savannah resources plc

SAVANNAH RESOURCES PLC

AIM: SAV

AN ENERGY METALS GROUP

RNS – 25 April 2018

Savannah Resources Plc

Grandao Extended – More Higher-Grade Lithium Intersected
Mina do Barroso Lithium Project, Portugal

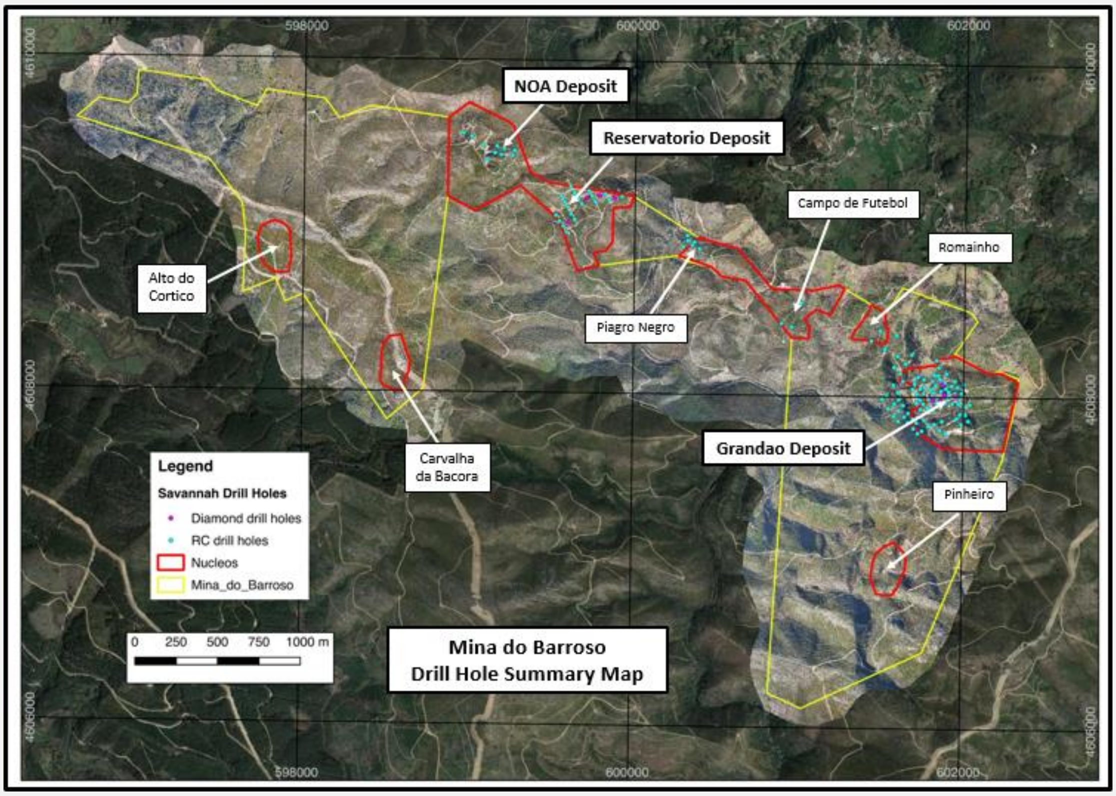
HIGHLIGHTS:

- **Ongoing RC drilling at Grandao Extended has intersected further higher-grade lithium mineralisation over significant widths**
- **Key results include:**
    - 50m at 1.18% Li_2O from 72m, **including 41m at 1.39% Li_2O from 73m in 18GRARC71**
    - 26m at 1.06% Li_2O from 71m, **including 20m at 1.31% Li_2O from 75m in 18GRARC77**
    - 34m at 0.86% Li_2O from 6m**, including 17m at 1.31% Li_2O from 17m in 18GRARC72**
    - 53m at 0.68% Li_2O from 63m**, including 15m at 1.32% Li_2O** from 67m in 18GRARC74
    - **13m at 1.46% Li_2O from 100m in 18GRARC78**
- Drilling to date at Grandao and Grandao Extended has now defined a virtually continuous zone of shallowly westerly dipping pegmatite from surface to a vertical depth of over 100m and covering a zone of approximately 550m long and up to 450m wide, confirming the excellent potential of the zone
- Total of 135 holes for 11,083m drilled to date as part of the ongoing RC and diamond drill programme across three primary targets of Grandao, Reservatorio and NOA
- The Hatch Scoping Study and Resource Estimation update remain on schedule to be completed towards the end of Q2 2018
- Phase 3 of the metallurgical test work programme comprising diamond drilling is complete, and samples have arrived at Nagrom in Perth for testing, which is on schedule to be completed in Q3 2018
- Diamond drilling of the sub-vertical body at Grandao has now commenced

