SAVANNAH RESOURCES PLC

Company No 07307107

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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CHAIRMAN'S STATEMENT

Technological change is driving new growth and innovation. Work to find more efficient and environmentally friendly forms of power has led to the increased importance of the lithium-ion battery; which is at the core of a new wave of development in the automobile and energy storage markets. As the name would suggest, lithium is critical to this development but other commodities, such as copper, are experiencing a similar increase in demand as, for example, battery electric vehicles ('BEVs') require three to four times as much copper as traditional internal combustion engine ('ICE') vehicles.

With near-term copper and lithium production potential, Savannah is a diverse energy metals group that is well placed to capitalise on these trends. This is supplemented with our world class heavy mineral sands project in Mozambique, which is being evaluated as part of a Consortium Agreement with the mining major Rio Tinto at a time of increasing prices for titanium feedstocks. This pipeline of projects firmly positions Savannah for growth, both in the near and in the mid to longer-term at a time of rising global growth. The International Monetary Fund ('IMF') is currently forecasting global economic growth of 3.9% in 2018, with the recent US tax policy changes likely to increase output by the USA and its trading partners.

Near-Term Production: Lithium in Portugal

The Board believes Savannah has the potential to become the first significant lithium producer in Europe thanks to its Mina do Barroso Project, located in northern Portugal. With a mining lease in place (valid until 2036, with a 20-year extension available), established infrastructure, and preliminary metallurgical test work indicating that a high-grade (over 6% Li_2O), clean, low iron lithium concentrate can be produced, Mina do Barroso offers significant and very attractive near-term production potential. Savannah acquired a 75% interest in the project in May 2017, alongside nine exploration licence applications (pending approval) for areas prospective for lithium, which collectively cover an area of 1,018km^2. With lithium being one of the most sought-after commodities, and demand expected to rapidly rise in line with the electric vehicle revolution, we are delighted to have had the opportunity to acquire this significant project portfolio.

Based on results received to date, we believe that Mina do Barroso is the closest European analogue to the very successful Australian hard-rock, open cut mine developments, which produce highly sought-after lithium spodumene concentrates for international markets. Our focus, therefore, is on expediting the development of the project in order to provide a European source of battery-grade lithium concentrates to supply the growing production volumes of EVs both in Europe and internationally. Interestingly, despite Europe being an early adopter of EV and battery storage solutions, with European manufacturers consuming approximately 24% of global battery grade lithium production, no European country currently produces battery grade lithium carbonate equivalent ('LCE') products.

At the end of 2017, we defined a maiden Mineral Resource at our Reservatorio deposit with an initial JORC compliant Inferred Mineral Resource of 3.2Mt at 1.0% Li_2O containing 32,000t of Li_2O. This initial figure was for one of at least eight pegmatite deposits on the Mina do Barroso Mining Lease and one of three deposits currently being drilled. As a result of this ongoing drill programme, in February 2018 we achieved a ~200% increase in the project's Inferred Mineral Resource Estimate to 9.1Mt at 1.03% Li_2O containing 94,100t of Li_2O using a 0.5% Li_2O cut-off grade. This increased resource includes 5.5Mt at 1.04 Li_2O for 56,500t, which was defined at Grandao and 0.5Mt at 1.23% Li_2O for 5,600t, defined at NOA. Alongside the known resource, an Exploration Target* of 8-12Mt at 1.0% to 1.2% Li_2O was generated for Grandao and Reservatorio, which gives the project a total target (including Mineral Resources) of 17-21Mt at 1.0-1.2% Li_2O showing the significant further upside available.

Further drilling is now underway targeting both down dip and strike extensions of the current resource in order to convert this exploration target into an established resource and further prove up the commercial potential of Mina do Barroso. The initial results from this drill work have been positive, with new high-grade lithium mineralisation discovered to the west and southwest of the main Grandao Deposit, creating a new target area to be known as "Grandao Extended", highlighting the significant further development potential that exists.

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In support of commercialisation, it is significant that much of the mineralisation occurs near surface, which suggests the potential for a low stripping ratio and low cost open-cut mine development. Metallurgical analysis confirms a lithium content of around 1.7% Li_2O with low impurities of less than 0.5% Fe_2O_3 and test work continues to confirm well proven, conventional metallurgical processes will produce a highly sought after high-grade spodumene concentrate. Indeed, preliminary results suggest that by using a process route combining both gravity separation and flotation, a total recovery of at least 80% at a concentrate grade of over 6% Li_2O is likely to be achieved. Further test work is underway which aims to build on the results obtained to date and Mr Noel O'Brien, a metallurgist and lithium processing expert with over 35 years' experience, has been appointed as a technical consultant to lead these efforts.

Our focus now is to complete a Scoping Study around a potential mine development. Hatch, the internationally recognised engineering group, was appointed in February 2018 to conduct the Scoping Study and will investigate a potential mining and concentration plant development based on the Grandao, Reservatorio and NOA spodumene deposits. Results of the Scoping Study are expected to be available towards the end of Q2 2018 and will feed into feasibility studies. Alongside this, work has begun to modify the licencing conditions of the Mining Plan we currently have in place, to enable the extraction of additional tonnages and to build a plant specific to lithium processing.

We are looking to secure offtake contracts with existing spodumene lithium converters. This will likely involve the provision of equity and, potentially, debt financing. To this end, we have recently appointed Mr. Martin Steinbild to lead the Group's discussions with the major players in the international lithium value chain including converters, producers of cathodes, battery cells and battery packs, and car manufacturers. Martin has over 25 years' experience working for majors in the industry such as Rockwood Lithium GmbH (acquired by Albemarle Corp., the leading lithium producer in the world).

We believe the Group should be in a position to make a decision for the development of Mina do Barroso in early 2019. To be able to advance a project from acquisition to making a development decision within two years will undoubtedly be a significant achievement and it is something we are confident we can achieve. The demand of lithium for electric vehicle batteries is growing remarkably, and we believe our strategic location and near-term production will make our product highly sought after.

Near-term Production: Copper in Oman

2018 is set to be a significant year in Oman as we plan to commence copper production, with open pit production at Maqail South and an underground development at Mahab 4. The objective is high-grade, low cost copper production and we intend to achieve this by establishing a central processing plant and tailings storage facility ('TSF'), which could support the development of not only these two mines but other high-grade deposits in the region.

We are seeing strong market demand for copper thanks to its use in electric vehicles ('EV'), which is expected to result in a nine-fold increase in copper demand from 185,000 tonnes in 2017 to 1.74 million tonnes in 2027 (according to a report by consultancy IDTechEx, commissioned by the International Copper Association in June 2017). Increasing demand for copper and the slow supply response from the mining industry has meant that we have seen strong interest from a number of potential copper offtake partners combined with a financing element.

Taking a closer look at the mines being developed initially, Mahab 4 and Maqail South are both located in Block 5 with a JORC complaint Mineral Resource Estimate of 1.51Mt at 2.1% copper and 0.16Mt at 3.8% copper respectively. It is our intention that run-of-mine crushed ore will be trucked to the shared processing plant, which will produce a copper concentrate for shipment to export markets. Tailings produced will then be stored within a central TSF. Our plan is that both the processing plant and TSF will be established within the adjacent Block 4 licence. The Ministry of Environment and Climate Affairs ('MECA') has approved in principle the concept for our TSF plans subject to studies and test work being presented, and having successfully completed hydrogeological baseline assessments in October 2017 we are now working on completing the

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Environmental Impact Assessment ('EIA') into the design of the proposed TSF and copper concentrator / processing plant.

Alongside this, solid progress continues to be made towards the grant of the two mining licences. Regulatory approvals have been received for all eight of the required Government permitting approvals for the Maqail South Mining Licence application, and seven for Mahab 4, with only the Ministry of Housing remaining. Positive discussions are continuing with the Ministry of Housing in respect of this, which is a pre-requisite to the Public Authority of Mining being able to assess the Group's Mining Licence applications. With a clear route to production, upcoming licencing approval and a strong copper backdrop, we continue to advance towards our target of commencing mining in 2018. We look forward to keeping shareholders updated on progress.

Longer-Term Production: Mineral Sands in Mozambique

Savannah, under a Consortium Agreement with global major Rio Tinto, is advancing the Mutamba Heavy Mineral Sands Project in Mozambique. This is a significant asset which we believe, due to its size and grade quality, has world class mining potential.

Mutamba has a current Indicated and Inferred Mineral Resource of 4.4 billion tonnes at 3.9% Total Heavy Minerals ('THM'), which currently covers three of four target areas, being Jangamo, Dongane, Ravene and Chilubane. Significant expansion potential exists at all three of the targets for which we currently have a resource, and we have not yet even begun to test Chilubane.

Production at Mutamba is targeted to commence in 2020, with average annual production of 456,000t of roasted ilmenite and 118,000t of non-magnetic concentrate (rutile and zircon). Based on this production profile, a scoping study completed in May 2017 showed that over an initial 30-year life of mine, revenues of US$4.23 billion and a pre-tax NPV_{10} of US$335 million are achievable. Furthermore, Rio Tinto (or an affiliate) has agreed to enter into an offtake agreement to purchase 100% of heavy mineral production on commercial terms. These key attributes credential Mutamba as one of the most exciting significant new projects poised for production in the early 2020s.

In support of commencing production, in January 2018 three applications covering a total area of 417.32km² over the Jangamo, Dongane, Ravene and Chilubane deposits were submitted to the Ministry of Mineral Resources and Energy in Mozambique for mining leases. Mining Leases are generally awarded for a term of 25 years and can be renewed at the end of their terms. The Ministry has six months from the date of submission to respond to the applications. A Pre-Feasibility Study ('PFS'), into the potential development of the project began in August 2017. This PFS is targeted for completion in early 2019 and will be a major milestone for our Group as it will further define the commercial potential of Mutamba whilst also resulting in Savannah earning a 35% interest in the Mutamba Consortium.

With multiple value accretive milestones due in the coming year, significant global growth driving demand for titanium feedstocks, and one of the largest undeveloped mineral sands deposits in the world, we look forward to continuing to highlight the significant potential of Mutamba.

Corporate Update

During 2017 the Company's largest shareholder Al Marjan Ltd ('Al Marjan') continued to invest significantly in the Company (£2.73m (2016: £2.43m)). As part of the cash subscription in March 2018 the Company received a letter of intent from Al Marjan to invest a further £0.57m when the Company is not in a "close period", resulting in Al Marjan holding over 28% of the Company's issued share capital. Thus, underpinning Al Marjan's intention to remain a supportive investor going forward. Al Marjan's representatives (Mr. Maqbool Ali Sultan the former Minister of Commerce and Industry in Oman, Mr. Imad Kamal Abdul Redha Sultan holding the roles of Non-Executive Directors of the Company, with Mr. Manohar Pundalik Shenoy and Mr. Murtadha Ahmed Sultan their respective alternates) do not receive remuneration for the material contributions that they make to the Group, which benefits from their proven operating experience both in Oman and internationally.

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Financial Overview

As is to be expected with an active and expanding resource development group, the Group is reporting a loss for the year of £2.84m (2016: £1.76m). The loss for the year has been impacted by the lithium project in Portugal acquired in the year and the increase of the activity in the project in Mozambique. The significant driver was staff costs amounting to £1.63m (2016: £1.02m), however £0.42m (2016: £0.05m) of this related to non-cash costs, and the ratio of this compared to investment in fixed assets dropped from 70% in 2016 to 25% in 2017. Professional fees amounting to £0.62m (2016: £0.34m) included £0.13m in relation to the acquisition of the Portuguese lithium project. Other Comprehensive Income for the year amount to £0.20m loss (2016: £0.48m gain) was primarily due to the net effect of the foreign exchange gain from the retranslation of the financial statements of subsidiaries with functional currencies not denominated in the presentation currency, GBP, and the foreign exchange loss due to the revaluation of loans to subsidiaries, which have seen the translated value decrease due to the recovery of GBP against major currencies in 2017 compared with the devaluation suffered by the GBP in 2016 following the UK's referendum on membership of the EU. Net assets have increased to £13.14m (2016: £6.07m) predominantly due to the increase in the exploration activity during the year and the acquisition of the lithium project in Portugal in May 2017, reflected with additions in Exploration and Evaluation assets of £5.04m, and £1.14m additions in Property, plant and equipment (primarily relating to the erection of a pilot plant in Mozambique) as at 31 December 2017, and the increase in Cash and Cash Equivalents by £1.29m as a result of well supported capital raisings during the year.

The parent Company's total comprehensive loss for the financial year as set out on Note 7 was £1,886,723 (2016: £291,231). The increase in the loss for the year compared with 2016 is primarily due to the foreign exchange raised on the revaluation of loans to subsidiaries being a loss of £0.21m in 2017 and a gain of £0.86m in 2016 due to the recovery of GBP against major currencies in 2017 compared with the devaluation suffered by the GBP in 2016. Other factors impacting the increase in losses are non-cash issues of employee share options with an effect in the Company results of £0.32m (2016: £0.03m), and professional fees amounting to £0.48m (2016: £0.25m).

In March, July and October 2017 the Company raised a total of £8.47m cash (before expenses) through the placing of 161,423,950 new ordinary shares at a significantly increased subscription price of 5.25p per ordinary share (2016: 2.46p per ordinary share). As part of these subscriptions the Company issued 61,762,707 shares at a price of 5.25p to Al Marjan, David Archer, Matthew King and Manohar Pundalik Shenoy, resulting in Al Marjan holding a 29.39% interest of the Company's issued share capital at the reporting date.

As of 31 December 2017, the Group had a cash position of £2.46m. On 31 March 2018 the Company approved a cash subscription of £1.52m cash (before expenses). The Group will have a pro-forma cash balance of approximately £1.83m following the receipt of the subscription proceeds. This is expected to be increased by a further £0.58m cash from a Directors' related party (Al Marjan Ltd) and from a number of employees when the Company is not in a "close period", with letters of intent received to this effect.

Social Responsibility

As a resource development group, we are committed to advancing the assets we own and also to supporting the continued growth and development of the communities we work with whilst maintaining high social and environmental standards. Transparency is key to ensuring positive relations with the communities in which we work and in line with this, during late 2017, we were delighted to launch a new community section on our website to provide further information on what we are doing in each of the countries in which we operate. Alongside supporting a number of community projects and offering employment opportunities, we have developed a very active programme of engagement with the communities close to our operations in Oman, Mozambique and Portugal, and we look forward to maintaining honest, timely and transparent communication with all our stakeholders. In Mozambique, our community projects comprise of technical training, support to private agriculture and community development and clean water provision amongst other initiatives.

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Outlook
2018 is set to be another significant year in Savannah's development. With resource upgrades and economic studies due at our lithium project in Portugal, copper mining due to commence in Oman, and economic studies set to further evaluate the commercial value of our mineral sands project in Mozambique, the remainder of the year will be highly active with milestone news flow. This is a very exciting time to be developing lithium and copper projects due to the strong pricing dynamics currently being experienced as a result of the unprecedented rise of the lithium-ion battery and the associated electric vehicle / energy storage industries. As a diverse energy metals group, we look forward to supporting this growth and building meaningful value for our shareholders.

Finally, I would like to thank our Board, management, and operational teams for their consistent hard work during the period. They, together with the continued support of our shareholders, for which I also give thanks, have enabled us to advance to this exciting point of growth. We have already announced the appointment of Martin Steinbild as Director, Lithium Business Development and anticipate making further additions to our team to match the needs of our growing group in the coming year. Alongside this we have implemented a long-term incentive scheme in order to further align management incentives with shareholder interests. I very much look forward to the year to come.

