SAVANNAH RESOURCES PLC

Company No 07307107

INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2020

CONTENTS

COMPANY INFORMATION

DIRECTORS:	Matthew James Wyatt King	Chairman
	David Stuart Archer	Executive Director
	Dale John Ferguson	Executive Director
	Maqbool Ali Sultan	Non-Executive Director
	Imad Kamal Abdul Redha Sultan	Non-Executive Director
	James Leahy	Non-Executive Director
	Manohar Pundalik Shenoy	Alternate Director
	Murtadha Ahmed Sultan	Alternate Director
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CHAIRMAN'S STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2020

I would first like to acknowledge the dedicated efforts of our staff over the course of this turbulent year to ensure we have been able to continue to progress our portfolio of assets, despite the personal and business challenges and disruptions caused by the COVID-19 virus. These efforts reflect our underlying responsibilities to the communities with which we live and work, and also our passionate belief in the role Savannah can play in the energy transition now underway. It is clear that one positive outcome from the current situation is the increased focus being placed on the environment and, in turn, the role of 'green' industries in the long term global economic recovery, with governments prioritising 'green' investments as a key part of economic recovery packages. We believe Savannah, through its ownership of Mina do Barroso (the "MdB Project"), is ideally placed to play an important role in these initiatives as the foundation for a new European industry.

To be clear, the future dynamics in the lithium market have not changed. They remain very encouraging. If anything, the uncertainty about how the extra demand for lithium created by the auto and power sectors will be met has likely increased following the suspension and cancellation of various new and expansion projects over the past two years. The major change we have observed is in sentiment towards electric vehicles, the lithium-ion battery industry, and most recently the battery raw material supply sector. In simple terms these new technologies and the specific threats and opportunities that exist in these new markets are becoming more tangible for investors, politicians, and the general public. Furthermore, this is a global trend with Europe arguably setting the pace of change (the European Commission added lithium to its critical raw materials list in September). All of these factors have led to some notable re-ratings of Electric Vehicle company valuations, with significant finance being secured by new and existing battery manufacturers for plant constructions and expansions, and, most recently, the re-ratings of lithium development and production equities which have achieved key milestones.

Savannah has sought to exploit this improved sentiment by accelerating its own commercial discussions, increasing our engagement with the European Battery Alliance and EIT InnoEnergy, the group appointed by the European Commission for the industrialisation of the battery sector in Europe, and increasing our government, public and community relations in Portugal. As a result, Savannah is recognised by key market participants as a vital upstream player in Europe's lithium battery industry.

In line with our increased efforts around Mina do Barroso, we have looked to free up greater internal resources by streamlining the group's project portfolio through the divestment of our copper projects in Oman.

We continue to believe the value of our Mutamba project in Mozambique is not fully recognised by the market. Following the full award of the key Mining Licences in December 2019 and this January, we have therefore commissioned an experienced mineral sands executive as strategic adviser to help us define the best development path for this project.

Finally, we added to our working capital position via the £2.3 million cash fundraise in September. We decided to keep the fundraise relatively small as we remain confident of announcing an offtake agreement for the lithium product from Mina do Barroso and/or a strategic investment partner for the project in the coming months. These developments will enable us to access other forms of finance for the development of the project, as well as improving Savannah's market valuation.

Mina do Barroso, Portugal

Significant progress was made on all fronts at Mina do Barroso during the first half of the year, and this progress continues as I write. The great technical achievement and key milestone during the period was the submission of the Environmental Impact Assessment (EIA) and Mine Plan (MP) to the Portuguese regulator at the end of May. This was a huge task for our technical team and multiple external consultants, which was completed in a highly comprehensive way, resulting in Savannah being able to present a 'low impact' project which, we believe, balances significant lithium production and economic, social and demographic benefits for stakeholders with responsible and sustainable management of the environment before, during and after the MdB Project's operating life.

As laid out in the licencing process, the environmental regulator has conducted an initial review of the EIA submission and has requested additional information on certain aspects of the proposals. Again, Savannah's team and our consultants have been working diligently to prepare comprehensive responses, which will be submitted to the regulator in the coming weeks. Once received, the regulator will continue with its assessment of the MdB Project followed by a round of public consultation and, we expect, conclude to award the project's environmental license in 2021.

While it was difficult to undertake fieldwork and drilling during the period due to COVID-related restrictions, the EIA work helped us to identify aspects of the MdB Project which will require further appraisal as part of the ongoing Definitive Feasibility Study ("DFS") which we expect to complete next year. Encouraging metallurgical test work results continued during the period with concentrate from Mina do Barroso performing well in refinery processes commonly used in the production of battery grade lithium chemicals. The EU sponsored 'LiRef' programme, which is assessing new production methods for lithium hydroxide, for which Savannah has provided ore and concentrate is also progressing well, with results expected in 2021 following delays resulting from COVID-19 at the programme's testing facility.

