • Data is sufficient to establish geological and grade continuity needed for Mineral Resource estimation.

Criteria	JORC Code explanation	Commentary
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. • 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.	• Drill holes are angled approximately perpendicular to the orientation of the lithological trends • Orientation of the holes does not bias sampling data. • Reported intervals are down hole widths and are not necessarily true widths of mineralization.
Sample security	• The measures taken to ensure sample security.	• No information is available to the chain of custody of the samples.
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.* • *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.*	• The Lasail Prospect is located with the exploration permit referred to as Block 4. Savannah has a 65% interest in the Block with the remainder being held by a local JV partner. • 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.*	• Previous exploration has been completed around Dogs Bone between 1975-1992 by OMCO with historical mining being completed in the area. • Extensive underground workings are known to exist within the area. The location of these working are recorded in 3D.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit type being tested is the Cyprus type VMS model. VMS mineralization is interpreted to have formed on a mid ocean ridge and then emplaced as an ophiolite on the Arabian Craton. Several examples of this model exist in the region.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
		• The location of the drilling at Lasail are summarized in Table 1 in the body of this release.
		• Not all previously completed holes at Lasail are reported in this release.
		• No drill holes have been completed by Savannah at the Lasail Prospect.

Criteria	JORC Code explanation	Commentary
	○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Significant intersections are based on greater than 0.5% Cu and may include up to a maximum of 3.0m of internal dilution, with a minimum composite grade of 1.0% Cu. All intervals are considered to be unmined. • Cu grades used for calculating significant intersections are uncut. • No metal equivalents are used in the intersection calculation.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Exploration results are reported as length weighted averages. • No high grade cuts have been applied to the reporting of the exploration results. • No metal equivalent values have been used. • Down hole intervals have been reported. True widths are not known.
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.*	• Not all results from the Lasail prospect have been reported. • Results reported are interpreted to be located in the unmined portions of the mineralisation
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.*	• The interpretation of the results at Lasail are consistent with the observations and information obtained from historical data collected in the area.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *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 work would include evaluating the economic value of remaining mineralisation known to exist within the historic mine workings.