Matthew King
Chairman

Date: 12 April 2018

CHIEF EXECUTIVE'S REPORT

Savannah is developing a portfolio of energy metals projects with near-term milestone/value drivers and near and mid to longer-term mineral production. Our three core projects comprise lithium located in Portugal, copper located in Oman and heavy mineral sands located in Mozambique.

Portugal

In May of 2017 we acquired a 75% interest in the advanced Mina do Barroso lithium Project, located in Portugal (the "Project"), which has a mining lease and which the Board believe has the potential to be the first significant lithium producing project in Europe.

Previous work on the mining lease acquired with the Project has focused on the production of materials for the ceramics industry and not lithium. Nevertheless, Savannah gained access to a database that included reconnaissance geological mapping, trenching, drilling and preliminary metallurgical test work.

We are very encouraged by the potential of the Project, with key highlights being:

- The lithium mineral is spodumene, the most desirable of the hard-rock lithium minerals;
- Broad zones of moderate-grade to high-grade mineralisation;
- Near surface open-cut potential;
- Excellent preliminary metallurgical results;
- Conventional mineral processing;
- Granted, 30 Year mining lease with 18 years remaining; and
- Excellent nearby infrastructure including power, expressways and Portugal's second largest export port.

By way of a summary of our activity, mapping was undertaken across three primary target areas, Grandao, Reservatorio and NOA, and in July 2017 an initial Reverse Circulation ('RC') drill programme commenced with a total of 135 holes for 10,986m completed. Throughout H2 2017 we announced encouraging moderate-grade and high-grade lithium results from the drill programme. We believe that the most recent intercepts reported in December 2017 and February 2018 represent some of the best lithium spodumene intersections ever reported for a European deposit.

Since commencing drilling at Reservatorio we have more precisely defined the extent of the deposit with assay results confirming that the lithium mineralisation extends to over 400m strike length, with good down dip extensions of at least 100m. Drill results from December 2017 included 32m at 1.05% Li_2O from 78m in 17RESRC17 and 15m at 1.19% Li_2O from 79m in 17RESRC16. Following this, we were delighted to report a maiden JORC complaint Mineral Resource Estimate for the Reservatorio deposit of 3.2Mt at 1.0% Li_2O containing 32,000t of Li_2O, before our year-end target. Mineral Resource Estimate updates are likely for Reservatorio during 2018 as the drill programme continues.

At Grandao, a mineralised zone of over 100m has been intersected and results from recent drilling has recorded the broadest and most significant data for the Project to date. Key results include 109m at 1.04% Li_2O from surface (uncut), including 52m at 1.32% Li_2O in 17GRARC17; 59m at 1.13% Li_2O from 5m in 17GRARC31; 33m at 1.22% Li_2O from 40m in 17GRARC41; and, 71m at 1.06% Li_2O from 88m, including 57m at 1.2% Li_2O in 17GRARC19. This drill work led to the definition of a maiden JORC complaint Mineral Resource Estimate for Grandao in February 2018 of 5.5Mt at 1.04% Li_2O for 56,500t. This Mineral Resource Estimate significantly builds the aggregate Mineral Resource Estimate for the Mina do Barroso Project and importantly further upside remains as the estimate is based on only the first 40 holes drilled of the 61 drilled to date. Furthermore, new high priority targets, known as Romainho, Campo de Futebol and Piegro Negro, have been identified to the northeast of Grandao and these will be drill tested as part of our ongoing work programme. As a result, an initial Exploration Target* for the Grandao and Reservatorio deposits of 8-12Mt at 1.0% to 1.2% Li_2O has been defined.

Post period end, in March 2018, drilling to target the Exploration Target* zones led to the discovery of a new zone of high-grade lithium mineralisation, which has been named "Grandao Extended". This is located to the west and southwest of the main Grandao Deposit and

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to date a zone of a zone of pegmatite approximately 300m long and 200m wide has been identified, confirming the excellent upside potential available. Drill results include 90m at 0.96% Li_2O from surface including 31m at 1.06% Li_2O from surface and 34m at 1.37% Li_2O from 50m in 18GRARC65, 31m at 1.42% Li_2O from 47m in 18GRARC63, and 11m at 1.71% Li_2O from 45m in 18GRARC46, reaffirming the quality of the mineralisation at the project. Drill testing of Piegro Negro, Campo de Futebol and Romainho has also returned encouraging first pass results including, 15m at 0.4% Li_2O from surface in 18PGNRC01 at Piegro Negro, 13m at 0.5% Li_2O from 2m in 18CAMRC02 at Campo de Futebol, and 6m at 0.85% Li_2O from surface in 18ROMRC05 at Romainho.

At the NOA deposit, drilling has confirmed the presence of lithium mineralisation over a 200m strike length together with good down dip extensions of at least 50m and pegmatite widths up to 15m. Results received to date from the second round of drilling include, 13m at 1.19% Li_2O from 7m in 17NOARC03; 11m at 1.23% Li_2O from 46m in 17NOARC04; 15m at 0.83% Li_2O from 5m in 17NOARC06, including 9m at 1.27% Li_2O; and, 14m at 0.73% Li_2O from 19m, including 7m at 1.26% Li_2O in 17NOARC10. These results enabled us to define a maiden JORC complaint Mineral Resource Estimate for the deposit of 0.5Mt at 1.23 Li_2O for 5,600t. This, together with the Mineral Resource Estimate and the Exploration Target* for Reservatorio and Grandao gives a total project resource target of 17-21Mt at 1.0-1.2% Li_2O.

Results from preliminary metallurgical test work in June 2017 confirmed that a high-grade, low impurity spodumene concentrate can be produced from Mina do Barroso using conventional, well understood processing techniques and should be very attractive material for manufacturers of battery grade lithium. Phase two of the metallurgical test work programme was completed in early March 2018, with samples taken from Grandao, Reservatorio and NOA tested. Analysis of these samples confirmed the presence of high-grade spodumene mineralisation with a lithium content of around 1.7% Li_2O and low impurities of less than 0.5% Fe_2O_3. Furthermore, test work continues to confirm well proven, conventional metallurgical processes, using a process route combining both gravity separation and flotation, will produce a high-grade spodumene concentrate with total recovery of at least 80% at a concentrate grade of over 6% Li_2O likely to be achieved. Further improvements are expected as part of Phase 3 of the test work programme currently underway, with diamond drilling being undertaken at Grandao and Reservatorio to collect additional samples for the Phase 3 test programme. Six (480m drilled) out of the eight planned diamond holes have been completed to date, with results expected in Q3 2018.

Results of the metallurgical test work will feed into the Scoping Study currently being undertaken by Hatch, an internationally recognised engineering group, who were appointed in February 2018. The test work will investigate a potential mining and concentration plant development based on the Grandao, Reservatorio and NOA spodumene deposits, with results of the Scoping Study expected to be available towards the end of Q2 2018.

Mina do Barroso is a very exciting project. Within less than a year of acquiring the project we have delineated a 9.1Mt Mineral Resource Estimate from three of at least eight pegmatite deposits, all of which we believe offer significant further upside. We are now focused on building the aggregate Mineral Resource Estimate, finalising the Scoping Study underway and ultimately advancing the project so that a development decision can be made by early 2019.

Oman

In Oman, Savannah has a highly prospective copper asset portfolio spanning 1,006km² covering two blocks, 4 and 5. Savannah holds a 51% interest in Block 4 (with the right to earn up to 65%) and holds 65% in Block 5, which contains a defined Mineral Resource Estimate of 1.7Mt at 2.1% copper. Copper production is targeted to commence this year from the Maqail South (open-pit) and Mahab 4 (underground) deposits, so 2017 saw us set the building blocks in place in order to reach this major milestone.

In February 2017 we received the preliminary metallurgical results for the Mahab 4 deposit in Block 5, which revealed the commercial appeal of the deposit. Chalcopyrite was identified as the sole copper bearing mineral, allowing a simple, quick and relatively low-cost

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flotation process to concentrate the copper. This test data also indicated that due to the relatively soft ore, the deposit should enjoy favorable processing costs due to it requiring relatively low primary milling power. Additional metallurgical test work and the development of a detailed mine design and production plan for the two mines is currently being undertaken.

In terms of recoveries, initial rougher flotation test work indicated potential recoveries of around 95% at moderate grind sizes, whilst rougher cleaner flotation at 38microns indicated that a saleable copper concentrate of over 23% can be achieved with recoveries over 90% with additional gold and silver credits. There is also potential to produce a zinc product; drilling at the Dog's Bone area, which is part of the Aarja target at Block 4, identified a high-grade zinc zone with an intersection of 6.1m at 6.8% zinc, 1.4g/t gold and 84g/t silver from 72.9m in 16B4DD005, however further work is required to confirm that this is possible without affecting the copper grades and recoveries.

The Scoping Study for the initial mine developments for Mahab 4 and Maqail South has been largely completed. The study is based on two run-of-mine ore streams being treated at a common, centrally located copper concentration plant with an associated tailings storage facility ('TSF'). With this in mind, during the period we successfully completed a hydrogeological baseline assessment for the proposed TSF, which already has approval in principle from the Ministry of Environment and Climate Affairs subject to studies and test work being presented. An Environmental Impact Assessment is underway to assess the design and efficacy of the proposed TSF and copper concentrator / processing plant, with results expected in Q2 2018.

In terms of licencing, we have made significant progress during the period and were delighted to be issued the environmental operating permits for both mine developments in November 2017. All regulatory applications for copper mine development at both Mahab 4 and Maqail South have now been submitted and whilst the Mining Lease approval has taken longer than anticipated, we expect to receive it in time to commence mining in 2018. To date, approvals have been received for all eight of the required Government permitting approvals for the Maqail South Mining Licence application, and seven for Mahab 4, with only the Ministry of Housing remaining. Positive discussions are continuing with the Ministry of Housing in respect of this which is a pre-requisite to the Public Authority of Mining being able to assess the Group's Mining Licence applications.

Mozambique

The Mutamba Mineral Sands Deposit in Mozambique is a world class mineral sands occurrence and during 2017 we were focused on evaluating the economics of the project and significantly de-risking the project through further technical studies. As a result of the Consortium Agreement entered into at the end of 2016, we have combined Savannah's Jangamo Project with Rio Tinto's adjacent Mutamba Project, which includes three deposit areas – Jangamo, Dongane and Ravene – and the Chilubane Deposit, which is located 180km to the southwest of Mutamba. In evaluating Mutamba, Savannah can earn up to a 51% in the project and Rio Tinto (or an affiliate) has agreed to enter into an offtake agreement for the purchase of 100% of the heavy mineral production on commercial terms.

Following the completion of a 107 holes (2,914m) drilling programme on the Ravene deposit (to the northeast of and on the same system of sand dunes that host the heavy minerals at Dongane) in February 2017 we confirmed the existence of two mineralised zones of heavy mineral concentrations of >5% THM, with the main zone having a length of 3.5km and widths of up to 1.5km. Previous drilling by Rio Tinto highlighted specific zones of significant heavy minerals with values up to 14.7% total heavy minerals ('THM') carried out on a 1,000m x 500m grid. The aim of the 2017 drilling at Ravene was to infill the original grid on a 500m line spacing to provide drilling information at a concentration of 500m x 500m and to feed the results into a maiden Mineral Resource Estimate and subsequently a Scoping Study.

In March 2017 we delivered a JORC complaint Inferred Mineral Resource Estimate of 900Mt at 4.1% THM for Ravene, which includes a higher-grade portion of 92Mt at 6.2% THM and significant expansion potential. By adding Ravene to the already defined resources within our heavy mineral sands portfolio we increased the global Mineral Resource Estimate for the Mutamba

CHIEF EXECUTIVE'S REPORT

project (combined Jangamo, Dongane and Ravene) to 4.4Bt at 3.9% THM, comprising both indicated and inferred category material. This new resource estimate represents a 26% increase in the overall Mineral Resource Estimate and importantly an 8% increase in THM grade compared to the overall resource estimate. This also compares favorably with other major African heavy mineral sands projects.

With our new global Mineral Resource Estimate in place we successfully completed the Mutamba Scoping Study in May 2017, which concluded that there is a potential for a financially robust, long life (30 years) mineral sands project that is anticipated to provide positive life of mine ('LOM') financial returns (US$4.23 billion LOM revenue) with relatively modest capital requirements (pre-production capital expenditure of US$152 million plus US$74 million of contingency, EPCM (Engineering, Procurement, Construction Management) and spares) with opportunities already identified which may reduce this capex figure. Based on a resource estimate of 451Mt at 6.0% THM (based on a conceptual mine plan utilising 33% indicated resource estimate and 67% inferred resource estimate), we are targeting first production from Mutamba in the early 2020s with average annual production of 456,000t of ilmenite and 118,000t of non-magnetic concentrate.

As a result of delivering the Scoping Study, Savannah has increased its interest in the Mutamba Consortium to 20%, and we look forward to this interest increasing to 35% on completion of the Pre-Feasibility Study ('PFS'), which began in the latter half of 2017 and is targeted for delivery in early 2019 by mineral sands expert TZMI. Stage one of the Mutamba PFS is well advanced and will include a gap analysis, options review, project planning and budget finalisation for stage two of the PFS.

With regards to licences, in January 2018 three applications for mining leases were submitted to the Ministry of Mineral Resources and Energy in Mozambique. These applications cover the Jangamo, Dongane, Ravene and Chilubane deposits across a total area of 417.32km². The Ministry has six months from the date of submission to respond to the applications and Mining Leases are generally awarded for a term of 25 years and can be renewed at the end of their terms.

With targeted production only a few years away we commenced construction of a 20 tonne per hour pilot plant for bulk metallurgical test work in August 2017 and were delighted to complete the plant's construction on schedule in December 2017. The plant will be used to produce concentrates as part of the PFS for Mutamba and was officially opened by the Governor of Inhambane in the presence of national, provincial and district officials and members of the local community.

Finland

Savannah, through its Finnish subsidiary Finkallio Oy, holds a 100% interest in two lithium assets and during 2017 we have sought expressions of interest from a number of groups with an energy metals focus interested in acquiring these.

Summary

2017 was an incredibly busy year for Savannah operationally. We have successfully de-risked and developed our core portfolio of projects to the point of a Mineral Resource Estimate delineation in Portugal, near-term production in Oman, and the Pre-Feasibility stage in Mozambique. I would like to take this opportunity to thank our hard working teams in each of the countries of operation. In particular, our team in Portugal has successfully delivered a maiden Resource Estimate in a very short time-frame, which is a very pleasing achievement and sets the pace at which we hope to continue to advance.

I look forward to the year ahead with great optimism as we continue to unlock the value of our energy metals portfolio and transition Savannah into a mineral production group.

David S Archer
Chief Executive Officer

Date: 12 April 2018

STRATEGIC REPORT

Section 414A of the Companies Act 2006 (the 'Act') requires that the Group inform members as to how the Directors have performed their duty to promote the success of the Group, by way of a Strategic Report.

Set out below are the applicable reporting requirements under the Act for the purposes of the Strategic Report, together with guidance to other applicable sections of the 2017 Annual Report, which are incorporated by reference into the Group's Strategic Report.

Principal Activities

The principal activity of the Group in the year under review was: licencing applications for its copper projects in Oman; resource expansion, scoping study completion, pilot plant construction, commencement of a pre-feasibility study and mining lease application preparation for the combined project with Rio Tinto for heavy mineral sands in Mozambique; and the acquisition of a highly prospective lithium project in Portugal (including an existing granted mining lease) followed by initial resource delineation. Going forwards the Group's focus will be on developing its portfolio towards near term production.

