



INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

SAVANNAH RESOURCES PLC

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SAVANNAH RESOURCES PLC

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
Secretary:	S F Ronaldson 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	
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Broker	Beaufort Securities Ltd 60 Gresham Street London, EC2V 7BB131	
Solicitors:	Ronaldsons LLP 55 Gower Street London, WC2E 6HQ	
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SAVANNAH RESOURCES PLC

CHAIRMAN'S STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

During the six months under review Savannah has continued to focus on unlocking the value of and building its valuable portfolio of projects, and we are delighted with the addition of two new lithium projects, Somero and Eräjärvi in Finland which adds attractive diversity to our multi-commodity portfolio. These projects give us exposure to the highly promising lithium sector, as demand rises with the production of electric vehicles and off grid energy storage. These projects complement Savannah's portfolio, particularly its copper assets in Oman as lithium and copper are key materials in the revolution being experienced by the energy and transport industries.

Whilst we look forward to defining the resource potential of our new project areas in order to take advantage of these favourable market dynamics, our primary focus continues to be centered on the development of our copper projects in Oman which have considerable commercial appeal. Our high grade copper resources offer near term production potential and we are committed to advancing these assets into production with mining targeted for late 2017.

We continue to work closely with both Rio Tinto Plc ("Rio Tinto") and the Government of Mozambique around the Joint Venture agreement with Rio Tinto to combine its adjacent Mutamba, Dongane and Jangamo prospects with our Jangamo heavy mineral sands project, all of which are located in a world-class heavy minerals sands area in Mozambique. This potentially creates a significant development opportunity for us to add our Inferred Mineral Resource of 65Mt at Jangamo with Rio Tinto's exploration target of between 7.0 and 12.0Bt with grades ranging from 3% to 4.5% total heavy minerals. Our focus will be to define a dry mining operation for staged, early development.

Blocks 4, 5 and 6 Copper Mine Development Project, Oman

Savannah has interests in 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 the Sultanate of Oman and within close proximity to the export port of Sohar. Additional advantages include a supportive, pro-mining government, attractive fiscal terms (five year tax holiday and 12% corporation tax thereafter), and excellent infrastructure. Our strategy is centred on building a copper and gold resource inventory to support high margin, low cost operations and establish Savannah as a high-grade copper miner, with mining targeted to commence in late 2017.

Our Omani assets have a total Indicated and Inferred Mineral Resource of 1.7Mt @ 2.2% Cu, with a significant Exploration Target of between 10,700,000t and 29,250,000t grading at between 1.4% and 2.4% copper for 150,000t and 700,000t of contained copper with additional gold credits estimated. Savannah has a good degree of confidence that, with appropriate resource drilling, Mineral Resources

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can be defined within the ranges of the announced exploration targets, which will in turn form the basis for feasibility studies for a potential mine development. With this in mind, our focus during the period has been centered on further advancing the resource potential of our copper assets.

In January 2016 we announced drill results from our December 2015 drill programme, which covered a total of 16 holes for 1,766.85m over Blocks 4 and 5. Best results included 6.6m at 6.92% copper, 5.6% zinc, 0.3g/t gold and 23.8g/t silver at the Mahab 4 prospect in Block 5. Importantly, these results reinforced results collected from previous exploration of the high-grade (>5% copper) portion of the Mahab 4 deposit, which includes 51.58m at 5.2% copper and 56.85m at 6.2% copper. It is these high grade intersections which we will target in order to develop high grade, low cost copper concentrate product.

Additionally, other positive results from our December 2015 drill programme include 9m at 4.86% copper, 1.54% zinc, 1.3g/t gold and 37.3g/t silver from the Dog's Bone target at Aarja in Block 4. Aarja is one of four prospective areas (the other three being Lasail, Bayda and Zuha) identified in Block 4 which were part of previously producing mines that were commercially mined in the 1980s and 1990s and collectively produced over 190,000t copper. There has been very little by way of near mine exploration of these assets since the early 1990s and Savannah has identified an opportunity to use new technologies such as VTEM surveying to make further commercial discoveries. Crucially, several targets have established infrastructure, including underground mine access, which will help to not only fast track to production but also positively impact project capex.

