



INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2017

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COMPANY INFORMATION

Directors:	Matthew James Wyatt King David Stuart Archer Dale John Ferguson Maqbool Ali Sultan Imad Kamal Abdul Redha Sultan Manohar Pundalik Shenoy Murtadha Ahmed Sultan	Chairman Executive Director Executive Director Non-Executive Director Non-Executive Director Alternate Director Alternate Director
Secretaries:	S F Ronaldson 55 Gower Street London, WC1E 6HQ	M McGarty c/o 55 Gower Street London, WC1E 6HQ
Registered office:	Third Floor 55 Gower Street London, WC1E 6HQ	
Registered number:	07307107 (England and Wales)	
Auditors:	BDO LLP 55 Baker Street London, W1U 7EU	
Bankers:	NatWest Bank Plc St James' & Piccadilly Branch PO Box 2DG 208 Piccadilly London, W1A 2DG	
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Broker	finnCap Ltd 60 New Broad Street London, EC2M 1JJ	
Solicitors:	Ronaldsons LLP 55 Gower Street London, WC1E 6HQ	
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CHAIRMAN'S STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

The six months under review have been an extremely active time for our Company, documented with significant news flow, which is reflective of our active growth strategy. We are committed to maintaining this pace and have a defined development programme in order to maximise value from our multi-commodity portfolio in Oman, Mozambique, Finland and most recently Portugal, which aims to build upon our position as an international resource development company moving to production.

I am pleased to report that we are now well poised to transition into production, with copper mining expected to commence in Oman in H1 2018. We are also on track to commence bulk sampling at our Mutamba Heavy Mineral Sands Project in Mozambique in H1 2018. Alongside these developments, we have made tangible progress in strategically expanding our asset portfolio, via the acquisition of a series of highly prospective lithium projects with near-term production potential in the north of Portugal. With an approved Mining Plan, Environmental Impact Assessment and a 30-year Mining Licence, a development decision could be made as early as the end of 2018 once we have a defined JORC resource. Accordingly, drilling is well underway to support a targeted JORC compliant Mineral Resource Estimate. This will incorporate historical data we have available to us and I am pleased to report that initial results from drilling to date are very encouraging. We therefore believe the next six months will be equally active and significant for Savannah.

Oman: Blocks 4 and 5, Copper Project

We have the rights to two blocks (Blocks 4 and 5) covering 1,004km² in the copper-rich, Semail Ophiolite Belt in the Sultanate of Oman; a region proven to host clusters of moderate to high-grade copper deposits with gold credits and metallurgically simple ores. The two blocks are located approximately 180km northwest of Muscat, the capital city of Oman, and within close proximity to the deep-water export Port of Sohar. With an established resource of 1.7Mt at 2.2% copper, work is now focused on advancing our copper portfolio into high margin, low cost production. Mining is targeted to commence in H1 2018.

The Mineral Resource Estimate comes from two primary deposit areas in Block 5 – 1.51Mt at 2.1% copper at Mahab 4 and 0.16Mt at 3.8% copper at Maqail South – and our focus during the period has centred on finalising our mining and processing plans. It is our intention that Mahab 4 will be developed as an underground mine, whilst the resource at Maqail South will be an open-cut mine development. To support both these operations, we propose installing a processing plant and tailings storage facility ('TSF') on an area on the adjacent Block 4. Run-of-mine crushed ore will be trucked to the plant which will produce a copper concentrate for shipment to export markets. Tailings produced from the processing plant will be stored under a strategy that is currently being reviewed by the Ministry of Environment and Climate Affairs ('MECA'). Our strategy has received in principle approval from MECA in that they have confirmed that it is worthy to be considered for licencing.

In support of future development, all regulatory applications for copper mine development at both Mahab 4 and Maqail South have now been submitted. Whilst the licencing process has taken longer to complete than initially hoped, resulting in a delay to the proposed production schedule, things continue to progress well towards commencement of mining in H1 2018.

Looking at the commercial viability of the project development, in February this year we received preliminary metallurgical results for Mahab 4, which confirmed that a saleable, high grade, low contaminant copper concentrate can be produced with recoveries exceeding 88% with silver credits. There also appears to be potential to produce a zinc product but further work is required to confirm if this is possible. Chalcopyrite was identified as the sole copper bearing mineral, which is likely to lead to a simple, quick and relatively low-cost flotation process to concentrate the copper and the ore appears to be relatively soft, meaning it should require relatively low primary milling power requirements. This means that the project should enjoy favourable processing costs.

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Omani copper concentrates have historically been regarded as a high-quality product and are much sought after by off-takers for blending purposes. Testament to this, I am pleased to report that we have received strong interest from off-takers and this could form part of the financing element for the mine development.

Additional metallurgical test work is now underway to refine our processing model and to try and further improve the already high recoveries and overall copper concentrate grades. Alongside this we are developing a detailed mine design and production plan for the two mines and preparing an Economic Study to gain further clarity on the revenue potential. We therefore remain highly active whilst we await the granting of our mining licences, in order to ensure the timely development of Mahab 4 and Maqail South. We believe these mines will come online at an opportune time given the current strong copper price and the solid market demand.

