



**SAVANNAH RESOURCES PLC**

Company No 07307107

**INTERIM FINANCIAL REPORT**

**FOR THE SIX MONTHS ENDED 30 JUNE 2021**

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## COMPANY INFORMATION

<b>DIRECTORS:</b>	Matthew James Wyatt King David Stuart Archer Dale John Ferguson Maqbool Ali Sultan Imad Kamal Abdul Redha Sultan James Gerald Leahy Manohar Pundalik Shenoy Murtadha Ahmed Sultan	Non-Executive Chairman Executive Director Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Alternate Director Alternate Director
<b>SECRETARIES:</b>	Dominic Traynor Salisbury House London Wall London EC2M 5PS	Christopher Michael McGarty c/o Salisbury House London Wall London EC2M 5PS
<b>REGISTERED OFFICE:</b>	Salisbury House London Wall London EC2M 5PS	
<b>REGISTERED NUMBER:</b>	07307107 (England and Wales)	
<b>AUDITORS:</b>	BDO LLP Chartered Accountants & Statutory Auditors 55 Baker Street London W1U 7EU	
<b>BANKERS:</b>	NatWest Bank Plc St James' & Piccadilly Branch PO Box 2DG, 208 Piccadilly London W1A 2DG	
<b>NOMINATED ADVISOR:</b>	SP Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London W1S 2PP	
<b>JOINT BROKERS:</b>	finnCap Ltd One Bartholomew Close London EC1A 7BL  WH Ireland Limited 24 Martin Lane London EC4R 0DR	
<b>SOLICITORS:</b>	Druces LLP Salisbury House London Wall London EC2M 5PS	
<b>REGISTRARS:</b>	Share Registrars The Courtyard, 17 West Street Farnham Surrey GU9 7DR	
<b>WEBSITE:</b>	<a href="http://www.savannahresources.com">www.savannahresources.com</a>	

## **CHAIRMAN'S STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

Savannah has continued to establish its position in the new European lithium value chain effectively, despite the ongoing challenges posed by the COVID pandemic during the first half of 2021. Forecasts of a significant lithium shortage by the middle of this decade and associated higher prices have been in the market for some years but it is still remarkable how rapidly this market has tightened, and prices have risen since late last year. Growing EV uptake is underpinning lithium's recovery with global first half sales, as reported by EV-volumes.com, reaching 2.65m units (+168% vs. 1H20), including over 1m vehicles sold in Europe and 1.15m in China. Lithium chemical prices in China rose on average by 80% in the first half while spodumene prices in Australia doubled to around US\$800/t (source: S&P Global Platts). Savannah was able to utilise this step change in the market to complete an oversubscribed placing to new and existing shareholders to provide greater working capital for the exciting period that lies ahead. We were also able to broaden our commercial negotiations with multiple parties all keen to secure exposure to Mina do Barroso's lithium.

With EV sales expected to accelerate during the second half of the year to reach 6.4m units, almost double 2020's annual sales, and scant lithium inventory available, prices have continued to rise in the second half of the year. Lithium chemical prices in China are now up on average 170% versus December 2020, and the price of Australian spodumene concentrate as reported by Pilbara Minerals at its second online auction on 14 September is more than 460% higher at over US\$2,200/t. Shareholders will remember that our 2018 Scoping Study on Mina do Barroso assumed an average sales price for spodumene of US\$685/t, so from an economic perspective, the future of Mina do Barroso looks ever brighter. Our focus therefore remains on turning that potential into reality and developing the project in a responsible manner which minimises its impact and shares economic and other benefits with local communities.

With the COVID-restrictions now easing, we look forward to getting back in the field to resume gathering the data we need to complete the Definitive Feasibility Study ("DFS"). To this end, we have added to our in-country technical team. We are also aware that the technical robustness of the project is only one factor in our future success, and that we must work equally hard to ensure sufficient support for the project among the key stakeholder groups. Hence, we have added capacity to our governmental and public relations efforts in Portugal and expanded our investor relations and media team in the UK. I take this opportunity to welcome our new staff members and advisers to the Savannah family and we look forward to announcing more appointments as we continue to grow the business and move towards construction and production in Portugal.

In Mozambique, we remain active on the ground as we continue to progress the key tasks as the joint venture with Rio Tinto moves the project forward towards development. We have been also voluntarily playing our part in the in-country COVID vaccination programme and have maintained our strong links with our stakeholder communities and key administrators.

Overarching our work on each project is the progress we are making in formalising, expanding and equalising our Corporate Social Responsibility ("CSR") and Environmental, Social & Governance ("ESG") activities through our Corporate Environmental and Social Management System ("ESMS") which we announced in May. Savannah has always made a firm commitment to CSR but by formalising our efforts across the Company we will be best placed not only to deliver effective CSR programmes for our project stakeholders but also effectively measure our performance and therefore meet and surpass the expectations of investors and lenders who are increasingly focusing on these parameters.