In parallel with the progress made on the technical features of the MdB Project, Savannah has also made very encouraging progress with the commercial and social aspects of the project. Commercial discussions around a life-of-mine lithium offtake have advanced significantly during the year. Securing an offtake agreement would be a major de-risking step and should, along with the completed DFS and a completed project licencing process, provide the necessary credentials to give project finance providers the confidence with which to lend to Savannah for Mina do Barroso's construction. We have also continued our discussions with potential strategic investors in the MdB Project which would provide a capital contribution towards the ongoing development and construction of the project and bring relevant skills and useful business connections into our Portuguese subsidiary.

Of equal importance to the MdB Project's technical and commercial development is its impact on society and in particular the local communities living near the project. Savannah is seeking to minimise the impact of the MdB Project on our local stakeholders while maximising the economic, social and demographic benefits it can bring both to the local area and the region. While direct interaction with our neighbouring communities has been deliberately kept to a minimum in recent months to minimise the risk from COVID-19, we continued to develop our plans for community engagement and our Benefit Sharing Plan, which will be presented at an appropriate point. In July 2020 we were also pleased to publish a report authored by Professors Cerejeira and Carballo-Cruz from the School of Economics and Management at the prestigious University of Minho, which highlighted the very compelling economic, social and demographic benefits the MdB Project's development could bring both to the local region, and to the Portuguese economy as a whole. The Professors also made recommendations to the national and local authorities in Portugal, the European Commission, and ourselves regarding the opportunity presented by the MdB Project and how these benefits could best be shared with local stakeholders. Following the publication of this report, which was covered in the Portuguese media, we have increased our engagement with the wider Portuguese market through media interviews, creation of a widely distributed newspaper supplement describing the green aspects of the MdB Project, releasing our new project video, and joining high profile online events hosted by relevant industry groups and initiatives. We also presented the MdB Project at the September meeting of the European Battery Alliance, which was dedicated to Raw Materials for the European Battery Industry and had well over three hundred attendees from more than two hundred companies, institutions and banks.

Mineral Sands Projects, Mozambique

With the last of the three key Mining Licences formally awarded in January 2020, Savannah accelerated its work on the project in the first half of the year to ensure compliance with the near and long term requirements of the new licences and to re-activate the Pre-Feasibility Study. Prior to COVID-related restrictions impacting on field activities, our local team and its consultants successfully demarcated the boundaries of the licences as required by the licencing regulations. The licence regulations also require Environmental Impact Assessments to be completed on each concession and that land use and utilisation agreements (DUATs) are in place. Competitive tender processes were held for both these major pieces of work. As a result, work on the DUATs is well underway, and Savannah expects to appoint a consultant to begin the critical EIA work in the coming weeks.

We have often highlighted the significance of the 4.4Bt, Indicated and Inferred Mineral Resource at Mutamba in the context of the global mineral sands industry. The project is one of the largest undeveloped opportunities worldwide. Furthermore, the presence of Rio Tinto as joint venture partner and product off taker should, in our view, provide an indication to the market of the project's significance and potential. However, Savannah's board, like many of our shareholders, has believed for some time that this potential is not fully appreciated by the capital markets. Perhaps the higher priority that we have placed on Mina do Barroso in the last two years has impacted the market's perception of Mutamba, as may the extended period required by the government to assess the consortium's mining licence applications during 2018 and 2019. Whatever the reason, Savannah is taking action to make Mutamba's valuable potential more apparent for the benefit of all our stakeholders. Having discussed the situation with our partner, Rio Tinto, Savannah recently took the decision to appoint Farview Solutions as strategic adviser to the company in relation to Mutamba. Farview Solutions is run by Bruce Griffin, one of the most experienced executives in the titanium and mineral sands industry having held senior positions with BHP Billiton, TZMI, Lomon Billions and currently as Commercial Director for Sheffield Resources. Savannah will work with Farview over the coming months to not only identify the best development strategy for the project from a technical and economic perspective, but also to potentially create a commercial and corporate structure around the project which allows its market value to be properly recognised.

The prize of eventual mineral sands production certainly remains worth chasing. Mozambique-based mineral sands producer, Kenmare Resources, reported ilmenite prices rose for the fifth consecutive quarter in Q2 2020 with demand holding up whilst supply experienced some COVID-19 related constraints. We look forward on reporting back to our shareholders on the plans we create for Mutamba with the assistance of Farview and our partner, Rio Tinto.

Copper Projects, Oman

We were pleased to announce in September that we had agreed to divest our stakes in the Block 4 and Block 5 copper joint ventures in Oman to ASX-listed Force Commodities ("Force"). As shareholders will know, these projects have become less significant in Savannah's asset portfolio following the acquisition of, and subsequent progress made, at Mina do Barroso. The strategic review we initiated last year looked at a number of options for our further participation in the projects. It concluded that an appropriately structured divestment which allowed Savannah to commit more of its resources and capital to its higher priority projects while maintaining risk free exposure to these assets was the best option. Hence, we are well satisfied with the transaction we have agreed which provides Savannah with a meaningful shareholding in Force as well as the potential for cash payments from any future production from the projects. Furthermore, we believe that the enthusiasm for this transaction shown by Force's experienced management team bodes well for the future of these projects and, in turn, for the projects' joint venture partners and the projects' stakeholders. I would also like to extend my thanks to our staff in Oman who have continued to work diligently and professionally during this period of review and transition – all will be retained by Force. We expect the transaction to be completed shortly, and express our best wishes to Force and all the project stakeholders for the exciting times which lie ahead for them all.