Mozambique: Mutamba Mineral Sands Project

Located in a world-class mineral sands province in Mozambique, Mutamba is a tier one deposit that is well placed to provide a long-term, reliable supply of ilmenite, zircon and rutile for global markets. We are delighted to be advancing this asset into production as part of a Consortium Agreement with industry major Rio Tinto, and we believe that the unification of our skill set and resources strongly positions us to meet a production target of 2020.

The project boasts a significant Indicated and Inferred Mineral Resource Estimate of 4.4 billion tonnes at 3.9% total heavy minerals ('THM'), which currently covers three of four target areas identified in the Mutamba Project (being Jangamo, Dongane, Ravene and Chilubane). We established this resource level following a notable expansion during the period as a result of drilling conducted at Ravene, which resulted in a 26% increase in resource size and an 8% increase in THM grade. This increase clearly highlights the potential scope of Mutamba as a globally significant producer of titanium feedstocks and has been achieved at a time of significant global growth which is driving demand. Thanks to its significant size and quality, Mutamba is one of the few significant deposits that has the potential to be brought into production in order to meet this growing market demand.

Aside from the Mineral Resource Estimate increase, the drilling at Ravene led to the definition of a high-grade zone of 92Mt at 6.2% THM, which was a key, high grade element for the Scoping Study that was completed in May 2017. The results of this study were very encouraging and concluded that there is potential for a financially robust, long life mineral sands project that is anticipated to provide excellent financial returns with relatively modest capital requirements.

Incorporating well known, conventional dry mining and processing techniques, the study was based on a conceptual mine plan which centred around a resource of 451Mt at 6.0% THM (utilising 33% Indicated Mineral Resource Estimate and 67% Inferred Mineral Resource Estimate). The study concluded that average annual production (following ramp-up to a 15Mtpa mining rate) of 456,000t of roasted ilmenite and 118,000t of non-magnetic concentrate (rutile and zircon) could be achieved over an initial life of mine ('LOM') of 30 years. To bring the mine into this state of production, pre-production capital expenditure is expected to be US\$152 million, with US\$74 million to be held for contingency, EPCM (Engineering, Procurement, Construction Management) and spares. A number of opportunities have, however, already been identified that may reduce this cost. Indeed, Mutamba benefits from a range of established infrastructure, comprising local roads, power, telecommunications, an international airport and the nearby port of Inhambane, in addition to Rio Tinto's existing camp and equipment, which positively impacts capex.

Based on these production rates and costs, potential revenues and returns for the Company were modelled in the Scoping Study on three ilmenite pricing scenarios – a base case of US\$185/t; Management Case One with a +10% increase in product price to US\$204/t; and Management Case Two with a +20% increase in product price to US\$222/t. Taking the base case scenario, LOM revenue of US\$3.53 billion and LOM cash operating costs of

CHAIRMAN'S STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2017

US\$2.16 billion were forecast, with an IRR of 19% and pre-tax NPV₁₀ of US\$154 million. In comparison, Management Case Two could result in LOM revenues of US\$4.23 billion, with LOM cash operating costs of US\$2.18 billion and an IRR of 27%, and pre-tax NPV₁₀ of US\$335 million. In either case, both scenarios have the potential to generate significant financial returns for our Company.

We are now focused on making the Scoping Study forecasts a reality, with first production targeted for 2020. In support of this, Stage One of the Preliminary Feasibility Study ('PFS') commenced post-period end, in August 2017. Mineral sands expert TZMI has been appointed to complete this phase of the work, which will define the scope of the PFS, and support project planning and budget finalisation for Stage Two of the PFS. In parallel, in June 2017, construction of a 20 tonne per hour pilot plant commenced. The pilot plant is expected to be constructed and commissioned by the end of 2017, and once operational will be used to produce bulk samples of concentrate for metallurgical and product test work. This will help us refine our final production model whilst also supporting test marketing to be undertaken by our partner Rio Tinto (or its affiliate), which has an offtake agreement on commercial terms for the purchase of 100% of heavy mineral concentrate produced at Mutamba.

I am pleased to report that we are currently seeing prices for titanium feedstocks such as ilmenite and rutile rise, which suggests that this is an ideal time to be developing this project. We look forward to establishing Mutamba as a globally significant ilmenite producer in conjunction with Rio Tinto.

Portugal: C-100, Mina do Barroso, Lithium Project

In May this year we entered into an agreement with a consortium of vendors led by Slipstream Resources Investments Pty Ltd to acquire a 75% interest in a series of highly prospective lithium projects spread over four project areas covering approximately 1,024km² in the north of Portugal. Within this project area there are pending applications over 348km², which are on track for government approval, and 670km² of the licence area is currently subject to overlapping exploration licence applications from third parties. Crucially, our most significant element of the Portuguese projects is the highly strategic 'Mina do Barroso' Project which covers an area of 5.4km². With an approved Mining Plan, Environmental Impact Assessment and 19 years of its 30-year Mining Licence remaining, which may be extended by a further 20 years subject to the agreement of the Portuguese state, we believe Mina do Barroso offers a near term mining opportunity. We are now focused on defining a JORC compliant Mineral Resource Estimate as a precursor to making a development decision, which could be made by the end of 2018. In support of this, drilling commenced in July 2017 with positive results reported to date.