Fair Review of the Business

The loss of the Group as set out on page 25 amounts to £2,842,285 (2016: £1,759,250), of which £2,835,684 (2016: £1,669,203) was related to administrative costs, £nil (2016: £128,505) was due to loss on disposal of assets and £nil (2016: loss £42,871) was due to realised gain on disposal of investments. During 2017 the Group invested £1,919,514 in the acquisition of the lithium asset in Portugal and £3,120,755 (2016: £1,464,373) on mineral exploration and evaluation on the licences it owns and operates, this is capitalised as an intangible asset as set out in Note 9 in the Financial Statements. Additionally, the Group invested £1,143,636 (2016: £nil) on property, plant and equipment relate mainly to the construction of a pilot plant in Mozambique.

A review of the Group's prospects is included in the Chairman's Statement on pages 2 to 6 and the Chief Executive's Report on pages 7 to 10.

Future Development

This information is contained in the Chairman's Statement on pages 2 to 6 and the Chief Executive's Report on pages 7 to 10.

Principal Risks and Uncertainties

The Board has identified various risk factors which taken individually or together may have a materially adverse effect on the Group's business. The principal risks and how they are managed are as follows:

General Resource Development Risk

Although mineral exploration can be a high risk undertaking for which there can be no guarantee that resource development will result in the discovery of an economically viable ore body, the Group is focusing its activity primarily on brownfield locations and existing resources. The exploration tenements have been carefully selected by experienced experts in regions of proven prospective geology for Blocks 4 and 5 in Oman and Somero and Erajarvi in Finland, with the areas covered by the Consortium with Rio Tinto in Mozambique being supported by substantial historical exploration databases and with the Mina do Barroso project in Portugal already with a granted mining lease following exploration work done by previous owners. As the Group progresses its projects to mine development it is necessary to go through licencing processes with government departments and secure rights for related infrastructure. The Group engages qualified consultants and in-house expertise to manage this.

Attraction and Retention of Key People

The success of the Group is dependent on the expertise and experience of the Directors and senior management and the loss of one or more could have a material adverse effect on the Group. The Board has put in place a remuneration policy which includes a new share option scheme in order to motivate and retain key personnel and has introduced a long-term incentive plan for certain members of senior management.

Future Funding Requirements

The Group has an ongoing requirement to fund its development activities and may need to obtain finance from the equity markets and access debt finance for mine development in the future. Senior management and the Board closely monitor the cashflows of the Group. Cashflow projections are presented regularly to the Board for review and this assists in ensuring expenditure is focussed on areas of greatest exploration potential. Overheads and administration costs are carefully managed. Also the Oman copper development has attracted interest and negotiating with many off-takers who are willing to provide finance towards mine development in exchange for securing the off-take rights. Furthermore, the Group has appointed a Director, Lithium Business Development (non-Board appointment) with a view to entering into a strategic partnership with a significant player in the lithium value chain – following a model that has been successfully demonstrated by Australia's hard rock spodumene mine developers / operators.

Exploration Licence Titles

The licences will be subject to applications for renewal and any renewal is usually at the discretion of the relevant government authority. The licences in the Group's portfolio have been the subject of legal due diligence in order to establish valid legal title and regular communication is maintained with the relevant government authority in Mozambique, Oman and Portugal.

Country Risk

At the reporting date, the Group carried out a combination of geological and mine development planning work in Oman, Mozambique, Portugal and Finland. Each of these countries presents a very different risk profile. However, this also means the Group benefits from a diversification of country risk. Country risk is further mitigated by ensuring the Group maintains active geological programmes, that it prioritises local in-country employment and that it maintains good relationships at all levels with government, administrative bodies and other stakeholders. The Board actively monitors relevant political and regulatory developments.

Commodity Price Risk

The Group's commodity focus is mineral sands, copper, gold and lithium. The market prices for these commodities fluctuate widely. These fluctuations are caused by numerous factors beyond the Group's control. A sustained period of significant price volatility may adversely affect the Group operations in the future. Commodities risk is mitigated by ensuring the Group maintains a diverse portfolio of projects.

Analysis of the Development and Performance of the Business

This information is contained in the Chairman's Statement on pages 2 to 6, and the Chief Executive's Report on pages 7 to 10.

Analysis of the Position of the Business

This information is contained in the Chairman's Statement on pages 2 to 6, and the Chief Executive's Report on pages 7 to 10.

Key Financial Performance Indicators and Milestones

Our key performance indicators ('KPIs') help the Board and executive management assess performance against our strategic priorities and business plans.

Analysis Using Key Financial Performance Indicators and Milestones

KPIs	Description	Performance
Cash balance (for exploration, development and going concern purposes)	Cash balance available to continue with the activity of the Group.	At the reporting date the Group's cash balance was £2.45m (2016: £1.17m). Following the receipt of the Subscription proceeds in March/April 2018, which are contractually committed to be paid to the Company, the Group will have a pro-forma cash balance of £1.83m and letters of intent for a further £0.58m cash subscriptions. This provides the Group sufficient cash to continue working on its development / exploration activities and, in conjunction with the raising of future cash, which the Directors believe will be secured, allows the Group to meet its financial commitments for at least 12 months.
Subscription and placing of shares	As an active and expanding mining development group, to continue with its exploration activities it is required to raise funds from the market.	During 2017 the Company raised gross proceeds of £8.47m (2016: £4.04m) cash via issuance of ordinary shares. In March/April 2018 the Company raised a further £1.52m post year end through the issue of 27.64m shares and have letters of intent for a further £0.58m cash subscriptions.
Share Price	Share price reflects the value added by the Company's Board and management teams.	An increase in share price during 2017 of 26.3% (2016: 228%) was achieved, with the price at the reporting date 6.63p (2016: 5.25p) per ordinary share. Funds were raised at an average price of 5.25p in 2017 (2016: 2.46p) per ordinary share, representing an increase of 113%.
Investment on Exploration & Evaluation assets ('E&E assets') and Property, Plant and Equipment ('PPE')	As an active an expanding mining development group, the investment on E&E assets and PPE assets show the volume of activity which is adding value.	During 2017 the Group increased its investment in exploration activity with additions in E&E assets of £5.04m (2016: £1.46m). Also, there was an increase in the investment in PPE with additions of £1.14m (2016: £0.02m), primarily relating the erection of a pilot plant in Mozambique which will be used to support the PFS.

Analysis Using Key Financial Performance Indicators and Milestones

KPIs	Description	Performance
Project pipeline	As an active mine development group, management is up to date on the changes in the market and looking for new opportunities to increase the potential of the Group.	In recent years there has been (and continues to be) an increase in the importance of the lithium-ion battery markets, impacting on global lithium demand with projections showing significant increases in demand. In 2016 the Group started its investment in lithium projects with the acquisition of exploration licences in Finland. In 2017 following the acquisition of a highly prospective lithium project in the north of Portugal, Savannah has the potential to become the first significant lithium producer in Europe. Expressions of interest for the acquisition of the project in Finland are being sought.

STRATEGIC REPORT

KPIs	Description	Performance
Mining Lease Application	As a mining development group the grant of mining leases as a precursor to commencement of production is a significant milestone.	During 2017 the Group have made significant progress in licencing applications for copper mine developments at both Mahab 4 and Maqail South. These applications have progressed well and now all 8 “no objections” / approvals from the Ministries in Oman have been received for Maqail South and 7 out of the 8 for Mahab 4. Following receipt of the outstanding approval the Public Authority of Mining will be responsible for the final approval of the mining licences. During 2017 a Lithium Project in Portugal was acquired which included the Mina do Barroso project with a mining lease in place (valid until 2036, with a 20-year extension available).
Results in mineral resources	As a mining development group the report of satisfactory mineral resource results is a key indicator of the potential of the Group and its projects.	Portugal: Preliminary metallurgical test work indicates that a high-grade (over 6% Li_2O), clean, low iron lithium concentrate can be produced. Following the drill results obtained in 2017 a maiden Mineral Resource for Reservatorio deposit of 3.2Mt at 1.0% Li_2O was reported. Oman – Block 5: Mahab 4 and Maqail South are both located in Block 5 with Mineral Resources of 1.51Mt at 2.1% copper and 0.16Mt at 3.8% copper respectively. In February 2017 the preliminary metallurgical results were received for the Mahab 4 deposit, which highlighted the commercial appeal of the deposit and a significant amount of interest has been received in acquiring an offtake agreement, linked to the provision of contributions to mine development financing, from metal trading groups. Mozambique: In March 2017 we delivered an Inferred Mineral Resource of 900Mt at 4.1% THM for the Ravene deposit, taking the total reported since the Group’s participation in the project to 4.4Bt at 3.9%.
Economic Studies	Satisfactory completion of economic studies is a key indicator of the viability of the Group mining development projects.	In May 2017 the Scoping Study for the Mutamba project in Mozambique was completed, which concludes that there is potential for a financially robust, long life mineral sands mining operation that is anticipated to provide excellent life of mine financial returns with relatively modest capital requirements and the Group increased its interest in the project to 20%. In Oman-Block5, the economic scoping study for the initial mine developments for Mahab 4 and Maqail South has been largely completed.

STRATEGIC REPORT

Approval of the Board

This Strategic Report contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with a mineral development business. While the Directors believe the expectation reflected herein to be reasonable in view of the information available up to the time of the Board's approval of this Strategic Report, the actual outcome may be materially different owing to factors either beyond the Group's control or otherwise within the Group's control but, for example, resulting from a change of strategy. Accordingly, no reliance may be placed on the forward-looking statements.

On behalf of the Board:

David S Archer
Chief Executive Officer

Date: 12 April 2018

REPORT OF THE DIRECTORS

The Directors present their report with the Financial Statements of the Company and the Group for the year ended 31 December 2017.

Dividends
The Directors do not recommend the payment of a dividend (2016: £nil).

Events Since the Reporting Date
This information is contained in Note 24 to the Financial Statements.

Directors
The Directors who have held office during the period from 1 January 2017 to the date of this report (unless otherwise stated) are as follows:

David S Archer
Dale J Ferguson
Matthew J King
Maqbool Ali Sultan
Imad Kamal Abdul Redha Sultan
Manohar Pundalik Shenoy[1]
Murtadha Ahmed Sultan[1]

[1] Alternate Director

Directors' Indemnity
The Group has agreed to indemnify its Directors against third party claims which may be brought against them and has in place a Directors and Officers' insurance policy.

Financial Instruments Risk
This information is contained in Note 18 to the Financial Statements.

Future Development
This information is contained in the Chairman's Statement on pages 2 to 6 and the Chief Executive's Report on pages 7 to 10.

Going Concern
In common with many mineral exploration companies, the Company raises equity funds for its activities in discrete share placements. The Directors believe the Group's project portfolio is attractive and the cash sums of £3.3m, £1.3m, £3.9m and £2.1m raised for new equity, including £3.3m from 28.2% shareholder Al Marjan (including letters of intent), in Q1, Q3 and Q4 2017 and Q1 2018 respectively support this view. The Directors are therefore confident that funding will continue to be secured and that it is appropriate to prepare the Financial Statements on a going concern basis. However, although the Company has been successful in the past in raising equity finance, the lack of formal agreements means there can be no certainty that the additional funding required by the Group and the Company in the next twelve months will be secured within the necessary timescale. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group and the Company's ability to continue as a going concern, however as aforementioned and evidenced by announcements the Company has routinely been able to raise funds to progress its highly prospective portfolio. The Financial Statements do not include the adjustments that would result if the Group and the Company was unable to continue as a going concern.

Statement as to Disclosure of Information to Auditors
So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditors
The auditors, BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

REPORT OF THE DIRECTORS

The Directors' beneficial interests (including the beneficial interests of their immediate family) in the ordinary shares of the Company are as follows:

	No. of shares held at 31 December 2017	No. of shares held at 31 December 2016
David S Archer	**31,792,519**	25,931,251
Matthew J King	**1,104,028**	913,552
Dale J Ferguson	**4,391,078**[2]	266,078
Maqbool Ali Sultan[1]	**–**	–
Imad Kamal Abdul Redha Sultan[1]	**–**	–
Manohar Pundalik Shenoy[1]	**3,809,524**	–
Murtadha Ahmed A Sultan[1]	**–**	–

[1] The Directors indicated are representatives of Al Marjan Ltd which held 186,878,750 shares at the reporting date (2016: 134,830,329 shares).

[2] 4,125,000 shares held indirectly through Slipstream Resources Investments Pty Ltd.

Details of Directors' remuneration are disclosed in Note 3.

Details of Directors' interests in the share options and warrants are disclosed in Note 23.

On behalf of the Board:

D S Archer
Chief Executive Officer

Date: 12 April 2018

CORPORATE GOVERNANCE STATEMENT

The Company, being presently listed on AIM, is not required to comply with the standards of a recognised code under AIM Rule 26 until 28 September 2018. However, the Company has given consideration to the provisions set out in Section 1 of the UK Corporate Governance Code ("the Code"), issued in April 2016 and annexed to the Financial Conduct Authority Listing Rules. The Directors support the objectives of the Code and intend to comply with those aspects that they consider relevant to the Group's size and circumstances and will keep this under review pending implementation of the revised AIM Rule 26 (March 2018). Details of these are set out below.

The Board of Directors

The Board currently comprises two executive, three non-executive Directors and two alternate Directors. The Board formally meets approximately every quarter and is responsible for setting and monitoring group strategy, reviewing budgets and financial performance, ensuring adequate funding, examining major acquisition opportunities, formulating policy on key issues and reporting to the shareholders.

Internal Financial Control

The Board is responsible for establishing and maintaining the Group's system of internal financial controls. Internal financial control systems are designed to meet the particular needs of the Group and the risk to which it is exposed, and by its very nature can provide reasonable, but not absolute, assurance against material misstatement or loss. The Directors have reviewed the effectiveness of the procedures presently in place and consider that they are appropriate to the nature and scale of the operations of the Group. The Directors have implemented necessary controls and procedures to comply with the UK Bribery Act 2010.

The Audit Committee

An Audit Committee has been established which comprises one non-executive and one alternate Director – Matthew King (who chairs the Committee) and Manohar Shenoy. It is responsible for ensuring that the financial performance of the Group is properly reported on and monitored, and for meeting the auditors and reviewing the reports from the auditors relating to accounts and internal controls. The Committee also reviews the Group's annual and interim Financial Statements before submission to the Board for approval.

The Remuneration Committee

The Remuneration Committee comprises one non-executive and one alternate Director – Matthew King (who chairs the Committee) and Manohar Shenoy. It is responsible for reviewing the performance of the executive Directors and for setting the scale and structure of their remuneration, paying due regard to the interests of shareholders as a whole and the performance of the Group. The remuneration of the Chairman and any non-executive Director is determined by the Board as a whole, based on a review of the current practices in other companies.

AIM Rule Compliance Committee

The AIM Rule Compliance Committee comprises one non-executive and one executive Director – Matthew King (who chairs the Committee) and David Archer, the CEO. It is responsible for ensuring that resources and procedures are in place to ensure the Company is at all times in compliance with the AIM Rules for Companies and ensured the timely implementation of the Market Abuse Regulations in 2016. The Committee will ensure the timely implementation of the new AIM Rules regarding Corporate Governance before the 28 September 2018 deadline. The Committee is also responsible for ensuring that the executive Directors are communicating effectively with the Company's Nominated Adviser.