## **CHAIRMAN'S STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

### **Mina do Barroso, Portugal**

At Mina do Barroso during the first half of the year, we continued to move ever closer to the next three major project milestones: the Environmental Impact Assessment ("EIA"), an offtake agreement, and the DFS. COVID restrictions aside, the Board and I acknowledge that reaching these milestones is taking longer than we had first envisaged. However, Mina do Barroso and its significant lithium production represents a wholly new endeavour for Portugal, the European Union, and Savannah. Hence, it is vital that the project is executed in a way that demonstrates that this new industry is one that can be conducted responsibly, and which brings far-reaching benefits. There can be no doubt that the recent price movements in lithium which I have already highlighted, give a clear indication of how important it is for Europe to begin to develop its domestic supply of such critical raw materials if it is to meet its own long term energy transition and climate change goals.

Regarding the EIA, as we flagged in the 2020 Annual Report, Agência Portuguesa do Ambiente ("APA"), the Portuguese environmental regulator, revised the closing date for the public consultation phase of the review programme from 2 June 2021 to 16 July 2021. We welcomed the opportunity for all interested parties to register their views on the project and will respond to APA as quickly and comprehensively as we can if it requests any further information from us. We understand APA is now reviewing the submissions received and we expect to receive news on the EIA review process in the final quarter of 2021. Should we receive a 'Declaration of the Environmental Impact' this milestone won't represent the conclusion of the environmental licencing process as approval of detailed final designs is subsequently required, but it will demonstrate the Regulator's satisfaction with the project's operating parameters and Savannah's innovative plans to eliminate, mitigate and manage any environmental and social impacts, and to utilise the project to create meaningful long-term benefits for stakeholders throughout Portugal and beyond.

As we have highlighted previously, conducting the outstanding fieldwork required for the DFS has been severely impacted by COVID-related restrictions in the past 18 months. Pleasingly, as restrictions lift and contractor availability improves, we expect to be able to return to meaningful field work before the end of the year. We have also talked previously about the need for APA to state its preferences on several features of the project on which it required Savannah to present it with options in our EIA submission. Until these decisions are made as part of the EIA approval process, Savannah won't be able to fully finalise the project design and encapsulate that in the DFS. A brighter point for the DFS's progression has been the lab-based process design work in Australia which has been continuing with little disruption throughout the period. Overall, however, after much effort internally to revise and rework the DFS schedule, shareholders should expect its conclusion next year and not by the end of 2021 as previously guided. Alongside the DFS we have also begun to engage with Portugal's leading power companies around the provision of wholly renewable energy to the project and some leading manufacturers of mobile mining plant and equipment regarding the potential to supply electrically powered units to the project in the future.

While referring to fieldwork, I am also pleased to report that our programme of land acquisition across the C-100 Mining Lease area which covers the project has progressed well since the turn of the year and will be continuing alongside our other project commitments for the remainder of 2021 and beyond. We have been delighted to be able to strike mutually beneficial agreements with a number of local landowners which will allow Savannah to own, manage and remediate these areas responsibly during the project's life, before returning them to the community once the project has ceased operating.

On a commercial front, buoyed by the much stronger lithium price environment, encouraging discussions are ongoing around offtake and associated investment with multiple, well credentialed counterparties. This includes with Galp Energia, SGPS, S.A. ("Galp") and other European and non-European industrial groups. A significant number of offtake, investment and M&A transactions have been completed in the lithium sector during the year to date which set useful precedents for Savannah in its own commercial discussions. We hope to bring more news on the project's future commercial arrangements later in the year.

## **CHAIRMAN'S STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

Away from the project itself, we continue to consolidate our position in Portugal's commercial and political spheres as we receive growing recognition for the critical position Savannah will play as the main supplier of raw material to the country's much anticipated new lithium industry. In June we announced that we had become a founding member of the new Portuguese Association for the Battery Cluster which brings together a large group of industrial, academic and government bodies to work together to develop a new lithium-ion battery industry in Portugal under the co-ordination of the International Nanotechnology Laboratory.

Portugal has also been the first country to have its post-COVID Recovery and Resilience facility funding plan approved by the European Commission with €2.2bn of the €16.6bn package already received. With nearly €1bn of this package earmarked for business innovation and green agendas, Savannah is currently assessing the possibility of applying for funding from this facility to put towards the project's capital expenditure.

With travel restrictions now easing, David Archer, our CEO, has been spending an extended period of time on the ground in Portugal in recent weeks working closely with our in-country team and our public and governmental relationship advisers. This has resulted in a series of meetings with key government officials, leaders from the business and academic communities, potential commercial partners and journalists from national and international publications. We expect to increase our marketing and stakeholder engagement activities still further in the remainder of the year.

We continue to believe that our proposals for the development and operation of Mina do Barroso combined with our proposals around sharing the project's economic and social benefits with stakeholders represent a modern and responsible approach to managing the production of a raw material essential to the transition to cleaner energy provision and reduced transport-related greenhouse gas emissions. The Portuguese Government has stated its desire to create a new lithium industry in the country based on its enviable resources of the mineral and the European Commission, through its 2020 Action Plan on Critical Raw Materials, has set forward its target of securing access to reliable sources of raw materials to support Europe's Green Deal and to maintain Europe's leadership in technologies of the future. Savannah would be delighted to be part of making these targets into a reality.

### **Mineral Sands Project, Mozambique**

As I outlined in my statement in the 2020 Annual Results in June, there are three elements to Savannah's work on the Mutamba Minerals sands project in Mozambique; licence-related studies and fieldwork; our engagement programmes; and the business and project review.

