



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

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Savannah Resources Plc
**Significant Zones of Higher Grade Heavy Mineral Sands Identified at Jangamo Project,
Mozambique**

Savannah Resources plc (AIM: SAV) announces that it has now received the analysis results from the 3,990m scout drilling programme detailed in the 2 July 2014 RNS at its highly prospective, 180km² Jangamo heavy mineral sands (“HMS”) project (‘Jangamo’ or ‘the Project’), located in a world-class mineral sands province in southern Mozambique.

Highlights:

- Drilling confirmed **five significant HMS mineralised zones within the Project area with the potential for higher grade HMS mineralisation ranging from 2 to 15km in strike length**
- Better results include:
 - **33m at 5.9% HMS from surface including 12m at 9.2% HMS**
 - **33m at 5.1% HMS from surface including 12m at 7% HMS**
- Drilling results highlight higher grade HMS mineralisation with a **peak result from one 3m composite of 10.3% HMS**
- **Significantly much of the higher grade HMS mineralisation commences from surface**
- **Additional scout drilling is now underway** targeting the 15km western strandline target and a grid drill out of the four eastern higher grade HMS zones
- **On track to define a potential JORC Mineral Resource in late 2014**

Savannah’s CEO, David Archer said, “We are delighted with the results which meet our expectations - we’re seeing very good grades of thick, near surface HMS mineralisation over excellent strike lengths.

“Drilling has already started on a major, 15km strandline in the western part of the Project area which is the longest combined airmagnetic and radiometric anomaly and remains largely untested. This will be followed by a drill-out of four discrete HMS zones identified in the east of the Project area which are shaping up to host a potential Mineral Resource.

“Although Jangamo is a large system, 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. Much of the mineralisation we are seeing in the four eastern zones is from surface which brings significant economic benefits from low stripping ratios and the potential for more flexible dry mining techniques. This complements the favourable local infrastructure setting that benefits from nearby roads, power and a port.

“We remain on track to define a potential JORC compliant Mineral Resource by the end of 2014.

Scout Drilling Programme

The 2014 scout drilling programme was completed in June 2014 and comprised 96 holes for a total of 3,990m targeted primarily at the eastern and western dune systems. Details of this drilling programme were released to the market on 2 July 2014.

Analysis results from this work have now been received (Figure 1) and have defined five areas of higher grade HMS mineralisation ranging from 2 to 15km in strike length. Significant results include:

JMRC051 AREA

HOLE ID	HMS Intercept	Including
JMRC050	27m at 4.4% HMS from surface	12m at 6.0% HMS from 12m
JMRC051	33m at 5.1% HMS from surface	9m at 5.7% HMS from surface 12m at 7% HMS from 15m
JMRC052	24m at 3.3% HMS from surface	3m at 5.9% HMS from 9m
JMRC053	21m at 3.1% HMS from surface	6m at 4.5% HMS from 9m
JMRC120	18m at 4.0% HMS from surface	12m at 4.5% HMS from 6m
JMRC121	12m at 2.7% HMS from surface	-

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 4% HMS cut off with no internal dilution. The assay process is described in Appendix 1-2.

JMRC123 AREA

HOLE ID	HMS Intercept	Including
JMRC062	12m at 4.5% HMS from surface	-
JMRC123	33m at 5.9% HMS from surface	12m at 9.2% HMS from 15m
JMRC124	12m at 2.9% HMS from surface	-
JMRC125	18m at 3.6% HMS from surface	6m at 6.1% HMS from 3m

SOUTH EASTERN/EASTERN AREAS

HOLE ID	HMS Intercept	Including
JMRC033	42m at 3.1% HMS from 18m	12m at 4.1% from 27m
JMRC037	27m at 4.2% HMS from 24m	6m at 4.9% HMS from 27m 9m at 5.1% HMS from 39m
JMRC038	21m at 2.8% HMS from 30m	9m at 4.9% HMS from 33m
JMRC039	21m at 4.0% HMS from 21m	12m at 4.8% HMS from 30m
JMRC112	24m at 2.4% HMS from 18m	-
JMRC113	33m at 3.5% HMS from 18m	15m at 5.8% HMS from 18m
JMRC114	9m at 4.1% HMS from 21m	-

STRANDLINE TARGET AREA

HOLE ID	Intercept	Including
JMRC073	39m at 2.9% HMS from 12m	6m at 5.3% HMS from 27m

