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Savannah Gold hopes to list in Canada in mid-2010

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By Eric Onstad

LONDON (Reuters) - Privately held Savannah Gold Ltd is seeking 1 million pounds in fresh investment to launch a drilling programme in Nigeria, and hopes to list the firm in Canada in the middle of next year.

Managing Director Laurence Robb told Reuters on Monday that Savannah was one of only a handful of firms tapping almost virgin territory in Nigeria, a country bordering on West African neighbours with established gold sectors.

"There's a lot of interest in Vancouver. That's almost certainly where we would list and we'd also hopefully have a secondary listing in London," Robb said in an interview.

An initial public offering (IPO) is planned following the expected April completion of the firm's initial drilling campaign on four properties, he added on the sidelines of a Nigerian mining presentation at the London Stock Exchange.

"We hope to have some more clarity on the drilling results before undertaking an IPO."

The firm currently has 32 shareholders with Canadian investor Wally Berukoff the biggest and investment manager CD Capital another major one, Robb said. Present shareholders plan invest in the current 1 million pound fundraising operation and new investors were also being sought.

So far the firm has spent around 700,000 pounds since it launched about 18 months ago, with 12,000 soil samples taken.

Savannah, which has 12 exploration licences covering 1,800 square kilometres, decided to pass over the relatively mature gold mining sectors of nearby Mali, Ghana and Burkina Faso.

"Finding first-mover advantage, finding good ground, greenfield exploration in these countries is extremely difficult at this stage and that's why Nigeria is such an attractive venue for this kind of work," he said in a presentation.

Nigeria has the same kind of geology in its "schist" belts as in Ghana, Africa's second biggest gold producer, Robb added.

The chairman of Savannah is Bernard Swanepoel, former chief executive of South Africa's Harmony Gold, the world's fifth biggest gold producer.

Robb is a geologist and a visiting professor at the University of Oxford.

During the 1930s and 1940s, colonial family operations in Nigeria produced 25,000-45,000 ounces of gold per year. Some of Savannah's licences surround the land package of one of the best known colonial gold deposits, the Bin Yauri mine in Kebbi state.

Nigeria's mining minister said on Monday a review of current mining licences which aimed to weed out speculators would be completed by the end of October.

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