Anti-Bribery and Corruption

It is the Group's policy to conduct business in an honest way, and without the use of corrupt practices or acts of bribery to obtain an unfair advantage in line with the UK Bribery Act 2010. The Group takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates and implementing and enforcing effective systems to counter bribery.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Report of the Directors and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare Financial Statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website Publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

Opinion

We have audited the financial statements of Savannah Resources Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated and company statement of cash flow and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty in relation to going concern

We draw attention to note 1 in the financial statements concerning the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. The matters explained in the note indicate that the group and parent company will require additional funding within the next twelve months. There are currently no formal agreements in place for raising additional equity finance and there is no certainty that the funding required by the Group will be secured within the necessary timescale. These conditions, along with the other matters as set out in note 1, indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern.

Given the conditions and uncertainties noted above we considered going concern to be a Key Audit Matter. We critically challenged the directors' forecasts to assess the group and parent company's ability to meet their financial obligations as they fall due for a period of at least 12 months from the date of approval of the financial statements and assessed and corroborated the key underlying assumptions, including:

- Assessing the reasonableness of forecast expenditure by reference to actual expenditures in 2017 and Management's planned activity.
- Verification of the March and April fundraising to supporting documentation.

- Discussion with Management whether there are any other matters that may adversely impact upon their assessment of going concern.

We also reviewed the disclosures in the financial statements.

Use of our report
This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Key audit matters
In addition to the matter described in the material uncertainty related to going concern section, key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

KEY AUDIT MATTER

Impairment of Exploration and Evaluation assets
As detailed in note 9, at the year end the group held three groups of exploration and evaluation assets: mineral sands in Mozambique, copper projects in Oman and lithium projects in Portugal.

Each of the above assets are separate 'cash generating units' (CGUs) and should be assessed individually for indicators of impairment.

Under IFRS 6 Management are required to carry out an assessment at least annually for any indicators of impairment.

Reviewing indicators of impairment often require significant estimates and judgements and therefore we identified this as a key audit matter.

OUR RESPONSE

With respect to each CGU, we reviewed Management's consideration of whether there were any indicators of impairment as outlined in IFRS 6. The indicators in IFRS 6 include but are not limited to:

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and was not expected to be renewed.
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.

- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

We considered Management's assessment of the indicators of impairment (as stated above), we confirmed there is an ongoing plan to develop the licence areas. We reviewed the licence agreements and we noted the licences are valid and there is an ongoing exploration/development programme in 2018. In the case the licenses have expired during the period we reviewed the application for renewal of the licences and in case the licenses will expire in the near future, we confirmed the expectation and plans for renewal.

We concur with management's view that there were not any indicators of impairment.

Our application of materiality

Group materiality	**£250,000 (2016: £100,000)**
Basis for determining materiality	1.75% of total assets
Group performance materiality	**£187,500 (2016: £75,000)**
Basis for performance materiality	75% of group materiality
Parent company materiality	**£225,000 (2016: £90,000)**
Basis for determining materiality	1.75% of total assets, capped at 90% of group materiality
Parent company performance materiality	**£168,750 (2016: £67,500)**
Basis for performance materiality	75% of parent company materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Our determination of materiality has remained unchanged with a significant increase in the total assets in the year impacting materiality. We consider total assets to be the most significant determinant of the group's financial performance used by members as the group continues to bring its mining assets through to production.

Whilst materiality for the financial statements as a whole was £250,000, each significant component of the group was audited to a lower level of materiality ranging from £45,000 to £142,500. Performance materiality has been set at 75% of materiality, which is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes during the audit.

We agreed with the Audit Committee that we would report to the Committee all individual audit differences identified during the course of our audit in excess of £12,000 (2016: £5,000). We also agreed to report differences below these thresholds that, in our view warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our group audit was scoped by obtaining an understanding of the group and its environment, including the group's system of internal control, and assessing the risks of material misstatement in the financial statements at the group level.

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

Our group audit scope focused on the group's principal operating locations being:

- the Block 4 and Block 5 copper projects in Oman held in Al Thuraya LLC and Al Fairuz Mining Co LLC, respectively,
- the Mutamba mineral sands project in Mozambique held in AME East Africa Ltd and Matilda Minerals Lda, and
- the Mina do Barroso lithium project in Portugal held in Slipstream Resources Portugal Lda,

which all were subject to a full scope audit. Together with the parent company and its group consolidation, which was also subject to a full scope audit, these represent the significant components of the group.

These locations which were subject to full scope audit procedures represent the principal business units and account for 99% of the group's total assets.

The remaining components of the group was considered non-significant and these components were principally subject to analytical review procedures, together with additional substantive testing over the risk areas detailed above where applicable to that component.

The audits of each of the components were principally performed in the United Kingdom. All of the audits were conducted by BDO LLP.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Stuart Barnsdall (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
55 Baker Street
London
W1U 7EU
United Kingdom

12 April 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2017

	Notes	2017 £	2016 £
CONTINUING OPERATIONS			
Revenue		**–**	–
Administrative expenses		**(2,835,684)**	(1,669,203)
Gain on disposal of investments	11	**–**	42,871
Loss on disposal of assets	4	**–**	(128,505)
OPERATING LOSS		**(2,835,684)**	(1,754,837)
Finance income		**948**	–
Finance costs		**(7,549)**	(4,413)
LOSS BEFORE AND AFTER TAX ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT	5	**(2,842,285)**	(1,759,250)
OTHER COMPREHENSIVE INCOME			
Items that will or may be reclassified to profit or loss:			
Change in market value of investments	11	**45,644**	44,840
Transfer to realised gain on disposal of investments	11	**–**	(42,871)
Exchange (losses)/gains arising on translation of foreign operations		**(197,120)**	476,018
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**(151,476)**	477,987
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT		**(2,993,761)**	(1,281,263)
Loss per share attributable to equity owners of the parent expressed in pence per share:			
Basic and diluted			
From Operations	8	**(0.53)**	(0.46)

The notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

ASSETS	Notes	2017 £	2016 £
NON-CURRENT ASSETS			
Intangible assets	9	**9,809,994**	5,066,750
Property, plant and equipment	10	**1,196,084**	16,170
Other receivables	13	**239,300**	33,171
Other non-current assets	15	**220,213**	–
TOTAL NON-CURRENT ASSETS		**11,465,591**	5,116,091
CURRENT ASSETS			
Investments	11	**170,203**	124,472
Trade and other receivables	13	**155,959**	126,557
Other current assets		**20,011**	–
Cash and cash equivalents	14	**2,455,968**	1,172,347
		2,802,141	1,423,376
Assets classified as held for sale	19	**138,543**	–
TOTAL CURRENT ASSETS		**2,940,684**	1,423,376
TOTAL ASSETS		**14,406,275**	6,539,467
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	16	**6,358,504**	4,509,465
Share premium		**18,105,108**	11,226,706
Foreign currency reserve		**194,878**	391,998
Warrant reserve	23	**1,405,958**	386,794
Share based payment reserve	23	**691,194**	455,309
Retained earnings		**(13,612,758)**	(10,900,327)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**13,142,884**	6,069,945
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	22	**22,847**	–
TOTAL NON-CURRENT LIABILITIES		**22,847**	–
CURRENT LIABILITIES			
Loans and borrowings	22	**10,276**	–
Trade and other payables	17	**1,228,757**	469,522
		1,239,033	469,522
Liabilities classified as held for sale	19	**1,511**	–
TOTAL CURRENT LIABILITIES		**1,240,544**	469,522
TOTAL LIABILITIES		**1,263,391**	469,522
TOTAL EQUITY AND LIABILITIES		**14,406,275**	6,539,467

The Financial Statements were approved by the Board of Directors on 12 April 2018 and were signed on its behalf by:

D S Archer
Chief Executive Officer
Company number: 07307107

The notes form part of these Financial Statements.

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	Notes	**2017 £**	2016 £
ASSETS			
NON-CURRENT ASSETS			
Investments	11	**342,883**	291,031
Other receivables	13	**13,699,270**	6,685,753
Other non-current assets	15	**19,035**	–
TOTAL NON-CURRENT ASSETS		**14,061,188**	6,976,784
CURRENT ASSETS			
Investments	11	**170,116**	124,472
Trade and other receivables	13	**44,841**	43,007
Cash and cash equivalents	14	**2,125,504**	1,029,765
TOTAL CURRENT ASSETS		**2,340,461**	1,197,244
TOTAL ASSETS		**16,401,649**	8,174,028
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	16	**6,358,504**	4,509,465
Share premium		**18,105,108**	11,226,706
Warrant reserve		**1,405,958**	386,794
Share based payment reserve		**691,194**	455,309
Retained earnings		**(10,502,403)**	(8,699,890)
TOTAL EQUITY		**16,058,361**	7,878,384
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	**343,288**	295,644
TOTAL LIABILITIES		**343,288**	295,644
TOTAL EQUITY AND LIABILITIES		**16,401,649**	8,174,028

The Company total comprehensive loss for the financial year was 1,886,723 (2016: £291,231) (Note 7).

The Financial Statements were approved by the Board of Directors on 12 April 2018 and were signed on its behalf by:

D S Archer
Chief Executive Officer
Company number: 07307107

The notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2017

	Share capital £	Share premium £	Foreign currency reserve £	Warrant reserve £	Share based payment reserve £	Retained earnings £	Total equity £
At January 2016	2,858,658	9,156,284	(84,020)	362,252	473,178	(9,187,216)	3,579,136
Loss for the year	–	–	–	–	–	(1,759,250)	(1,759,250)
Other comprehensive income	–	–	476,018	–	–	1,969	477,987
Total comprehensive income for the year	–	–	476,018	–	–	(1,757,281)	(1,281,263)
Issue of share capital (net of expenses)	1,650,807	2,094,964	–	–	–	–	3,745,771
Share based payment charges	–	–	–	–	26,301	–	26,301
Exercise of options	–	–	–	–	(36,600)	36,600	–
Lapse of options	–	–	–	–	(7,570)	7,570	–
Issue of warrants	–	(24,542)	–	24,542	–	–	–
At 31 December 2016	4,509,465	11,226,706	391,998	386,794	455,309	(10,900,327)	6,069,945
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(2,842,285)**	**(2,842,285)**
Other comprehensive income	**–**	**–**	**(197,120)**	**–**	**–**	**45,644**	**(151,476)**
Total comprehensive income for the year	**–**	**–**	**(197,120)**	**–**	**–**	**(2,796,641)**	**(2,993,761)**
Issue of share capital (net of expenses)	**1,849,039**	**7,897,566**	**–**	**–**	**–**	**–**	**9,746,605**
Share based payment charges	**–**	**–**	**–**	**–**	**320,095**	**–**	**320,095**
Lapse of options	**–**	**–**	**–**	**–**	**(84,210)**	**84,210**	**–**
Issue of warrants	**–**	**(1,019,164)**	**–**	**1,019,164**	**–**	**–**	**–**
At 31 December 2017	**6,358,504**	**18,105,108**	**194,878**	**1,405,958**	**691,194**	**(13,612,758)**	**13,142,884**

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 less costs of fundraising
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, lapsed and forfeited.
Retained earnings	Cumulative net gains and losses recognised in the consolidated Statement of Comprehensive Income.

The notes form part of these Financial Statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2017

	Share capital £	Share premium £	Warrant reserve £	Share based payment reserve £	Retained earnings £	Total equity £
At 1 January 2016	2,858,658	9,156,284	362,252	473,178	(8,452,829)	4,397,543
Loss for the year	–	–	–	–	(859,042)	(859,042)
Other comprehensive income	–	–	–	–	567,811	567,811
Total comprehensive income for the year	–	–	–	–	(291,231)	(291,231)
Issue of share capital (net of expenses)	1,650,807	2,094,964	–	–	–	3,745,771
Share based payment charges	–	–	–	26,301	–	26,301
Exercise of options	–	–	–	(36,600)	36,600	–
Lapse of options	–	–	–	(7,570)	7,570	–
Issue of warrants	–	(24,542)	24,542	–	–	–
At 31 December 2016	4,509,465	11,226,706	386,794	455,309	(8,699,890)	7,878,384
Loss for the year	**–**	**–**	**–**	**–**	**(1,932,367)**	**(1,932,367)**
Other comprehensive income	**–**	**–**	**–**	**–**	**45,644**	**45,644**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(1,886,723)**	**(1,886,723)**
Issue of share capital (net of expenses)	**1,849,039**	**7,897,566**	**–**	**–**	**–**	**9,746,605**
Share based payment charges	**–**	**–**	**–**	**320,095**	**–**	**320,095**
Lapse of options	**–**	**–**	**–**	**(84,210)**	**84,210**	**–**
Issue of warrants	**–**	**(1,019,164)**	**1,019,164**	**–**	**–**	**–**
At 31 December 2017	**6,358,504**	**18,105,108**	**1,405,958**	**691,194**	**(10,502,403)**	**16,058,361**

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 less costs of fundraising.
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, lapsed and forfeited.
Retained earnings	Cumulative net gains and losses recognised in the consolidated Statement of Comprehensive income.

The notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2017

	Notes	2017 £	2016 £
Cash flows used in operating activities			
Loss for the year		**(2,842,285)**	(1,759,250)
Depreciation and amortisation charges	10	**14,895**	9,536
Gain on disposal of investments	11	**–**	(42,871)
Share based payment reserve charge	3, 23	**320,095**	26,301
Shares issued in lieu of payments to extinguish liabilities	3, 16	**98,630**	20,992
Finance income		**(948)**	
Finance expense		**7,549**	4,413
Exchange losses	5	**75,156**	96,036
Loss on disposal of assets	4	**–**	128,505
Cash flow from operating activities before changes in working capital		**(2,326,908)**	(1,516,338)
Increase in trade and other receivables		**(71,288)**	(53,476)
Increase in trade and other payables		**39,620**	46,089
Net cash used in operating activities		**(2,358,576)**	(1,523,725)
Cash flow used in investing activities			
Purchase of intangible exploration assets		**(3,276,715)**	(1,557,087)
Purchase of tangible fixed assets		**(1,069,056)**	–
Purchase of investments	11	**(87)**	(24,363)
Proceeds from sale of investments	11	**–**	94,653
Payments for guarantees for mining activity		**(199,755)**	–
Interest received		**948**	–
Net cash used in investing activities		**(4,544,665)**	(1,486,797)
Cash flow from financing activities			
Interest paid		**(7,549)**	(4,413)
Proceeds from issues of ordinary shares (net of expenses)		**8,257,418**	3,724,778
Net cash from financing activities		**8,249,869**	3,720,365
Increase in cash and cash equivalents		**1,346,628**	709,843
Cash and cash equivalents at beginning of year		**1,172,347**	359,296
Exchange (losses)/gains on cash and cash equivalents		**(63,007)**	103,208
Cash and cash equivalents at end of year		**2,455,968**	1,172,347

The notes form part of these Financial Statements.