To support the development of these near mine prospects, Savannah acquired and has analysed a significant amount of historical drill data. This has enabled us to identify a number of prospective targets for follow-up drilling, with Aarja and Bayda selected for initial drill targeting.

In May 2016 Savannah commenced a two stage 2,930m diamond drill programme at not only Aarja (Dog's Bone) and Bayda in Block 4, but also the Maqail South and Mahab 4 prospects in Block 5. The intention of this was to extend the high grade portion of the current established resource of 1.7Mt at a grade of 2.2% copper, which has been defined at Maqail South and Mahab 4, whilst also upgrading the resource classification to 'Measured'. In tandem with this, the drilling at Block 4 aimed to further define the resource potential.

Six drill holes for a total of 608m have been completed and assayed to date, with initial results pointing towards a potential expansion of the current high grade portions of both the Mahab 4 and Maqail South resources in Block 5, where broad high grade zones of have been copper intersected. 15.18m at 4.02% copper and 0.2g/t gold from 62.50m has been returned at Mahab 4, whilst 25.63m at 2.66% copper and 0.1g/t gold from 49.37m and 20.55m at 3.09% copper and 0.1g/t gold from 48.95m has been returned from Maqail South. The highest individual assay received in this round of drilling

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returned 23.47% copper over 0.4m from 56.95m and 7.60% zinc (not same sample). Additional drilling at Bayda in Block 4 suggests a larger tonnage, lower grade deposit target is possible, with drilling intersecting a broad mineralised zone with 33.4m at 0.69% copper and 0.1g/t gold from 87m, including 4m at 1.56% copper and 5.1m at 1.22% copper. Drilling is ongoing and expected to be completed before the end of Q3 2016, with an updated Mineral Resource for both Maqail and Mahab 4 targeted for Q4 2016. Crucially, drilling will also assist the completion of initial geotechnical and metallurgical testwork for both Blocks 4 and 5, which will feed into feasibility studies and ultimately Ore Reserves as the Company continues to target mining in late-2017.

Supporting our near term production objectives, in mid-September 2016 we submitted our applications for two mining licences. The first for open-cut development at the Maqail South deposit and the second for underground development at the Mahab 4 deposit. It is our intention to utilise a hub and spoke mine development model to support low capex operations, whereby one central plant will process material from multiple mines. With this in mind, our focus for the remainder of 2016 is to move ahead with a feasibility study of an amalgamated mine development of the deposits within Blocks 4 and 5, better define processing routes, and to increase our understanding of the contained metal potential in the area. As a result of the Company's ongoing portfolio review process, and in light of the mining licence applications along with the significant progress that has been made on both Blocks 4 and 5, the Company has terminated its interest in Block 6 in Oman.

Furthermore, after the period under review, Savannah met the requirements to be entitled to become a 51% shareholder in Al Thuraya Mining (the holder of the Block 4 exploration licence) and in conjunction with the existing shareholders in Al Thuraya Mining the process of filing the appropriate paperwork to achieve this is in process. Under the terms of the shareholder agreement (announced on 18 November 2014) Savannah continues to earn an interest of up to 65% in Al Thuraya Mining.

Mutamba/Jangamo Heavy Mineral Sands Project, Mozambique

We continue to work closely with both Rio Tinto and the Government of Mozambique around our Joint Venture agreement with mining major Rio Tinto, under which we plan to combine Savannah's Jangamo Heavy Mineral Sands ('HMS') Project ('Jangamo') with three licence areas held by Rio Tinto, which are contiguous or near to Jangamo. This is a landmark achievement for the Company, which marks a significant step towards the potential development of the projects.