Work at Mina do Barroso previously focused on producing a product for ceramics, however, having identified significant anomalous lithium mineralisation, which appears amenable to producing a high-grade (over 6% lithium oxide ('Li₂O')), clean, low iron, lithium concentrate product. Based on the advanced nature of the asset, and results received to date, we believe the project has the potential to become Europe's first lithium mine. This is a highly strategic opportunity for Savannah because Europe, as an early proponent of Electric Vehicles ('EVs') and battery storage solutions, is one of biggest drivers in lithium demand. However, despite strong demand prospects, no European country currently produces battery grade LCE products, meaning that European manufacturers currently import 100% of their requirements. These European manufacturers consume approximately 24% of global battery grade lithium (second only to China) and with more countries pledging their commitment to EVs by phasing out petrol and diesel cars we expect Li₂O demand to rise dramatically, making this an undoubtedly exciting commodity to be in.

Having acquired our Portuguese assets, we have quickly commenced work and completed geological mapping across three primary target areas at Mina do Barroso – Grandao, Reservatorio and NOA – which have been shown to have relatively high grades of Li₂O with drill results up to 1.67% Li₂O over significant widths. I am pleased to report that this mapping successfully extended the surface expressions of all three of these major

CHAIRMAN'S STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

lithium bearing pegmatites, which reinforces our confidence in this asset's resource potential. Furthermore, the results laid the foundations for the drilling programme currently underway.

Drilling commenced post period end in July 2017, less than two months after acquisition, which highlights our fast-paced development approach. This targeted drill programme is ultimately focused on defining a JORC compliant Mineral Resource Estimate and I am pleased to report that results received to date are highly encouraging. In August 2017, we completed phase 1 of the drilling, with 16 Reverse Circulation ('RC') holes drilled at the Reservatorio and Grandao deposits. All of these holes intersected massive pegmatite and successfully extended the strike and depth extents of the known pegmatites. At Reservatorio, drilling confirmed mineralisation over a 200m strike length together with good down dip extensions of at least 80m; results include 36m at 1.26% Li₂O from 29m, 33m at 1.15% Li₂O from 16m and 25m at 1.01% Li₂O from 36m. At Grandao, drilling confirmed mineralisation over a 200m strike length in a large, near surface, sub horizontal pegmatite body; results include 18m at 1.27% Li₂O from 1m, 17m at 1.24% Li₂O from 16m and 15m at 1.08% Li₂O from 39m. Crucially, both deposits remain open along strike and down dip, leaving excellent upside potential for both deposits. We hope to extend upon these results through phase 2 of the drill programme, which commenced in September 2017. This second round of RC drilling is targeting potential extensions to the significant zones of mineralisation identified at Grandao and Reservatorio and is also testing the third NOA deposit. I look forward to providing the Company's shareholders with the results of this drilling in due course.

Of course, further upside remains outside of this current drill programme. Accordingly, further mapping is being undertaken at Mina do Barroso to assist in precisely defining other already identified lithium bearing pegmatites within the larger project area. This work is expected to be completed shortly and we look forward to sharing the results when available. Additional upside also remains within the wider 1,024km² land package but our current focus is on Mina do Barroso as we believe this offers the Company the most near-term value potential.

Finland: Somero and Erajarvi Lithium Projects

Complementary to our newly acquired Portuguese lithium licences is our Finnish portfolio of lithium assets. Somero and Erajarvi cover an area of 159km² of highly prospective lithium terrain in Finland. Reconnaissance rock chip sampling has returned anomalous lithium mineralisation across both projects, leading to the discovery of seven lithium bearing pegmatites – two on Somero and five on Erajarvi. With assays of up to 4.47% Li₂O and key lithium minerals petalite, spodumene and lepidolite all identified in hand specimens the results are very encouraging.

Now that realising nearer term value opportunities in Portugal is our primary lithium focus in Europe, we have sought expressions of interest from a number of groups with an energy metals focus.

Financials

As might be expected for an active exploration and pre-production resource development group, the Group is reporting a loss for the period of £1.53m (30 June 2016: £0.76m) (31 December 2016: £1.76m). The increase compared to the prior period reflects the increased tempo of resource development activities and the expansion of the Company's portfolio (£0.1m), and also includes non-cash costs relating to share options issued as long-term incentives (£0.28m). Net assets have increased to £9.26m (30 June 2016: £4.61m) (31 December 2016: £6.07m) predominantly due to the acquisition in May of the highly prospective lithium project portfolio with near-term production potential in the north of Portugal and the increase in project development activity during the year (see Note 2).

The cash placing and subscription for £3.25m cash (before expenses) in March 2017 contributed towards the ongoing development of the Company's projects in Mozambique, Oman, Portugal and Finland. The cash subscription of £1.32m (before expenses) in July 2017 after the reporting date will further contribute towards

**CHAIRMAN'S STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

the development of the Company's projects, with the Oman project in particular heading towards production in the short term.

