



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

23 June 2016

Savannah Resources Plc Finland Lithium Initiative – Reservation Permits Granted

Savannah Resources plc (AIM: SAV) ('Savannah' or 'the Company'), the AIM quoted resource development company, is pleased to announce that further to the announcement of 2 June 2016, its Reservation Permit Applications over two new lithium projects, Somero and Eräjärvi in Finland, have now been granted.

HIGHLIGHTS:

- Somero and Eräjärvi Projects have now been granted:
 - Somero Project, Granted Reservation Permit until 11 May 2018 - 60.5km²
 - Eräjärvi Project, Granted Reservation Permit until 11 May 2018 - 98.5km²
- Somero Reservation permit less than 2km from Nortec Minerals
- Geological mapping by the Finnish Geological Survey ('GTK') within the project areas has highlighted the presence of key lithium minerals spodumene, lepidolite and petalite
- Project areas have excellent access to high quality infrastructure and are located close to potential final customers
- Savannah is in the process of establishing a team, which has the capability of rapidly advancing the projects
- An exploration programme is currently being finalised including data compilation, geological mapping and surface sampling with the aim of generating drill ready targets during 2016

David Archer, Savannah's Chief Executive Officer said today, "We are delighted with the award of these areas, which cover a series of documented, outcropping, lithium-bearing pegmatites in one of the world's prime resources jurisdictions, close to globally significant consumers of lithium based products. These projects provide us with access to the highly promising lithium market, which in light of growing demand from the burgeoning battery market, is forecast to grow at a rapid rate. With a revolution underway in how we generate and use energy, the demand for materials such as lithium, which is a key component in new energy storage solutions, is rising at record rates. Global lithium demand was 184,000t in 2015 and demand is expected to increase to 534,000t by 2025, which in turn is creating a favourable pricing market with the lithium price trebling in under 12 months. We look forward to determining the resource potential of our new project areas in order to capitalise on this, and with this in mind we are looking to frame up a development programme and an on-ground team to help define drill targets in 2016, leading potentially to the definition of Mineral Resources.