With an Inferred Mineral Resource of 65Mt at 4.2% total heavy minerals established at Jangamo and an exploration target of between 7.0 and 12.0Bt at a grade ranging from 3% to 4.5% total heavy minerals from Rio Tinto's assets, the combined Mutamba/Jangamo projects have the potential for the definition of large deposits of heavy minerals, which could sustain a significant long term mining operation. Work conducted at the projects to date shows that the mineralisation is amenable to dry

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CHAIRMAN'S STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

mining and dredge mining in parts, which will support staged, early production and development via low capex dry mining which enables ore bodies to be very precisely mined. Furthermore, ilmenite is the dominant heavy mineral in the mineral assemblage, which should enable us to take advantage of the strengthening ilmenite price.

Our overall objective is to potentially form, in partnership with Rio Tinto, a significant mineral sands presence in Mozambique, whereby Savannah will be the operator of the project with the potential to earn up to 51% of the combined Mutamba/Jangamo project in stages by undertaking scoping, pre-feasibility and feasibility studies. Through a staged development programme we hope to rapidly advance the enlarged project into production in order to provide a stable supply of titanium feedstock to global markets, which will be delivered through offtake sales contracts secured by Rio Tinto, with Rio Tinto committed to take 100% of the offtake. To achieve this we will look to identify high grade 'strandline' deposits of sufficient size to support the development of an early, staged HMS operation.

Importantly, the enlarged Mutamba/Jangamo project boasts established infrastructure, with existing road, grid power water and port nearby, which will support the project's commercial development. Rio Tinto will also be providing access to its existing camp, facilities and equipment associated with Mutamba, which should help speed up the work process and keep costs down, in line with our low cost production targets.

Somero and Eräjärvi Lithium Projects, Finland

A significant initiative during the period has been the addition to our portfolio of two new lithium projects in Finland, Somero and Eräjärvi, which cover an area of 159km² of highly prospective lithium terrain in one of the most prospective countries on mainland Europe for potential lithium discoveries. This is in line with our active growth strategy to target multi-commodity projects that add value and complement our existing portfolio. These lithium projects enable Savannah to target the burgeoning lithium battery sector whilst also complementing our copper assets in Oman. We believe both lithium and copper will have an increasingly important place in the global energy matrix as distributed power networks, electric vehicles and the requirements for energy storage are expected to drive increasing demand for these metals, which in turn has favourable pricing implications.

We identified Finland as a prospective location for lithium deposits following an in-house review of potential hard rock lithium targets in northern Europe. This highlighted Finland as an attractive exploration destination for lithium opportunities not only due to its geological setting which has been proven to host commercial hard rock lithium deposits, but also due to its excellent access to high quality infrastructure, low sovereign risk and supportive mining law, and strategic location close to potential end-customers including battery producers.

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CHAIRMAN'S STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

Looking ahead, our focus is now on determining the potential of these assets. Whilst limited work has been conducted to date we are confident that they offer a significant development opportunity as geological mapping by the Finnish Geological Survey within the project areas has highlighted the presence of key lithium minerals spodumene, lepidolite and petalite. Field work commenced at the projects in July 2016, comprising of geological mapping, surface rock chip and channel sampling, to target this identified mineral presence, with the aim of generating drill targets during 2016. To oversee these work efforts we have established a team which has the capability of rapidly advancing these projects.

Major Shareholder and Board Changes

Subsequent to the period under review, and further to the cornerstone investment by Al Marjan Limited (Al Marjan') in February 2016, which raised gross proceeds of £1.75m taking its shareholding in the Company to 29.99%, we have appointed two of Al Marjan's nominees and their respective alternates to the Board. Their Board representation further strengthens our relationship with Al Marjan and underpins the support they have shown the Company as its largest shareholder. We have a small but highly skilled and experienced management team and we are delighted to have Mr. Maqbool Ali Sultan and Mr. Imad Kamal Abdul Redha Sultan join us as Non-Executive Directors of the Company, with Mr. Manohar Pundalik Shenoy and Mr. Murtadha Ahmed Sultan being appointed as their respective alternates. They will bring a wealth of relevant expertise to the Board, both in relation to Oman where Maqbool served as Minister of Commerce and Industry for 20 years, and as a result of their extensive regional and international business experience and we look forward to working with them as we continue to advance towards commercial mining in Oman in late 2017.

