



SAVANNAH
RESOURCES PLC

AIM: SAV

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AN ENERGY METALS GROUP

Savannah Resources Plc

Significant Resource Potential Identified in Area Near Mina do Barroso Lithium Project, Option to Acquire Mining Lease Application Executed

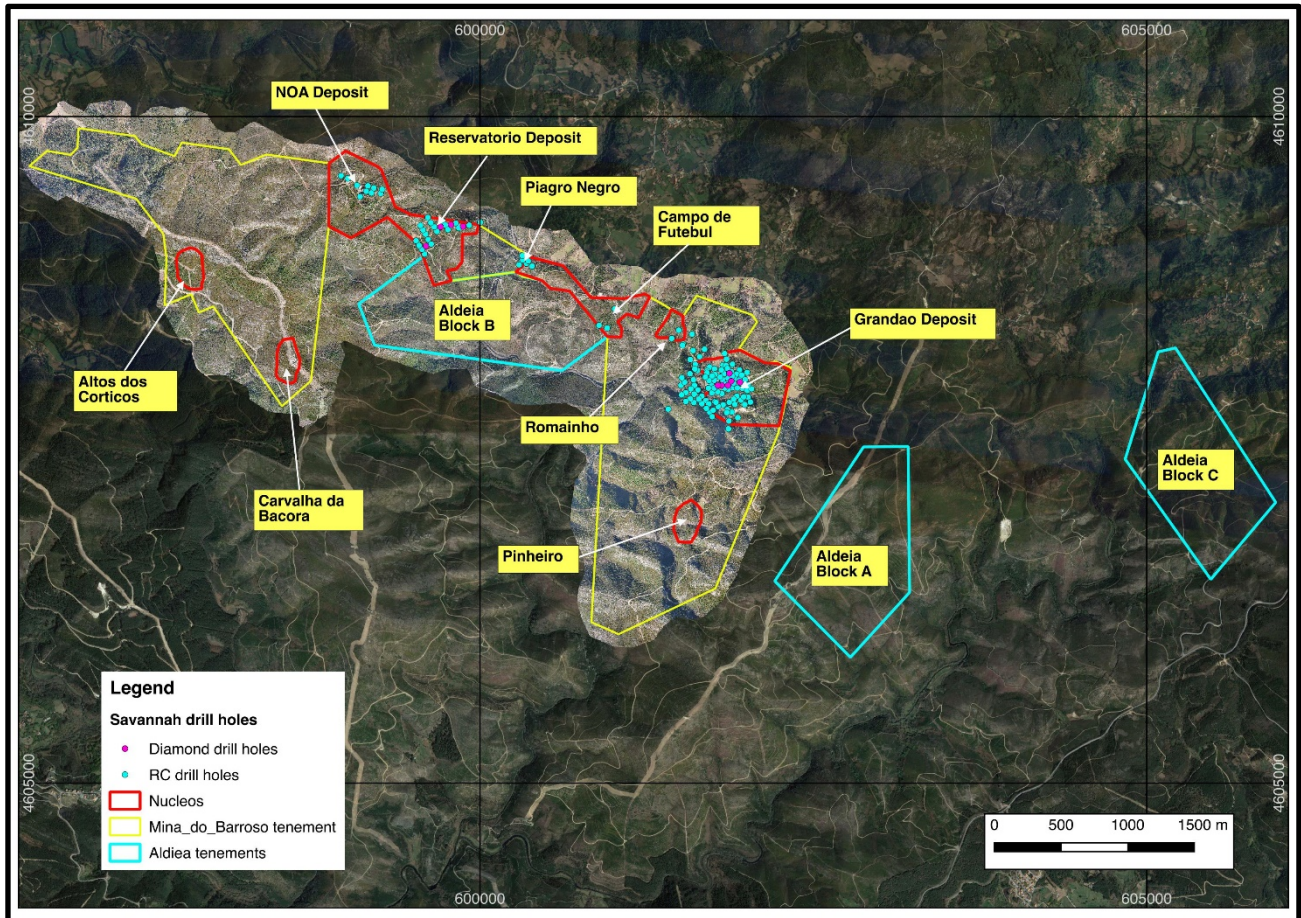
HIGHLIGHTS:

- Acquired an option for the potential purchase of the 2.94km² Aldeia Mining Lease application proximal to Savannah's flagship 20Mt Mina do Barroso Lithium Project ("the MdB Project") in Portugal
- Follows technical and legal due diligence completed by Savannah, which has highlighted excellent lithium prospectivity focusing on a large scale pegmatite in Block A where
 - Rock chip sampling has returned a maximum result of 1.53% Li₂O
 - Reconnaissance geological mapping and air photography interpretation suggest a pegmatite body of up to 300m long and 25m wide is present
 - The geometry and characteristics of the body appears to be similar to the 16.4Mt Grandao deposit at Mina do Barroso - potential to develop into a significant resource amenable to open pit mining
- Savannah is confident the Lease application area provides further resource upside to enhance Mina do Barroso, and could help optimise the layout for any potential mine development
- All payments under the deal are structured to be staged with the majority of payments expected to be made from anticipated revenue generated from Mina do Barroso