Savannah Resources plc (AIM: SAV and SWB: SAV) ('Savannah' or the 'Company'), the AIM quoted resource development company, is pleased to announce further results from the ongoing reverse circulation ('RC') drill programme at the Mina do Barroso Lithium Project ('Mina do Barroso' or the 'Project', located in Portugal **(Figure 1).** Results for holes 18GRARC66 to 18GRARC78 have now been received.

Savannah's CEO, David Archer said: "We continue to see very encouraging results from the drilling of Grandao Extended which, together with Grandao, are matched by a very low stripping ratio. We believe this highlights the significant expansion potential available at Mina do Barroso as we continue to fast-track the Project towards production."

Figure 1. Mina do Barroso Project Summary Map showing Prospects and Drilling Completed



Grandao

A total of 82 drill holes for 6,865m (17GRARC01-82) have been completed and results for drill holes 17GRARC66 to 78 have now been received and returned further encouraging results **(Tables 1 and Figure 2-3).**

Drilling targeting the Exploration Target* to the west and southwest of the main Grandao Deposit has returned further encouraging zones of lithium mineralisation. All holes completed in the area to date have intersected significant mineralisation.

*Cautionary Statement: The potential quantity and grade of the Exploration Targets is conceptual in nature, there has been insufficient exploration work to estimate a mineral resource and it is uncertain if further exploration will result in defining a mineral resource.

Table 1. Summary of drill results for Grandao flat lying pegmatite using a 0.2% and 0.5% Li_2O cut-off

Hole ID	0.2% Li_2O Cut-Off			0.5% Li_2O Cut-Off		
	From	**Width**	**Li_2O**	**From**	**Width**	**Li_2O**
18GRARC66	0	7	1.08	0	7	1.08
	19	5	0.39	21	1	0.95
18GRARC67	33	7	0.25	37	1	0.5
	45	17	0.83	46	3	1.24
	65	12	0.75	53	6	1.39
	82	11	0.99	66	6	1.28
	96	6	1.29	83	9	1.12
	106	7	0.7	96	6	1.29
				107	6	0.74
18GRARC68	57	16	0.69	62	11	0.92
	76	11	0.92	76	11	0.92
	90	1	0.94	90	1	0.94
	94	7	0.76	94	7	0.76
18GRARC69	27	1	0.56	27	1	0.56
	36	7	0.42	37	3	0.7
	52	11	1.08	52	10	1.16
	67	2	0.32	87	4	0.85
	85	8	0.56			
18GRARC70	66	12	1.15	67	11	1.24
	87	13	0.59	87	10	0.69
18GRARC71	72	50	1.18	73	41	1.39
18GRARC72	6	34	0.84	7	4	0.68
	58	2	0.81	17	17	1.31
				59	1	1.19
18GRARC73	50	8	0.57	56	2	1.57
	61	15	1.1	61	14	1.15
	82	14	0.22			
	102	3	0.26			
18GRARC74	63	53	0.68	67	15	1.32
				89	2	0.85
				100	9	0.85
18GRARC75	38	9	1.15	38	8	1.25
18GRARC76	38	9	0.85	41	4	1.54
18GRARC77	71	26	1.06	75	20	1.31
18GRARC78	100	13	1.46	100	13	1.46
	130	10	0.62	130	4	1.18