Outlook

The natural resources sector is experiencing increasing impetus thanks to technology/industry developments. The strong rise of EVs is garnering much market and media attention and the demand on critical energy metals such as lithium and copper is increasing, which is in turn driving price and market demand. With exposure to both of these commodities, and crucially the ability to advance these into production in the near-term, we believe Savannah has a strong and attractive portfolio.

Accordingly, our focus is now on converting our near-term production potential into a reality. In Oman, this means finalising our production and processing plans whilst we await the grant of the mining licences so that we can commence mining in H1 2018. In Portugal, we look forward to completing our current drill programme and defining a JORC resource.

Alongside these developments, in Mozambique we continue to make excellent progress in advancing our Mutamba heavy mineral sands project towards a production target, which is targeted to commence in 2020 with average annual production of 456,000t of roasted ilmenite and 118,000t of non-magnetic concentrate (rutile and zircon).

With a highly strategic portfolio of assets and defined routes to production, the coming months will be a very active period for Savannah. We have carefully structured our portfolio and operational team to best position our Company and assets for growth so that we can build real value for shareholders.

Finally, I extend thanks to our shareholders for their continued support and to our multi-national team for their consistent hard work and I look forward to the achievement of the development milestones that lie in front of us.

Chairman

Matthew King

28 September 2017

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	Notes	Unaudited Six months to 30 June 2017 £	Unaudited Six months to 30 June 2016 £	Audited Year ended 31 December 2016 £
Operations				
Revenue		-	-	-
Profit / (Loss) on disposal of investments		-	7,678	42,871
Impairment of intangibles	4	-	(129,059)	-
Loss on disposal of assets		-	-	(128,505)
Administrative expenses		(1,529,071)	(674,267)	(1,669,203)
Operating loss		(1,529,071)	(795,648)	(1,754,837)
Finance income		-	39,511	-
Finance expense		(2,256)	(4,404)	(4,413)
Loss for the period before tax		(1,531,327)	(760,541)	(1,759,250)
Taxation		-	-	-
Loss for the period attributable to equity owners of the parent		(1,531,327)	(760,541)	(1,759,250)
Other comprehensive income				
Items that will or may be reclassified to profit or loss:				
Change in market value of investments		(16,656)	105,065	44,840
Transfer to realised loss on disposal of investments		-	(7,678)	(42,871)
Exchange (losses)/gains on translating foreign operations		(54,052)	108,996	476,018
Other comprehensive income for the period		(70,708)	206,383	477,987
Total comprehensive income for the period attributable to the equity owners of the parent		(1,602,035)	(554,158)	(1,281,263)
Loss per share attributable to equity owners of the parent expressed in pence per share				
Basic and diluted				
From operations	3	(0.31)	(0.21)	(0.46)

The notes form part of this Interim Financial Report.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Notes	Unaudited 30 June 2017 £	Unaudited 30 June 2016 £	Audited 31 December 2016 £
Assets				
Non-current assets				
Intangible assets	4	7,888,034	3,565,686	5,066,750
Property, plant and equipment	5	197,729	19,397	16,170
Other receivables	7	165,852	23,274	33,171
Other non-current assets		-	238,668	-
Total non-current assets		8,251,615	3,847,025	5,116,091
Current assets				
Investments		107,816	243,712	124,472
Trade and other receivables	7	459,971	107,369	126,557
Cash and cash equivalents		1,294,539	740,483	1,172,347
Total current assets		1,862,326	1,091,564	1,423,376
Total assets		10,113,941	4,938,589	6,539,467
Equity and liabilities				
Shareholders' equity				
Share capital	9	5,345,401	3,851,608	4,509,465
Share premium		14,849,523	9,725,036	11,226,706
Foreign currency reserve		337,946	24,976	391,998
Share-based payment and warrant reserve		752,523	488,918	455,309
Warrant reserve		419,671	362,252	386,794
Retained earnings		(12,448,310)	(9,842,800)	(10,900,327)
Total equity attributable to Equity holders of the parent		9,256,754	4,609,990	6,069,945
Liabilities				
Current liabilities				
Trade and other payables	8	857,187	328,599	469,522
Total liabilities		857,187	328,599	469,522
Total equity and liabilities		10,113,941	4,938,589	6,539,467

The interim financial report was approved by the Board of Directors on 28 September 2017 and was signed on its behalf by:

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D S Archer
Chief Executive Officer
Company number: 07307107