Financial Summary

The cash subscription of £1.75m (before expenses) in February 2016 from Al Marjan contributed towards the ongoing development of the Company's copper projects in Oman, with the mining milestone in late 2017 still on course. The recent cash placing (£0.99m) (the "Placing") and subscription (£0.44m) (the "Subscription"), after the reporting date, totaling £1.42m (before expenses) will further contribute towards the achievement of this milestone. As of 25 September 2016 the Company has a solid pro-forma cash position of £1.8m. This is expected to be increased by a further £0.83m cash from Directors and their related parties (Al Marjan Ltd) when the Company is not in a "close period", with letters of intent received to this effect.

Outlook

This has been another period of significant development for Savannah and I am delighted with the progress we have achieved both in terms of on-the-ground development but also at a corporate level.

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CHAIRMAN'S STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

Oman continues to prove its commercial value in terms of both grade and asset size, and in line with this we are continuing to make excellent progress in delivering on our plan to commence mining in late 2017. Our focus is now on expanding and further increasing our confidence in the Mineral Resources and Exploration Targets we have established across Blocks 4 and 5 in Oman, whilst also better determining processing routes, which will take advantage of the established infrastructure nearby.

We will continue to work with Rio Tinto and the Government of Mozambique around our Joint Venture in Mozambique. This represents a very exciting potential development opportunity for the Company and we look forward to having the opportunity of proving up the resource potential of the enlarged project in order to rapidly advance the asset into production to provide a stable supply of titanium feedstock to global markets. We intend to do this via a staged development programme which will help achieve not only a faster route to production but also help manage capital requirements for the project in line with our development strategy to achieve low cost production.

At our recently granted two new lithium projects in Finland, on-ground activities including rock chipping and geological mapping are now under way in order to define priority targets for drilling. We look forward to determining the potential of these projects in order to take advantage of the growing, and highly compelling lithium market.

Whilst we of course believe in the value of our development strategy it is pleasing and extremely encouraging to see that others recognise it too, as demonstrated through the investment made by Al Marjan in the Company. We welcome their ongoing support as a cornerstone investor and look forward to working with them as we continue to advance our asset portfolio. In line with this we look forward to working with our new Board members to achieve this and firmly believe that with a strengthened board, strong balance sheet and defined development strategy we are ideally positioned for growth.

With three highly prospective assets offering exposure to a dynamic mix of commodities, Savannah continues to take excellent strides in order to deliver on its strategy of building cash generative and profitable mining operations. With Oman and Mozambique both offering near term production potential this is an extremely exciting time of development and I look forward to the next 6-12 months with great anticipation.

I would like to take this opportunity to thank our employees, advisers, fellow directors, and of course our shareholders for their continued hard work and support as we continue to build Savannah Resources into a leading and profitable mid-tier copper, heavy minerals sands and lithium producer. We look forward to keeping the market updated with our progress.