Despite ongoing COVID-related restrictions and cases amongst our own staff, work on the ground has continued (with appropriate safety protocols) as we seek to ensure compliance with the requirements set by the Mining Licences the consortium was awarded in late 2019 and early 2020. Identification and communication with relevant landowners to secure land use and utilisation agreements (DUATs) has been the major work programme, but the team has also been able to produce a bulk sample of material for a metallurgical test work programme being run by Rio Tinto overseas and is underway with baseline studies for the EIA work on each of the licences.

Regarding the business review we initiated last autumn, we continue to work very closely on this with our consultant, Bruce Griffin of Farview Solutions, and Rio Tinto. Since that time, we have carried out a comprehensive review of the project's technical parameters and its future corporate positioning. As a result, we believe that we have identified a suitable course of action and remain on track to inform shareholders of the outcome before the end of the year.

## **CHAIRMAN'S STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

### **Corporate Social Responsibility**

Our Corporate ESMS is being aligned with internationally recognised ESG standards, namely the requirements of the International Finance Corporation's Performance Standards on Environmental and Social Sustainability, as well as the World Bank Group's Environmental Health & Safety, Mining and General Guidelines. As a UK listed entity, the policy will also reflect the principles and provisions of the Quoted Companies Alliance's Corporate Governance Code. Savannah's operating subsidiaries will be responsible for ESG management and performance at their respective projects, through the development and implementation of project-specific ESMSs, aligned with the Corporate ESMS, and in compliance with all applicable ESG-related laws, regulations and permits of the host country.

In Portugal during the first half of the year, we were delighted to be able to re-open our local Information Centre in May, staffed by a new recruit from the Boticas area, after its closure due to COVID-related restrictions. The Information Centre is currently displaying a 3D model of the proposed project, so that residents can get a better understanding of the project's layout and the steps being taken to minimise its impact on the local environment. While the EIA review process is ongoing (there were two public sessions held in May hosted by APA), Savannah continues to engage with the local community keeping residents informed about APA's review process, the Benefit Sharing and the Good Neighbour Plans that have been proposed, and by making further donations of locally purchased provisions to the area's firefighting team. We have also maintained our multi-channel communication through newsletters, content in local publications and radio announcements. I have already touched on our engagement with national level media and we will continue this engagement in the remainder of the year as interest builds in Portugal's lithium battery chain, while maintaining our locally focused communication efforts as well as sponsorship of local rally car and mountain biking teams.

In Mozambique, the Company made COVID-19 vaccinations available to all staff and their adult family members, and also purchased and donated 200 double vaccines to the Ministry of Health in Inhambane Province to help protect vulnerable individuals. We were also delighted to provide support to the Provincial Environment Day which helped to raise awareness of Environmental issues in the Province and we remain committed to, and supportive of, other community interventions in Jangamo and Inharrime districts

### **Financial Summary**

Savannah recorded a first half net loss from continuing operations of £1.4m (2020: £1.1m) with much of the £0.3m increase the result of a move from an exchange rate gain in 1H 2020 to an exchange rate loss in 1H 2021. However, without the one-off write-down (£5.5m) associated with the Oman project divestment, which was recorded in last year's accounts, the total attributable loss reduced significantly to £1.2m (2020: £6.0m).

Of greater interest to shareholders will be the Group's cash balance which stood at £9.7m on 30 June (2020: £2.0m, 31 December 2020) after the oversubscribed placing, raising £10.3m gross proceeds in April. This stronger cash position, along with a £0.6m increase in Intangible Assets to £17.8m resulted in a 42% increase in Savannah's Net Assets to £29.1m (2020: £20.5m).

### **Outlook**

The Board and I are very grateful for the ongoing interest and commitment shown towards the Company by its shareholders. With the capital now in reserves, Savannah is well placed to press ahead with its work programmes at Mina do Barroso and its engagement with all stakeholders and relevant commercial groups. We also have sufficient capital available to meet our ongoing commitments in Mozambique. As ever, our dedicated staff will undertake this work and I thank them for their efforts to date and for their efforts in the future.

**CHAIRMAN'S STATEMENT**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2021**

The lithium market is proving to be an exciting and rapidly developing sector with Europe set to be a major part of the world's new lithium battery industry. Savannah is determined to take its place in this market and we look forward to reporting on developments relating to the three project milestones I have outlined above from 4Q 2021 onwards. We also look forward to updating the market on Mutamba, so that the project's stakeholders and our shareholders are clear on its future direction and that of Savannah.

