



savannah resources plc

SAVANNAH
RESOURCES PLC

AIM: SAV

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Pilot Plant Construction Underway for Bulk Metallurgical Testwork, Mozambique

PROJECT PORTFOLIO

MINERAL
SANDS
MOZAMBIQUE
(CONSORTIUM
AGREEMENT WITH
RIO TINTO)

COPPER/GOLD
OMAN

LITHIUM
PORTUGAL
AND FINLAND

Savannah Resources plc (AIM: SAV) ('Savannah' or 'the Company'), the AIM quoted resource development company, is pleased to announce that it has commenced construction of the pilot plant for its bulk metallurgical test work programme at the Mutamba Project, Mozambique ('Mutamba' or the 'Project') (**Figures 1-3**).

HIGHLIGHTS:

- Construction of a 20 tonne per hour pilot plant has commenced at the Mutamba Mineral Sands Project;
- Pilot plant will produce bulk samples of concentrate for metallurgical and product test work;
- Mozambique based AML, an experienced mineral sands engineering company, has been appointed to undertake the work; and
- Construction and commissioning is expected to be completed by the end of 2017.

Savannah's CEO, David Archer said: "We are pleased that the pilot plant construction work is now well underway at Mutamba and that good progress is being made. Once commissioned and operational, the plant will provide concentrate bulk samples for analysis and the preparation of final products for test marketing. The completion of the plant will be a key milestone for the Mutamba Consortium as we move the Project towards a development decision."

ANUBIS MOÇAMBIQUE LIMITADA ('AML')

AML is a fully independent company that has provided multi-disciplinary engineering and process services to the mining industry in Mozambique since 2011.

AML and its associated company, Anubis Pty Limited (www.anubiseds.com), specialise in the mineral sands mining sector and have substantial expertise in design, construction and commissioning of process related equipment and technologies. AML's clients have included, Kenmare Resources plc (MOMA Sands), MPDC (Maputo Port Development Company) and MOZAL.

Scope of Work ('SoW')

The pilot plant was constructed and tested under the direction of Rio Tinto in 2012 in South Africa (**Figure 1**) before being disassembled and packed into containers and shipped to the Mutamba site.

Figure 1. The fully operational pilot plant prior to disassembly and shipment to Mutamba



(Source: Rio Tinto)

The SoW for AML is for the turnkey re-assembly and commissioning of the plant (**Figures 2 and 3**) and includes:

- Site survey;
- Installation of a site security fence with access lockable gate and security post;
- Bulk Earthworks;
- Preparation of the old railway line to be used as construction access road;
- Civil works, including foundations;
- Structural re-assembly;
- Processing equipment: piping, cyclones, distributors, spirals and distributors assembly;
- Electrical and control (Pumps, Level, Interlocks, Safety, PLC software);
- Mechanical: pumps, conveyor, vibrating feeder; LIMS and
- Plant commissioning.