The notes form part of this Interim Financial Report.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	Share capital £	Share premium £	Foreign currency reserve £	Share based payment reserve £	Warrant reserve £	Retained earnings £	Total equity £
At 1 January 2016	2,858,658	9,156,284	(84,020)	473,178	362,252	(9,187,216)	3,579,136
Loss for the period	-	-	-	-	-	(760,541)	(760,541)
Other comprehensive income	-	-	108,996	-	-	97,387	206,383
Total comprehensive income for the period	-	-	108,996	-	-	(663,154)	(554,158)
Issue of share capital (net of expenses)	992,950	568,752	-	-	-	-	1,561,702
Issue of share options	-	-	-	23,310	-	-	23,310
Lapse of options	-	-	-	(7,570)	-	7,570	-
At 30 June 2016	3,851,608	9,725,036	24,976	488,918	362,252	(9,842,800)	4,609,990
Loss for the period	-	-	-	-	-	(998,709)	(998,709)
Other comprehensive income	-	-	367,022	-	-	(95,418)	271,604
Total comprehensive income for the period	-	-	367,022	-	-	(1,094,127)	(727,105)
Issue of share capital (net of expenses)	657,857	1,526,212	-	-	-	-	2,184,069
Issue of share options	-	-	-	2,991	-	-	2,991
Exercise of options	-	-	-	(36,600)	-	36,600	-
Lapse of options	-	-	-	-	-	-	-
Issue of warrants	-	(24,542)	-	-	24,542	-	-
At 31 December 2016	4,509,465	11,226,706	391,998	455,309	386,794	(10,900,327)	6,069,945
Loss for the period	-	-	-	-	-	(1,531,327)	(1,531,327)
Other comprehensive income	-	-	(54,052)	-	-	(16,656)	(70,708)
Total comprehensive income for the period	-	-	(54,052)	-	-	(1,547,983)	(1,602,035)
Issue of share capital (net of expenses)	835,936	3,655,694	-	-	-	-	4,491,630
Issue of share options	-	-	-	297,214	-	-	297,214
Lapse of options	-	-	-	-	-	-	-
Issue of warrants	-	(32,877)	-	-	32,877	-	-
At 30 June 2017	5,345,401	14,849,523	337,946	752,523	419,671	(12,448,310)	9,256,754

The notes form part of this Interim Financial Report.

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	Notes	Unaudited Six months to June 2017 £	Unaudited Six months to June 2016 £	Audited Year ended December 2016 £
Cash flows used in operating activities				
Loss for the period		(1,531,327)	(760,541)	(1,759,250)
Depreciation and amortisation charges		728	220	9,536
Impairment of intangibles	4	-	129,059	-
Loss on disposal of assets		-	-	128,505
Gain on disposal of investments		-	(7,678)	(42,871)
Share based payments reserve charge		297,214	44,302	26,301
Shares issued in lieu of payments to extinguish liabilities		82,431	-	20,992
Finance income		-	(39,511)	-
Finance expense		2,256	4,404	4,413
Exchange losses		47,925	-	96,036
Cash flow from operating activities before changes in working capital		(1,100,773)	(629,745)	(1,516,338)
Increase in trade and other receivables		(466,095)	(17,979)	(53,476)
(Decrease)/increase in trade and other payables		218,251	(53,347)	46,089
Net cash used in operating activities		(1,348,617)	(701,071)	(1,523,725)
Cash flow used in investing activities				
Purchase of intangible exploration assets		(1,471,957)	(504,665)	(1,557,087)
Purchase of tangible fixed assets		(120,816)	-	-
Purchase of other non-current assets		-	(21,100)	-
Purchase of investments		-	(24,991)	(24,363)
Proceeds from sale of investments		-	39,321	94,653
Interest received		-	993	-
Net cash used in investing activities		(1,592,773)	(510,442)	(1,486,797)
Cash flow from / (used in) financing activities				
Proceeds from issues of ordinary shares (net of expenses)		3,093,000	1,540,709	3,724,778
Interest paid		(2,256)	(4,404)	(4,413)
Net cash from financing activities		3,090,744	1,536,305	3,720,365
Increase in cash and cash equivalents		149,354	324,792	709,843
Cash and cash equivalents at beginning of period		1,172,347	359,296	359,296
Exchange (losses)/gains on cash and cash equivalents		(27,162)	56,395	103,208
Cash and cash equivalents at end of period		1,294,539	740,483	1,172,347

The notes form part of this Interim Financial Report.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2017

1. BASIS OF PREPARATION

The financial information set out in this report is based on the consolidated financial statements of Savannah Resources Plc and its subsidiary companies (together referred to as the 'Group'). The interim financial report of the Group for the six months ended 30 June 2017, which is unaudited, was approved by the Board on 28 September 2017. The financial information contained in this interim report does not constitute statutory accounts as defined by s434 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2016 have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006.

The financial information set out in this report has been prepared in accordance with the accounting policies set out in the Annual Report and Financial Statements of Savannah Resources Plc for the year ended 31 December 2016.

The Group interim financial report is presented in Pound Sterling.

Going Concern

In common with many mineral exploration companies, the Company raises equity funds for its activities in discrete share placements. The Directors are confident that the Group's project portfolio is highly attractive and the sums of £3.25m and £1.3m raised in Q1 and Q3 2017 respectively support this. The Directors are therefore confident that funding will continue to be secured and therefore it is appropriate to prepare the interim financial report on a going concern basis. However, although the Company has been successful in the past in raising equity finance, the lack of formal agreements means there can be no certainty that the funding required by the Group will be secured within the necessary timescale. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern, however as aforementioned and evidenced by announcements the Company has routinely been able to raise funds to progress its highly prospective portfolio. The interim financial report does not include the adjustments that would result if the Group was unable to continue as a going concern, which would principally relate to the impairment of intangible assets.

