



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

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Savannah Resources Plc

Further Zones of Higher Grade Mineral Sands Identified at Jangamo Project, Mozambique

Savannah Resources plc (AIM: SAV) is pleased to announce that follow up drilling has confirmed zones of higher grade heavy mineral sands ('HMS') at its highly prospective 180km² Jangamo heavy mineral sands project ('Jangamo' or 'the Project') following the analysis of results from the Company's 1,920m scout and resource drilling programme completed in September 2014. Jangamo is located in a world-class mineral sands province in southern Mozambique, adjacent to Rio Tinto's major Mutamba mineral sands deposit which, along with another licence area in Mozambique, has an exploration target of 7-12 billion tonnes at 3-4.5% THM.

Highlights:

- Resource drilling confirmed further HMS mineralisation in the JMRC051 and JMRC123 areas, located on the eastern side of the Project (Figure 1).
- Better results include:
 - **24m at 5.21% HMS from surface including 9m at 8.05% HMS in JMRC161**
 - **33m at 5.18% HMS from surface including 15m at 6.55% HMS in JMRC171**
- Drilling results highlight higher grade HMS mineralisation with a **peak result from one 3m composite of 11.71% HMS**
- **Significantly much of the HMS mineralisation commences from surface**
- **Scout drilling** targeting the 15km western strandline target returned encouraging results including: **45m at 3.51% HMS from 12m in JMRC133**
- On track to potentially define a JORC Mineral Resource in late 2014

Savannah's CEO, David Archer said, "Our resource drilling programme has returned good grades of thick, near surface HMS mineralisation over good strike lengths in the JMRC051 and JMRC123 areas. We will now commence work on calculating a JORC resource for the mineralisation which has been defined to date with this work expected to be completed by the end of 2014.

"Scout drilling along the 15km strandline to the west of the Project area has intersected encouraging zones of mineralisation and will form one of the main focuses of the ongoing exploration programme in 2015.

"Jangamo is a large system and we are focused on defining a higher grade project that has superior economic characteristics for the development of a profitable mining operation with modest capital costs. This complements the favourable local infrastructure setting that benefits from nearby roads, power, port and I look forward to providing timely updates on this in due course."

Resource Drilling Programme

A grid drilling programme was completed around the JMRC051 and JMRC123 areas which continued to intersect encouraging near surface widths of HMS mineralisation. Significant results are recorded below and displayed on Figure 1.

JMRC051 AREA

HOLE ID	HMS Intercept	Including
JMRC140	21m at 3.02% HMS from 9m	-
JMRC143	21m at 4.33% HMS from surface	6m at 6.83% HMS from 6m
JMRC144	30m at 4.69% HMS from surface	9m at 5.65% HMS from 9m
JMRC145	30m at 4.03% HMS from 9m	-
JMRC146	27m at 5.05% HMS from 9m	12m at 5.53% HMS from 12m
JMRC148	12m at 3.09% HMS from 3m	-
JMRC154	18m at 4.22% HMS from surface	6m at 5.47% HMS from 6
JMRC161	24m at 5.21% HMS from surface	9m at 8.05% HMS from 9

Note: All anomalous intercepts reported were calculated using 2% HMS cut off with no external waste and allowing one continuous interval of waste. High grade HMS intercepts were calculated using a 5% HMS cut off with no internal dilution. The assay process is described in Appendices 1 and 2.

JMRC123 AREA

HOLE ID	HMS Intercept	Including
JMRC165	12m at 3.64% HMS from 3m	-
JMRC169	24m at 4.56% HMS from surface	6m at 5.25% HMS from 15m
JMRC170	30m at 4.27% HMS from surface	6m at 7.76% HMS from 18m
JMRC171	33m at 5.18% HMS from surface	15m at 6.55% HMS from 6m
JMRC172	15m at 3.84% HMS from 6m	6m at 5.88% HMS from 15m
JMRC173	12m at 3.77% HMS from 3m	-
JMRC175	12m at 4.69% HMS from surface	6m at 5.95% HMS from 3m
JMRC176	15m at 3.71% HMS from surface	-