**Matthew King**

Chairman

Date: 21 September 2021



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Notes	Unaudited Six months to 30 June 2021 £	Unaudited Six months to 30 June 2020 £	Audited Year ended 31 December 2020 £
<b>CONTINUING OPERATIONS</b>				
Revenue		-	-	-
Other Income		-	-	26,099
Administrative Expenses		<b>(1,443,120)</b>	(1,080,385)	(2,988,663)
<b>OPERATING LOSS</b>		<b>(1,443,120)</b>	(1,080,385)	(2,962,564)
Finance Income		<b>12,711</b>	21,789	38,747
Finance Costs		<b>(3,671)</b>	(448)	(765)
<b>LOSS FROM CONTINUING OPERATIONS BEFORE AND AFTER TAX</b>		<b>(1,434,080)</b>	(1,059,044)	(2,924,582)
<b>LOSS ON DISCONTINUED OPERATIONS BEFORE AND AFTER TAX</b>		-	(5,469,581)	(5,401,176)
<b>LOSS BEFORE AND AFTER TAX ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT</b>		<b>(1,434,080)</b>	(6,528,625)	(8,325,758)
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified to Profit or Loss:</b>				
Net change in Fair Value through Other				
Comprehensive Income of Equity Investments		<b>100,060</b>	(13,210)	320,151
<b>Items that will or may be reclassified to Profit or Loss:</b>				
Exchange Gains / (Losses) arising on translation of foreign operations		<b>131,362</b>	589,230	(163,284)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>231,422</b>	576,020	156,867
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT</b>		<b>(1,202,658)</b>	(5,952,605)	(8,168,891)
<b>Loss per share attributable to Equity Owners of the parent expressed in pence per share:</b>				
<b>Basic and Diluted</b>				
From Operations	3	<b>(0.09)</b>	(0.50)	(0.62)
From Continued Operations	3	<b>(0.09)</b>	(0.08)	(0.22)
From Discontinued Operations	3	-	(0.42)	(0.40)

The notes form part of this Interim Financial Report.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	Notes	Unaudited 30 June 2021 £	Unaudited 30 June 2020 £	Audited 31 December 2020 £
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Intangible Assets	4	17,836,604	16,893,437	17,246,222
Right-of-Use Assets		12,256	31,237	21,709
Other Intangible Assets		-	8,920	6,682
Property, Plant and Equipment	5	1,064,198	1,259,197	973,528
Other Non-Current Assets	7	70,803	83,648	73,530
Bank Deposits	7	687,467	698,411	590,175
<b>TOTAL NON-CURRENT ASSETS</b>		<b>19,671,328</b>	<b>18,974,850</b>	<b>18,911,846</b>
<b>CURRENT ASSETS</b>				
Investments		66,002	25,333	606,245
Trade and Other Receivables	6	423,513	173,688	194,301
Other Current Assets	7	16,137	16,141	13,670
Cash and Cash Equivalents		9,659,326	1,714,040	2,000,209
Assets in Disposal Groups Classified as Held for Sale		-	437,007	-
<b>TOTAL CURRENT ASSETS</b>		<b>10,164,978</b>	<b>2,366,209</b>	<b>2,814,425</b>
<b>TOTAL ASSETS</b>		<b>29,836,306</b>	<b>21,341,059</b>	<b>21,726,271</b>
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' EQUITY</b>				
Share Capital	9	16,889,598	12,989,598	14,309,910
Share Premium		41,695,948	33,538,187	34,474,884
Merger Reserve		6,683,000	6,683,000	6,683,000
Foreign Currency Reserve		(62,179)	558,973	(193,541)
Warrant Reserve		12,157	942,802	12,157
Share Based Payment Reserve		152,335	370,695	393,865
FVTOCI Reserve		(14,120)	(56,649)	276,712
Retained Earnings		(36,214,631)	(34,604,250)	(35,450,713)
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		<b>29,142,108</b>	<b>20,422,356</b>	<b>20,506,274</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Lease Liabilities		-	6,728	1,130
<b>TOTAL NON-CURRENT LIABILITIES</b>			<b>6,728</b>	<b>1,130</b>
<b>CURRENT LIABILITIES</b>				
Lease Liabilities		6,477	15,422	11,608
Trade and Other Payables	8	687,721	793,409	1,207,259
Liabilities Directly Associated with Assets in Disposal Groups Classified as Held for Sale		-	103,144	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>694,198</b>	<b>911,975</b>	<b>1,218,867</b>
<b>TOTAL LIABILITIES</b>		<b>694,198</b>	<b>918,703</b>	<b>1,219,997</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,836,306</b>	<b>21,341,059</b>	<b>21,726,271</b>

The Interim Financial Report was approved by the Board of Directors on 21 September 2021 and was signed on its behalf by:

.....  
David 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 2021**

	Share Capital £	Share Premium £	Merger Reserve £	Foreign Currency Reserve £	Warrant Reserve £	Share Based Payment Reserve £	FVTOCI Reserve £	Retained Earnings £	Total Equity £
At 1 January 2020	12,974,598	33,511,787	6,683,000	(30,257)	975,679	410,121	(43,439)	(28,163,712)	26,317,777
Loss for the period	-	-	-	-	-	-	-	(6,528,625)	(6,528,625)
Other Comprehensive Income	-	-	-	589,230	-	-	(13,210)	-	576,020
Total Comprehensive Income for the period	-	-	-	589,230	-	-	(13,210)	(6,528,625)	(5,952,605)
Exercised Options	15,000	26,400	-	-	-	(16,650)	-	16,650	41,400
Lapse of Options	-	-	-	-	-	(38,560)	-	38,560	-
Lapse of Warrants	-	-	-	-	(32,877)	-	-	32,877	-
Share Based Payment charges	-	-	-	-	-	15,784	-	-	15,784
At 30 June 2020	12,989,598	33,538,187	6,683,000	558,973	942,802	370,695	(56,649)	(34,604,250)	20,422,356
Loss for the period	-	-	-	-	-	-	-	(1,797,133)	(1,797,133)
Other Comprehensive Income	-	-	-	(752,514)	-	-	333,361	-	(419,153)
Total Comprehensive Income for the period	-	-	-	(752,514)	-	-	333,361	(1,797,133)	(2,216,286)
Issue of Share Capital (net of expenses)	1,300,113	920,537	-	-	-	-	-	-	2,220,650
Shares issued in lieu	20,199	16,160	-	-	-	-	-	-	36,359
Share Based Payment charges	-	-	-	-	-	43,195	-	-	43,195
Exercise of options	-	-	-	-	-	(20,025)	-	20,025	-
Lapse of Options	-	-	-	-	-	-	-	930,645	-
Lapse of Warrants	-	-	-	-	(930,645)	-	-	-	-
At 31 December 2020	14,309,910	34,474,884	6,683,000	(193,541)	12,157	393,865	276,712	(35,450,713)	20,506,274