Corporate Social Responsibility

The growth of the green economy, in which we believe Savannah can play a significant part, is being mirrored by the rise of Environmental, Social and Governance ("ESG") considerations by investors. Savannah also values these principles and believes that our role in the lithium value chain, and the environmental benefits that can bring to society, gives the company a basis on which to appeal to ESG focused investors. However, that factor on its own is unlikely to be sufficient to get meaningful traction with this growing investment sector, so we are keen to demonstrate that our whole business is operated with a high level of commitment to all ESG principles. This includes everything we do and plan to do under the Corporate Social Responsibility ("CSR") banner. Hence, while we are very pleased with efforts to date in the CSR programmes associated with our projects, we plan to expand these over time and couple them with other relevant initiatives at the corporate level.

As highlighted, Savannah deliberately kept its face-to-face interaction with our communities to a minimum during the period to limit the threat of COVID-19 infection for our staff and the population. However, in Portugal, regular lines of communication were maintained through our monthly newsletters and other forms of correspondence, including a video, as well as via the media. Direct contact with the community has resumed in the past three months, but our information centre has remained closed as a precautionary measure. As highlighted above, we have been working for some time on our formal Benefit Sharing Plan to accompany the project's development, and believe the plan will offer an attractive suite of proposals across areas such as education & training and community programmes, as well as independently managed financial support for other local development projects. We look forward to presenting the Benefit Sharing Plan to our stakeholders in due course. Work has also continued on the land purchase plan, securing the necessary access agreements with parish groups as well as engagement with the local forestry association and local wildlife groups.

In Mozambique, Savannah remained committed to its various CSR programmes across agriculture, water and sanitation provision, youth training and health. On the last front, the company was very pleased to make a donation of PPE and other materials to the local authorities to support their efforts to counter the spread of COVID-19.

Financial Summary

As a pre-revenue mineral development company, the group's cash position naturally carries the most interest for our shareholders among the financial information presented in our accounts. The Group had a cash position of £1.7m at the end of the period, and subsequently raised £2.34m gross proceeds in the significantly oversubscribed placing executed in September. The proforma cash position at the end of September was £3.2m, which should provide Savannah with sufficient working capital into the middle part of next year.

Elsewhere the accounts reflect the dual influences of the cost control measures put in place by your Board to mitigate against COVID-related disruptions, and the treatment of the divestment of the Oman assets. As we flagged at the time, additional cost saving measures were instigated in March 2020 in response to the COVID situation. These included: a temporary 20% reduction in salaries for the senior management team; no bonuses paid to senior executives with respect to the 2019 financial year and; a temporary 20% reduction in Directors' fees for our two independent non-executive directors. These actions, along with other measures taken as part of a tempered and cautious approach adopted by your company, resulted in Administration Expenses in the six months to June 2020 being 42% (£0.8m) lower than the same period in 2019. In turn, the net loss from continuing operations of £1.1m was 44% less than in first half 2019.

With regards to the Oman divestment, the interim accounts reflect the write down of the book value of our Oman assets in line with the appropriate accounting standards, however the potential for future income which would become due to Savannah if the A$3.5m (~£2.0m) preferential loan repayment (Block 5) and the 1% net smelter royalty payments (Block 4 & 5) are triggered by production being achieved remains.

Outlook

We will continue to manage and adapt our businesses in light of developments in the COVID-19 situation in each country in which we operate. This will be done in a way that protects our staff and stakeholders as a priority, but wherever possible, also allows us to maintain the momentum we have worked hard to create around our projects.

There remains much work to realise Mina do Barroso's potential of becoming the first significant supplier of lithium raw material to Europe's rapidly developing battery value chain. However as I have outlined, our long-held convictions about the dynamics of this market have now been reinforced by notable shifts in sentiment by industry and politicians as well as the general public. Your board is focussed on ensuring that your company does indeed benefit from these trends.

Additionally, the new strategy for Mutamba will help to clarify the future development path for that project which should then allow for its true value as one of the world's largest undeveloped mineral sands projects to be better appreciated by the market.

I would like to reiterate my thanks to our staff for their tireless efforts under these challenging circumstances, as well as my gratitude to our shareholders for their ongoing support. We look forward to taking some major steps forward together in the next year.