Figure 2. Summary of drilling at Grandao showing significant assay results

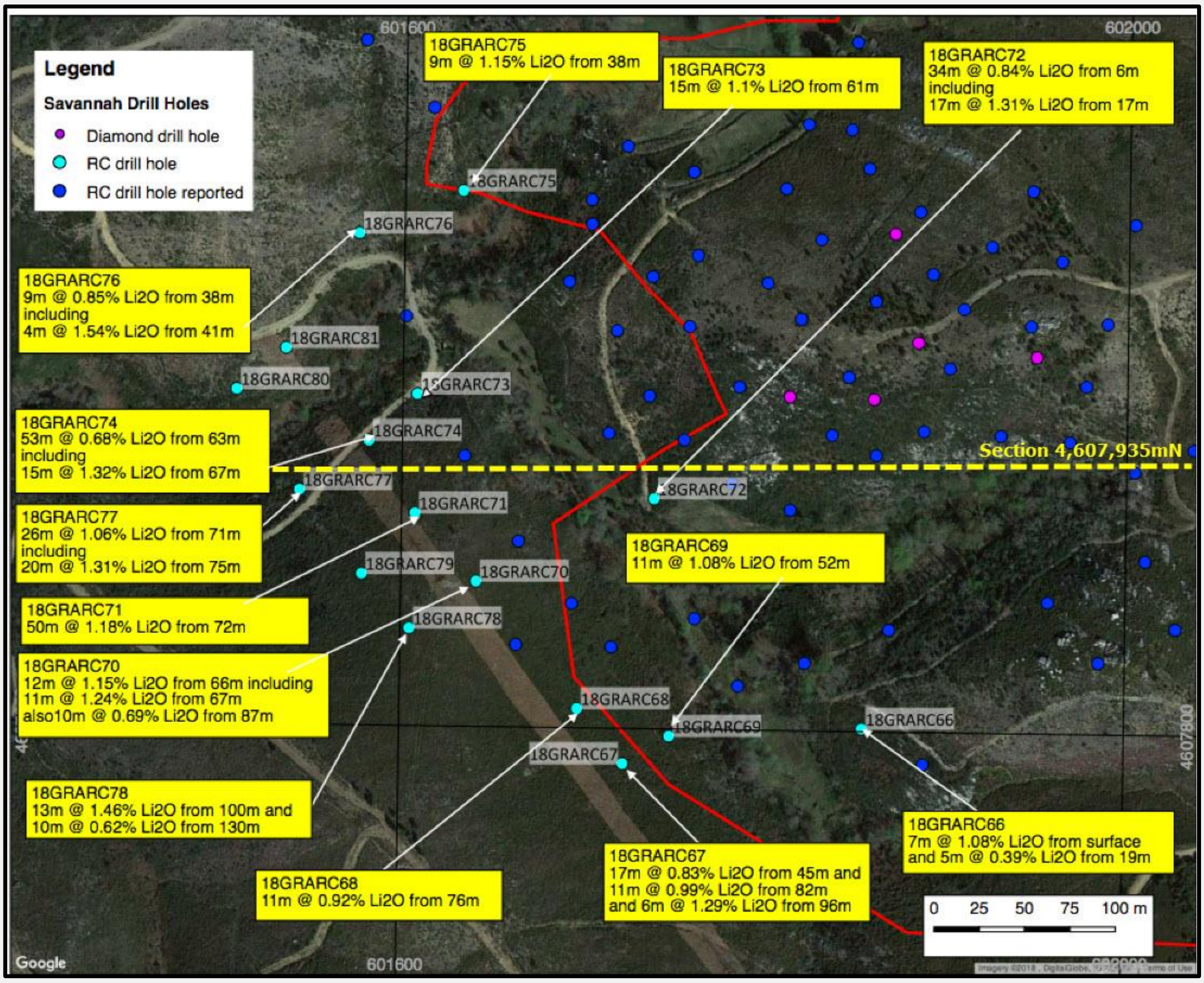
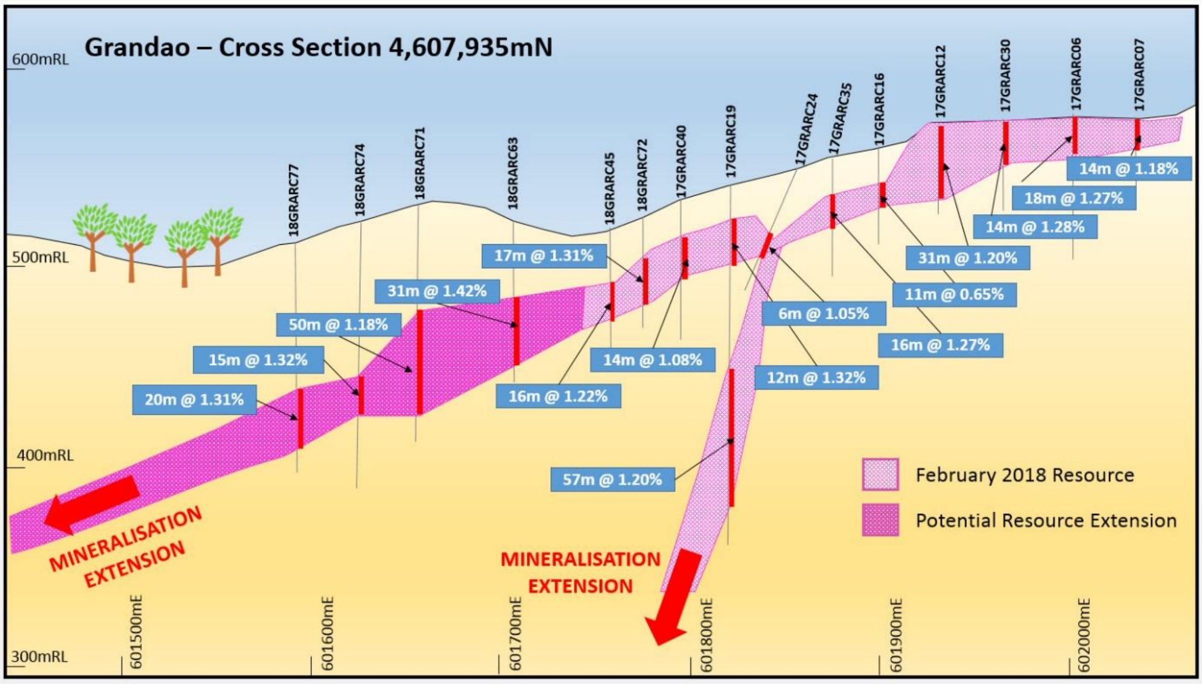