Scout Drilling Programme

Scout drilling along the western strandline target has shown encouraging early signs and further exploration will be conducted over this target in 2015. Significant results include:

STRANDLINE TARGET AREA

HOLE ID	Intercept
JMRC127	6m at 3.19% HMS from 24m
JMRC130	18m at 2.68% HMS from 12m
JMRC132	21m at 3.01% HMS from 21m
JMRC133	45m at 3.51% HMS from 12m
JMRC137	6m at 5.05% HMS from 6m
JMRC138	36m at 3.00% HMS from 6m

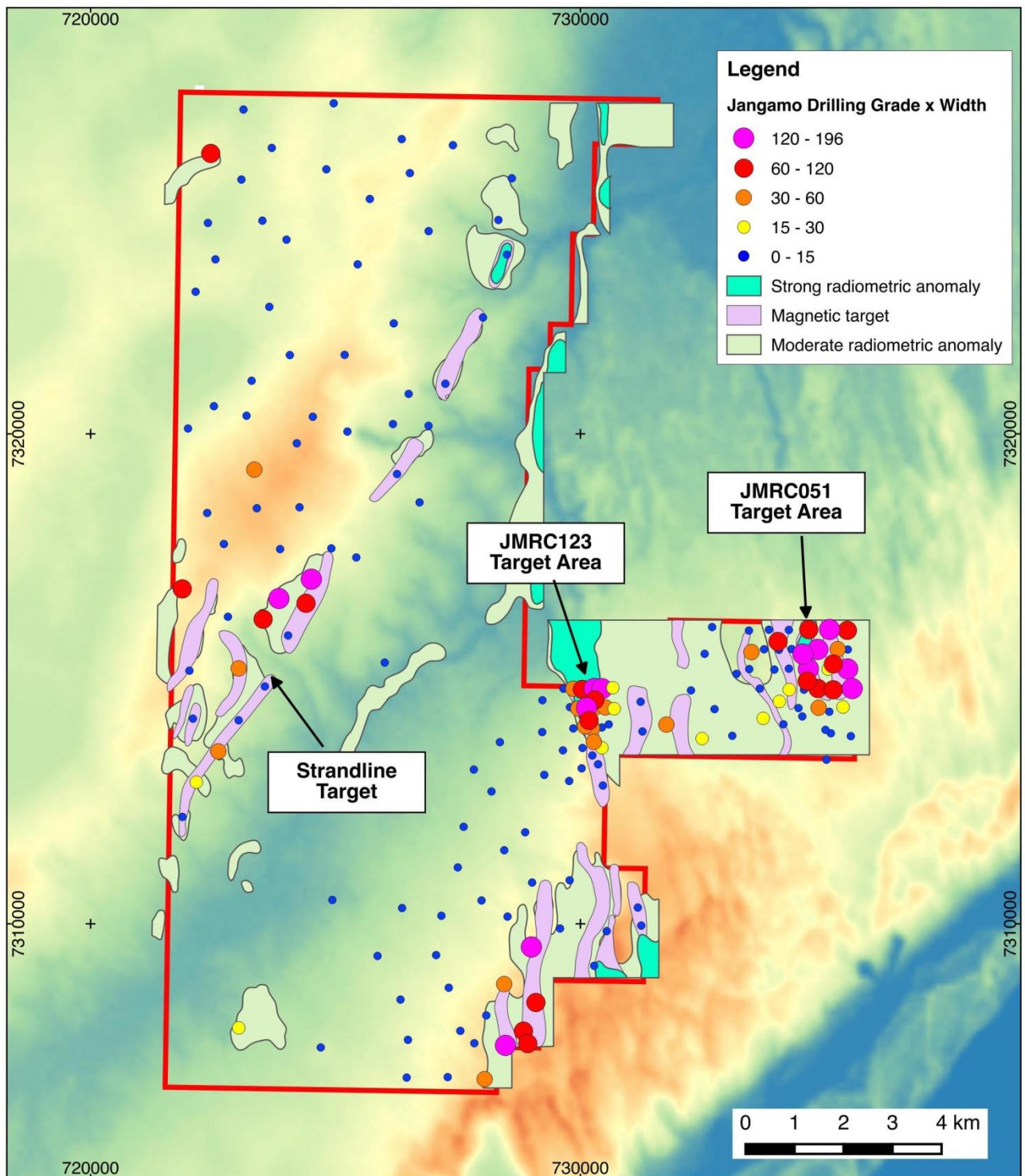


Figure 1. Drill hole location plan showing 2013 and 2014 scout drilling programmes (co-ordinate grid system - AMG zone 36) and areas of higher grade mineralisation.

