



savannah resources plc

SAVANNAH  
RESOURCES PLC

AIM: SAV

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## PROJECT PORTFOLIO

MINERAL  
SANDS  
MOZAMBIQUE  
(CONSORTIUM  
AGREEMENT WITH  
RIO TINTO)

COPPER/GOLD  
OMAN

LITHIUM  
PORTUGAL  
AND FINLAND

## Savannah Resources Plc

### Phase One of Mutamba Pre-Feasibility Study Underway, Mozambique

Savannah Resources plc (AIM: SAV) ('Savannah' or 'the Company' Savannah Resources plc (AIM: SAV) ('Savannah' or 'the Company'), the AIM quoted resource development company, is pleased to announce that phase one of the pre-feasibility study ('PFS') into the potential development of the Mutamba Mineral Sands Project, Mozambique (**Figure 1**) has now commenced.

#### HIGHLIGHTS:

- Stage one of the Mutamba PFS is now underway, which will include a gap analysis, options review, project planning and budget finalisation for stage two of the PFS
- Mineral sands expert TZMI has been appointed to complete this phase of the work
- It is anticipated that this work will be finalised in coming months
- The completion of the PFS is a key Consortium milestone and will result in Savannah earning a 35% interest in the Mutamba Consortium

**Savannah's CEO, David Archer said:** "We're pleased that the first stage of the Mutamba PFS has been contracted to TZMI. Having completed the Scoping Study for us, TZMI is well placed to undertake the work and deliver a quick outcome. The conclusion of the PFS is an important strategic milestone, as on delivery of the completed document Savannah will have earned a 35% interest in the Mutamba Heavy Mineral Sands project, which is one of the largest undeveloped mineral sands deposits in the world.

"At the same time, the assembly of the 20tph pilot plant is well underway. This will provide product for metallurgical and product test work by our partner, Rio Tinto. 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)."

**Figure 1. Mutamba Project Location Map**



**Stage One Pre-Feasibility Study (Definition and Scoping Stage)**

Stage One of the PFS will involve the delivery of the following key deliverables:

**Gap Analysis:** Detailed review and gap analysis to firm up on the scope for the PFS in alignment with the Consortium’s development objectives.

**Options Review:** Undertake a high-level review of various project development alternatives (e.g. project scale, product alternatives, location of processing plants, transport routes, mining method, infrastructure, etc.) and agree on which options will be evaluated in the PFS.

**Project Planning:** Development of the PFS work programme and identification of the project team for the completion of the PFS. Proposals will be sought for key programmes of work and used to refine the schedule and a cost estimate.

It is anticipated that this work will be finished in coming months.

### **About TZMI**

TZMI has a long history of assisting and providing services to international mining companies, investment banks and financiers, private equity firms and a large number of listed companies who have investigated opportunities in the titanium and zirconium industries. Its services have been in the form of independent expert reports, technical and economic evaluations, technical process engineering, scoping and pre-feasibility studies, benchmark audits and cost reviews, strategic analysis, supply/demand analyses and forecasts for TiO<sub>2</sub> feedstock and zircon markets and operations around the world. TZMI's expertise and knowledge has been developed over many years from the direct involvement of its principals and consultants in chief executive, senior operational, technical, analytical and marketing roles, together with significant consulting experience to various international corporations for major project studies.

### **Regulatory Information**

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.

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

**\*\*ENDS\*\***

#### **CONTACT US**

For further information please visit [www.savannahresources.com](http://www.savannahresources.com) or contact:

David Archer	Savannah Resources plc	Tel: +44 20 7117 2489
David Hignell / Gerry Beaney (Nominated Adviser)	Northland Capital Partners Ltd	Tel: +44 20 3861 6625
Christopher Raggett / Emily Morris (Corporate Broker)	finnCap Ltd	Tel: +44 20 7220 0500
Charlotte Page / Lottie Brocklehurst (Financial PR)	St Brides Partners Ltd	Tel: +44 20 7236 1177

## 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 1,018km<sup>2</sup> 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 159km<sup>2</sup>. 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.