The notes form part of this Interim Financial Report.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Share Capital £	Share Premium £	Merger Reserve £	Foreign Currency Reserve £	Warrant Reserve £	Share Based Payment Reserve £	FVTOCI Reserve £	Retained Earnings £	Total Equity £
<b>At 31 December 2020</b>	<b>14,309,910</b>	<b>34,474,884</b>	<b>6,683,000</b>	<b>(193,541)</b>	<b>12,157</b>	<b>393,865</b>	<b>276,712</b>	<b>(35,450,713)</b>	<b>20,506,274</b>
Loss for the period	-	-	-	-	-	-	-	(1,434,080)	(1,434,080)
Other Comprehensive Income	-	-	-	131,362	-	-	(290,832)	390,892	231,422
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>131,362</b>	<b>-</b>	<b>-</b>	<b>(290,832)</b>	<b>(1,043,188)</b>	<b>(1,202,658)</b>
Issue of Share Capital (net of expenses)	2,579,688	7,221,064	-	-	-	-	-	-	9,800,752
Lapse of Options	-	-	-	-	-	(279,270)	-	279,270	-
Share Based Payment charges	-	-	-	-	-	37,740	-	-	37,740
<b>At 30 June 2021</b>	<b>16,889,598</b>	<b>41,695,948</b>	<b>6,683,000</b>	<b>(62,179)</b>	<b>12,157</b>	<b>152,335</b>	<b>(14,120)</b>	<b>(36,214,631)</b>	<b>29,142,108</b>

The notes form part of this Interim Financial Report.

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Notes	Unaudited Six months to June 2021 £	Unaudited Six months to June 2020 £	Audited Year ended December 2020 £
<b>Cash Flows used in Operating Activities</b>				
Loss for the period		(1,434,080)	(6,528,625)	(8,325,758)
Depreciation and Amortisation charges	5	19,626	23,904	44,663
Impairment of Assets classified as Held for Sale		-	5,370,130	-
Impairment of Other Intangible Assets		5,948	-	-
Share Based Payments Reserve charge		37,740	15,784	58,979
Shares issued in lieu of payments to suppliers		-	-	36,359
Finance Income		(12,711)	(21,789)	(38,747)
Finance Expense		3,671	448	765
Exchange Losses / (Gains)		120,501	(133,412)	(37,580)
Loss on sale of discontinued operations		-	-	5,373,633
<b>Cash Flow from Operating Activities before changes in Working Capital</b>		<b>(1,259,305)</b>	<b>(1,273,560)</b>	<b>(2,887,686)</b>
Decrease in Trade and Other Receivables		29,212	119,010	176,312
(Decrease) / Increase in Trade and Other Payables		(464,981)	149,116	443,541
<b>Net Cash used in Operating Activities</b>		<b>(1,695,074)</b>	<b>(1,005,434)</b>	<b>(2,267,833)</b>
<b>Cash flow used in Investing Activities</b>				
Purchase of Intangible Exploration Assets		(685,970)	(912,101)	(1,577,532)
Purchase of Right-of-Use assets		(798)	-	-
Purchase of Tangible Fixed Assets		(20,027)	(680)	(2,721)
Purchase of Investments		-	(1,782)	-
Proceeds from sale of Investments		462,115	-	3,272
Bank Deposits for Mining Licences		-	-	57,319
Interest received		12,711	21,789	38,747
Proceeds from sale of discontinued operations		-	-	27,543
<b>Net Cash used in Investing Activities</b>		<b>(231,969)</b>	<b>(892,774)</b>	<b>(1,453,372)</b>
<b>Cash Flow from/(used in) Financing Activities</b>				
Proceeds from issues of Ordinary Shares (net of expenses)		9,704,501	41,400	2,220,650
Proceeds from exercise of share options		-	-	41,400
Principal paid on Lease Liabilities		(6,263)	(8,900)	(18,310)
Interest paid		(3,671)	(448)	(765)
<b>Net Cash from Financing Activities</b>		<b>9,694,567</b>	<b>32,052</b>	<b>2,242,975</b>
<b>Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>7,767,524</b>	<b>(1,866,156)</b>	<b>(1,478,230)</b>
<b>Cash and Cash Equivalents at beginning of period</b>		<b>2,000,209</b>	<b>3,484,781</b>	<b>3,484,781</b>
Exchange (Losses) / Gains on Cash and Cash Equivalents		(108,407)	95,415	(6,342)
<b>Cash and Cash Equivalents at end of period</b>		<b>9,659,326</b>	<b>1,714,040</b>	<b>2,000,209</b>

The notes form part of this Interim Financial Report.