Savannah Resources plc (AIM: SAV, FWB: AFM and SWB: SAV) ('Savannah' or the 'Company'), the AIM quoted resource development company, announces that, further to the Company's announcement of 18 July 2018, it has completed its technical and legal due diligence process with a private Portuguese company Aldeia & Irmão, S.A. ('Aldeia'), and executed an agreement to purchase a mining lease application ('Mining Lease Application') (once granted) which covers areas of land bordering the Company's Mina do Barroso Lithium Project ("the MdB Project") lease in northern Portugal (the 'Proposed Licence Area') (**Figure 1**).

Savannah’s CEO, David Archer said: “Our technical due diligence has highlighted the lithium prospectivity of three blocks. The blocks are highly accretive to our Mina do Barroso Project, bringing the potential for further lithium resources and extra area for mine infrastructure. This new ground further strengthens an already highly attractive mine development project, which we believe has the potential to be Western Europe’s largest, near term producer of spodumene lithium.”

Figure 1. Location Map showing the position of the mining licence application relative to Savannah’s Mina do Barroso Mining Lease



Savannah Technical Due Diligence Programme

The Aldeia Mining Lease Application for lithium, feldspar and quartz covers key areas of the lithium pegmatite bearing structural corridors identified by Savannah both adjacent to and within the vicinity of the Company’s Mina do Barroso Mining Lease. A technical due diligence work programme was completed by Savannah to evaluate the potential of the Aldeia licence application including rock chip sampling and reconnaissance geological mapping on Block A (**Figure 2**).

This work has confirmed the excellent potential of the Aldeia licence to host spodumene bearing pegmatites similar to those already identified by Savannah in the Company’s nearby Mina do Barroso mining lease.

The results from the programme were positive in outlining significant potential for the discovery of further spodumene mineralisation. A summary of the key results for Block A are provided below and in **Table 1**.

Block A

The largest and most extensive pegmatite on Block A, occurs where quarrying operations are taking place (**Figure 2**). The quarried pegmatite has many similarities with the Grandao deposit in Mina do Barroso, which has a Mineral Resource Estimate of 16.4Mt at 1.04% Li_2O for a total contained Li_2O of 171,400t. It is evident from the excavation that the pegmatite has a continuity that can be followed into the hillside and has a current surface dimension over 300m in strike with a maximum width of 25m in places (**Figure 3**). The pegmatite is seen to have a relatively shallow dip to the north of about 30 degrees, similar to Grandao, which indicates good potential to increase the buried extent of the pegmatite to both the northeast and similarly to the southwest.

Figure 2. Panorama Photo of the Pegmatite Quarry on Block A



Three rock chip samples were collected from the quarry, and all of them had values greater than 0.5% Li_2O with two of them greater than 1.0% Li_2O . Spodumene mineralisation has been noted in hand specimen from the quarried rock, which is confirmed from the sampling making the quarry area a high priority target for drilling.