Figure 3. Grandao Cross Section through Main Flat Lying Body



Ongoing Drill Programme

Based on the new results, additional RC drill holes have been added to the programme at Grandao in order to further evaluate the potential of Grandao Extended and the wider project area. In addition, a further six holes will be drilled at the Pinheiro Prospect, which is located around 1km to the south of the Grandao Deposit.

The diamond rig is now completing the extension of six existing RC holes to depth, targeting the newly identified broad zone of sub-vertical lithium mineralisation identified below the main tabular shallowly westerly dipping body.

Phase 3 Metallurgical Test Work

Diamond drilling at both the Reservatorio and Grandao Deposits has been completed, with around 500kg of diamond core cut and shipped to Nagrom in Perth from each deposit for the metallurgical test work programme being overseen by lithium expert Mr Noel O'Brien **(Figure 4).** Work is on track to be completed in Q3 2018.

Figure 4. Mina do Barroso Phase 3 Metallurgical Samples at Nagrom Perth awaiting Processing

Competent Person and Regulatory Information

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.

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

****ENDS****

CONTACT US

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About Savannah

We are 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. We are committed to serving the interests of our shareholders and to delivering outcomes that will improve the lives of our staff and the communities we work with.

The group is listed and regulated on AIM and the Company's ordinary shares are also available on the Börse Stuttgart (SWB) under the ticker "SAV".