## **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

### **1. BASIS OF PREPARATION**

The financial information set out in this report is based on the Consolidated Financial Statements of Savannah Resources Plc (the 'Company') and its subsidiary companies (together referred to as the 'Group'). The Interim Financial Report of the Group for the six months ended 30 June 2021, which is unaudited, was approved by the Board on 21 September 2021. 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 2020 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 2020. New standards and amendments to IFRS effective as of 1 January 2021 have been reviewed by the Group and there has been no material impact on the financial information set out in this report as a result of these standards and amendments.

The Group Interim Financial Report is presented in Pound Sterling.

#### **Going Concern**

In common with many mineral exploration companies, the Company has raised equity finance to fund its activities. The Group had cash balance of £9.7m at 30 June 2021.

The Directors have reviewed the cash-flow projection for the Group and concluded that it has sufficient finance in place to meet its financial commitments for at least 12 months.

In forming their view, the directors have considered the impacts of COVID-19 related restrictions and potential future delays on the work schedule. Whilst the potential future impacts are unknown, the Board has considered the effect that additional delays in the work schedule could have on the Group's available cash resources. Having factored in reasonably plausible scenarios and reasonable mitigating actions (for example, the ability to reduce its uncommitted future expenditure), the director's consider sufficient cash balance are maintained under each scenario and that the Company will be able to meet its obligations as they fall due.

Accordingly, the Directors have concluded that these circumstances form a reasonable expectation that the Group has adequate resources to continue in operational existence, for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

### **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 are comprised of exploration and development in Portugal, exploration and development in Mozambique, headquarter and corporate costs and the Company's third party investments and the discontinued operation in Oman.

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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 Portugal, Mozambique and the discontinued operation in Oman the segments are calculated by the summation of the balances in the legal entities which are readily identifiable to each of the segmental activities. In the case of the Investments, this is calculated by analysis of the specific related investment instruments. Recharges between segments are at cost (including transfer price charge) and included in each segment below. Inter-company loans are eliminated to zero and not included in each segment below.

	<b>Mozambique Mineral Sands</b>	<b>Portugal Lithium</b>	<b>HQ and Corporate</b>	<b>Investments</b>	<b>Elimination</b>	<b>Total</b>
	£	£	£	£	£	£
<b>Period 30 June 2021</b>						
Revenue <sup>1</sup>	-	539,496	385,655	-	(925,151)	-
Finance Costs	(3,557)	(114)	-	-	-	(3,671)
Interest Income	12,356	-	355	-	-	12,711
Share Based Payments	-	-	(37,740)	-	-	(37,740)
Impairment of Assets	-	-	(5,948)	-	-	(5,948)
Loss for the period	(209,550)	(589,510)	(635,020)	-	-	(1,434,080)
Total Assets	6,097,829	13,790,051	9,882,424	66,002	-	29,836,306
Total Non-Current Assets	5,975,203	13,689,348	6,777	-	-	19,671,328
Additions to Non-Current Assets	255,871	468,602	-	-	-	724,473
Total Current Assets	122,626	100,703	9,875,647	66,002	-	10,164,978
Total Liabilities	(23,671)	(171,796)	(498,731)	-	-	(694,198)

	<b>Discontinued Operation Oman Copper</b>	<b>Mozambique Mineral Sands</b>	<b>Portugal Lithium</b>	<b>HQ and corporate</b>	<b>Invest- ments</b>	<b>Elimination</b>	<b>Total</b>
	£	£	£	£	£	£	£
<b>Period 31 December 2020</b>							
Revenue <sup>1</sup>	-	30,198	691,100	582,304	-	(1,303,602)	-
Finance Costs	-	-	(317)	-	-	-	(317)
Interest Income	-	16,475	-	483	-	-	16,958
Share based payments	-	-	-	(43,195)	-	-	(43,195)
Loss for the year	68,405	(198,827)	(748,551)	(918,160)	-	-	(1,797,133)
Total Assets	-	5,403,090	13,917,231	1,799,705	606,245	-	21,726,271
Total Non-Current Assets	-	5,274,621	13,624,502	12,723	-	-	18,911,846
Additions to Non-Current Assets	-	37,203	539,374	-	-	-	576,577
Total Current Assets	-	128,469	292,729	1,786,982	606,245	-	2,814,425
Total Liabilities	-	(65,977)	(260,023)	(893,997)	-	-	(1,219,997)

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	Discontinued Operation Oman Copper	Mozambique Mineral Sands	Portugal Lithium	HQ and Corporate	Invest- ments	Elimination	Total
	£	£	£	£	£	£	£
Period 30 June 2020							
Revenue <sup>1</sup>	-	27,409	419,730	344,515	-	(791,654)	-
Finance Costs	-	-	(448)	-	-	-	(448)
Interest Income	-	17,453	-	4,336	-	-	21,789
Share Based Payments	-	-	-	(15,784)	-	-	(15,784)
Impairment of Assets	(5,370,130)	-	-	-	-	-	(5,370,130)
Loss for the period	(5,469,581)	(197,750)	(470,576)	(390,718)	-	-	(6,528,625)
Total Assets	437,007	5,803,639	13,417,870	1,657,210	25,333	-	21,341,059
Total Non-Current Assets	-	5,724,855	13,228,272	21,723	-	-	18,974,850
Additions to Non- Current Assets	79,122	49,139	555,937	-	-	-	684,198
Total Current Assets	437,007	78,784	522,951	1,302,134	25,333	-	2,366,209
Total Liabilities	(103,144)	(34,119)	(290,951)	(490,489)	-	-	(918,703)