Figure 3. Block A area showing pegmatites and rockchip assay results

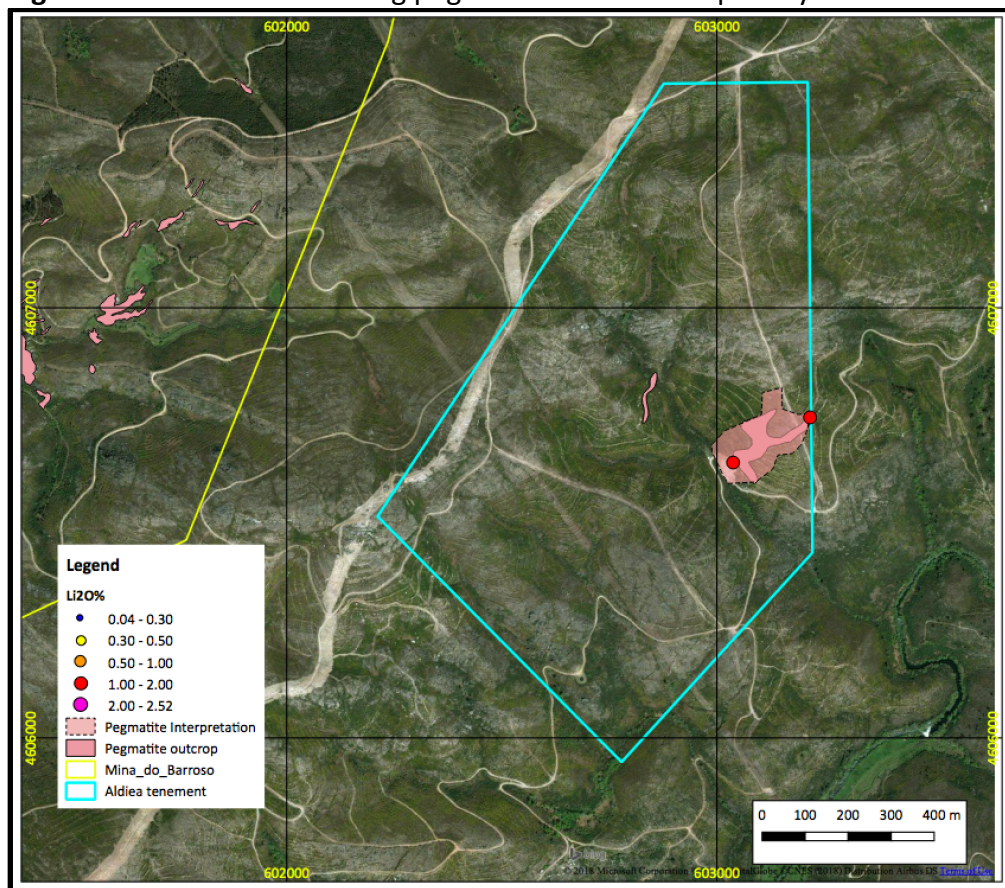


Table 1. Summary of the sample location and assay results

Sample ID	Location	East	North	RL	Comment	Li ₂ O %	Tin ppm
A010	Block A	603217	4606745	600	Large area of fresh pegmatite on fire cutting very close to lease boundary	1.02	75
A011	Block A	603038	4606640	575	Small pegmatite quarry which Aldeia are working. Visible spodumene, pegmatite 15-20m thick with shallow dip to west. Pegmatite extends to other side of water line to the west	0.65	246
A012	Block A	603038	4606640	575	As above	1.53	147

Commercial Rationale

The key commercial aspects and potential value the additional ground could provide include:

- Potential expansion of the current Mineral Resource base, which could provide the opportunity to extend the mine life of eleven years, as defined by the recent scoping study, and/or potentially increase annual processing rates.
- Expanding the site footprint will potentially improve infrastructure options and reduce mining and infrastructure costs

Key Commercial Terms

The Due Diligence Agreement provided the Company with a 70-day exclusive due diligence period, announced on 18 July 2018, whereby Savannah conducted technical, financial, and legal due diligence into the Proposed Aldeia Licence Area.

The Company has received satisfactory results from the due diligence, and therefore triggers the commencement of an exclusive option governed by a certain Pledge and Purchase Agreement to acquire the Proposed Licence Area following the grant of a mining lease from relevant government/competent authorities (the 'Option').

The Option would, if not exercised earlier, endure until no later than 25 June 2019 whereby the Company would be required to commit to the purchase of the Proposed Licence Area once granted by the relevant Portuguese government bodies ('Commitment to Purchase'). The total purchase price of the option is €358,000, of which €58,000 is due upon execution of the Pledge and Purchase Agreement and the balance payment of €300,000 payable in 4 equal instalments supported by a corresponding bank guarantee.

Upon Savannah providing a Commitment to Purchase in the future, the parties shall have a maximum of five years (which cannot exceed 25 September 2024) to submit, and to have approved, a mining lease application for the Proposed Licence Area. Upon approval of the mining lease, Aldeia shall thereafter apply to register the lease in a subsidiary of Savannah.

The total purchase price for the acquisition of the Proposed Licence Area (once granted) is €3.25m, which would be paid €55k upon execution and the balance in 71 monthly instalments following the transfer of the mining lease to Savannah's subsidiary. These payments are expected to be made whilst the Mina do Barroso project is in production with the newly acquired area potentially being mined shortly thereafter.

Regulatory Information

This Announcement contains inside information for the purposes of Article 7 of the Regulation (EU) 596/2014.

Competent Persons

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 Australasian 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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About Savannah

Savannah is a diversified resources group (AIM: SAV) with a portfolio of energy metals projects - lithium in Portugal and copper in Oman - together with the world-class Mutamba Heavy Mineral Sands Project in Mozambique, which is being developed in a consortium with the global major Rio Tinto. The Board is committed to serving the interests of its shareholders and to delivering outcomes that will improve the lives of our staff and the communities we work with.

The Company is listed and regulated on AIM and the Company's ordinary shares are also available on the Quotation Board of the Frankfurt Stock Exchange (FWB) under the symbol FWB: AFM, and the Börse Stuttgart (SWB) under the ticker "SAV".