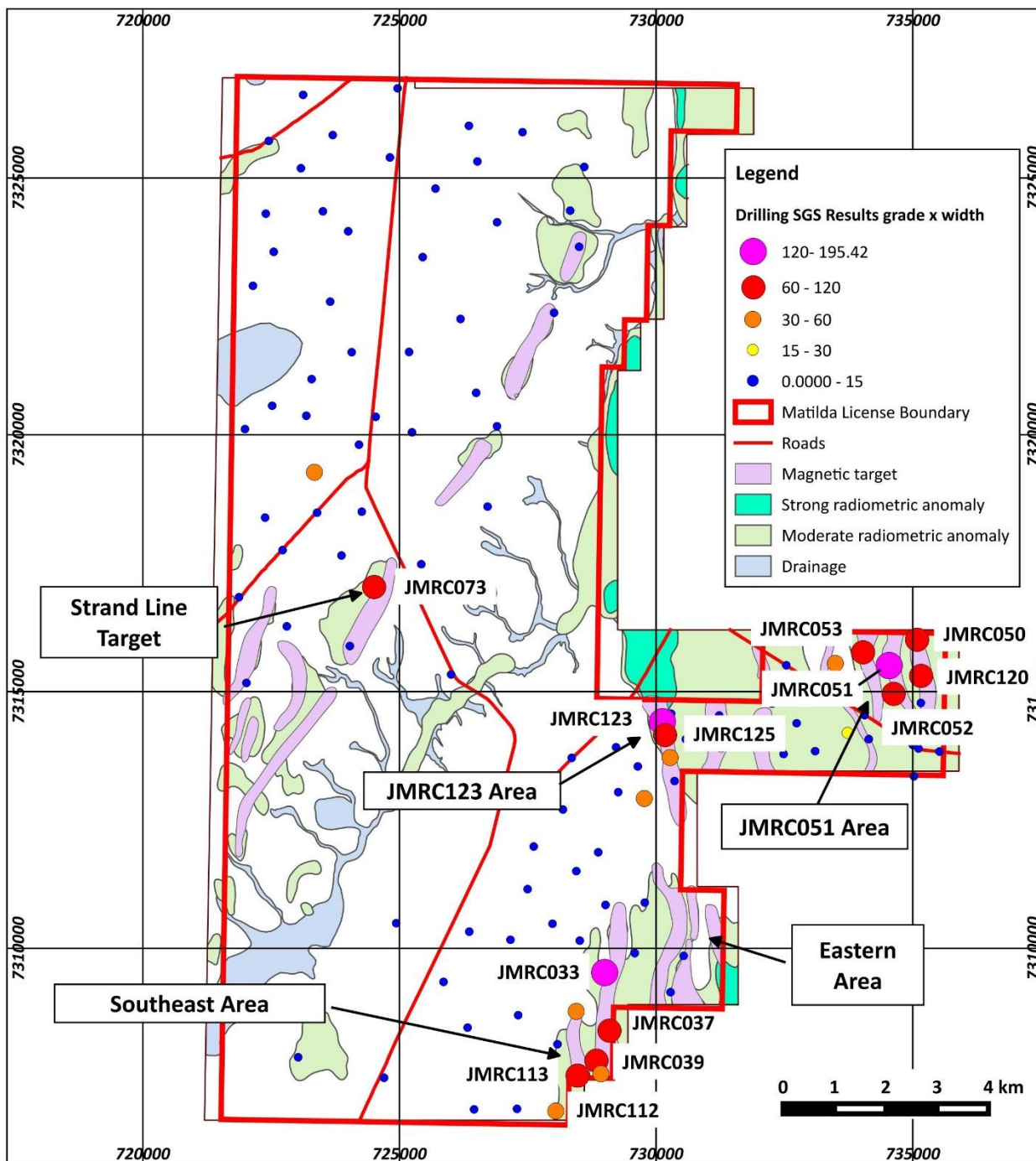


Figure 1. Drill hole location plan showing 2013 and 2014 scout drilling programmes (co-ordinate grid system - AMG zone 36) and areas of higher grade mineralisation.

Significance of Results

The scout drill results have defined at least five areas which have the potential to host significant quantities of higher grade HMS. The drill programme that is now underway, will focus on defining the potential of the strand line target in the west which has returned positive results of up to 39m @ 2.9% HMS, together with a grid drill-out of the higher grade HMS areas defined in the east during the scout drilling programme. Assuming further positive results and their timely return from the

laboratory after this drill programme, Savannah expects to release a potential maiden JORC Mineral Resource during Q4, 2014.

Airborne Magnetic Survey

Further analysis of the assay results and the recently acquired airborne magnetic and radiometric data suggest that the high-grade results are associated with combined magnetic and radiometric anomalies, further refining the exploration model. On this basis one of the most significant combined magnetic and radiometric anomalies that stretched over 15km in strike length in the western dune system still remains relatively untested.

Next Steps

The next steps for the Project are:

- Further scout drilling of combined magnetic and radiometric anomalies
- Detailed grid drilling and assaying of newly identified potential higher grade zones
- Potential delineation of a JORC compliant Mineral Resource
- Metallurgical test work programme on HMS

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****

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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 two 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 21.1% 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 -45μ m fraction (slimes) and then the +2mm 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

