



14 November 2013

Savannah Resources Plc Alecto's Kossanto Gold Project Update

Savannah Resources plc (AIM: SAV), advises that its effective 25.6%¹ owned Alecto Minerals Plc has released an exploration update for its 100% owned, 270 km² Kossanto Gold Project in western Mali which underscores the high prospectivity of the Project.

Highlights

- New, intensive artisanal workings have highlighted a previously unidentified zone of gold mineralisation in the southern part of Alecto's Massakama prospect at Kossanto
- Both coarse and fine grained gold being mined from hard rock, quartz vein occurrences with finer a system of finer stockwork quartz veins also observed
- New zone at Massakama is co-incident with a 2kms x 1km zone of gold geochemical anomalism
- Regionally favourable structural setting for the discovery of major gold deposits being located on a splay of the significant Main Transcurrent Shear Zone which is a major transcrustal dislocation

David Archer, the Chief Executive Officer of Savannah said today "Kossanto has many of the hallmarks you'd like to see for a potential major gold discovery. It sits in a major crustal shear zone, there is extensive gold mineralisation within the tenement and the presence of felsic intrusives is an important feature of many of the multi-million ounce gold deposits in the region".

Alecto's full announcement is included in the notes to this announcement.

Notes

¹ "Effective" shareholding is based on the 121,739,133 shares held in Alecto plus a convertible loan note over 30,434,783 shares

****ENDS****

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Notes

About Savannah

Savannah Resources Plc (AIM: SAV) is a multi-commodity focussed exploration company. Through its 80% ownership of Matilda Minerals Limitada it operates the Jangamo exploration licence 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 7-12 billion tonnes at 3-4.5% THM (published in 2008). In addition, Savannah owns an effective 25.6% 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 JV with Centamin Plc, under which Centamin Plc is committing up to US\$14m in exploration funding to earn up to 70% of each project. The Company is also evaluating additional opportunities to expand its portfolio and geographical focus.

Announcement by Alecto Minerals Plc on 14 November 2013

Alecto Minerals plc ('Alecto' or 'the Company') New Gold Discovery Identified at Kossanto Gold Project Mali

Alecto Minerals plc (AIM: ALO), the AIM quoted mining exploration company focussed on West and East Africa, is pleased to provide a positive update on the Company's exploration activities at its 207 sq km Kossanto Gold Project in the prospective Kenieba Inlier in western Mali.

Overview:

- Discovered new highly prospective high grade gold area within the southern section of the Massakama prospect – one of three identified prospect areas at Kossanto
- Significant rise in artisanal activity and workings at the new area highlights the high grade nature and potential extent of the new mineralised system
- Artisanals have identified hard rock/quartz vein occurrences beyond the originally targeted alluvial and colluvial material – underpins prospectivity of the area
- During a recent field visit, Alecto geologists repeatedly observed coarse and fine grained gold recovered from high grade quartz vein material
- Previous exploration work on the licence close to the new discovery has already produced drill intercepts up to 8m @ 18.5 g/t
- Channel sampling across the area of artisanal workings at Massakama has already been completed by Alecto to depths of up to 8m; based upon observations of the artisanal activities positive results from 37 samples are expected to be received by the calendar year end
- Information from Alecto sampling will be used to generate a RAB drilling programme at Massakama in Q1 2014

- Resource drilling programme is due to commence in December 2013 at the Gourbassi East and West Prospects at Kossanto the focus being to increase current resource of 107,000 ounces of gold

Alecto CEO Mark Jones said, “We are excited about the discovery of a further gold bearing area within the Massakama prospect, which lies in the west of the Kossanto project area. Artisanal mining has long been recognised as an effective targeting tool for further exploration, with most of the large gold deposits within the Kenieba Inlier in West Africa founded on sites of historical artisanal operations. We believe that the broad extent of the new artisanal mining indicates the significant prospectivity of the new area and the potential that it offers, especially taking into consideration: the depths beneath the laterite and alluvial cover into the saprolite zone being worked; the strike of the workings consistent with soil geochemical anomalies in the area; the local infrastructure that has been implemented by the artisanal miners and our observations of the gold being recovered from hard rock. As such, we are now formulating an exploration plan to investigate this new area within the Massakama prospect; and commencing a resource drilling programme over the other two main prospect areas, Gourbassi East and West, with the dual aims of increasing the resource, which currently stands at 107,000 ounces of gold, and further quantifying the economic potential of the Kossanto Project area.”

