

Savannah Resources PLC

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Savannah Resources raises funds to complete its Mina do Barroso DFS

Savannah Resources PLC (LON:SAV) has raised roughly £3.76m through a placing of shares at 2p a pop.

The resource development company has also received letters of intent for a further investment of £1.24m, £1.2m of which will come from its major shareholder, Al Marjan.

In total, the newly issued shares will represent around 19.3% of the company's enlarged share capital.

The funds raised will largely be used to complete the definitive feasibility study (DFS) on the company's Mina do Barroso lithium project in northern Portugal.

Savannah said discussions regarding concentrate off-take from the Mina do Barroso project remain in progress with multiple parties from across the lithium battery industry, ranging from refiners through to end-users such as vehicle original equipment manufacturers.

The outlook for rapid growth in electric vehicles sales in Europe and worldwide remains robust, claimed chief executive, David Archer, and as the largest conventional spodumene lithium project in Europe, the company believes Mina do Barroso has a key role to play in supplying the European market.

"These funds will allow us to conclude the definitive feasibility study on Mina do Barroso and should represent the last call on equity capital markets for finance relating to the project," revealed David Archer.

"Savannah is committed to rigorously de-risking Mina do Barroso as much as possible prior to the start of production. This will be achieved by including as much of our current 27Mt mineral resource as we can in our maiden reserve estimate for the DFS, and completing our comprehensive metallurgical test work programme so we have confidence that our targeted lithium recovery rate can be achieved from all the deposits at the project," he added.

Discussions are continuing with a range of financing groups for the project. Alongside potential customers and strategic investors, the company is also talking to providers of debt, private equity groups, royalty companies and Government and European Union agencies.

"We continue to believe that the capital requirement for the project, which the DFS will confirm, will be an 'achievable' figure for Savannah with little or no requirement for further funding from existing investors or the regular equity capital markets," Archer said.

"The remainder of 2019 and 2020 represent a crucial time for Savannah with regular news flow expected ahead of the conclusion of the definitive feasibility study in Q2 2020. Our top priority is the financing, construction and operation of Mina do Barroso so we can be in production at a time to coincide with a forecast lithium supply deficit emerging," he

Price: 2.65

Market Cap: £34.42 m

1 Year Share Price Graph



Share Information

Code: SAV

Listing: AIM

52 week	High	Low
	6.6	1.9

Sector: General mining & base metals

Website: savannahresources.com

Company Synopsis:

Savannah Resources Plc (AIM: SAV) is a multi-commodity development company focused on building cash generative and profitable mining operations.

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concluded.

As normally happens following a discounted share issue, the share price of Savannah fell on the announcement, trading at 2.1p compared to Friday's closing price of 3.05p.

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