Matthew King
Chairman

Date: 27 October 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Notes	**Unaudited Six months to 30 June 2020 £**	Unaudited Six months to 30 June 2019 * £	Audited Year ended 31 December 2019 * £
CONTINUING OPERATIONS				
Revenue		**-**	-	-
Other Income		**-**	-	35,325
Administrative Expenses		**(1,080,385)**	(1,898,220)	(3,633,672)
OPERATING LOSS		**(1,080,385)**	(1,898,220)	(3,598,347)
Finance Income		**21,789**	16,560	25,621
Finance Costs		**(448)**	-	(1,528)
LOSS FROM CONTINUING OPERATIONS BEFORE AND AFTER TAX		**(1,059,044)**	(1,881,660)	(3,574,254)
LOSS ON DISCONTINUED OPERATIONS BEFORE AND AFTER TAX	**11**	**(5,469,581)**	(100,476)	(227,672)
LOSS BEFORE AND AFTER TAX ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT		**(6,528,625)**	(1,982,136)	(3,801,926)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to Profit or Loss:				
Net change in Fair Value through Other Comprehensive Income of Equity Investments		**(13,210)**	3,183	2,496
Items that will or may be reclassified to Profit or Loss:				
Exchange Gains / (Losses) arising on translation of foreign operations		**589,230**	12,012	(609,228)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		**576,020**	15,195	(606,732)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT		**(5,952,605)**	(1,966,941)	(4,408,658)
Loss per share attributable to Equity Owners of the parent expressed in pence per share:				
Basic and Diluted				
From Operations	3	**(0.50)**	(0.22)	(0.36)
From Continued Operations	3	**(0.08)**	(0.21)	(0.34)
From Discontinued Operations	3	**(0.42)**	(0.01)	(0.02)

* The disclosures as at 30 June 2019 and 31 December 2019 have been re-presented so that the operations that have been discontinued by the end of the reporting period are classified as discontinued.

The notes form part of this Interim Financial Report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	**Unaudited 30 June 2020 £**	Unaudited 30 June 2019 £	Audited 31 December 2019 £
ASSETS				
NON-CURRENT ASSETS				
Intangible Assets	4	**16,893,437**	20,100,187	21,068,376
Right-of-Use Assets		**31,237**	37,080	37,785
Other Intangible Assets		**8,920**	7,303	10,804
Property, Plant and Equipment	5	**1,259,197**	1,369,894	1,337,229
Other Non-Current Assets	7	**83,648**	242,323	248,275
Bank Deposits	7	**698,411**	-	742,363
TOTAL NON-CURRENT ASSETS		**18,974,850**	21,756,787	23,444,832
CURRENT ASSETS				
Investments		**25,333**	9,648	36,762
Trade and Other Receivables	6	**173,688**	235,387	285,699
Other Current Assets	7	**16,141**	155,208	19,171
Cash and Cash Equivalents		**1,714,040**	3,078,296	3,484,781
Assets in Disposal Groups Classified as Held for Sale	11	**437,007**	-	-
TOTAL CURRENT ASSETS		**2,366,209**	3,478,539	3,826,413
TOTAL ASSETS		**21,341,059**	25,235,326	27,271,245
EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share Capital	9	**12,989,598**	10,474,598	12,974,598
Share Premium		**33,538,187**	31,060,554	33,511,787
Merger Reserve		**6,683,000**	6,683,000	6,683,000
Foreign Currency Reserve		**558,973**	591,138	(30,257)
Warrant Reserve		**942,802**	1,000,221	975,679
Share Based Payment Reserve		**370,695**	391,516	410,121
FVTOCI Reserve		**(56,649)**	(42,752)	(43,439)
Retained Earnings		**(34,604,250)**	(26,398,546)	(28,163,712)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**20,422,356**	23,759,729	26,317,777
LIABILITIES				
NON-CURRENT LIABILITIES				
Lease Liabilities		**6,728**	17,275	12,059
TOTAL NON-CURRENT LIABILITIES		**6,728**	17,275	12,059
CURRENT LIABILITIES				
Lease Liabilities		**15,422**	16,518	18,990
Trade and Other Payables	8	**793,409**	1,441,804	922,419
Liabilities Directly Associated with Assets in Disposal Groups Classified as Held for Sale	11	**103,144**	**-**	-
TOTAL CURRENT LIABILITIES		**911,975**	1,458,322	941,409
TOTAL LIABILITIES		**918,703**	1,475,597	953,468
TOTAL EQUITY AND LIABILITIES		**21,341,059**	25,235,326	27,271,245

The Interim Financial Report was approved by the Board of Directors on 27 October 2020 and was signed on its behalf by:

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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 2020