The Kossanto Project

The Company’s wholly owned 207 sq km Kossanto Project is located in the prospective Kenieba Inlier in western Mali where the mineralisation is hosted in ancient greenstone belts and basic to felsic intrusives consistent with the settings for many significant gold deposits in Mali and Senegal including Sabodala (16 Moz), Massawa (5 Moz) and Sadiola & Yatela (16 Moz).

Three main prospect areas have been identified at Kossanto comprising of:

- Gourbassi East, where a JORC compliant resource of 107,000 ounces of gold has been defined following a recent 2,246m drilling programme;
- Gourbassi West which lies approximately 3.7 km WNW of Gourbassi East, and appears to be analogous with the NNW striking zone of mineralisation at Gourbassi East, associated with felsic volcanic rocks; and
- Massakama in the western part of Kossanto located on a NW-striking splay off the Main Transcurrent Zone (‘MTZ’), where artisanal workings have demonstrated gold prospectivity and recovery from surface to 10m.

Artisanal activities on the Kossanto Project

The Kossanto region has historically been an area of substantial artisanal gold mining, however in recent months there has been a substantial increase in artisanal activity in the area, specifically around the Massakama prospect, where previous exploration work has already produced drill intercepts up to 8m @ 18.5 g/t. The extent of this latest increase in

activity is evident as previously small and relatively isolated rural areas have experienced a rapid growth in population concurrent with several new areas of habitation over the past few months. Consistent with the discovery of an apparently rich new gold area the artisanal miners have settled and established social structures to support the gold mining activities. The majority of the local workers are focusing on the recovery of near surface alluvial and colluvial gold, together with recent trends towards targeting surface laterite gravels where gold nuggets are mined using metal detectors. By extension, Alecto's technical team have identified a new area of interest within the Massakama prospect approximately 1 km to the SW of the main Zone where artisanal workings have continued beyond the transported cover with visibly exciting results.

The workings focus on the contact between a felsic intrusive (granodiorite or similar) body and its volcanoclastic host rock, characterised by intense hydrothermal alteration and quartz veining. Along with traditional round artisanal shafts with depths of up to 20m, a substantial pit formed from collapsed holes and subsequent further excavation covers an area of 20 x 40 m and up to 10m deep. Several quartz veins are visible within the pits and are being exploited. These are orientated to the regional trends of NW and NE, together with a finer stockwork of quartz veins, at and proximal to the lithological contact. The veins appear to be consistently mineralised enabling the artisanal miners to achieve high recovery of gold using pestle and mortar crushing techniques and basic panning. The regularity of gold being obtained has led to a more sophisticated level of mining, with timber supports and pulley systems in shafts used to reach greater depth, mechanised crushers (including Jaw and Hammer Mill crushers, and sluice boxes to increase recovery from the quartz material.

Confidence is high within Alecto that this gold showing, within an area of intense artisanal workings, represents part of a much larger system. The felsic intrusives are considered to be integral to the gold mineralisation throughout the entire Massakama prospect over several square kilometres. Felsic intrusives are important controls across many of the Birimian hosted gold deposits, with the mines of Sadiola and Yatela included – which as highlighted lie on the same structural corridor (the MTZ) as is proximal to the Kossanto Project.

Previous thin geological section work has also identified Cu-Au skarn-type mineralisation in the Massakama area associated with a chalcopyrite, magnetite and epidote, with mineralisation possible throughout a large zone associated with the intrusive granodiorites.