Chairman
Matthew King
29 September 2016

SAVANNAH RESOURCES PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Notes	Unaudited Six months to 30 June 2016 £	Unaudited Six months to 30 June 2015 £	Audited Year ended 31 December 2015 £
Operations				
Revenue		-	-	-
Profit / (Loss) on disposal of investments		7,678	(285,399)	(666,154)
Impairment of investments	5	-	-	(1,071,374)
Impairment of intangibles	4	(129,059)	-	-
Administrative expenses		(674,267)	(721,348)	(1,378,587)
Operating loss		(795,648)	(1,006,747)	(3,116,115)
Finance income	2	39,511	1,628	8,449
Finance expense	2	(4,404)	(3,894)	(2,446)
Loss for the period before tax		(760,541)	(1,009,013)	(3,110,112)
Taxation		-	-	-
Loss for the period attributable to equity owners of the parent		(760,541)	(1,009,013)	(3,110,112)
Other comprehensive income				
Items that will or may be reclassified to profit or loss:				
Change in market value of investments	5	105,065	(766,208)	(930,213)
Transfer to realised loss on disposal of investments	5	(7,678)	285,399	666,154
Transfer to impairment loss of investments	5	-	-	1,071,374
Exchange (losses)/gains on translating foreign operations		108,996	(142,988)	(120,191)
Other comprehensive income for the period		206,383	(623,797)	687,124
Total comprehensive income for the period attributable to the equity owners of the parent		(554,158)	(1,632,810)	(2,422,988)
Loss per share attributable to equity owners of the parent expressed in pence per share				
Basic and diluted				
From operations	3	(0.21)	(0.45)	(1.27)

SAVANNAH RESOURCES PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	Unaudited 30 June 2016 £	Unaudited 30 June 2015 £	Audited 31 December 2015 £
Assets				
Non-current assets				
Intangible assets	4	3,565,686	2,625,449	3,155,242
Property, plant and equipment		19,397	26,005	21,892
Other receivables	6	23,274	20,421	23,778
Other non-current assets	7	238,668	174,552	225,668
Total non-current assets		3,847,025	2,846,427	3,426,580
Current assets				
Investments	5	243,712	353,512	149,922
Trade and other receivables	6	107,369	658,354	82,472
Cash and cash equivalents		740,483	396,547	359,296
Total current assets		1,091,564	1,408,413	591,690
Total assets		4,938,589	4,254,840	4,018,270
Equity and liabilities				
Shareholders' equity				
Share capital	8	3,851,608	2,275,016	2,858,658
Share premium		9,725,036	8,591,547	9,156,284
Foreign currency reserve		24,976	(106,817)	(84,020)
Share-based payment and warrant reserve		851,170	985,365	835,430
Other reserves		-	515,425	-
Retained earnings		(9,842,800)	(8,524,177)	(9,187,216)
Total equity		4,609,990	3,736,359	3,579,136
Liabilities				
Current liabilities				
Trade and other payables		328,599	518,481	439,134
Total liabilities		328,599	518,481	439,134
Total equity and liabilities		4,938,589	4,254,840	4,018,270

The interim financial statements on pages 13 – 18 were approved and authorised for issue by the Board of Directors on 29 September 2016 and were signed on its behalf by:

.....
D S Archer
Executive Director
Company number: 07307107

SAVANNAH RESOURCES PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Share capital £	Share premium £	Foreign currency reserve £	Share based payment and warrant reserve £	Retained earnings £	Other reserves £	Total equity £
At 1 January 2015	2,231,697	8,539,626	36,171	981,675	(7,034,355)	-	4,754,814
Loss for the period	-	-	-	-	(1,009,013)	-	(1,009,013)
Other comprehensive income	-	-	(142,988)	-	(480,809)	-	(623,797)
Total comprehensive income for the period	-	-	(142,988)	-	(1,489,822)	-	(1,632,810)
Issue of share capital	43,319	51,921	-	-	-	-	95,240
Shares to be issued (net of costs)	-	-	-	-	-	515,425	515,425
Share based payments	-	-	-	3,690	-	-	3,690
At 30 June 2015	2,275,016	8,591,547	(106,817)	985,365	(8,524,177)	515,425	3,736,359
Loss for the period	-	-	-	-	(2,101,099)	-	(2,101,099)
Other comprehensive income	-	-	22,797	-	1,288,124	-	1,310,921
Total comprehensive income for the period	-	-	22,797	-	(812,975)	-	(790,178)
Issue of share capital (net of costs)	583,642	564,737	-	-	-	(515,425)	632,954
Expiry of options	-	-	-	(149,935)	149,935	-	-
At 31 December 2015	2,858,658	9,156,284	(84,020)	835,430	(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 costs)	992,950	568,752	-	-	-	-	1,561,702
Share based payments	-	-	-	23,310	-	-	23,310
Expiry of options	-	-	-	(7,570)	7,570	-	-
At 30 June 2016	3,851,608	9,725,036	24,976	851,170	(9,842,800)	-	4,609,990