Next Steps

The next steps for the Project are:

- Potential delineation of a JORC compliant resource
- Metallurgical test work programme on HMS – samples are now en-route to Perth
- Analysis of exploration results and planning of next round of exploration for the western strandline anomalies

Savannah is currently on track to deliver all these outcomes during the 2014 exploration programme.

Competent Person

Dale Ferguson: The technical information related to Exploration Results contained in this Announcement has been reviewed and approved by Mr D. Ferguson. Mr Ferguson has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ferguson is a Director of Savannah Resources plc and a Member of the Australasian Institute of Mining and Metallurgy. Mr Ferguson consents to the inclusion in this announcement of such information in the form and context in which it appears.

Notes

¹[http://www.riotinto.com/documents/ReportsPublications/Titanium mineral sands exploration target in Mozambique.pdf](http://www.riotinto.com/documents/ReportsPublications/Titanium_mineral_sands_exploration_target_in_Mozambique.pdf)

****ENDS****

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

David Archer	Savannah Resources plc	Tel: +44 20 7389 5019
James Biddle (Nominated Adviser)	RFC Ambrian Limited	Tel: +44 20 3440 6800
Charlie Cryer (Corporate Broker)		
Felicity Winkles/ Charlotte Heap	St Brides Media & Finance Ltd	Tel: +44 20 7236 1177

Notes

Savannah Resources Plc (AIM: SAV) is a growth oriented, multi-commodity, exploration and development company. It has an 80% shareholding in Matilda Minerals Limitada which operates the Jangamo exploration project in a world class mineral sands province in Mozambique which borders Rio Tinto's Mutamba deposit, one of two major deposits Rio Tinto has defined in Mozambique, which collectively have an exploration target of 7-12Bn tonnes at 3-4.5% THM1 (published in 2008).

Savannah has interests in three copper projects 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, provide Savannah with an excellent opportunity to potentially evolve into a mid-tier copper 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.

In addition, Savannah owns a 19.7% strategic shareholding in Alecto Minerals Plc which provides Savannah with exposure to both the highly prospective Kossanto Gold Project in the prolific Kenieba inlier in Mali and also to the Wayu Boda and Aysid Meketel gold / base metal projects in Ethiopia for which Alecto has a joint

venture with Centamin Plc. Under this joint venture, Centamin Plc is committing up to US\$14m in exploration funding to earn up to 70% of each project.

APPENDIX 1 – Summary of HMS Assay Process

The samples for assaying were selected based on their HMS content estimated visually via panning on-site, with only samples greater than 3% HMS sent to the laboratory for analysis.

Samples dispatched to SGS Laboratories were air-dried first and then sent to the Sample Preparation Laboratory at Maputo to be dried further and split into packages of 500g.

The packages were then sent to Johannesburg, for the next step which is an attritioning process of sieving the $-45 \mu\text{m}$ fraction (slimes) and then the $+2\text{mm}$ fraction was then sieved-off. Each fraction was then dried and weighed to give a percentage of each fraction.

The main fraction was then split to 250g with one unit stored and the other used for HMS testing. Every 15th sample of the split underwent a duplicate HMS recovery as an internal check.

The 250g split was placed in a funnel containing tetrobromoethane (TBE) set to an SG of 2.85 and stirred and left to settle. The floats or light minerals were discarded, the heavy minerals were washed dried and weighed to give the mass of HM and compared with the total weight to give THM%.

APPENDIX 2 – Summary of HMS Assay Process