Figure 1. Location Map showing Position of new lithium projects in Finland



FINLAND LITHIUM PROSPECTIVITY

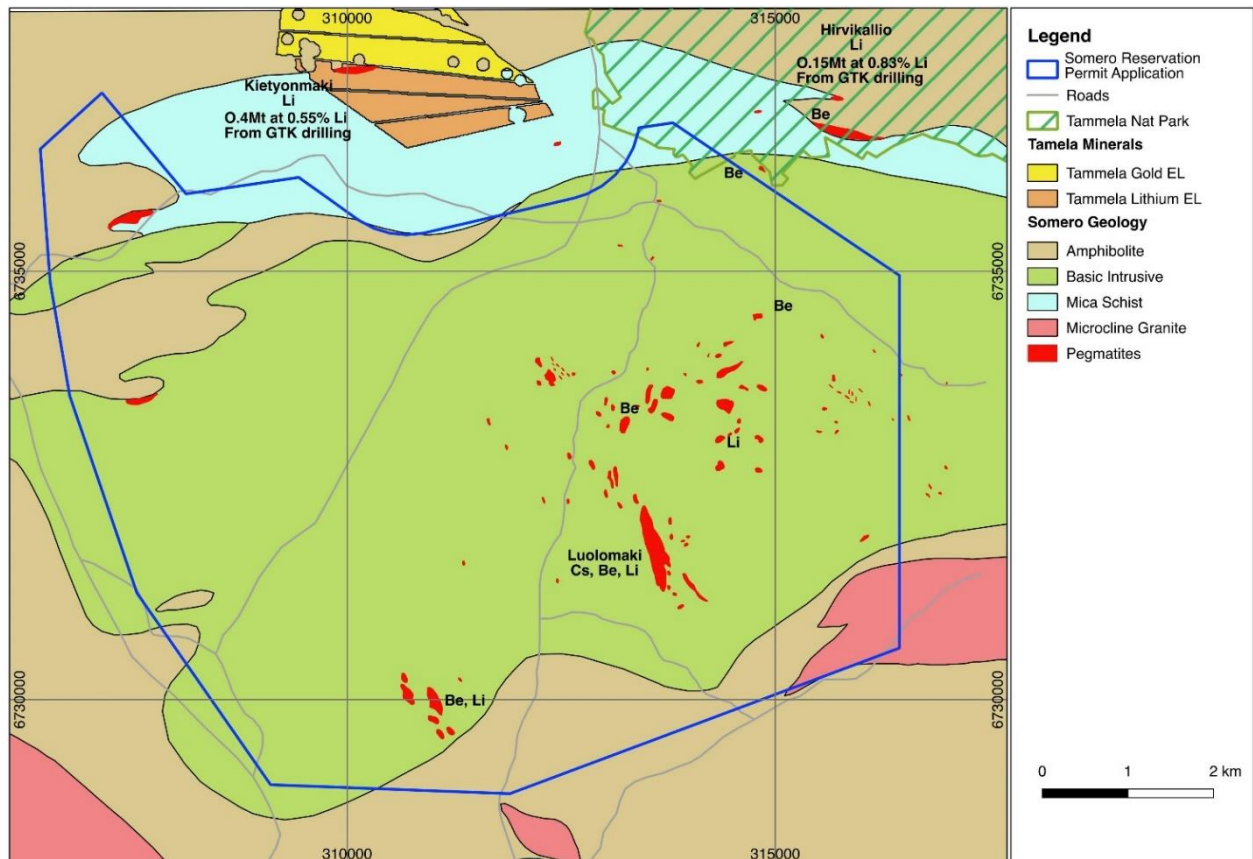
Savannah has identified Finland as one of the most prospective lithium jurisdictions in Europe hosting some of Europe’s most significant and advanced lithium projects. Finland is set to become one of the leading countries in domestic lithium supply for mainland Europe which currently consumes around 25% of the world’s lithium production (second only to China) but has no current domestic production. European countries are leading the world in the uptake of electric vehicles (EV); in Norway, for example, EV’s now total 22% of new car sales. Domestic consumption of lithium carbonate is expected to rise significantly in the coming years with Daimler recently announcing a new, €500m, European based, lithium ion battery Giga-factory and Volkswagen is expected to follow suit later in the year.

SOMERO LITHIUM PROJECT

Savannah’s Somero Reservation (Figure 4) is located less than 2km south of TSX listed, Nortec Minerals’ Kietyonmaki and Hirvikalio lithium deposits which were drilled by the GTK in 1987-88 and delivered results such as 24m at 1.3% Li₂O including 11m at 2% Li₂O. These results provide significant encouragement to Savannah as historical geological mapping of the area by the GTK has confirmed the presence of the lithium minerals but no geochemical sampling was completed to date making these bodies a high priority for sampling.

The tenement covers a swarm of at least 56 pegmatites with some reaching up to 1.2km in length and 50m wide.