SAVANNAH RESOURCES PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY continued FOR THE SIX MONTHS ENDED 30 JUNE 2016

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	Description and purpose
Share capital	Amounts subscribed for share capital at nominal value.
Share premium	Amounts subscribed for share capital in excess of nominal value.
Foreign currency reserve	Gains/losses arising on retranslating the net assets of Group operations into Pound Sterling.
Warrant reserve	Fair value of the warrants issued.
Share based payment reserve	Represents the accumulated balance of share based payment charges recognised in respect of share options granted by Savannah Resources Plc, less transfers to retained losses in respect of options exercised and lapsed.
Retained earnings	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income.
Other reserves	Shares to be issued reserve - shares subscribed for at the period end but not allotted. The balance of the reserve was £515,425 at June 2015.

SAVANNAH RESOURCES PLC

CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Notes	Unaudited Six months to June 2016 £	Unaudited Six months to June 2015 £	Audited Year ended December 2015 £
Cash flows used in operating activities				
Loss for the period		(760,541)	(1,009,013)	(3,110,112)
Depreciation and amortisation charges		220	-	-
Impairment of investments	5	-	-	1,071,374
Impairment of intangibles	4	129,059	-	-
(Profit) / Loss on disposal of current asset investments	5	(7,678)	285,399	666,154
Share-based payments charge		44,302	3,690	3,690
Shares issued in lieu of payments to extinguish liabilities		-	36,950	119,522
Finance income	2	(39,511)	(1,628)	(8,449)
Finance expense	2	4,404	3,894	2,446
Cash flow used in operating activities before changes in working capital		(629,745)	(680,708)	(1,255,375)
(Increase)/decrease in trade and other receivables		(17,980)	(12,469)	29,317
(Decrease)/increase in trade and other payables		(53,347)	129,061	111,458
Net cash used in operating activities		(701,072)	(564,116)	(1,114,600)
Cash flow used in investing activities				
Purchase of intangible assets		(504,665)	(790,710)	(1,245,818)
Purchase of other non-current assets		(21,100)	(21,000)	(133,824)
Purchase of investments	5	(24,991)	(63,004)	(63,004)
Proceeds from sale of investments	5	39,321	72,886	109,415
Interest received	2	993	1,628	2,371
Net cash used in investing activities		(510,442)	(800,200)	(1,330,860)
Cash flow from / (used in) financing activities				
Proceeds from issues of ordinary shares		1,540,709	-	1,023,514
Finance expenses	2	(4,404)	(1,107)	(2,446)
Net cash from / (used in) financing activities		1,536,305	(1,107)	1,021,068
Movement in cash and cash equivalents		324,792	(1,365,423)	(1,424,392)
Cash and cash equivalents at the beginning of the period		359,296	1,778,338	1,778,338
Exchange differences		56,395	(16,368)	5,350
Cash and cash equivalents at end of period		740,483	396,547	359,296

SAVANNAH RESOURCES PLC

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

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 statements of the Group for the six months ended 30 June 2016, which are unaudited, were approved by the Board on 29 September 2016. 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 2015 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 2015.

The Group financial statements are presented in Pound Sterling.

Going Concern

The financial statements have been prepared on a going concern basis. Following the Placing and Subscription the Group has a pro-forma cash balance of £1.8m and letters of intent from directors and related parties for a further £0.83m cash subscriptions. The Directors have reviewed the cashflow projection for the Group and consider that it has sufficient ability to meet its financial commitments for at least 12 months.