2. SEGMENTAL REPORTING

The Group complies with IFRS 8 Operating Segments, which requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, which the Company considers to be the Board of Directors. In the opinion of the Directors, the operations of the Group comprise of: exploration and development in Oman, Mozambique and Portugal; exploration in Finland; and headquarter and corporate costs including the Company's third party investments.

Based on the Group's current stage of development there are no external revenues associated to the segments detailed below. For exploration and development in Oman, Mozambique, Portugal and Finland the segments are calculated by the summation of the balances in the legal entities which are readily identifiable to each of the segmental activities. Recharges between segments are at cost and included in each segment below. Inter-Company loans are eliminated to zero and not included in each segment below.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	Oman Copper	Mozambique Mineral Sands	Portugal Lithium	Finland Lithium	HQ and corporate	Elimination	Total
	£	£		£		£	£
Period 30 June 2017							
Revenue	-	-	-	-	254,214	(254,214)	-
Finance costs	-	1,370	-	-	886	-	2,256
Share based payments	11,963	44,370	-	-	240,881	-	297,214
(Loss) / Gain for the year	(187,211)	(281,801)	(25,600)	(4,980)	(1,031,735)	-	(1,531,327)
Total assets	3,939,037	2,695,063	2,120,317	132,740	1,226,784	-	10,113,941
Total non- current assets	3,844,054	2,177,590	2,094,898	127,690	7,383	-	8,251,615
Additions to non-current assets	457,852	640,400	2,094,128	5,103	7,382	-	3,204,865
Total current assets	94,982	517,474	25,419	5,050	1,219,401	-	1,862,326
Total liabilities	(110,431)	(395,701)	(92,244)	(4,831)	(253,980)	-	(857,187)

	Oman Copper	Mozambique Mineral Sands	Finland Lithium	HQ and corporate	Elimination	Total
	£	£	£	£	£	£
December 2016						
Revenue	-	-	-	442,984	(442,984)	-
Finance costs	-	(36)	-	(4,377)	-	(4,413)
Gain on disposal of investments	-	-	-	42,871	-	42,871
Loss on disposal of assets	(128,505)	-	-	-	-	(128,505)
Share based payments	20,992	-	-	26,301	-	47,293
(Loss) / Gain for the year	(657,598)	(230,113)	(5,844)	(865,695)	-	(1,759,250)
Total assets	3,667,380	1,546,750	128,486	1,196,851	-	6,539,467
Total non-current assets	3,558,424	1,438,862	118,805	-	-	5,116,091
Additions to non-current assets	1,366,465	204,241	118,805	-	-	1,689,511
Total current assets	108,956	107,495	9,682	1,197,243	-	1,423,376
Total liabilities	(135,754)	(34,553)	(12,304)	(286,911)	-	(469,522)

3. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

In accordance with IAS 33 as the Group is reporting a loss for both this and the preceding period the share options are not considered dilutive because the exercise of share options and warrants would have the effect of reducing the loss per share.

Reconciliations are set out below:

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	Unaudited Six months to 30 June 2017	Unaudited Six months to 30 June 2016	Audited Year ended 31 December 2016
Basic loss per share:			
Loss from operations attributable to ordinary shareholders (£)	(1,531,327)	(760,541)	(1,759,250)
Loss attributable to ordinary shareholders (£)	(1,531,327)	(760,541)	(1,759,250)
Weighted average number of shares (number)			
	490,020,180	354,026,108	385,212,275
Loss per share from operations (pence)	0.31	0.21	0.46
Basic and diluted loss per share (pence)	0.31	0.21	0.46

4. INTANGIBLE ASSETS

	Exploration and evaluation assets
	£
At 1 January 2016	3,155,242
Additions	403,690
Impairment expense	(129,059)
Exchange differences	135,813
At 30 June 2016	3,565,686
Additions	1,060,683
Disposals of assets	(127,535)
Transfers from Other non-current assets	225,668
Impairment expense	129,059
Exchange difference	213,189
At 31 December 2016	5,066,750
Additions	2,897,871
Exchange differences	(76,587)
At 30 June 2017	7,888,034

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
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5. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Office Equipment	Machinery	Land	Total
					£
Cost					
At 1 January 2016	30,474	10,398	-	-	40,872
Additions	-	-	-	-	-
Exchange difference	6,133	1,003	-	-	7,136
At 31 December 2016	36,607	11,401	-	-	48,008
Additions	6,991	1,735	119,081	44,819	172,626
Exchange differences	(2,833)	(174)	9,528	1,116	7,637
At 30 June 2017	40,765	12,962	128,609	45,935	228,271
Depreciation					
At 1 January 2016	10,013	8,967	-	-	18,980
Charge for the year	9,152	384	-	-	9,536
Exchange difference	1,999	1,323	-	-	3,322
At 31 December 2016	21,164	10,674	-	-	31,838
Charge for the year	728	-	-	-	728
Exchange differences	(1,598)	(426)	-	-	(2,024)
At 30 June 2017	20,294	10,248	-	-	30,542
Net Book Value					
At 31 December 2016	15,443	727	-	-	16,170
At 30 June 2017	20,471	2,714	128,609	45,935	197,729

6. INVESTMENTS

During May 2017, the Group incorporated two new subsidiary entities: Savannah Resources Portugal B.V. ('SRPBV'), being a wholly-owned subsidiary of Savannah Resources Plc ('SAV'), and AME Portugal Pty Ltd ('AMEPPty'), being a wholly-owned subsidiary of SRPBV. In May 2017, SAV entered into an agreement to acquire 100% of Slipstream PORT Pty Ltd ('SPpty'), thereby acquiring an effective 75% interest in Slipstream Resources Portugal Lda ('SRP') (formerly Slipstream Resources Portugal Unipessoal Lda). SRP is a Portuguese entity which is the holder of a series of highly prospective lithium projects with near-term production potential in the north of Portugal.