<sup>1</sup> Revenues included in the Portugal Lithium segment include £539,496 (31 December 2020: £691,000; 30 June 2020: £419,730) related to intercompany recharges within this segment and therefore eliminated in the Elimination column

### 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:

	Unaudited Six months to 30 June 2021	Unaudited Six months to 30 June 2020	Audited Year ended 31 December 2020
<b>Basic and Diluted Loss per Share:</b>			
Losses attributable to Ordinary Shareholders (£):			
Total Loss for the period (£)	<b>(1,434,080)</b>	(6,528,625)	(8,325,758)
Total Loss for the period from Continuing Operations (£)	<b>(1,434,080)</b>	(1,059,044)	(2,924,582)
Total Loss for the period from Discontinued Operations (£)	-	(5,469,581)	(5,401,176)
Weighted average number of shares (number)	<b>1,518,176,396</b>	1,295,376,368	1,343,743,432
Loss per share – total loss for the period from Operations (£)	<b>(0.00094)</b>	(0.0050)	(0.0062)
Loss per share – total loss for the period from Continuing Operations (£)	<b>(0.00094)</b>	(0.0008)	(0.0022)
Loss per share – total loss for the period from Discontinued Operations (£)	-	(0.0042)	(0.0040)



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**4. INTANGIBLE ASSETS**

	<b>Exploration and Evaluation Assets</b>
	£
<b>Cost</b>	
At 1 January 2020	21,208,400
Additions	734,616
Transfer from Other Intangible Assets	(279,850)
Disposal assets on liquidation	(140,024)
Exchange differences	740,425
<b>At 30 June 2020</b>	<b>22,263,567</b>
Additions	774,178
Transfer to Assets classified as Held for Sale	(5,370,130)
Exchange difference	(421,393)
<b>At 31 December 2020</b>	<b>17,246,222</b>
<b>Additions</b>	<b>687,447</b>
<b>Exchange differences</b>	<b>(97,065)</b>
<b>At 30 June 2021</b>	<b>17,836,604</b>
<b>Depreciation and Impairment</b>	
At 1 January 2020	140,024
Reverse on disposal of assets on liquidation	(140,024)
Impairment charge related to assets transferred to held for sale	5,370,130
At 30 June 2020	5,370,130
Transfer to Assets classified as Held for Sale	(5,370,130)
At 31 December 2020	-
<b>At 30 June 2021</b>	<b>-</b>
<b>Net Book Value</b>	
At 1 January 2020	21,068,376
At 30 June 2020	16,893,437
At 31 December 2020	17,246,222
<b>At 30 June 2021</b>	<b>17,836,604</b>

In 2018 the Group started the process of divesting its investment in Finkallio Oy, and at 31 December 2018 the Exploration and Evaluation Assets held by the Company were fully impaired. In 2019 the Group started the process to liquidate Finkallio Oy, which was completed on 4 May 2020.

In 2018 the Board announced that a strategic review was being conducted in respect of the Oman assets to identify the best outcome for Savannah and its shareholders. In 2020 the progress towards an agreement for sale was substantial with the disposal expected to be completed prior to the end of 2020, and therefore the assets and liabilities of the Omani operations were classified as Held for Sale at 30 June 2020 with the disposal completed in October 2020.

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**5. PROPERTY, PLANT AND EQUIPMENT**

	Motor Vehicles	Office Equipment	Plant and Machinery	Land	Total
					£
<b>Cost</b>					
At 1 January 2020	87,902	43,026	1,241,756	53,332	1,426,016
Additions	-	680	-	-	680
Transfer to Assets classified as Held for Sale	(36,770)	(10,293)	-	-	(47,063)
Exchange differences	10,173	1,061	(69,084)	3,783	(54,067)
<b>At 30 June 2020</b>	<b>61,305</b>	<b>34,474</b>	<b>1,172,672</b>	<b>57,115</b>	<b>1,325,566</b>
Additions	1,662	379	-	-	2,041
Exchange difference	(4,741)	(2,439)	(180,785)	(778)	(188,743)
<b>At 31 December 2020</b>	<b>58,226</b>	<b>32,414</b>	<b>991,887</b>	<b>56,337</b>	<b>1,138,864</b>
<b>Additions</b>	<b>-</b>	<b>20,027</b>	<b>-</b>	<b>-</b>	<b>20,027</b>
<b>Exchange differences</b>	<b>(2,591)</b>	<b>425</b>	<b>157,227</b>	<b>(2,506)</b>	<b>152,555</b>
<b>At 30 June 2021</b>	<b>55,635</b>	<b>52,866</b>	<b>1,149,114</b>	<b>53,831</b>	<b>1,311,446</b>
<b>Depreciation</b>					
At 1 January 2020	54,548	34,239	-	-	88,787
Charge for the period	14,081	3,276	-	-	17,357
Transfer to Assets classified as Held for Sale	(36,770)	(10,293)	-	-	(47,063)
Exchange differences	6,251	1,037	-	-	7,288
<b>At 30 June 2020</b>	<b>38,110</b>	<b>28,259</b>	<b>-</b>	<b>-</b>	<b>66,369</b>
Charge for the period	318	4,632	99,189	-	104,139
Exchange difference	(2,560)	(2,612)	-	-	(5,172)
<b>At 31 December 2020</b>	<b>35,868</b>	<b>30,279</b>	<b>99,189</b>	<b>-</b>	<b>165,336</b>
<b>Charge for the period</b>	<b>6,127</b>	<b>4,211</b>	<b>57,456</b>	<b>-</b>	<b>67,794</b>
<b>Exchange differences</b>	<b>(492)</b>	<b>(1,113)</b>	<b>15,723</b>	<b>-</b>	<b>14,118</b>
<b>At 30 June 2021</b>	<b>41,503</b>	<b>33,377</b>	<b>172,368</b>	<b>-</b>	<b>247,248</b>
<b>Net Book Value</b>					
At 30 June 2020	23,195	6,215	1,172,672	57,115	1,259,197
At 31 December 2020	22,358	2,135	892,698	56,337	973,528
<b>At 30 June 2021</b>	<b>14,132</b>	<b>19,489</b>	<b>976,746</b>	<b>53,831</b>	<b>1,064,198</b>