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 December 2017

	Notes	2017 £	2016 £
Cash flows used in operating activities			
Loss for the year		**(1,932,367)**	(859,042)
Impairment of investments	11	**–**	76,147
Gain on disposal of investments	11	**–**	(42,871)
Share based payment reserve charge	3, 23	**320,095**	26,301
Shares issued in lieu of payments to extinguish liabilities	3, 16	**98,630**	20,992
Finance income		**(948)**	–
Finance expense		**4,348**	4,377
Exchange losses/(gains)		**75,156**	(89,175)
Cash flow from operating activities before changes in working capital		**(1,435,086)**	(863,271)
Increase in trade and other receivables		**(21,078)**	(1,037)
Increase in trade and other payables		**44,228**	28,159
Net cash used in operating activities		**(1,411,936)**	(836,149)
Cash flow used in investing activities			
Investment in subsidiaries	11	**(51,643)**	(672,355)
Loans to subsidiaries		**(5,631,693)**	(1,610,058)
Purchase of investments	11	**–**	(24,363)
Purchase of intangible exploration assets		**–**	(61,900)
Proceeds from sale of investments	11	**–**	94,653
Interest received		**948**	–
Net cash used in investing activities		**(5,682,388)**	(2,274,023)
Cash flow from financing activities			
Interest paid		**(4,348)**	(4,377)
Proceeds from issues of ordinary shares		**8,257,418**	3,724,778
Net cash from financing activities		**8,253,070**	3,720,401
Increase in cash and cash equivalents		**1,158,746**	610,229
Cash and cash equivalents at beginning of year		**1,029,765**	316,328
Exchange (losses)/gains on cash and cash equivalents		**(63,007)**	103,208
Cash and cash equivalents at end of year		**2,125,504**	1,029,765

The notes form part of these Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of Preparation

These Consolidated Financial Statements and the Company Financial Statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards (collectively "IFRSs") as adopted by the EU and IFRIC and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Consolidated Financial Statements and the Company Financial Statements have been prepared under the historical cost convention.

Presentational and Functional Currency

The functional currency of the Company is Pound Sterling. Each entity in the Group determines its own functional currency and items included in the Financial Statements of each entity are measured using that functional currency. The presentational currency of the Group is Pound Sterling.

Going Concern

In common with many mineral exploration companies, the Company raises equity funds for its activities in discrete share placements. The Directors believe that the Group's project portfolio is attractive and the cash sums of £3.3m, £1.3m, £3.9m and £2.1m raised for new equity, including £3.3m from 28.2% shareholder Al Marjan (including letters of intent), in Q1, Q3 and Q4 2017 and Q1 2018 respectively support this view. The Directors are therefore confident that funding will continue to be secured and that it is appropriate to prepare the Financial Statements on a going concern basis. However, although the Company has been successful in the past in raising equity finance, the lack of formal agreements means there can be no certainty that the additional funding required by the Group and the Company in the next twelve months will be secured within the necessary timescale. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group and the Company's ability to continue as a going concern, however as aforementioned and evidenced by announcements the Company has routinely been able to raise funds to progress its highly prospective portfolio. The Financial Statements do not include the adjustments that would result if the Group and the Company was unable to continue as a going concern.

Basis of Consolidation

The Group accounts consolidate the accounts of Savannah Resources Plc and its domestic and foreign subsidiaries, refer to Note 11. The foreign subsidiaries have been consolidated in accordance with IFRS 10 "Consolidated Financial statements" and IAS 21 "The effects of Foreign Exchange Rates".

Inter-company transactions and balances between group companies are eliminated in full.

Equity Investments

Equity investments, excluding subsidiaries, are accounted for as available for sale financial instruments and included on the Statement of Financial Position at fair value with value changes being recognised in other comprehensive income. All equity investments, excluding subsidiaries, held are quoted and traded in an active market. The variability in the range of reasonable fair value estimated for these instruments is not significant, therefore, when there are no active market for these equity investments the fair value will be estimated using historical market data. When there are no active market and a reliable measure of the fair value of the investments is not available these are carry at cost, being this the fair value carrying amount on the date of the reclassification. The change in market value represents the fair value of shares held at the reporting date less the cost or fair value at the start of the financial year.

When equity investments are disposed of the cumulative value changes recognised in other comprehensive income are transferred to the income statement as a realised profit or loss on disposal. Their change in market value is up to the date of disposal.

An impairment is recognised for equity investments where there is a significant and sustained decrease in the market value of the investment.

1. ACCOUNTING POLICIES continued

Investments in Subsidiaries and Associates

Investments in subsidiaries, associates and jointly controlled entities are accounted for at cost within the individual accounts of the parent company. These investments are classified as non-current assets on the Statement of Financial Position of the parent company.

Foreign Currencies

Transactions in foreign currencies are initially recorded in the functional currency by applying spot exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences in the Consolidated Financial Statements are recognised in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation.

The income statements of individual group companies with functional currencies other than Pound Sterling are translated into Pound Sterling at the average rate for the period, on the basis the average rate is a reasonable approximation of the spot rates throughout the year, and the Statement of Financial Position translated at the rate of exchange ruling on the reporting date. Exchange differences which arise from retranslation of the opening net assets and results of such subsidiary undertakings are taken to equity ("foreign currency reserve"). On disposal of such entities, the deferred cumulative amount recognised in equity relating to that particular operation is transferred to the consolidated Statement of Comprehensive income as part of the profit or loss on disposal.

Intangible Assets

Exploration and evaluation assets

Once an exploration licence or an option to acquire an exploration licence has been obtained, all costs associated with mineral property development and investments are capitalised on a project-by-project basis pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. If a mining property development project is successful, the related expenditures will be transferred to property, plant and equipment and subsequently amortised over the estimated life of the commercial ore reserves on a unit of production basis. Where a licence is relinquished, a project is abandoned, or is considered to be of no further commercial value to the Group, the related costs will be written off.

Unevaluated mineral properties are assessed annually at reporting date for indicators of impairment in accordance with IFRS 6. For the purposes of assessing indicators of impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units) as disclosed in Note 9.

If commercial reserves are developed, the related deferred development and exploration costs are then reclassified as development and production assets within property, plant and equipment.

Acquisitions of Mineral Exploration Licences

Acquisitions of Mineral Exploration Licences through acquisition of non-operational corporate structures that do not represent a business, and therefore do not meet the definition of a business combination, are accounted for as the acquisition of an asset. Related future consideration is contingent and is not recognised as an asset or liability.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES continued

Property, Plant and Equipment

Tangible non-current assets used in exploration and evaluation are classified within tangible non-current assets as property, plant and equipment. To the extent that such tangible assets are consumed in exploration and evaluation the amount reflecting that consumption is recorded as part of the cost of the intangible asset.

Depreciation is provided on all items of property, plant and equipment in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant & Machinery	4 – 10 years
Office Equipment	1 – 4 years
Motor Vehicles	4 years

Financial Instruments

Financial assets and financial liabilities are recognised in the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial Assets

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the differences between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. When a financial asset is derecognised, the cumulative gain or loss in equity (if any) is transferred to the consolidated income statement.

There is no significant difference between carrying value and fair value of trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances held with banks. Cash equivalents are short term, highly liquid accounts that are readily converted to known amounts of cash.

Guarantees

Guarantees represents deposits held at banks as security required by the local mining/environmental authorities in relation to exploration/mining licences and applications thereof. They are not expected to be converted into cash within less than year and therefore are classified as other non-current assets. Guarantees are measured at cost, less any impairment.

1. ACCOUNTING POLICIES continued

Financial Liabilities

Other liabilities

Other liabilities consist of loan and borrowings and trade and other payables, which are initially recognised at fair value and subsequently carried at amortised cost, using the effective interest method.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or has expired. When a financial liability is derecognised, the cumulative gain or loss in equity (if any) is transferred to the consolidated income statement.

There is no significant difference between the carrying value and fair value of other liabilities.

Taxation

Current taxes are based on the results shown in the Financial Statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the reporting date. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which timing differences can be utilised.

Operating Leases

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Share-based Payments

Where equity settled share options are awarded to Directors and employees, the fair value of the options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the change in the fair value of the options, measured immediately before and after the modification, is also charged to the Consolidated Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees for goods and services received, the Consolidated Statement of Comprehensive Income is charged with the fair value of goods and services received or where this is not possible at the fair value of the equity instruments granted. Fair value is measured by use of an option pricing model.

Joint Arrangements

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either: (a) Joint ventures: where the Group has rights to only the net assets of the joint arrangement; (b) Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

1. ACCOUNTING POLICIES continued

In assessing the classification of interests in joint arrangements, the Group considers: (a) The structure of the joint arrangement; (b) The legal form of joint arrangements structured through a separate vehicle; (c) The contractual terms of the joint arrangement agreement; and (d) Any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with IAS 39 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Key Accounting Estimates and Judgements

The preparation of financial information in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial information and the reported amounts of expenses during the reporting periods. Although these estimates are based on management's best knowledge of the amounts, event or actions, actual results ultimately may differ from those estimates.

The key accounting estimates and assumptions are set out below:

(a) Carrying value of exploration and evaluation assets

The Group assesses at each reporting period whether there is any indication that these assets may be impaired. If such indication exists, the Group estimates the recoverable amount of the asset. In the early stages of exploration an indication of impairment may arise from drilling and assay results or from management's decision to terminate the project. Further details are set out in Note 9.

(b) Share-based payments

In determining the fair value of share-based payments made during the period, a number of assumptions have been made by management. The details of these assumptions are set out in Note 23.

(c) Going concern

In determining the Group's ability to continue as a going concern the Directors consider a number of factors including cashflow forecasts prepared by management. The detail of these factors are set out in Note 1 Going Concern heading.

1. ACCOUNTING POLICIES continued

The key judgements are set out below:

(a) Exploration and evaluation costs

The Group has to apply judgement in determining whether exploration and evaluation expenditure should be capitalised within intangible assets as exploration and evaluation costs or expensed. The Group has a policy of capitalising all costs which relate directly to exploration and evaluation costs (as set out above). The total value of exploration and evaluation costs capitalised as at each of the reporting dates is set out in Note 9.

(b) Impairment of investments

When assessing the Group's equity investments for impairment, it must be determined whether a decline in the market value of the investment represents a fair value decline or an impairment. The Group determines an impairment to be where there is a significant and sustained decline in the market value of an investment below cost and it is considered unlikely that the value will recover. A fair value decline however, is determined to be either insignificant or short term in nature.

(c) Classification of Joint Arrangement

In determining the accounting treatment of the agreement signed between the Group and Rio Tinto in 2016 (Note 12) management need to determine if joint control exists from both and therefore apply IFRS 11 Joint Arrangements. Also, when applying IFRS 11 it is necessary to evaluate the rights and obligations relating to the agreement to conclude if it is a Joint Operation or a Joint Venture.

Accounting Developments During 2017

The accounting policies adopted are consistent with those of the previous financial year. New standards and amendments to IFRS effective as of 1 January 2017 have been reviewed by the Group and there has been no material impact on the Financial Statements as a result of these standards and amendments.

Accounting Developments Not Yet Adopted

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective in future accounting periods that the Group has decided not to adopt early. The most significant of these, and the effect that these will have on the Financial Statements of the Group or Company are:

- IFRS 15 Revenue from Contracts with Customers (mandatorily effective for periods beginning on or after 1 January 2018): This will not impact in the Group Financial Statements as it does not have revenue and the effect in the Company Financial Statements will not be material as these are not significant.
- IFRS 16 Leases (mandatorily effective for periods beginning on or after 1 January 2019): This will not have a material impact in the Group and Company Financial Statements as they do not have significant leases in place.
- IFRS 9 Financial Instruments (mandatorily effective for periods beginning on or after 1 January 2018): This will not have a material impact in the Group Financial Statements as the main financial instruments are Cash and cash equivalents and Trade payables. The main financial instruments in the Company Financial Statements are Cash and cash equivalents and Amounts due from subsidiaries. The standard includes a single approach for the classification and measurement of financial assets, based on cash flow characteristics and the business model used for the management of the financial instruments, and based on this the Amounts due from subsidiaries will be classified at amortised cost. The Company is quantifying the effect that will have the new expected credit loss model for impairment of financial assets.

2. SEGMENTAL REPORTING

The Group complies with IFRS 8 Operating Segments, which requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, which the Company considers to be the Board of Directors. In the opinion of the Directors, the operations of the Group comprise of exploration and development in Oman, exploration and development in Mozambique, exploration and development in Portugal, exploration in Finland, 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 Oman, Mozambique, Portugal and Finland the segments are calculated by the summation of the balances in the legal entities which are readily identifiable to each of the segmental activities. 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	Mozambique Mineral Sands	Portugal Lithium	Finland Lithium (Note 19)	HQ and corporate	Investments	Elimination	Total
	£	£	£	£	£	£	£	£
2017								
Revenue	–	–	–	–	639,108		(639,108)	–
Interest income	–	–	–	–	948	–	–	948
Finance costs	(2,035)	(1,166)	–	–	(4,348)	–	–	(7,549)
Share based payments	–	–	–	–	320,095	–	–	320,095
(Loss) for the year	(308,616)	(631,731)	(171,056)	(8,164)	(1,722,718)	–	–	(2,842,285)
Total assets	4,365,898	4,640,081	2,902,257	138,543	2,189,293	170,203	–	14,406,275
Total non-current assets	4,224,672	4,387,977	2,833,907	–	19,035	–	–	11,465,591
Additions to non-current assets	951,312	2,801,960	2,823,802	–	19,035	–	–	6,596,109
Total current assets	141,226	252,104	68,350	138,543	2,170,258	170,203	–	2,940,684
Total liabilities	(112,807)	(398,825)	(411,302)	(1,511)	(338,946)	–	–	(1,263,391)

2. SEGMENTAL REPORTING continued

	Oman Copper	Mozambique Mineral Sands	Finland Lithium	HQ and corporate	Investments	Elimination	Total
	£	£	£	£	£	£	£
2016							
Revenue	–	–	–	442,984	–	(442,984)	–
Finance costs	–	(36)	–	(4,377)	–	–	(4,413)
Gain on disposal of investments	–	–	–	–	42,871	–	42,871
Loss on disposal of assets	(128,505)	–	–	–	–	–	(128,505)
Share based payments	20,992	–	–	26,301	–	–	47,293
(Loss)/Gain for the year	(657,598)	(230,113)	(5,844)	(908,566)	42,871	–	(1,759,250)
Total assets	3,667,380	1,546,750	128,486	1,072,379	124,472	–	6,539,467
Total non-current assets	3,558,424	1,438,862	118,805	–	–	–	5,116,091
Additions to non-current assets	1,366,465	204,241	118,805	–	–	–	1,689,511
Total current assets	108,956	107,495	9,682	1,072,771	124,472	–	1,423,376
Total liabilities	(135,754)	(34,553)	(12,304)	(286,911)	–	–	(469,522)

3. EMPLOYEES AND DIRECTORS

The average monthly number of employees during the year was as follows:

	Group		Company	
	2017	2016	**2017**	2016
	No	No	**No**	No
Operational	**43**	12	**1**	1
Non-operational	**15**	12	**4**	3
	58	24	**5**	4

	Group		Company	
	2017	2016	**2017**	2016
Staff Costs (excluding Directors)	**£**	£	**£**	£
Salaries	**1,266,934**	946,731	**332,833**	338,218
Bonus	**150,467**	66,243	**142,208**	29,051
Social security and other employee expenses	**66,262**	38,187	**29,145**	13,225
Pension	**13,187**	–	**13,187**	–
Share based payment expense (see Note 23)	**85,195**	9,651	**85,195**	9,651
	1,582,045	1,060,812	**602,568**	390,145

3. EMPLOYEES AND DIRECTORS continued

The Group numbers in the above table includes £654,947 (2016: £486,101) which was capitalised as an intangible asset. The Group numbers for employees show an increase from 24 to 58 and this is primarily driven by the activities in Mozambique where employment costs are relatively low.

The Group bonus in 2017 includes £98,630 (2016: £20,992) paid in Company shares.