In consideration for acquiring 100% of the issued share capital of SPpty, the Group paid AUD\$ 1,000,000 (~GBP £591,000) in cash and issued 20,000,000 ordinary shares in SAV. In addition, the purchase of SPpty dictates future milestone payments as disclosed in Note 10. The transaction has been accounted for as an acquisition of an asset due to it not meeting the definition of a business combination.

Other than the transactions disclosed above there were no significant changes in the investments held by the Group and the parent company.

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7. TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2017	Unaudited 30 June 2016	Audited 31 December 2016
	£	£	£
Non-Current			
Other receivables - VAT	82,551	23,274	33,171
Other receivables - Deposits	83,301	-	-
	165,852	23,274	33,171
Current			
VAT recoverable	25,263	18,267	24,364
Other receivables	434,708	89,102	102,193
	459,971	107,369	126,557

Included in Current Other receivables at 30 June 2017 is USD\$ 300,000 (~GBP £230,704) committed payment related to licencing commitments (see note 8). The payment will be deferred along the life of the related licencing commitment's community projects with an estimated end date in May 2019.

8. TRADE AND OTHER PAYABLES

	Unaudited 30 June 2017	Unaudited 30 June 2016	Audited 31 December 2016
	£	£	£
Current			
Trade payables	286,985	105,446	155,077
Other payables	25,431	14,182	44,414
Accruals and deferred income	544,771	208,971	270,031
	857,187	328,599	469,522

Included in Current Accruals at 30 June 2017 are the USD\$ 300,000 (~GBP £230,704) committed payment related to licencing commitment's community projects.

9. SHARE CAPITAL

Allotted, issued and fully paid

	Six months to 30 June 2017		Six months to 30 June 2016		Year ended 31 December 2016	
	£0.01 ordinary shares number	£	£0.01 ordinary shares number	£	£0.01 ordinary shares number	£
At beginning of period	450,946,455	4,509,465	285,865,770	2,858,658	285,865,770	2,858,658
Issued during the period:						
Share placement	61,904,764	619,047	98,295,329	982,954	162,581,043	1,625,811
Bonus paid in shares	1,688,870	16,889	999,642	9,996	999,642	9,996
Exercise of share options	-	-	-	-	1,500,000	15,000
In lieu of cash for acquisition of lithium project (note 6)	20,000,000	200,000	-	-	-	-
At end of period	534,540,089	5,345,401	385,160,741	3,851,608	450,946,455	4,509,465

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10. CONTINGENT LIABILITIES

Details of contingent liabilities where the probability of future payments is not considered remote are set out below, as well as details of contingent liabilities, which although considered remote, the Directors consider should be disclosed. The Directors are of the opinion that provisions are not required in respect of these matters, as the trigger event has not yet occurred.

Deferred consideration payable in relation to the acquisition of 80% shareholding in Matilda Minerals Lda (Mozambique mineral sands project)

In 2013, in consideration for acquiring 80% shareholding in Matilda Minerals Lda, the Group paid initial consideration of AUD\$400,000 (~GBP £236,000) in ordinary shares in Savannah Resources plc and a cash payment for cost reimbursements of AUD\$125,000 (~GBP £74,000). Additionally, milestone payments, to be satisfied by the issue of ordinary shares in the Company are payable as follows: (a) AUD\$500,000 (~GBP £295,500) upon the establishment of a JORC Inferred Resource of 150Mt @ 3% THM; (b) AUD\$500,000 (~GBP £295,500) upon the establishment of a JORC Indicated Resource of 350Mt @ 3% THM; (c) AUD\$500,000 (~GBP £295,500) upon the establishment of a JORC Indicated Resource of 500Mt @ 3% THM.

In August 2017, a deed of variation was executed between the parties that entered into the agreement for the acquisition of 80% shareholding in Matilda Minerals Lda in September 2013. In accordance with the deed of variation, the deferred consideration agreed in the September 2013 agreement was substituted by fixed consideration of AUD\$ 50,000 (~GBP £29,500). In August 2017, such fixed consideration was satisfied by the issue of 597,037 ordinary shares in the Company.