	Share Capital £	Share Premium £	Merger Reserve £	Foreign Currency Reserve £	Warrant Reserve £	Share Based Payment Reserve £	FVTOCI Reserve £	Retained Earnings £	Total Equity £
At 1 January 2019	8,814,518	31,060,554	-	579,126	1,000,221	508,051	(58,737)	(16,485,626)	25,418,107
Loss for the period	-	-	-	-	-	-	-	(1,982,136)	(1,982,136)
Other Comprehensive Income	-	-	-	12,012	-	-	15,985	(12,802)	15,195
Total Comprehensive Income for the period	-	-	-	12,012	-	-	15,985	(1,994,938)	(1,966,941)
Consideration for acquisition of Non-Controlling Interest	1,630,000	-	6,683,000 [1]	-	-	-	-	(8,019,000)	294,000
Consideration for settlement deferred consideration	30,080	-	-	-	-	-	-	(30,080)	-
Lapse of Options	-	-	-	-	-	(131,098)	-	131,098	-
Share Based Payment charges	-	-	-	-	-	14,563	-	-	14,563
At 30 June 2019	10,474,598	31,060,554	6,683,000	591,138	1,000,221	391,516	(42,752)	(26,398,546)	23,759,729
Loss for the period	-	-	-	-	-	-	-	(1,819,790)	(1,819,790)
Other Comprehensive Income	-	-	-	(621,395)	-	-	(687)	-	(622,082)
Total Comprehensive Income for the period	-	-	-	(621,395)	-	-	(687)	(1,819,790)	(2,441,872)
Issue of Share Capital (net of expenses)	2,500,000	2,326,400	-	-	-	-	-	-	4,826,400
Consideration for settlement deferred consideration	-	124,833	-	-	-	-	-	30,080	154,913
Share Based Payment charges	-	-	-	-	-	18,607	-	-	18,607
Lapse of Options	-	-	-	-	-	(2)	-	2	-
Lapse of Warrants	-	-	-	-	(24,542)	-	-	24,542	-
At 31 December 2019	**12,974,598**	**33,511,787**	**6,683,000**	**(30,257)**	**975,679**	**410,121**	**(43,439)**	**(28,163,712)**	**26,317,777**

[1] This amount was registered in Share Premium at 30 June 2019 and reclassified to Merger Reserve at 31 December 2019 in line with Companies Act because it is related to amounts subscribed for Share Capital in excess of nominal value in respect of the consideration paid in an acquisition arrangement, when the issuing company takes its interest in another company from below 90% to 90% or above equity holding.

The notes form part of this Interim Financial Report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Share Capital £	Share Premium £	Merger Reserve £	Foreign Currency Reserve £	Warrant Reserve £	Share Based Payment Reserve £	FVTOCI Reserve £	Retained Earnings £	Total Equity £
At 31 December 2019	**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**

The notes form part of this Interim Financial Report.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Notes	Unaudited Six months to June 2020 £	Unaudited Six months to June 2019 £	Audited Year ended December 2019 £
Cash Flows used in Operating Activities				
Loss for the period		**(6,528,625)**	(1,982,136)	(3,801,926)
Depreciation and Amortisation charges	5	**23,904**	20,606	40,872
Impairment of Assets classified as Held for Sale	11	**5,370,130**	-	
Share Based Payments Reserve charge		**15,784**	14,563	33,170
Finance Income		**(21,789)**	(16,560)	(25,621)
Finance Expense		**448**	-	1,528
Exchange (Gain)/Losses		**(133,412)**	65,929	196,229
Cash Flow from Operating Activities before changes in Working Capital		**(1,273,560)**	(1,897,598)	(3,555,748)
Decrease in Trade and Other Receivables		**119,010**	106,253	254,550
Increase/(Decrease) in Trade and Other Payables		**149,116**	(100,272)	(589,705)
Net Cash used in Operating Activities		**(1,005,434)**	(1,891,617)	(3,890,903)
Cash flow used in Investing Activities				
Purchase of Intangible Exploration Assets		**(912,101)**	(2,619,772)	(4,169,238)
Purchase of Other Intangible Assets		**-**	(64,149)	(1,278)
Purchase of Tangible Fixed Assets		**(680)**	(13,510)	(21,296)
Purchase of Investments		**(1,782)**	-	(28,371)
Proceeds from sale of Investments		**-**	596	12,112
Bank Deposits for Mining Licences		**-**	-	(742,363)
Interest received		**21,789**	16,560	25,621
Net Cash used in Investing Activities		**(892,774)**	(2,680,275)	(4,924,813)
Cash Flow from/(used in) Financing Activities				
Proceeds from issues of Ordinary Shares (net of expenses)		**41,400**	-	4,826,400
Principal paid on Lease Liabilities		**(8,900)**	-	(20,488)
Interest paid on Lease Liabilities		**(448)**	-	(1,528)
Net Cash from Financing Activities		**32,052**	-	4,804,384
Decrease in Cash and Cash Equivalents		**(1,866,156)**	(4,571,892)	(4,011,332)
Cash and Cash Equivalents at beginning of period		**3,484,781**	7,715,435	7,715,435
Exchange Gains/(Losses) on Cash and Cash Equivalents		**95,415**	(65,247)	(219,322)
Cash and Cash Equivalents at end of period		**1,714,040**	3,078,296	3,484,781

The notes form part of this Interim Financial Report.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2020

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 2020, which is unaudited, was approved by the Board on 27 October 2020. 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 2019 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 2019. New standards and amendments to IFRS effective as of 1 January 2020 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 raised equity funds for its activities. The Directors believe that the Group's project portfolio is attractive and are confident that funding will continue to be secured and that it is appropriate to prepare the Financial Statements on a going concern basis. The Group currently has a number of options in respect of future financing and is engaged with potential financiers and sources of capital.