2. FINANCE INCOME AND EXPENSE

	Unaudited Six months to 30 June 2016	Unaudited Six months to 30 June 2015	Audited Year ended 31 December 2015
Finance income			
Deposit account interest	993	1,628	2,371
Foreign exchange gain	38,518	-	6,078
Total finance income	39,511	1,628	8,449
Finance expense			
Interest and bank charges	(4,404)	(1,107)	(2,446)
Foreign exchange loss	-	(2,787)	-
Total finance expense	(4,404)	(3,894)	(2,446)
Net finance income / (expense)	35,107	(2,266)	6,003

SAVANNAH RESOURCES PLC

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

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 2016	Unaudited Six months to 30 June 2015	Audited Year ended 31 December 2015
Loss per share:			
Loss from operations attributable to ordinary shareholders (£)	(760,541)	(1,009,013)	(3,110,112)
Loss attributable to ordinary shareholders (£)	(760,541)	(1,009,013)	(3,110,112)
Weighted average number of shares (number)	354,026,108	225,899,817	243,925,351
Loss per share from operations (pence)	0.21	0.45	1.27
Basic and diluted loss per share (pence)	0.21	0.45	1.27

4. INTANGIBLE ASSETS

	Exploration and evaluation assets £
At 1 January 2015	1,974,128
Additions	754,039
Exchange differences	(102,718)
At 30 June 2015	2,625,449
Additions	510,599
Exchange difference	19,194
At 31 December 2015	3,155,242
Additions	403,690
Impairment expense	(129,059)
Exchange differences	135,813
At 30 June 2016	3,565,686

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

4. INTANGIBLE ASSETS continued

The additions to cost in 2016 relate to the Company's Copper Projects in Oman of £388,919 (December 2015: £477,679) (June 2015: £719,032), the Mineral Sands Project in Mozambique of £12,161 (December 2015: £32,920) (June 2015: £35,007) and the Company's Lithium Projects in Finland granted in June 2016 £2,610 (December 2015: £Nil) (June 2015: £Nil). The impairment expense of £129,059 relates to the Company's Block 6 Copper Project in Oman.

5. INVESTMENTS

	Shares in listed investments £
Current	
At 1 January 2015	1,129,602
Additions	63,004
Disposals	(72,886)
Total change in market value of shares	(766,208)
At 30 June 2015	353,512
Disposals	(39,585)
Total change in market value of shares	(164,005)
At 31 December 2015	149,922
Additions	24,991
Disposals	(36,266)
Total change in market value of shares	105,065
At 30 June 2016	243,712

All shares held are quoted and traded in an active market. The change in market value represents the fair value of shares held at the reporting date less the cost. When shares are disposed during a period, their change in market value is up to the date of disposal. The fair value of the shares is the quoted value at the reporting date.

For shares disposed of during the period, the realised profit to date of £7,678 (June 2015: loss £285,399) (December 2015: loss £666,154) has been transferred from Other Comprehensive Income. Where the disposal is for shares that were previously impaired, the profit/loss is calculated with reference to the post impairment value.

At 31 December 2015 an impairment was recognised for shares where the market value has been significantly below cost for a sustained period, the impairment expense of £1,071,374 has been transferred from Other Comprehensive Income.

SAVANNAH RESOURCES PLC

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2016

6. TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2016	Unaudited 30 June 2015	Audited 31 December 2015
	£	£	£
Non-Current			
Other receivables - VAT	23,274	20,421	23,778
	23,274	20,421	23,778
Current			
VAT recoverable	18,267	40,501	27,188
Other receivables	89,102	617,853	55,284
	107,369	658,354	82,472

Included in Current Other receivables at 30 June 2015 are the placement proceeds of £547,500 from the issue of shares to new and existing investors per subscription agreements entered into on 28 June 2015. The shares were allotted on 2 July 2015 and the funds were received by the Group on 3 July 2015.