Massakama – exploration update and planned programme

Channel sampling across the area of artisanal workings identified has already been completed to depths of up to 8m; with the anticipated positive results from the 37 samples expected to be received by the end of November 2013. The information from this sampling will be used to generate a RAB drilling programme over the extent of this potentially large, high grade area for Q1, 2014.

Gourbassi East and West – update on drilling programme

Alecto has also finalised plans for approximately 1,500m of diamond- and 4,000m of reverse circulation ('RC') drilling over the Gourbassi East and West Prospects at Kossanto. Drilling is due to commence in December and is expected to significantly increase the current resource of 107,000 of gold, whilst also increasing the understanding of the mineralisation discovered previously.

Figure 1. Map showing the Kossanto Project with the main prospects and the new target

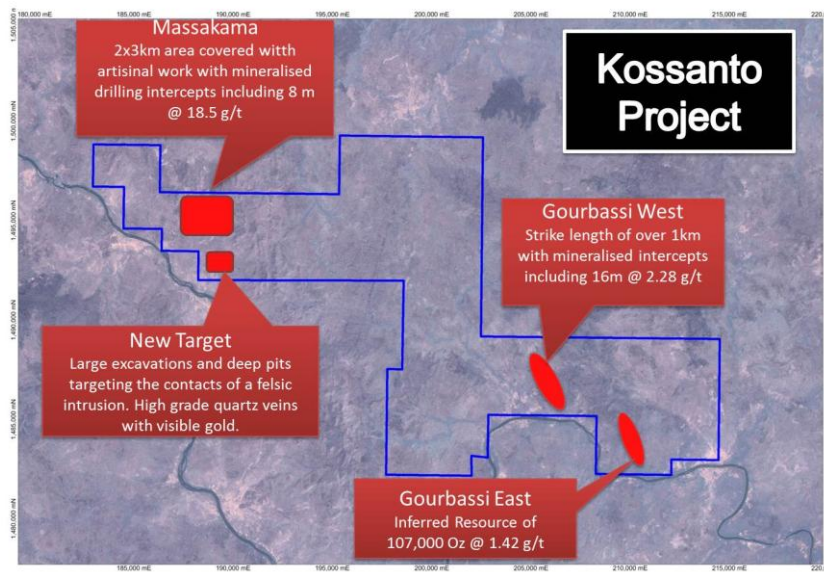


Figure 2. Map showing the Massakama Prospect, with the Central zone and the new target with soil geochemical anomalies and regional magnetic anomalies

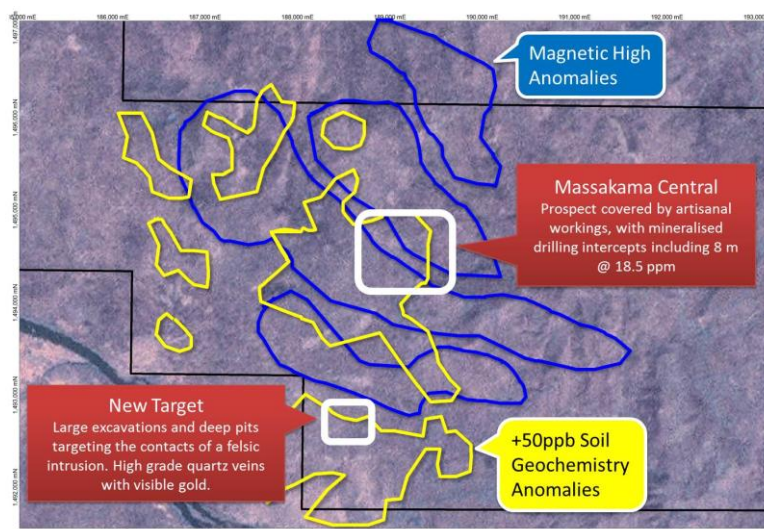


Figure 3. Photo showing the high grade quartz veins found along the contact between the felsic intrusive and the host rock



Figure 4. Photo of artisanal workers using hammer mills to crush rock



Figure 5. High grade coarse gold panned from the vein material”