Directors' Remuneration	**2017** **£**	2016 £
Salaries	**428,066**	336,892
Bonus	**76,927**	118,318
Social security	**56,039**	45,326
Pension	**16,750**	–
Share based payment expense (see Note 23)	**234,900**	16,650
	812,682	517,186

The numbers in the above table include £116,658 (2016: £74,663) of Directors' Remuneration which was capitalised as an intangible asset in relation to the provision of specific technical services.

The Directors' remuneration is paid by the Company.

The Directors are considered to be the key management of the Group.

The remuneration of Directors who held office during the year was as follows:

	Directors' emoluments 2017					Directors' emoluments 2016			
	Salary	**Bonus**	**Non-cash share options**	**Pension**	**Total**	Salary	Bonus	Non-cash share options	Total
	£	**£**	**£**	**£**	**£**	£	£	£	£
Executive Directors									
Dale J Ferguson	**148,066**	**28,927**[1]	**52,200**	**–**	**229,193**	106,892	23,318[2]	–	130,210
David S Archer	**240,000**	**48,000**[1]	**182,700**	**16,750**	**487,450**	190,000	95,000[2]	–	285,000
Non-Executive Directors									
Matthew J King	**40,000**	**–**	**–**	**–**	**40,000**	40,000	–	16,650	56,650
Maqbool Ali Sultan	**–**	**–**	**–**	**–**	**–**	–	–	–	–
Imad Kamal Abdul Redha Sultan	**–**	**–**	**–**	**–**	**–**	–	–	–	–
Manohar Pundalik Shenoy	**–**	**–**	**–**	**–**	**–**	–	–	–	–
Murtadha Ahmed A Sultan	**–**	**–**	**–**	**–**	**–**	–	–	–	–
	428,066	**76,927**	**234,900**	**16,750**	**756,643**	336,892	118,318	16,650	471,860

[1] Bonuses unpaid as at 31 December 2017

[2] Bonuses unpaid as at 31 December 2016

3. EMPLOYEES AND DIRECTORS continued

Supported by KPMG, the Remuneration Committee undertook a benchmarking survey of the remuneration packages of the Group's senior executives. This included an analysis of short term incentives such as bonuses to help determine an appropriate maximum potential bonus as a percentage of total salary. The bonuses as determined by the Remuneration Committee fell well within these ranges. The factors considered by the Remuneration Committee in the determination of bonuses included the increase in the market capitalisation of the Company since 1 January 2017; successful capital raisings; acquisition of a near-term production lithium project in Portugal; increasing the participating interest in the world class Mutamba Heavy Mineral Sands Project in Mozambique; significantly progressing its Oman copper development through the licencing process; the development of a highly professional management team with superior technical, commercial and corporate abilities; and maintaining a cohesive, collaborative and collegiate corporate culture. The increase in Directors' salaries resulted from the benchmarking exercise undertaken in conjunction with KPMG.

4. LOSS ON DISPOSAL

	2016 £
Consideration	–
Net assets disposed	(128,505)
	(128,505)

There was no disposal of subsidiaries in 2017.

On 21 September 2016 the Group withdrew from the joint operation relating to Al Zuhra Mining LLC for the exploration of Block 6 in Oman. The Group did not receive consideration from the existing shareholders, all existing loans payables by Al Zuhra Mining LLC to the Group in relation to this were cancelled and the rights of the Group to a 40% shareholding in Al Zuhra Mining LLC were waived.

The net assets at the date of disposal comprised:

	2016 £
Intangible assets	127,535
Cash	970
	128,505[1]

[1] The net assets in the table above did not include the loans payable to group companies. These loans were cancelled and registered a loss in the Group companies that was eliminated in the Consolidated Group Accounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging

	2017	2016
	£	£
Depreciation and amortisation	**14,895**	9,536
Auditors' remuneration:		
- Statutory audit of the Group Financial Statements	**44,000**	35,000
- Tax advice	**30,960**	15,100
Fees payable to associated firms of the auditor for audit of subsidiaries	**14,700**	7,252
Fees payable to associated firms of the auditor for tax advice	**8,056**	2,997
Fees payable to other firms for audit of subsidiaries	**–**	9,549
Foreign exchange loss/(gain)	**90,759**	96,036
Operating lease payments	**119,082**	46,620
Share based payments	**320,095**	26,301
Bonus paid in shares	**98,630**	20,992

6. INCOME TAX

Analysis of the Tax Charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2017 nor for the year ended 31 December 2016.

Factors Affecting the Tax Charge

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to the result for the year are as follows:

	2017	2016
	£	£
Loss on ordinary activities before tax	**(2,842,285)**	(1,759,250)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2016 – 20%)	**(568,457)**	(351,850)
Effects of:		
Expenses not deductible for tax purposes	**133,229**	88,390
Different tax rates applied in overseas jurisdictions	**101,268**	45,058
Tax losses carried forward	**333,960**	218,402
Total income tax	**–**	–

Deferred Tax

The Group has carried forward losses amounting to £6,959,311 as at 31 December 2017 (2016: £4,783,169). As the timing and extent of taxable profits are uncertain, the deferred tax asset arising on these losses has not been recognised in the Financial Statements.

7. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these Financial Statements. The parent company's total comprehensive loss for the financial year was £1,886,723 (2016: £291,231).

8. EARNINGS PER SHARE

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

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

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

Reconciliations are set out below.

	2017	2016
	£	£
Basic Loss Per Share		
Losses attributable to ordinary shareholders:		
Total loss for the year	**(2,842,285)**	(1,759,250)
Weighted average number of shares	**538,585,436**	385,212,275
Loss per share – total loss for the year from continuing operations	**0.0053**	0.0046

9. INTANGIBLE ASSETS

	Exploration and evaluation
	£
Cost	
At 1 January 2016	3,155,242
Additions	1,464,373
Disposals of assets (Note 4)	(127,535)
Transfers from Other non-current assets	225,668
Exchange differences	349,002
At 1 January 2017	5,066,750
Additions	**5,040,296**
Transfer to Assets classified as Held for Sale (Note 19)	**(118,804)**
Exchange differences	**(178,248)**
At 31 December 2017	**9,809,994**
Amortisation and impairment	
At 1 January 2016	–
At 1 January 2017	–
At 31 December 2017	**–**
Net Book Value	
At 1 January 2016	3,155,242
At 31 December 2016	5,066,750
At 31 December 2017	**9,809,994**

Refer to Note 11 and Note 20 for detail of additions with consideration satisfied by the issue of shares.

9. INTANGIBLE ASSETS continued

The exploration and evaluation assets referred to in the table above comprise expenditure in relation to exploration licences in Oman, Mozambique and Portugal. The Directors consider that for the purposes of assessing impairment, the above exploration and evaluation expenditure is allocated to the following licence areas, representing the Group's Cash Generating Units ("CGUs").

	2017	2016
	£	£
Mozambique Minerals Sands	**3,047,021**	1,404,964
Oman Copper	**4,087,859**	3,542,982
Portugal Lithium	**2,675,114**	–
	9,809,994	4,947,946

The Directors have reviewed the carrying value of the CGUs and have not identified any indicators of impairment. Therefore there is no impairment charge in 2017 or 2016. In 2016 a loss of £127,535 was registered due to the disposal of Al Zuhra Minerals LLC (Note 4). There were no disposals in 2017.

In Mozambique the Jangamo exploration licence 3617L held by the Company's subsidiary, Matilda Minerals Lda, expired in December 2017 and is going through a routine approval process and is expected to be renewed in the coming months. The "Rights to work over areas" relating to licences number 562L, 566L, and 1336L, held by Rio Tinto, cover the Jangamo, Dongane, Ravene and Chilubane deposits. These "Rights to work over areas" expired in January 2018, prior to which an application for three mining concessions over the same areas were submitted. The Ministry of Mineral Resources and Energy in Mozambique has six months to respond to the applications.

10. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	**Office equipment**	**Plant and machinery**	**Land**	**Total**
	£	**£**	**£**	**£**	**£**
Cost					
At 1 January 2016	30,474	10,398	–	–	40,872
Additions	–	–	–	–	–
Exchange differences	6,133	1,003	–	–	7,136
At 1 January 2017	36,607	11,401	–	–	48,008
Additions	**41,197**	**12,760**	**1,044,021**	**45,656**	**1,143,634**
Exchange differences	**(2,441)**	**(249)**	**50,444**	**619**	**48,373**
At 31 December 2017	**75,363**	**23,912**	**1,094,465**	**46,275**	**1,240,015**
Depreciation					
At 1 January 2016	10,013	8,967	–	–	18,980
Charge for year	9,152	384	–	–	9,536
Exchange differences	1,999	1,323	–	–	3,322
At 1 January 2017	21,164	10,674	–	–	31,838
Charge for year	**12,539**	**2,356**	**–**	**–**	**14,895**
Exchange differences	**(2,059)**	**(743)**	**–**	**–**	**(2,802)**
At 31 December 2017	**31,644**	**12,287**	**–**	**–**	**43,931**
Net Book Value					
At 1 January 2016	20,461	1,431	–	–	21,892
At 31 December 2016	15,443	727	–	–	16,170
At 31 December 2017	**43,719**	**11,625**	**1,094,465**	**46,275**	**1,196,084**

10. PROPERTY, PLANT AND EQUIPMENT continued

The above property, plant and equipment is allocated to the following licence areas, representing the Group's Cash Generating Units ("CGUs"):

	2017	2016
	£	£
Mozambique Minerals Sands	**1,102,890**	727
Oman Copper	**5,776**	15,443
Portugal Lithium	**87,418**	–
	1,196,084	16,170

The carrying value of the property, plant and equipment assets is not impaired and therefore an impairment charge has not been included in 2017 or 2016.

11. INVESTMENTS

Group

	Shares in investments £
At 1 January 2016	149,922
Additions at cost	24,363
Disposals	(94,653)
Change in market value of investment	44,840
At 31 December 2016	**124,472**
Additions at cost	**87**
Change in market value of investment	**45,644**
At 31 December 2017	**170,203**

In 2016 the Company disposed of 35million shares in Cradle Arc Plc (formerly Alecto Minerals Plc) and recognised a realised gain on disposal of £1,266 which was transferred from Other Comprehensive Income. There was no disposal of shares in 2017. On 21 December 2016 Cradle's shares were suspended from trading on AIM pending the publication of an admission document. At 31 December 2017 there was not an active market for these shares, and management concluded that a reliable measure of the fair value of the shares was not available. Therefore it becomes appropriate to carry the investment in Cradle Arc Plc at deemed cost being the fair value carrying amount as at 31 December 2017. The fair value hierarchy used in 2016 was level 2 as the valuation was based in other observable inputs. In January 2018 Cradle Arc Plc was admitted to trading on AIM.

In 2016 the Company disposed of 5.2million shares in a listed company and recognised a realised gain on disposal of £41,605 which was transferred from Other Comprehensive Income. There was not disposal of shares in 2017. The fair value of the shares is the quoted value at the reporting date. The fair value hierarchy in 2017 and 2016 is level 1 as the valuation is based wholly on quoted prices.

11. INVESTMENTS continued

Company

	Shares in subsidiaries £
Non-Current	
At 1 January 2016	875,733
Additions	908,027
Disposal to group company	(1,492,729)
At 31 December 2016	291,031
Additions	**51,852**
At 31 December 2017	**342,883**

	Shares in investments £
Current	
At 1 January 2016	149,922
Additions	24,363
Disposals	(94,653)
Change in market value of investment	44,840
At 31 December 2016	124,472
Change in market value of investment	**45,644**
At 31 December 2017	**170,116**

At 31 December 2016 the Company classified expenses relate to exploration and evaluation services amounting to £290,750 as Intangible assets. The Company's subsidiaries hold the rights to the exploration licences and therefore during 2017 a reclassification within, Non-current assets, of the 2016 balances has been done reclassifying the amount registered in Intangible assets to Investments in subsidiaries.

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

In consideration for acquiring 100% of the issued share capital of SPPty, the Group paid AUD$ 1,000,000 (~GBP £591,000) in cash and issued 20,000,000 (equivalent to GBP £1,300,000) ordinary shares in the Company. In addition, the purchase of SPPty dictates future milestone payments as disclosed in Note 20. The transaction has been accounted for as an acquisition of an asset due to it not meeting the definition of a business combination and has been recognised in Intangible assets (Note 9).

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

In September 2017 a new 100% subsidiary company, Savannah Resource Lithium B.V. was set up with an initial investment of €100 (~£92) in the ordinary share capital.

11. INVESTMENTS continued

In October 2016 Savannah Resources Plc, through its subsidiary AME East Africa Limited ("AME"), entered into a Consortium Agreement ("CA") with Rio Tinto Mining and Exploration Limited ("Rio Tinto") whereby both parties would combine their respective projects in Mozambique to form an unincorporated consortium. On signing of this CA AME owned 10% of the combined Mutamba Project and Rio Tinto owned the remaining 90%. After delivery of Scoping Study, AME's interest in the Mutamba Consortium has increased to 20%. AME can earn into up to 51% in the Project by achieving prescribed milestones. In Based on the terms of the CA both AME and Rio Tinto have joint control, and therefore this is a joint arrangement under IFRS. Detailed information about the CA is included in Note 12.

On 11 May 2016 the Group through its subsidiary African Mining & Exploration Limited acquired 100% of Finkallio Oy, paying a consideration of EUR 6,000 (~£4,754). The Group subsequently obtained through Finkallio Oy licences for lithium exploration projects in Finland.

In November 2014 the Group entered into an earn-in agreement ("Earn-in") to acquire up to a 65% interest in Al Thuraya LLC ("Al Thuraya") which wholly owns the highly prospective Block 4 Copper Project in Oman. In order for the Group to achieve a 51% shareholding in Al Thuraya, they are required to make a capital contribution of USD $2,000,000 (~GBP £1,482,580) within two years of entering the earn-in agreement and a further USD $2,600,000 (~GBP £1,927,354) cash within four years to receive a further 14% shareholding in Al Thuraya. These funds will be used for geological development activities. During the 2017 financial year the Group made capital contributions of USD $595,096 (GBP £441,055) (2016: USD $984,454), being the total contribution as at 31 December 2017 of USD $3,070,486 (GBP £2,276,120) (2016: US $2,475,390). In September 2016 the Group earned the 51% interest in Al Thuraya after achieving the capital contribution of USD $2,000,000 as per the Earn-in agreement.

In October 2016 a novation agreement was executed between Savannah Resources Plc, Savannah Resources B.V. ("SRBV"), Al Thuraya and the existing shareholders of Al Thuraya, in which Savannah Resources Plc assigned to SRBV its rights and obligations pursuant to the Earn-In agreement to acquire up to 65% interest in Al Thuraya. The consideration to be paid by SRBV for this assignment amount to EUR 1,909,403 (£1,701,983), was calculated based on the capital contributions made by Savannah Resources Plc to Al Thuraya in USD at that date of executing the novation agreement of the contract. As the capital contributions were made in USD and Savannah Resources Plc recognised the contributions in GBP a gain arose due to foreign exchange of £209,254 that was recognised in Other Comprehensive Income.

In 2014 a new 100% subsidiary company, SRBV was set up to be the immediate parent company of Gentor Resources Limited ("GRL") with an initial investment of €100 (~£81) in the ordinary share capital. On 10 April 2014 the Group entered into an agreement to acquire 100% of Gentor Resources Inc.'s subsidiary, GRL, which in turn holds interests in Al Fairuz Mining Co LLC ("Al Fairuz"), Sohar Mining LLC (formerly Gentor Resources LLC), and Al Zuhra Mining LLC ("Al Zuhra") (subsequently disposed in 2016) through its subsidiary, SRBV. GRL has a 65% interest in Al Fairuz (Block 5). In September 2016 SRBV terminated its interest in Al Zuhra (Block 6). In 2016 Savannah Resources Plc recognised an impairment amounting GBP £76,147 in relation to the loan owed by Al Zuhra.