Figure 2. Site plan showing the layout of the pilot plant

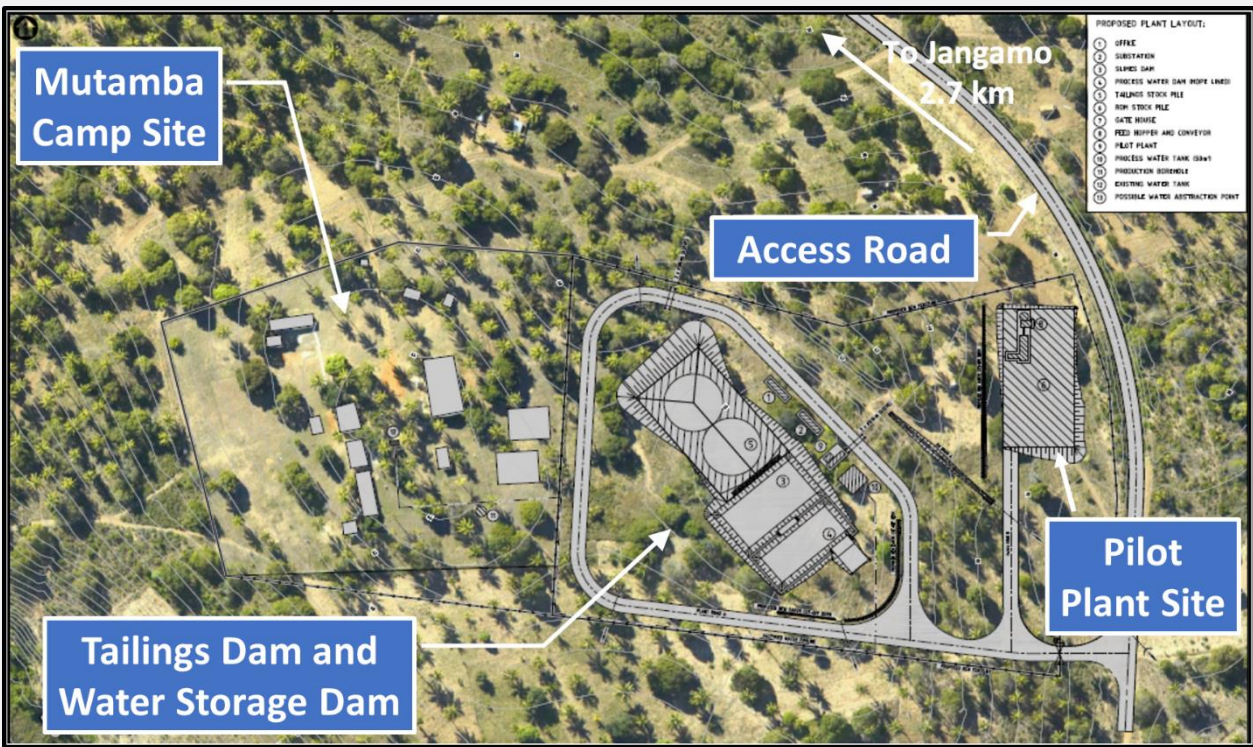


Figure 3. Aerial view of pilot plant site



(Source: Company Photo - August 2017)

Regulatory Information

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

****ENDS****

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About Savannah

Notes

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

Mozambique

Savannah operates the Mutamba heavy mineral sands project in Mozambique in collaboration with Rio Tinto, and can earn a 51% interest in the related Consortium, which has an established initial Indicated and Inferred Mineral Resource Estimate of 4.4 billion tonnes at 3.9% THM over the Jangamo, Dongane and Ravene deposits. Under the terms of the Consortium Agreement with Rio Tinto, upon delivery by Savannah of the following will earn the corresponding interest in the Mutamba Project (which currently is 20% following delivery of scoping study in May 2017): pre-feasibility study - 35%; feasibility study – 51%. Additionally, the Consortium Agreement includes an offtake agreement on commercial terms for the sale of 100% of heavy mineral concentrate production to Rio Tinto (or an affiliate).

Oman

Savannah has interests in two 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 gold credits, 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.

Portugal

Savannah holds a 75% interest one mining licence and nine prospective applications for the exploration and development of lithium, covering an area in excess of 1,018km² in northern Portugal. This includes the highly strategic Mina do Barroso prospect, which with an approved Mining Plan ('MP'), Environmental Impact Assessment ('EIA') and a 30-year mining concession/Mining Licence ('ML'), means that with a defined JORC resource a development decision could be made as early as Q4 2018.

Finland

Savannah has Reservation Permits over two lithium projects, covering an area of 159km². Geological mapping has highlighted the presence of seven pegmatites with key lithium minerals petalite, spodumene and lepidolite all identified.

This announcement 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.

This announcement is based upon information compiled by Mr Colin Rothnie, an independent consultant. Mr Rothnie 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 Rothnie consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.