



savannah resources plc

SAVANNAH
RESOURCES PLC

AIM: SAV

RNS – 25 October 2017

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

Savannah Resources Plc

Cash Subscriptions of £3.91 million

PROJECT PORTFOLIO

Savannah Resources plc (AIM: SAV) ('Savannah' or 'the Company'), the AIM quoted resource development company, announces that it has raised approximately £3.91 million cash (before expenses) through the subscription by both new and existing investors (the 'Subscription') of 74,433,232 new ordinary shares ('Subscription Shares') at a placing price of 5.25p per ordinary share (the 'Subscription Price') as well as the issue of one warrant for every two new Subscription Shares with each warrant having an exercise price of 6.0p and a term of three years (the 'Warrants').

HIGHLIGHTS:

- Raised gross proceeds of approximately £3.91 million cash
- Funds to be used to advance portfolio of projects including:
 - further resource drilling at the Mina do Barroso Lithium Project in Portugal with the aim of delivering an initial Mineral Resource Estimate;
 - completion of a scoping study ahead of commencing mining in H1 2018 at the Company's copper project in Oman; and
 - advancing the pre-feasibility study and commissioning of the pilot plant at the Mutamba Heavy Mineral Sands Project in Mozambique.

David Archer, Savannah's Chief Executive Office said today, *"The placement evidences the continued strong support for the Company of our cornerstone shareholder, Al Marjan Ltd, and from a number of existing and new shareholders. The funds raised will support our near term copper development objectives for Oman, an increasing tempo of activity at our lithium project in Portugal and our pre-feasibility study and pilot plant construction in Mozambique. With this placement we are well positioned to move confidently into 2018."*

MINERAL
SANDS

MOZAMBIQUE
(CONSORTIUM
AGREEMENT WITH
RIO TINTO)

COPPER/GOLD
OMAN

LITHIUM

PORTUGAL
AND FINLAND

Figure 1: Drill rig at NOA prospect at Mina do Barroso



Details of the Subscription

The Company will have a pro-forma cash balance of £4.84 million following the receipt of the Subscription proceeds of £3.91 million, specifically:

- Al Marjan Ltd, the Company's largest shareholder, shall have increased its shareholding to 29.39% with a cash subscription of £1.21 million; and
- Mr. Husain Salman Ghulam Al-Lawati, a prominent Omani business person, has taken a 5% shareholding in the Company.

The net proceeds of the Subscription will be used by Savannah to advance its pipeline of projects. This includes further drilling at the Mina do Barroso Lithium Project in Portugal, where an ongoing Reverse Circulation drill programme will help define a Mineral Resource Estimate as a basis for a scoping study. Additionally, the funds raised will be used to advance the Company's copper mine development in Oman. Funds raised will also be used for the preliminary feasibility study ('PFS') and finalise the commissioning of the pilot plant at the Mutamba Heavy Mineral Sands Project in Mozambique.

The Company will also convene a General Meeting at which shareholders will be asked to give the directors the necessary authorities to issue new ordinary shares of 1p each ('Ordinary Shares') in the future. The Subscription and the issue of the Subscription Shares announced today shall not be contingent upon the results of the proposed General Meeting, since they are issued out of the existing headroom granted to directors at the last general meeting. Details of the General Meeting will be announced separately and a notice of General Meeting will be sent to shareholders in due course.

Related Party Transaction

Al Marjan is a substantial shareholder of the Company, as such Al Marjan's subscription for Subscription Shares (the 'Al Marjan Subscription') constitutes a related party transaction in accordance with AIM Rule 13. Matthew King, David Archer, and Dale Ferguson, who are not subscribing for Subscription Shares and are therefore independent directors for these purposes, having consulted with the Company's Nominated Adviser, consider the terms of the Al Marjan Subscription to be fair and reasonable insofar as Savannah's shareholders are concerned.

Voting Rights and Regulatory information

Application will be made for the 74,433,232 Subscription Shares, which will rank *pari passu* with the existing Ordinary Shares, to be admitted to trading on AIM ('Admission'). It is expected that Admission will become effective and dealings will commence at 8:00am on or around 31 October 2017. The Warrants are due to be

issued one business day following Admission, vesting immediately, having an exercise price of 6.0p, and being exercisable within three years from the date of issue.

Following the Admission of the Subscription Shares, the percentage holding of certain significant shareholders will increase as per the table below:

Shareholder	Holding Prior to the Subscription	Percentage of Ordinary Shares prior to the Subscription	Number of Subscription Shares Subscribed for	Holding Following Subscription	Percentage of Ordinary Shares Following Subscription
Al Marjan Ltd	163,750,179	29.17%	23,128,571	186,878,750	29.39%
Husain Salman Ghulam Al-Lawati	nil	nil	31,792,519	31,792,519	5.00%
Karl-Erik von Bahr	20,523,380	3.66%	1,750,000	22,273,380	3.50%
Rémy Welschinger	17,098,759	3.05%	1,350,000	18,448,759	2.90%

Following Admission, the total issued share capital will consist of 635,850,386 Ordinary Shares. As such, the total number of voting rights in the Company will be 635,850,386 Ordinary Shares. This number may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014. Market soundings, as defined in MAR, were taken in respect of the Subscription with the result that certain persons became aware of inside information, as permitted by MAR. That inside information is set out in this announcement and has been disclosed as soon as possible in accordance with paragraph 7 of article 17 of MAR. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to the Company and its securities.

****ENDS****

CONTACT US

For further information please visit 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 (Joint Broker)	finnCap Ltd	Tel: +44 20 7220 0500
Jon Belliss (Joint Broker)	Beaufort Securities Limited	Tel: +44 20 7382 8300
Charlotte Page / Lottie Wadham (Financial PR)	St Brides Partners Ltd	Tel: +44 20 7236 1177

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.