7. OTHER NON-CURRENT ASSETS

	Unaudited 30 June 2016	Unaudited 30 June 2015	Audited 31 December 2015
	£	£	£
Prepayment - costs incurred on resource projects	238,668	174,552	225,668
	238,668	174,552	225,668

Other non-current assets represent prepayments with respect to ongoing resource projects.

SAVANNAH RESOURCES PLC

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2016

8. SHARE CAPITAL

Allotted, issued and fully paid

	Six months to 30 June 2016		Six months to 30 June 2015		Year ended 31 December 2015	
	£0.01 ordinary shares number	£	£0.01 ordinary shares number	£	£0.01 ordinary shares number	£
At beginning of period	285,865,770	2,858,658	223,169,714	2,231,697	223,169,714	2,231,697
Issued during the year:						
Share placement	98,295,329	982,954	-	-	52,117,706	521,177
In lieu of cash for professional services	999,642	9,996	4,331,859	43,319	10,578,350	105,784
At end of period	385,160,741	3,851,608	227,501,573	2,275,016	285,865,770	2,858,658

9. 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 consideration for acquiring 80% shareholding in Matilda Minerals Lda, the Company paid initial consideration of AUD\$400,000 (~GBP £222,000) in ordinary shares and a cash payment for cost reimbursements of AUD\$125,000 (~GBP £69,500). Additionally milestone payments, to be satisfied by the issue of ordinary shares in the Company are payable as follows: (a) AUD\$500,000 (~GBP £278,000) upon the establishment of a JORC Inferred Resource of 150Mt @ 3% THM; (b) AUD\$500,000 (~GBP £278,000) upon the establishment of a JORC Indicated Resource of 350Mt @ 3% THM; (c) AUD\$500,000 (~GBP £278,000) upon the establishment of a JORC Indicated Resource of 500Mt @ 3% THM.

SAVANNAH RESOURCES PLC

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2016

9. CONTINGENT LIABILITIES continued

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

On 15 July 2014 the Company completed the 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 £597,000) with the following deferred consideration required to complete the acquisition of 100% of the issued share capital of Gentor Resources Ltd ("GRL"):

1. Deferred Consideration (up to 50% payable in Savannah shares)
 - (a) a milestone payment of USD \$1,000,000 (~GBP £746,500) upon a formal final investment decision for the development of the Block 5 Licence;
 - (b) a milestone payment of USD \$1,000,000 (~GBP £746,500) 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 £746,500) within six months of the payment of the Deferred Consideration in (b).
2. Other Information
 - (a) the Company will be responsible for all of the funding of the projects. This funding will be in the form of a loan which would be reimbursed prior to any dividend distribution to shareholders.

10. EVENTS AFTER THE REPORTING DATE

On 12 July 2016 the Company appointed Mr. Maqbool Ali Sultan and Mr. Imad Kamal Abdul Redha Sultan as Non-Executive Directors of the Company with Mr. Manohar Pundalik Shenoy and Mr. Murtadha Ahmed Sultan being appointed as their respective alternates. The appointments are Al Marjan's nominees pursuant to the relationship agreement entered into between the Company and Al Marjan, the Company's largest shareholder (29.9%), following its £1.75m (before expenses) investment in the Company, as announced on 15 February 2016.

On 21 September 2016 as a result of the Company's ongoing portfolio review process, the Company terminated its interest in the Block 6 Copper Project in Oman. At 30 June 2016 the Company had fully impaired the Intangible exploration and evaluation assets in relation to Block 6.

On 25 September 2016 the Company agreed a cash Placing (£0.99m) and a cash Subscription (£0.44m) totalling £1.42m (before expenses) through the issue of 40,708,973 ordinary shares at an issue price of £0.035 per share. Additionally the Company received letters of intent for additional £0.83m cash subscriptions from Directors and their related parties (Al Marjan Ltd) for when the Company is not in a "close period".