APPENDIX 1 – JORC 2012 Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	• Reverse circulation (HQ size) samples were taken on either 1 intervals for pegmatite or 4m composites in surrounding schist. RC samples were collected in large plastic bags from an on-board rig splitter and a 4-6kg representative sample taken for analysis.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Drilling was conducted on a nominal 80m by 40m spacing based on geological targets using RC drilling technology, an industry standard drilling technique. Drilling rods are 3m long and 1 sample is taken for each rod interval. • Collar surveys are carried using hand held GPS with an accuracy to within 5m, and the z direction was determined by satellite derived elevation data and is accurate to less than a metre. • A downhole survey for each hole was completed
	• *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• The lithium mineralization is predominantly in the form of Spodumene-bearing pegmatites, the pegmatites are unzoned and vary in thickness from 15m-39m. • Down hole sampling is carried out on either a 1 or 4m interval from which 4-6kg of pulverized material (RC) was pulverized to produce a 50g charge for assaying

Criteria	JORC Code explanation	Commentary
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC drilling at a diameter of 120mm is a form of reverse circulation drilling requiring annular drill rods. Compressed air is pumped down the outer tube and the sample is collected from the open face drilling bit and blown up the inner tube.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Field assessment of sample volume. A theoretical dried sample mass was estimated to be within the range of 18 kg to 24 Kg, 70% of samples are within the expected range. Lower than average sample recovery is recorded only for the very top of the drill hole due to air and sample losses into the surrounding soil
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• RC drilling sample weights were monitored to ensure samples were maximized. Samples were carefully loaded into a splitter and split in the same manner ensuring that the sample split to be sent to the assay laboratories were in the range of 4-6kg.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No obvious relationships
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• RC holes were logged in the field at the time of sampling. • Each 1m sample interval was carefully homogenized and assessed for lithology, colour, grainsize, structure and mineralization. • A representative chip sample produced from RC drilling was washed and taken for each 1m sample and stored in a chip tray which was photographed
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• RC samples were split by the rotary splitter on the drill rig and sampled dry

Criteria	JORC Code explanation	Commentary
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• The sampling was conducted using industry standard techniques and were considered appropriate
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• The 4m composites were collected using a spear with the spear inserted into the bag at a high angle and pushed across the sample to maximise representivity of the sample
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	• Every effort was made to ensure that the samples were representative and not bias in anyway
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All samples were taken once they went through the on-board splitter from the drill rig. Depending on the rock types on average a 4-6kg sample was sent to the lab for analysis and the remaining material averaged 18-24kg and remains stored on site for any further analysis required
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• Samples were received, sorted, labelled and dried • Samples were crushed to 70% less than 2mm, riffle split off 250g, pulverize split to better than 85% passing 75 microns and 5g was split of for assaying • The samples were analysed using ALS laboratories ME-MS89L Super Trace method which combines a sodium peroxide fusion with ICP-MS instrumentation utilizing collision/reaction cell technologies to provide the lowest detection limits available. • A prepared sample (0.2g) is added to sodium peroxide flux, mixed well and then fused in at 670°C. The resulting melt is cooled and then dissolved in 30% hydrochloric acid. This solution is then analysed by Inductively Coupled Plasma – Mass Spectrometry and the results are corrected for spectral inter-element interferences. • The final solution is then analysed by ICP-MS, with results corrected for spectral inter-element interferences.

Criteria	JORC Code explanation	Commentary
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• Not used
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Standards/blanks and duplicates we inserted on a 1:20 ratio for both to samples taken • Duplicate sample regime is used to monitor sampling methodology and homogeneity. • A powder chip tray for the entire hole is completed for both RC and RAB. A sub-sample is sieved from the large RC bags at site into chip trays over the pegmatite interval to assist in geological logging. These are photographed and kept on the central database • Routine QA/QC controls for the method ME-MS89L include Blanks, certified reference standards of Lithium and duplicate samples. Samples are assayed within runs or batches up to 40 samples. At the fusion stage that quality control samples are included together with the samples so all samples follow the same procedure until the end. Fused and diluted samples are prepared for ICP-MS analysis. ICP instrument is calibrated through appropriate certified standards solutions and interference corrections to achieve strict calibration fitting parameters. Each 40 samples run is assayed with 2 blanks, 2 certified standards and one duplicate samples and results are evaluated accordingly. • A QA/QC review of all information indicated that all assays were inside reasonable tolerance levels.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• All information was internally audited by company personnel
	• *The use of twinned holes.*	• Several historical holes we twinned for comparison purposes with the modern drilling
	• *Documentation of primary data, data entry procedures,*	• Savannah’s experienced project geologists supervise all processes.