The Directors have prepared cash flow forecasts for the twelve month period from the date of approval of the financial statements which indicate that additional funding will be required in the middle part of next year. 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 additional funding required by the Group will be secured within the necessary timescale. To manage liquidity the Group has the ability to take further actions to reduce its financial commitments in response to possible delays in funding (for example due to the impact of the Coronavirus) with a corresponding slowing of the tempo of activities. 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 and the Group has received interest for alternative sources of finance in particular for its flagship project in Portugal. The Financial Statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

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, exploration and development in Oman (which is now a Discontinued Operation), headquarter and corporate costs and 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 Portugal, Mozambique and Oman (which is now a Discontinued Operation) 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 and included in each segment below. Inter-company loans are eliminated to zero and not included in each segment below.

	Oman Copper[1]	**Mozambique Mineral Sands**	**Portugal Lithium**	**HQ and Corporate**	**Invest-ments**	**Elimination**	**Total**
	£	**£**	**£**	**£**	**£**	**£**	**£**
Period 30 June 2020							
Revenue	**-**	**27,409**	**419,730[2]**	**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)**

	Oman Copper[1]	Mozambique Mineral Sands	Portugal Lithium	HQ and Corporate	Invest-ments	Elimination	Total
	£	£	£	£	£	£	£
Period 31 December 2019							
Revenue	-	67,985	1,468,644 [2]	1,011,800	-	(2,513,104)	35,325
Finance Costs	-	-	(1,528)	-	-	-	(1,528)
Interest Income	-	107	-	25,514	-	-	25,621
Share Based Payments	-	-	-	(33,170)	-	-	(33,170)
Loss for the period	(227,672)	(514,312)	(1,050,912)	(3,033,141)	(11,516)	1,035,627	(3,801,926)
Loss on disposal of Investments	-	-	-	-	(11,516)	-	(11,516)
Total Assets	5,507,375	5,957,598	12,261,328	3,508,182	36,762	-	27,271,245
Total Non-Current Assets	5,409,757	5,859,794	12,128,265	47,016	-	-	23,444,832
Additions to Non-Current Assets	553,010	1,039,529	3,353,402	(323,137)	-	-	4,622,804
Total Current Assets	97,618	97,804	133,063	3,461,166	36,762	-	3,826,413
Total Liabilities	(115,095)	(40,770)	(317,634)	(479,969)	-	-	(953,468)

	Oman Copper[1]	Mozambique Mineral Sands	Portugal Lithium	HQ and Corporate	Invest-ments	Elimination	Total
	£	£	£	£	£	£	£
Period 30 June 2019							
Revenue	-	28,271	825,940[2]	475,738	-	(1,329,949)	-
Interest Income	-	81	-	16,479	-	-	16,560
Share Based Payments	-	-	-	(14,563)	-	-	(14,563)
Loss for the period	(100,476)	(243,730)	(433,621)	(1,204,309)	-	-	(1,982,136)
Total Assets	5,409,641	5,167,824	11,215,760	3,432,453	9,648	-	25,235,326
Total Non-Current Assets	5,265,347	5,044,739	11,087,748	358,953	-	-	21,756,787
Additions to Non-Current Assets	248,187	116,567	1,956,928	(11,200)	-	-	2,310,482
Total Current Assets	144,294	123,085	128,012	3,073,500	9,648	-	3,478,539
Total Liabilities	(86,497)	(76,542)	(317,467)	(995,091)	-	-	(1,475,597)

[1] Discontinued Operations

[2] Revenues included in the Portugal Lithium segment include £419,730 (31 December 2019: £1,433,319; 30 June 2019: £825,940) 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 2020	Unaudited Six months to 30 June 2019	Audited Year ended 31 December 2019
Basic and Diluted Loss per Share:			
Losses attributable to Ordinary Shareholders (£):			
Total Loss for the period (£)	**(6,528,625)**	(1,982,136)	(3,801,926)
Total Loss for the period from Continuing Operations (£)	**(1,059,044)**	(1,881,660)	(3,574,254)
Total Loss for the period from Discontinued Operations (£)	**(5,469,581)**	(100,476)	(227,672)
Weighted average number of shares (number)	**1,295,376,368**	892,457,852	1,042,871,447
Loss per share – total loss for the period from Operations (pence)	**0.50**	0.22	0.36
Loss per share – total loss for the period from Continuing Operations (pence)	**0.08**	0.21	0.34
Loss per share – total loss for the period from Discontinued Operations	**0.42**	0.01	0.02