Deferred consideration payable in relation to the acquisition of Gentor Resources Ltd (Oman copper project)

On 15 July 2014 the Company completed an acquisition of interests in the highly prospective Block 5 and Block 6 copper projects in the Semail Ophiolite belt in the Sultanate of Oman from the TSX-Venture listed Gentor Resources Inc. The Company paid initial consideration of USD \$800,000 (~GBP £615,000) with the following deferred consideration (up to 50% payable in Savannah shares) required to complete the acquisition of 100% of the issued share capital of Gentor Resources Ltd ("GRL"):

- (a) a milestone payment of USD \$1,000,000 (~GBP £769,000) upon a formal final investment decision for the development of the Block 5 Licence;
- (b) a milestone payment of USD \$1,000,000 (~GBP £769,000) upon the production of the first saleable concentrate or saleable product from ore derived from the Block 5 Licence; and
- (c) a milestone payment of USD \$1,000,000 (~GBP £769,000) within six months of the payment of the Deferred Consideration in (b).

Deferred consideration payable in relation to the acquisition of Slipstream PORT Pty Ltd (Portugal lithium project)

On 24 May 2017 the Group acquired a series of highly prospective lithium projects with near-term production potential in the north of Portugal. The Group paid an initial consideration of AUD\$ 1,000,000 (~GBP £591,000) in cash and issued 20,000,000 ordinary shares in the Company. Additional milestone payments, to be satisfied by cash and the issue of ordinary shares in SAV, are payable as follows: (a) AUD\$ 1,500,000 (~GBP £886,500) cash and a further 20,000,000 ordinary shares of SAV upon the announcement by SAV of a JORC-compliant Indicated Mineral Resource Estimate of 7.5 million tonnes at no less than 1% Li₂O; (b) AUD\$1,500,000 (~GBP £886,500) cash and an additional 20,000,000 ordinary shares of SAV upon the announcement by SAV of a further JORC-compliant Indicated Mineral Resource Estimate of a minimum of 7.5m tonnes at no less than 1% Li₂O.

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11. SHARE OPTIONS AND WARRANTS

Share options and warrants to subscribe for ordinary shares in the Company are granted to certain employees, Directors and investors. Some of the options issued vest immediately and others over a vesting period and may include performance conditions.

The Directors' interests in the share options and warrants of the Company are as follows:

At 30 June 2017

	Quantity at 1 Jan 2017	Quantity granted during the year	Lapsed during the year	Options / Warrants at 30 Jun 2017	Exercise price	Date of the grant	First date of exercise	Final date of exercise
Share Options								
Dale Ferguson	5,321,776	-	-	5,321,776	3.0p	21/07/13	20/07/14	20/07/18
Dale Ferguson	-	2,000,000	-	2,000,000	7.59p	01/03/17	01/03/17	28/02/21
Matthew King	1,500,000	-	-	1,500,000	3.0p	16/03/16	16/03/16	15/03/20
David Archer		7,000,000	-	7,000,000	7.59p	01/03/17	01/03/17	28/02/21
Investor Warrants								
David S Archer	11,111,112	-	-	11,111,112	3.0p	24/09/13	24/09/13	19/07/18

At 31 December 2016

	Quantity at 30 Jun 2016	Quantity granted during the year	Lapsed during the year	Options / Warrants at 31 Dec 2016	Exercise price	Date of the grant	First date of exercise	Final date of exercise
Share Options								
Dale Ferguson	5,321,776	-	-	5,321,776	3.0p	21/07/13	20/07/14	20/07/18
Matthew King	1,500,000	-	-	1,500,000	3.0p	16/03/16	16/03/16	15/03/20
Investor Warrants								
David Archer	11,111,112	-	-	11,111,112	3.0p	24/09/13	24/09/13	19/07/18

At 30 June 2016

	Quantity at 1 Jan 2016	Quantity granted during the year	Lapsed during the year	Options / Warrants at 30 Jun 2016	Exercise price	Date of the grant	First date of exercise	Final date of exercise
Share Options								
Dale Ferguson	5,321,776	-	-	5,321,776	3.0p	21/07/13	20/07/14	20/07/18
Matthew King	-	1,500,000	-	1,500,000	3.0p	16/03/16	16/03/16	15/03/20
Investor Warrants								
David Archer	11,111,112	-	-	11,111,112	3.0p	24/09/13	24/09/13	19/07/18

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12. EVENTS AFTER THE REPORTING DATE

In August 2017, the Group acquired a further 20% of the issued share capital of Matilda Minerals Lda, increasing its interest in the entity to 100%. The Group paid an aggregate consideration of AUD\$ 100,000 (~GBP £60,000), satisfied by the issue of 1,194,074 ordinary shares in the Company.

In August 2017, a deed of variation was executed between the parties that entered into the agreement for the acquisition of 80% shareholding in Matilda Minerals Lda in September 2013. In accordance with the deed of variation, the deferred considerations agreed in the September 2013 agreement was substituted by fixed consideration of AUD\$ 50,000 (~GBP £30,000). In August 2017, such this consideration was satisfied by the issue of 597,037 ordinary shares in the Company.

In July 2017, the Company agreed cash subscriptions of £1.3m (before expenses) through the issue of 25,085,954 new ordinary shares at an issue price of £0.0525 per ordinary share and the issue of one warrant per two subscription shares, each having an exercise price of £0.06.

In July 2017, the Company also granted options over 500,000 ordinary shares in the Company.