Criteria	JORC Code explanation	Commentary
	data verification, data storage (physical and electronic) protocols.	• All field data is entered into a custom log sheet and then into excel spreadsheets (supported by look-up tables) at site and subsequently validated as it is imported into the centralized Access database. • Hard copies of logs, survey and sampling data are stored in the local office and electronic data is stored on the main server.
	• *Discuss any adjustment to assay data.*	• Results were reported as Li(ppm) and were converted to a percentage by dividing by 10,000 and then to Li_2O% by multiplying by 2.153
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The coordinate of each drill hole was taken at the time of collecting using a handheld GPS with an accuracy of 5m. • The grid system used is WSG84 • Topographic accuracy was +/- 5m
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drilling was on a nominal 80m by 40m spacing and based on geological targets • Drill data is not currently at sufficient spacing to define a mineral resource. • Some samples were composited on a 4m basis based on geological criteria, these areas were all outside the pegmatite bodies where 1m sampling was completed
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling was orientated perpendicular to the known strike of the pegmatites • Drill holes we orientated at either -60 degrees or -90 degrees depending on the dip of the pegmatite in an attempt to get drill holes as close to true width as possible
Sample security	• *The measures taken to ensure sample security.*	• Samples were delivered to a courier and chain of custody is managed by Savannah.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Internal company auditing

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• All work was completed inside the 75% owned Mina do Barroso project C-100
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• N/A
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The lithium mineralization is predominantly in the form of Spodumene-bearing pegmatites which are hosted in meta-pelitic and mica schists, and occasionally carbonate schists of upper Ordovician to lower Devonian age. The pegmatites are unzoned and vary in thickness from 15m-109m. Lithium is present in most aplite compositions.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	• Grid used WSG84 • No material data has been excluded from the release

Hole ID Actual	WGS84_East	WGS84_North	Elevation	Depth (m)	Azimuth	Dip
18GRARC66	601854	4607803	513	66	0	-90
18GRARC67	601719	4607777	565	125	0	-90

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>
dip and azimuth of the hole
down hole length and interception depth
hole length.
If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.
</td><td>
<table>
<tr><td>18GRARC68</td><td>601696</td><td>4607814</td><td>522</td><td>114</td><td>0</td><td>-90</td></tr>
<tr><td>18GRARC69</td><td>601742</td><td>4607799</td><td>537</td><td>110</td><td>0</td><td>-90</td></tr>
<tr><td>18GRARC70</td><td>601642</td><td>4607888</td><td>539</td><td>114</td><td>0</td><td>-90</td></tr>
<tr><td>18GRARC71</td><td>601608</td><td>4607919</td><td>536</td><td>126</td><td>0</td><td>-90</td></tr>
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</table>
</td></tr>
<tr><td>Data aggregation methods</td><td>
In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.
Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.
The assumptions used for any reporting of metal equivalent values should be clearly stated.
</td><td>
Low Grade Intercepts are weighted averages using a 0.2% Li_2O cut off with no more than 3m of internal dilution
High Grade Intercepts are weighted averages using a 0.5% Li_2O cut off with no more than 2m of internal dilution
Narrow zones of schist (less than 5m) have been included in the significant intercepts where they are mineralised
</td></tr>
<tr><td>Relationship between mineralisation</td><td>
These relationships are particularly important in the reporting of Exploration Results.
If the geometry of the mineralisation with respect to the
</td><td>
Exploration results are reported as down hole intercepts
No metal equivalent values have been used.
The drill holes are detailed in the table in the main release and the
</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
widths and intercept lengths	*drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	pegmatite at Reservatorio appears to dip at around 40degrees to the north west and at Grandao it is sub horizontal
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Relevant diagrams and maps have been included in the main body of the release.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All relevant results available have been reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The interpretation of the results is consistent with the observations and information obtained from the data collected.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further rock chip sampling, channel sampling and RC drilling. Once planning has been completed the detail will be provided