4. INTANGIBLE ASSETS

	Exploration and Evaluation Assets
	£
Cost	
At 1 January 2019	17,553,192
Additions	2,374,015
Transfer from Other Intangible Assets	333,353
Exchange differences	(20,349)
At 30 June 2019	20,240,211
Additions	1,520,811
Exchange difference	(552,622)
At 31 December 2019	21,208,400
Additions	**734,616**
Transfer to Assets classified as Held for Sale	**(279,850)**
Disposal assets on liquidation	**(140,024)**
Exchange differences	**740,425**
At 30 June 2020	**22,263,567**
Depreciation and Impairment	
At 1 January 2019	140,024
At 30 June 2019	140,024
At 31 December 2019	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**
Net Book Value	
At 1 January 2019	17,413,168
At 30 June 2019	20,100,187
At 31 December 2019	21,068,376
At 30 June 2020	**16,893,437**

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 has been 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. At 30 June 2020 the progress towards an agreement for sale was substantial with the disposal expected to be completed prior to the end of 2020. Therefore, the assets and liabilities of the Omani operations have been classified as held for sale (Note 11).

5. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Office Equipment	Plant and Machinery	Land	Total
					£
Cost					
At 31 December 2018	151,413	31,198	1,277,514	56,345	1,516,470
Reclassification due to adoption of IFRS 16	(56,096)	-	-	-	(56,096)
At 1 January 2019	95,317	31,198	1,277,514	56,345	1,460,374
Additions	-	4,594	-	-	4,594
Exchange difference	(304)	(126)	(15,605)	(199)	(16,234)
At 30 June 2019	95,013	35,666	1,261,909	56,146	1,448,734
Additions	-	8,819	7,883	-	16,702
Exchange difference	(7,111)	(1,459)	(28,036)	(2,814)	(39,420)
At 31 December 2019	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)**
At 30 June 2020	**61,305**	**34,474**	**1,172,672**	**57,115**	**1,325,566**
Depreciation					
At 31 December 2018	55,215	24,187	-	-	79,402
Reclassification due to adoption of IFRS 16	(11,778)	-	-	-	(11,778)
At 1 January 2019	43,437	24,187			67,624
Charge for the period	7,112	4,066	-	-	11,178
Exchange difference	111	(73)	-	-	38
At 30 June 2019	50,660	28,180	-	-	78,840
Charge for the period	7,112	7,220	-	-	14,332
Exchange difference	(3,224)	(1,161)	-	-	(4,385)
At 31 December 2019	54,548	34,239	-	-	88,787
Charge for the year	**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**
At 30 June 2020	**38,110**	**28,259**	**-**	**-**	**66,369**
Net Book Value					
At 30 June 2019	44,353	7,486	1,261,909	56,146	1,369,894
At 31 December 2019	33,354	8,787	1,241,756	53,332	1,337,229
At 30 June 2020	**23,195**	**6,215**	**1,172,672**	**57,115**	**1,259,197**

6. TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2020 £	Unaudited 30 June 2019 £	Audited 31 December 2019 £
Current			
VAT recoverable	**108,155**	142,601	165,120
Other Receivables	**65,533**	92,786	120,579
Total Current Trade and Other Receivables	**173,688**	235,387	285,699

7. OTHER CURRENT AND NON-CURRENT ASSETS

	Unaudited 30 June 2020 £	Unaudited 30 June 2019 £	Audited 31 December 2019 £
Non-Current			
Guarantees	**66,497**	213,847	205,052
Cash deposits	**698,411**	-	742,363
Other	**17,151**	28,476	43,223
Total Other Non-Current Assets	**782,059**	242,323	990,638
Current			
Guarantees	**-**	134,321	-
Other	**16,141**	20,887	19,171
Total Other Current Assets	**16,141**	155,208	19,171

8. TRADE AND OTHER PAYABLES

	Unaudited 30 June 2020 £	Unaudited 30 June 2019 £	Audited 31 December 2019 £
Current			
Trade Payables	**438,300**	812,144	436,459
Other Payables	**160,587**	98,158	96,493
Accruals and Deferred Income	**194,522**	531,502	389,467
Total Current Trade and Other Payables	**793,409**	1,441,804	922,419

9. SHARE CAPITAL

Allotted, issued and fully paid

	Six months to 30 June 2020 £0.01 ordinary shares number	**£**	Six months to 30 June 2019 £0.01 ordinary shares number	£	Six months to 31 December 2019 £0.01 ordinary shares number	£
At beginning of period	1,297,459,820	12,974,598	881,451,795	8,814,518	1,047,459,820	10,474,598
Issued during the period:						
Share placement	**-**	**-**	-	-	250,000,000	2,500,000
Exercise of Share Options	**1,500,000**	**15,000**	-	-	-	-
In lieu of cash for acquisition of minority interest	**-**	**-**	163,000,000	1,630,000	-	-
Settlement deferred consideration Oman	**-**	**-**	3,008,025	30,080	-	-
At end of period	**1,298,959,820**	**12,989,598**	1,047,459,820	10,474,598	1,297,459,820	12,974,598

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 they have not been triggered, it is not probable that a future sacrifice of economic benefits will be required or 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., adjacent and proximal to the Mina do Barroso project. The total purchase price for the acquisition was EUR €3,250,000 (~ GBP £2,960,000), 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 £50,000) payment with the balance due in 71 equal monthly instalments.

11. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

i) General description

In the Financial Statements for the year ended 31 December 2018 the Board announced that it was undertaking a strategic review in respect of the Oman assets to identify the best outcome for Savannah and its shareholders. During 2019 and 2020 this strategic review continued. During Q2 2020 discussions with Force Commodities Ltd ('Force') commenced. Substantial progress towards an agreement for sale was made before 30 June 2020, and the disposal was expected to be completed prior to the end of 2020. Therefore, the assets and liabilities of the Omani operations have been classified as held for sale in the Consolidated Statement of Financial Position and related items presented in the Statement of Comprehensive Income as Discontinued Operations.

On 1 September 2020 a Share Sale and Purchase Agreement was signed between the Company and Force (the 'Transaction'). The Transaction highlights are as follows:

- Consideration and other payments (subject to Settlement of the Transaction):
  - 50,000,000 new ordinary shares to be issued by Force (deemed issue price of 1 cent per Force share) (equivalent to AUD 500,000 (~GBP 280,000))
  - Preferential payment of AUD$3,500,000 (~GBP 1,950,000) in cash of an existing loan to the Company from cash flow generated from production on Block 5
  - Payment of a 1% net smelter royalty on metal sales (the 1% is pertaining to Force's proportional ownership of each project)
- Settlement of the Transaction ('Settlement') is subject to certain conditions being achieved or waived, and notably includes Force undertaking the steps necessary to be re-admitted to trading on the ASX and obtaining certain consents in Oman. This is expected to be completed in October 2020.
- At Settlement the Company will transfer 100% ownership of Savannah Resources B.V. which in turn holds the Group's interest in the Projects (being 65% in Block 5 via its shareholding in Al Fairuz Mining LLC and 51% (earning up to 65%) in Block 4 via its shareholding in Al Thuraya Mining LLC).

ii) Assets and Liabilities Held for Sale

The following major classes of assets and liabilities relating to the Omani operations have been classified as Held for Sale in the Consolidated Statement of Financial Position on 30 June 2020.

	Unaudited 30 June 2020 £
Assets Held for Sale	
Intangible Assets	**279,850**
Other Non-Current Assets	**153,339**
Trade and Other Receivables	**3,818**
Total Assets held for sale	**437,007**

	Unaudited 30 June 2020 £
Liabilities Held for Sale	
Trade and Other Payables	**103,144**
Total Liabilities held for sale	**103,144**

Intangible Assets classified as held for sale during the reporting period were measured at the lower of their carrying amount and fair value less costs to sell. Management has concluded that the fair value of the consideration and other payments (detailed above) less costs to sell is lower than the carrying amount and therefore an impairment loss of £5,370,130 has been recognised.

It was appropriate for the rest of assets and liabilities to be measured at carrying value and therefore no changes were necessary in their valuation.

iii) Discontinued Operations

The Pre-Tax Loss and Post-Tax Loss relating to Discontinued Operations is £5,469,581, which include a loss on the measurement to fair value less costs to sell of £5,370,130.

The Net Cash Flows attributable to the Discontinued Operations is as follows:

	Unaudited 30 June 2020 £
Cash flows used in operating activities	
Loss for the period	**(5,469,581)**
Impairment of Assets	**5,370,130**
Cash Flow from Operating Activities before changes in Working Capital	**(99,451)**
Increase in Trade and Other Receivables	**(9,246)**
Increase in Trade and Other Payables	**12,978**
Net Cash used in Operating Activities	**(95,719)**
Cash Flow used in Investing Activities	
Purchase of Intangible Exploration Assets	**(98,280)**
Net Cash used in Investing Activities	**(98,280)**
Cash Flow from Financing Activities	
Proceeds from Parent Company	**179,977**
Net Cash from Financing Activities	**179,977**
Decrease in Cash and Cash Equivalents	**(14,022)**
Cash and Cash Equivalents at beginning of the period	**92,861**
Cash and Cash Equivalents at end of the period	**78,839**

12. EVENTS AFTER THE REPORTING DATE

In September 2020 the Company approved a share placement of £2.3m (before expenses) through the issue of 130,011,270 ordinary shares at an issue price of 1.8 pence per share (the 'Placing Price'). In addition, the Company issued 2,019,945 ordinary shares at the Placing Price of 1.8 pence per share in satisfaction of certain professional fees.

On 1 September 2020 the Company executed an agreement to divest its copper projects in Oman to Force Commodities Ltd (Note 11).