Plant and Machinery depreciation amounting to £57,456 (31 December 2020: £99,189) is capitalised in Exploration and Evaluation assets (Note 4).

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT  
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**6. TRADE AND OTHER RECEIVABLES**

	<b>Unaudited 30 June 2021</b>	Unaudited 30 June 2020	Audited 31 December 2020
	£	£	£
<b>Current</b>			
VAT recoverable	<b>63,253</b>	108,155	98,852
Other Receivables	<b>360,260</b>	65,533	95,449
Total Current Trade and Other Receivables	<b>423,513</b>	173,688	194,301

**7. OTHER CURRENT AND NON-CURRENT ASSETS**

	<b>Unaudited 30 June 2021</b>	Unaudited 30 June 2020	Audited 31 December 2020
	£	£	£
<b>Non-Current</b>			
Guarantees	<b>62,674</b>	66,497	65,592
Cash deposits	<b>687,467</b>	698,411	590,175
Other	<b>8,129</b>	17,151	7,938
Total Other Non-Current Assets	<b>758,270</b>	782,059	663,705
<b>Current</b>			
Other	<b>16,137</b>	16,141	13,670
Total Other Current Assets	<b>16,137</b>	16,141	13,670

**8. TRADE AND OTHER PAYABLES**

	<b>Unaudited 30 June 2021</b>	Unaudited 30 June 2020	Audited 31 December 2020
	£	£	£
<b>Current</b>			
Trade Payables	<b>398,923</b>	438,300	357,247
Other Payables	<b>100,315</b>	160,587	136,935
Accruals and Deferred Income	<b>188,483</b>	194,522	713,077
Total Current Trade and Other Payables	<b>687,721</b>	793,409	1,207,259

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**9. SHARE CAPITAL**

**Allotted, issued and fully paid**

	Six months to 30 June 2021		Six months to 30 June 2020		Six months to 31 December 2020	
	£0.01 ordinary shares number	£	£0.01 ordinary shares number	£	£0.01 ordinary shares number	£
At beginning of period	1,430,991,035	14,309,910	1,297,459,820	12,974,598	1,298,959,820	12,989,598
Issued during the period:						
Share placement	<b>257,968,785</b>	<b>2,579,688</b>	-	-	130,011,270	1,300,113
Exercise of Share Options	-	-	1,500,000	15,000	-	-
In lieu of cash for professional services	-	-	-	-	2,019,945	20,199
Settlement deferred consideration Oman	-	-	-	-	-	-
<b>At end of period</b>	<b>1,688,959,820</b>	<b>16,889,598</b>	<b>1,298,959,820</b>	<b>12,989,598</b>	<b>1,430,991,035</b>	<b>14,309,910</b>

The par value of the Company's shares is £0.01.

**10. GROUP 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 at the reporting date it is not probable that a future sacrifice of economic benefits will be required and the amount is not capable of reliable measurement.

**Consideration payable in relation to the acquisition of Mining Lease Application for lithium, feldspar and quartz (Portugal lithium project)**

In June 2019 the Company exercised its option to acquire a Mining Lease Application for lithium, feldspar and quartz from private Portuguese company, Aldeia & Irmão, S.A.. The total purchase price for the acquisition is EUR €3,250,000 (~ GBP £2,790,000), which will only become due once the Mining Lease Application has been granted and the Mining Rights transferred to an entity within the Group, at which point the agreed payment schedule will consist of an initial EUR €55,000 (~ GBP £47,000) payment with the balance due in 71 equal monthly instalments. Upon delivery of the request for transfer of the Mining Rights to an entity within the Group, the Group shall provide with a bank guarantee of EUR €3,195,000 (~ GBP £2,740,000) that will be reduced in accordance with the 71 monthly instalments. As at 30 June 2021 the mining lease has not been granted.

**11. EVENTS AFTER THE REPORTING DATE**

There were no Events After the Reporting Date to report.