In 2014 as consideration for acquiring 100% of the issued share capital of GRL, the Company initially paid cash consideration of USD $800,000. Additionally milestone payments, to be satisfied (up to 50% payable in ordinary shares in the Company) as follows: (a) USD $1,000,000 (~GBP £741,290) upon a formal final investment decision for the development of the Block 5 Licence; (b) USD $1,000,000 (~GBP £741,290) upon the production of the first saleable concentrate or saleable product from ore derived from the Block 5 Licence; (c) USD $1,000,000 (~GBP £741,290) within six months of the payment of the Deferred Consideration in (b). The Company will be responsible for all of the funding of the projects. This funding will be in the form of loans which would be reimbursed prior to any dividend distribution to shareholders (Note 20).

The Company had the following subsidiary undertakings, either directly or indirectly, at 31 December 2017, which have been included in the Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. INVESTMENTS continued

Subsidiary	Registered office	Nature of business	Class of share	% Holding
AME East Africa Limited[4]	United Kingdom[8]	Holding Company	Ordinary	100%
Matilda Minerals Limitada[7]	Mozambique[9]	Mining & exploration	Ordinary	100%[2]
Panda Recursos Limitada[5]	Mozambique[10]	Mining & exploration	Ordinary	99.99%
Savannah Resources B.V.[4]	The Netherlands[11]	Holding Company	Ordinary	100%
Gentor Resources Limited[5]	British Virgin Is.[12]	Holding Company	Ordinary	100%
Al Fairuz Mining L.L.C.[5]	Oman[13]	Mining & exploration	Ordinary	65%[3]
Sohar Mining L.L.C[5,6]	Oman[13]	Dormant	Ordinary	70%[3]
Al Thuraya Mining L.L.C.[5]	Oman[14]	Mining & exploration	Ordinary	51%[1,3]
Finkallio Oy[5]	Finland[15]	Mining & exploration	Ordinary	100%
African Mining & Exploration Limited[4]	United Kingdom[8]	Dormant	Ordinary	100%
Savannah Resources Portugal B.V[4]	Netherlands[11]	Holding Company	Ordinary	100%
AME Portugal Pty Ltd[5]	Australia[16]	Holding Company	Ordinary	100%
Slipstream PORT Pty Ltd[5]	Australia[16]	Holding Company	Ordinary	100%
Slipstream Resources Portugal Limitada[5]	Portugal[17]	Mining & exploration	Ordinary	75%[3]
Savannah Resources Lithium B.V[4]	Netherlands[11]	Holding Company	Ordinary	100%

[1] In 2016 the Group achieved the capital contribution to earn a right to 51%, the formalities to complete the registration were completed in 2017

[2] In 2017 the Group acquired a further 20% of the issued share capital of Matilda Minerals Lda, increasing its interest in the entity to 100%

[3] These entities have been consolidated 100% despite the Group owning less than 100% of the voting rights. This is due to the Company having earn-in contracts whereby the Company is the only contributing party and has the ability to control the operations

[4] Directly held by Savannah Resources Plc

[5] Indirectly held by Savannah Resources Plc

[6] Formerly Gentor Resources L.L.C

[7] 99.99% Indirectly held by AME East Africa Limited and 0.01% Directly held by Savannah Resources Plc

[8] 55 Gower Street, London WC1E 6HQ, United Kingdom

[9] Damiao de Gois, no 438, Sommerschield, Maputo, Mozambique

[10] Rua 1301, Num 97, Sommerschield, Maputo, Mozambique

[11] Strawinskylaan 3127, 8e verdieping, 1077ZX Amsterdam, The Netherlands

[12] Trident Chambers, P.O. Box 146, Road Town, Tortola, VG1110, Virgin Islands, British

[13] P.O.Box 1053, P.C.130, Azaiba, Muscat, Sultanate of Oman

[14] P.O.Box 54, P.C.100, Muscat, Sultanate of Oman

[15] c/o Bokf.byrå Mattans Ab, Storalånggatan 57 A 1, 65100 VASA, Finland

[16] Level 20, 16 Carrington Street, Sydney, NSW 2000, Australia

[17] Rua Jose Eigenmann, No 90, parish of Nogueira, municipality of Braga, Portugal, 4715-199

12. JOINT ARRANGEMENTS

In October 2016 Savannah Resources Plc, through its subsidiary AME East Africa Limited (AME), entered into a consortium agreement ("Consortium Agreement") with Rio Tinto Mining and Exploration Limited (Rio Tinto) whereby both parties would combine their respective projects in Mozambique to form an unincorporated consortium. On signing of this Consortium Agreement AME own 10% of the combined Mutamba Project and Rio Tinto own the remaining 90%. AME can earn into up to 51% in the Project by achieving the following milestones:

(a) Upon the Group completing the Phase 1 work programme (Scoping Study) it will have a 20% participating interest in the Project;

(b) Upon the Group completing Phase 2 of the work programme (Pre-Feasibility study) it will have a 35% participating interest in the Project;

(c) Upon the Group completing Phase 3 of the work programme (Feasibility study) it will have a 51% participating interest in the Project.

In May 2017 the Group completed the Phase 1 milestone with the delivery of the Scoping Study, increasing its interest in the combined Mutamba Project to 20%.

The Consortium is managed by a Consortium committee with two representatives from each party, and chaired by an AME representative. AME is the operator of the Project, and it is responsible for preparing and implementing the work programme and budget approved by the Consortium committee. Based on the terms of the agreement both AME and Rio Tinto have joint control, and therefore this is a joint arrangement under IFRS.

The Consortium is currently unincorporated, and each party have rights to the assets, and obligations to the liabilities, relating to the arrangement, therefore it is considered a Joint Operation. AME is responsible for all funding related to the combined Project up until the delivery of a Feasibility Study. Since the execution of the Consortium Agreement in 2016 the Group has capitalised £1,853,458 (2016: £309,820) relating to the combined project.

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Non-Current				
Other receivables – VAT	**239,300**	33,171	**–**	–
Amounts due from subsidiaries	**–**	–	**13,699,270**	6,685,753
Total non-current receivables	**239,300**	33,171	**13,699,270**	6,685,753
Current				
VAT recoverable	**51,069**	24,364	**9,207**	22,311
Other receivables	**104,890**	102,193	**35,634**	20,696
Total current receivables	**155,959**	126,557	**44,841**	43,007

The loans to subsidiaries are interest free and are repayable on demand. Repayment of loans is subject to the Directors' assessment of the Group's requirements and availability of appropriate liquid resources.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Cash at bank and in hand	**2,455,968**	1,172,347	**2,125,504**	1,029,765

15. OTHER NON-CURRENT ASSETS

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Guarantees	**199,755**	–	**–**	–
Other	**20,458**	–	**19,035**	–
Total other non-current assets	**220,213**	–	**19,035**	–

The guarantees are deposits required by the local mining/environmental authorities in relation to exploration/mining licences and applications thereof.

16. SHARE CAPITAL

	2017		2016	
Allotted, issued and fully paid	**£0.01 ordinary shares number**	**£**	£0.01 ordinary shares number	£
At beginning of year	**450,946,455**	**4,509,465**	285,865,770	2,858,658
Issued during year:				
Share placements [1]	**161,423,950**	**1,614,239**	162,581,043	1,625,811
Bonus paid in shares [2]	**1,688,870**	**16,889**	999,642	9,996
Exercise of share options [3]	**–**	**–**	1,500,000	15,000
In lieu of cash for acquisition of assets [4]	**21,791,111**	**217,911**	–	–
At end of year	**635,850,386**	**6,358,504**	450,946,455	4,509,465

[1] In respect of the Share placements in 2017 the gross proceeds were £8,257,418 of which £6,643,178 has been recorded in share premium.

[2] Refer to Note 3 for details of bonus paid in shares. £81,741 has been recorded in share premium for these transactions.

[3] Refer to Note 23 for details of share options exercised.

[4] Refer to Note 11 and Note 20 for details of shares issued in lieu of cash for acquisition of assets and payment of deferred consideration. £1,172,647 has been recorded in share premium for these transactions.

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

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Current				
Trade payables	**481,436**	155,077	**149,155**	41,827
Other payables	**45,054**	44,414	**28,052**	38,844
Accruals	**702,267**	270,031	**161,740**	206,238
Amounts owing to subsidiaries	**–**	–	**4,341**	8,735
Total current payables	**1,228,757**	469,522	**343,288**	295,644

Accruals represent mainly work done in 2017 in the projects in Mozambique (construction of the Pilot Plants and community projects) and Portugal (drilling programme) and professional fees along the Group for which invoices has not been received at the reporting date. Trade and other payables amounts relate mainly to balances that are capitalised and therefore these are included in investing not operating cash flows.

18. FINANCIAL INSTRUMENTS

Financial Instruments – Risk Management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these Financial Statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal Financial Instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- loan receivables
- trade and other receivables
- cash at bank
- trade and other payables
- loans and borrowings
- investments
- other non-current assets – guarantees

Trade and other payables fall due for payment within 3 months from the reporting date.

18. FINANCIAL INSTRUMENTS continued

Liquidity Risk

The Group has sufficient funding in place to meet its operational commitments and is not exposed to any liquidity risk but in common with many non-revenue generating companies, the Company is likely to need to raise funds for its development activities. The Group's policy continues to be to ensure that it has adequate liquidity by careful management of its working capital, including a regular review of rolling 18-month cash flow projections on a regular basis, as well as information regarding cash balances being provided to the Board. At the reporting date, these projections indicated that the Group expected to have sufficient liquid resources to meet its financial obligations.

Foreign Exchange Risk

The Group is exposed through its operations to foreign exchange risk which arises because the Group has overseas operations located in Mozambique whose functional currency is MZN, in Oman whose functional currency is OMR which is pegged to the USD at a rate of 1 OMR to 2.6 USD and in Portugal and Finland whose functional currency is Euro. The Group's net assets arising from overseas operations are exposed to currency risk resulting in gains or losses on retranslation into Pound Sterling.

Foreign exchange risk also arises when individual group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency (Euro, OMR, MZN or Pound Sterling) with the cash remitted to their own operations in that currency where practical. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group. To further mitigate foreign exchange risk, larger contracts in Mozambique are denominated in USD.

Market Risk

The Group holds equity investments in companies traded on active markets (see Note 11). The Directors believe that the exposure to market price risk from this activity is acceptable in the Group's circumstances.

The effect of a 10% increase in the value of the equity investments held at the reporting date would, all other variables held constant, have resulted in an increase in other comprehensive income and net assets of £17,011 (2016: increase in other comprehensive income and net assets of £11,713). A 10% decrease in their value would, on the same basis, have decreased other comprehensive income and net assets by the same amount.

Credit Risk

The Company is exposed to credit risk on its receivables from its subsidiaries. The subsidiaries are exploration and development companies with no current revenue and therefore, whilst the receivables are due on demand, they are not expected to be paid until there is a successful outcome on a development project resulting in revenue being generated by a subsidiary.

18. FINANCIAL INSTRUMENTS continued
Financial instruments by category (Group)

Financial assets

	Loans and receivables £	Available for sale at fair value £	Available for sale at cost £	Total £
As at 31 December 2017				
Investments	**–**	**125,062**	**45,141**	**170,203**
Other non-current assets	**220,213**	**–**	**–**	**220,213**
Cash and cash equivalents	**2,455,968**	**–**	**–**	**2,455,968**
Total financial assets	**2,676,181**	**125,062**	**45,141**	**2,846,384**
As at 31 December 2016				
Investments	–	124,472	–	124,472
Cash and cash equivalents	1,172,347	–	–	1,172,347
Total financial assets	1,172,347	124,472	–	1,296,819

See review of the fair value hierarchy of available for sale assets measured at fair value in Note 11.

Financial liabilities

	Financial liabilities at amortised cost £	Total £
As at 31 December 2017		
Trade and other payables	**1,228,757**	**1,228,757**
Loans and borrowings	**33,123**	**33,123**
Total financial liabilities	**1,261,880**	**1,261,880**
At 31 December 2016		
Trade and other payables	469,522	469,522
Total financial liabilities	469,522	469,522

The Group's net exposure to foreign exchange risk at the reporting date was as follows:

	Functional Currency of Entity					
	GBP 2017 £	**MZN 2017 £**	**Total 2017 £**	GBP 2016 £	MZN 2016 £	Total 2016 £
Foreign currency financial assets						
USD	**271,964**	**181,138**	**453,102**	524,348	49,612	573,960
EUR	**359,004**	**–**	**359,004**	30,461	–	30,461
AUD	**37**	**–**	**37**	37	–	37
Total	**631,005**	**181,138**	**812,143**	554,846	49,612	604,458

18. FINANCIAL INSTRUMENTS continued

	Functional Currency of Entity							
	GBP 2017 £	**MZN 2017 £**	**OMR 2017 £**	**Total 2017 £**	GBP 2016 £	MZN 2016 £	OMR 2016 £	Total 2016 £
Foreign currency financial liabilities								
USD	**35,842**	**245,137**	**–**	**280,979**	7,258	3,568	45,950	56,776
AUD	**107,706**	**–**	**24,697**	**132,403**	47,626	–	48,603	96,229
EUR	**1,128**	**–**	**–**	**1,128**	–	–	–	–
OMR	**1,541**	**–**	**–**	**1,541**	–	–	–	–
Total	**146,217**	**245,137**	**24,697**	**416,051**	54,884	3,568	94,553	153,005

Assets and liabilities in the entities with functional currency Euro are denominated in Euro and therefore are not exposure to foreign exchange risk.

The effect of a 10% strengthening of the USD against GBP at the reporting date on the USD denominated cash and equivalents carried at that date would, all other variables held constant, have resulted in an increase in pre-tax loss for the year and decrease of net assets of GBP £41,191 (2016: £52,178). A 10% weakening in the exchange rate would, on the same basis, have decreased pre-tax loss and increased net assets by GBP £50,345 (2016: £63,773).

The effect of a 10% strengthening of the EUR against GBP at the reporting date on the EUR denominated cash and equivalents carried at that date would, all other variables held constant, have resulted in an increase in pre-tax loss for the year and decrease of net assets of GBP £36,194. A 10% weakening in the exchange rate would, on the same basis, have decreased pre-tax loss and increased net assets by GBP £44,237.

Capital Disclosures
The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

19. NON-CURRENT ASSETS AS HELD FOR SALE AND DISCONTINUED OPERATIONS

Having acquired nearer term value opportunities in Portugal which became the Group's primary lithium focus in Europe in mid-2017 the Board decided to seek expressions of interest from parties interested in acquiring its lithium project in Finland and initiated a programme to locate a buyer for the its subsidiary Finkallio Oy. Although nothing has been agreed to date, numerous parties have engaged in discussions on this and it is expected that the sale will be completed before the end of 2018 and the associated assets and liabilities have been consequently presented as held for sale in the 2017 financial statements.

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. The management has concluded that the carrying amount is lower than the fair value less costs to sell and therefore no changes has been done in the value of the intangibles.