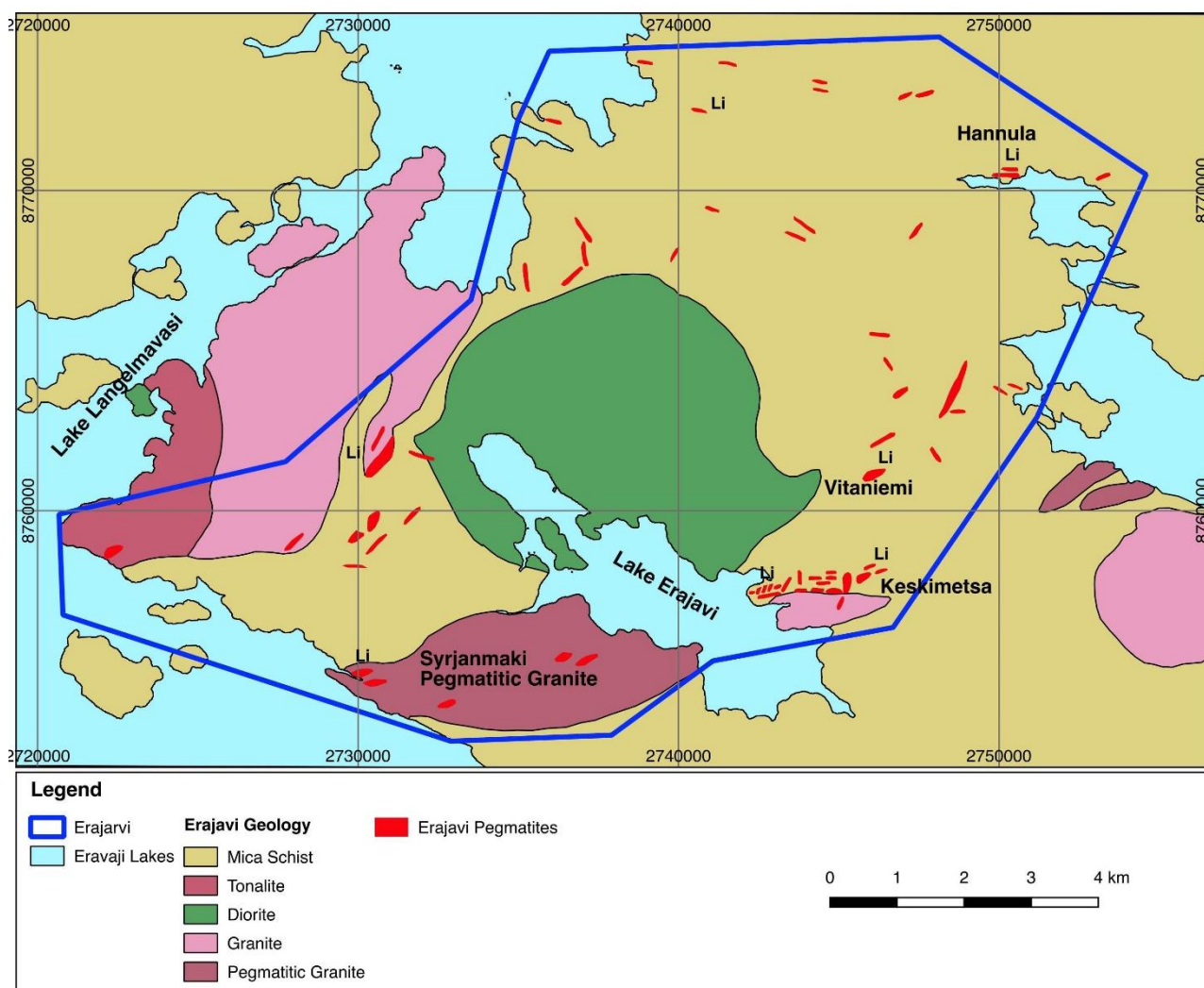
Figure 4. Somero Project Tenement boundary/local geology highlighting pegmatite swarm



ERAJARVI LITHIUM PROJECT

The Eräjärvi Project (Figure 5) has no known deposits nearby but the reservation covers a swarm of at least 61 known pegmatites which have been mapped in the area, but to date no geochemical sampling has been conducted. Mapping by the GTK has confirmed that some dykes reach up to 600m in length and 50m in width, are distinctly zoned and contain lithium rich minerals including spodumene and lepidolite making these pegmatite dykes.

Figure 5. Erajarvi Project Tenement boundary/local geology highlighting pegmatite swarm



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****

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

David Archer
David Hignell / Gerry Beaney
(Nominated Adviser)

Savannah Resources plc Tel: +44 20 7117 2489
Northland Capital Tel: +44 20 3861 6625
Partners Ltd

Jon Belliss / Elliot Hance
(Corporate Broker)

Beaufort Securities Ltd

Tel: +44 20 7382 8300

Charlotte Heap / 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:

Oman

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 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 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.