19. NON-CURRENT ASSETS AS HELD FOR SALE AND DISCONTINUED OPERATIONS continued

The detail of assets and liabilities presented as held for sale at 31 December 2017 is as follows:

	2017 £
Non-current assets held for sale	
Intangible assets	**137,128**
Current assets held for sale	
Receivables	**187**
Cash and cash equivalents	**1,228**
Total assets held for sale	**138,543**
Current liabilities held for sale	
Trade and other payables	**(1,511)**
Total liabilities held for sale	**(1,511)**

The pre-tax loss and post-tax loss relating to discontinued operations is £8,164 (2016: £5,844).

20. 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 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.

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

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

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 £593,000) 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 Resources Plc shares)

   (a) a milestone payment of USD $1,000,000 (~GBP £741,000) upon a formal final investment decision for the development of the Block 5 Licence;

   (b) a milestone payment of USD $1,000,000 (~GBP £741,000) upon the production of the first saleable concentrate or saleable product from ore derived from the Block 5 Licence; and

   (c) a milestone payment of USD $1,000,000 (~GBP £741,000) within six months of the payment of the Deferred Consideration in (b).

20. GROUP CONTINGENT LIABILITIES continued

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.

In September 2016 Savannah Resources B.V. terminated its interest in Al Zuhra Mining LLC (Block 6). This has not impacted the aforementioned deferred consideration.

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

On 24 May 2017 the Group acquired a series of highly prospective lithium projects with near-term production potential in the north of Portugal. The Group paid an initial consideration of AUD$ 1,000,000 (~GBP £579,000) in cash and issued 20,000,000 ordinary shares in the Company. Additional milestone payments, to be satisfied by cash and the issue of ordinary shares in SAV, are payable as follows: (a) AUD$ 1,500,000 (~GBP £868,000) cash and a further 20,000,000 ordinary shares of the Company upon the announcement by the Company of a JORC-compliant Indicated Mineral Resource Estimate of 7.5 million tonnes at no less than 1% Li_2O; (b) AUD$1,500,000 (~GBP £868,000) cash and an additional 20,000,000 ordinary shares of the Company upon the announcement by the Company of a further JORC-compliant Indicated Mineral Resource Estimate of a minimum of 7.5m tonnes at no less than 1% Li_2O.

In February 2018 the Company announced the completion of a revised JORC 2012 – Compliant Inferred Mineral Resource Estimate of 9.1Mt at 1.03% Li_2O and milestone (a) was triggered (Note 24).

21. RELATED PARTY DISCLOSURES

Details of Directors' remuneration are disclosed in Note 3. During the year £159,224 (2016: £116,051) was payable to Blue Bone Consulting Pty Ltd (a company controlled by Dale Ferguson) for consultancy fees and bonus of which £33,924 (2016: £31,795) remained unpaid. The amounts payable to Blue Bone Consulting Pty Ltd have been included in the Directors' remuneration in Note 3.

These transactions were entered into on an arms-length basis.

22. GROUP COMMITMENTS

Finance lease

	Minimum lease payments £	Interest £	Present value £
Finance Lease Commitments			
No later than 1 year	**11,234**	**958**	**10,276**
Later than 1 year and no later than 5 years	**24,088**	**1,241**	**22,847**
Later than 5 years	**–**	**–**	**–**
Total finance lease commitments			**33,123**
Current liabilities			**10,276**
Non-current liabilities			**22,847**

The finance lease is for the lease of a motor vehicle in Portugal. The Group has the right to purchase the vehicle outright at the end of the lease term by paying a nominal amount. The Group intention is to exercise this option and the value of the lease has been classified in Property, Plant and Equipment (Note 10).

Operating lease

	2017 £	2016 £
Operating Lease Commitments		
No later than 1 year	**111,249**	89,044
Later than 1 year and no later than 5 years	**351**	–
Later than 5 years	**–**	–
Total operating lease commitments	**111,600**	89,044

The operating lease commitments are for business premises in Oman, Mozambique, Portugal and the UK.

Other Commitments

In 2014 the Group entered into an agreement to acquire shares in Al Thuraya LLC (“Al Thuraya”), owner of the highly prospective Block 4 Copper Project. During the 2016 and 2015 financial year the Group made contributions of USD $2,475,390 (~£1,834,636) and therefore achieved the right to a 51% shareholding. During 2017 financial year the Group made contributions of USD $595,096 (~GBP £441,055). A further USD $1,529,514 (~GBP £1,133,599) cash contribution within one year is required if the Company wishes to guarantee a further 14% shareholding in Al Thuraya to achieve a 65% interest.

These funds have been and will continue to be used for geological activities.

In October 2016 Savannah Resources Plc, through its subsidiary AME East Africa Limited (AME), entered into a consortium agreement (“CA”) with Rio Tinto Mining and Exploration Limited whereby both parties would combine their respective projects in Mozambique to form an unincorporated consortium. See details of the CA in Note 12.

23. SHARE OPTIONS AND WARRANTS

Share options and warrants to subscribe for Ordinary Shares in the Company are granted to certain employees, Directors and investors. Some of the options issued vest immediately and others over a vesting period and may include performance conditions. Options are forfeited if the employee leaves the group before the options vest.

	2017			2016		
	Number	**Weighted average exercise price**	**Weighted remaining life**	Number	Weighted average exercise price	Weighted remaining life
Share Options						
At beginning of year	**24,523,443**	**4.8p**	**–**	22,523,443	4.8p	–
Granted	**11,700,000**	**7.5p**	**3.20**	3,600,000	4.8p	3.53
Lapsed	**(4,300,000)[1]**	**5.5p**	**–**	(100,000)[2]	10.4p	–
Exercised	**–**	**–**	**–**	(1,500,000)[3]	3.0p	–
At end of year	**31,923,443**	**5.7p**	**1.77**	24,523,443	4.8p	1.70
Investor Warrants						
At beginning of year	**15,321,561**	**4.6p**	**1.61**	13,911,112	4.6p	–
Granted	**51,240,548**	**6.0p**	**2.73**	1,410,449	5.0p	2.75
At end of year	**66,562,109**	**5.7p**	**2.24**	15,321,561	4.6p	1.61

[1] Share Options expired on 3 July 2017 and 23 September 2017

[2] Share Options expired on 26 April 2016

[3] Share Options exercised on 28 November 2016

23. SHARE OPTIONS AND WARRANTS continued

Share schemes outstanding at 31 December 2017 are as follows:

	Outstanding 31 December 2017	**Exercisable 31 December 2017**	Outstanding 31 December 2016	Exercisable 31 December 2016	**Exercise Price**	**Expiry Date**
Share Options						
February 2013	**3,726,667**	**3,726,667**	3,726,667	3,726,667	**4.6p**	**28/02/18**
July 2013	**5,321,776**	**5,321,776**	5,321,776	5,321,776	**3.0p**	**21/07/18**
September 2013	**3,000,000**	**3,000,000**	3,000,000	3,000,000	**3.0p**	**19/07/18**
September 2013	**1,575,000**	**1,575,000**	1,575,000	1,575,000	**4.6p**	**30/09/18**
February 2014	**3,000,000**	**3,000,000**	3,000,000	3,000,000	**8.8p**	**25/02/19**
July 2014	**–**	**–**	3,300,000	3,300,000	**5.0p**	**03/07/17**
September 2014	**–**	**–**	1,000,000	1,000,000	**7.0p**	**12/09/17**
March 2016	**2,100,000**	**2,100,000**	2,100,000	2,100,000	**2.8p**	**16/03/20**
December 2016	**1,500,000**	**750,000**	1,500,000	–	**7.6p**	**21/12/20**
March 2017	**10,700,000**	**10,700,000**	–	–	**7.6p**	**28/02/21**
July 2017	**500,000**	**–**	–	–	**6.7p**	**06/07/21**
August 2017	**500,000**	**–**	–	–	**6.2p**	**17/08/21**
	31,923,443	**30,173,443**	24,523,443	23,023,443		
Investor Warrants						
September 2013	**11,111,112**	**11,111,112**	11,111,112	11,111,112	**3.0p**	**19/07/18**
April 2014	**2,800,000**	**2,800,000**	2,800,000	2,800,000	**11.0p**	**17/04/18**
September 2016	**1,410,449**	**1,410,449**	1,410,449	1,410,449	**5.0p**	**30/09/19**
March 2017	**1,480,952**	**1,480,952**	–	–	**7.4p**	**07/03/20**
July 2017	**12,542,977**	**12,542,977**	–	–	**6.0p**	**14/07/20**
October 2017	**37,216,619**	**37,216,619**	–	–	**6.0p**	**25/10/20**
	66,562,109	**66,562,109**	15,321,561	15,321,561		

All of the options granted attract a share based payment charge.

The fair value of the options and warrants at the date of grant have been measured using the Black-Scholes pricing model that takes into account factors such as the option life, share price volatility and the risk free rate. Volatility was calculated with reference to the Company's historical share price volatility up to the grant date to reflect a term approximate to the expected life of the option.

23. SHARE OPTIONS AND WARRANTS continued

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

At 31 December 2017

	Quantity at 1 Jan 2017	Quantity granted during the year	Lapsed during the year	Options/ Warrants at 31 Dec 2017	Exercise price	Date of the grant	First date of exercise	Final date of exercise
Share Options								
Dale Ferguson	**5,321,776**	**–**	**–**	**5,321,776**	**3.0p**	**21/07/13**	**20/07/14**	**20/07/18**
Dale Ferguson	**–**	**2,000,000**	**–**	**2,000,000**	**7.59p**	**01/03/17**	**01/03/17**	**28/02/21**
Matthew King	**1,500,000**	**–**	**–**	**1,500,000**	**3.0p**	**16/03/16**	**16/03/16**	**15/03/20**
David Archer	**–**	**7,000,000**	**–**	**7,000,000**	**7.59p**	**01/03/17**	**01/03/17**	**28/02/21**
Warrants								
David S Archer	**11,111,112**	**–**	**–**	**11,111,112**	**3.0p**	**24/09/13**	**24/09/13**	**19/07/18**
David S Archer	**–**	**2,857,143**	**–**	**2,857,143**	**6.0p**	**14/07/17**	**14/07/17**	**14/07/20**

At 31 December 2016

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

The range of inputs of the options and warrants granted in the financial year were as follows:

Share Options	**March 2017**	**July 2017**	**August 2017**
Stock price	5.7p	4.9p	4.6p
Fair value of option	2.6p	2.1p	2.1p
Exercise Price	7.6p	6.7p	6.2p
Expected volatility	70%	70%	70%
Expected life	4 years	4 years	4 years
Risk free rate	0.6%	0.5%	0.4%

23. SHARE OPTIONS AND WARRANTS continued

Investor Warrants	March 2017	July 2017	October 2017
Stock price	5.1p	4.9p	5.4p
Fair value of option	2.2p	1.8p	2.0p
Exercise Price	7.4p	6.0p	6.0p
Expected volatility	75%	66%	61%
Expected life	3 years	3 years	3 years
Risk free rate	0.4%	0.5%	0.5%

This fair value is the cost that is charged to the Statement of Comprehensive Income and is spread over the expected vesting period which, for non-market vesting conditions (as noted above), is revised at each period end. If the issue was a share issue cost, the charge is to the Share Premium account.

Share options granted

During the 2017 financial year 11,700,000 (2016: 3,600,000) share options were issued to employees and Directors to assist with the recruitment, reward and retention of key employees. Some of the options vest immediately and some vest upon the employee meeting service and/or performance conditions.

Investor warrants issued

During the 2017 financial year 51,240,548 warrants were issued in relation to placements and subscriptions in 2017. The warrants vested immediately on issue.

During the 2016 financial year 1,410,449 warrants were issued to Beaufort Securities in accordance with the placement in September 2016. The warrants were issued with an exercise price of 5.0p, equal to 43% of the price of the placement in September 2016. The warrants vested immediately on issue.

24. EVENTS SINCE THE REPORTING DATE

In January 2018 the Company granted options over 1,000,000 ordinary shares in the Company to the new Director, Lithium Business Development.

In January 2018 the Company issued 1,000,000 new Ordinary Shares to its joint venture partner in Al Fairuz Mining Company LLC in order to satisfy the terms of the shareholders' agreement relating to the Company's acquisition of Gentor Resources Limited as announced on 14 April 2014.

In February 2018 the Company issued 233,336 new ordinary shares in respect of 2013 Share Options at an exercise price of 4.62 pence per share following an exercise of share options.

In February 2018 the Company announced the completion of a revised JORC 2012 – Compliant Inferred Mineral Resource Estimate of 9.1Mt at 1.03% Li_2O. This triggered the first deferred consideration (Milestone (a)) to be paid under the acquisition agreement of Slipstream PORT Pty Ltd (Note 20) and the Company has paid AUD$ 1,500,000 (~GBP £842,028) in cash and has issued 20,000,000 ordinary shares in the Company in March 2018.

In March 2018 the Company issued 1,400,000 and 1,500,000 new ordinary shares in respect of 2013 Share Options at an exercise price of 4.62 and 3.00 pence per share respectively following the exercise of share options.

On 31 March 2018 the Company approved a cash Subscription of £1.52m (before expenses) through the issue of 27,636,361 ordinary shares at an issue price of 5.50 pence per share. Additionally, the Company received letters of intent for additional £0.58m cash subscriptions from a Directors' related party (Al Marjan Ltd) and from a number of employees for when the Company is not in a "close period".

On 12 April 2018 the Company implemented a long-term incentive plan ("LTIP") designed to incentivise key senior personnel (the "April 2018 LTIP"). Awards under the LTIP comprise of both cash and equity; and the maximum value of equity in the Company that may be issued in connection with the April 2018 LTIP awards is £342,715.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Savannah Resources Plc ('the Company') will be held at The Great Room, London Executive Offices, 25 Southampton Buildings, WC2A 1AL, on 10 May 2018 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions in the cases of resolutions 1-4 and as a special resolution in the case of resolution 5.

ORDINARY BUSINESS

1 To receive the report of the Directors and the audited Financial Statements of the Company for the year ended 31 December 2017.

2 To re-appoint Dale Ferguson who retires as a Director in accordance with article 23.2(b) of the Articles of Association at the conclusion of the meeting and, being eligible, offering himself for re-election as a Director of the Company.

3 To re-appoint BDO LLP as auditors of the Company to act until the conclusion of the next Annual General Meeting and to authorise the Directors to determine the remuneration of the auditors.

ORDINARY RESOLUTION

4 That in substitution for all existing and unexercised authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 ('the Act') to exercise all or any of the powers of the Company to allot equity securities (within the meaning of Section 560 of the Act) up to a maximum nominal amount of £3,730,000 provided that this authority shall, unless previously revoked or varied by the Company in general meeting, expire on the earlier of the conclusion of the next Annual General Meeting of the Company or 15 months after the passing of this Resolution, unless renewed or extended prior to such time except that the Directors of the Company may before the expiry of such period make an offer or agreement which would or might require equity securities to be allotted after the expiry of such period and the Directors of the Company may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTION

5 That in substitution for all existing and unexercised authorities and subject to the passing of the immediately preceding Resolution, the Directors of the Company be and they are hereby empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred upon them by the preceding Resolution as if section 561(1) of the Act did not apply to any such allotment provided that the power conferred by the Resolution, unless previously revoked or varied by special resolution of the Company in general meeting, shall be limited:

(a) to the allotment of ordinary shares arising from the exercise of options, warrant options and warrants outstanding at the date of this resolution;

(b) to the allotment of equity securities in connection with a rights issue or open offer in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all such shareholders are proportionate (as nearly as may be) to the respective numbers of the ordinary shares held by them subject only to such exclusions or other arrangements as the Directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory;

(c) the grant of a right to subscribe for, or to convert any equity securities into Ordinary Shares otherwise than under sub-paragraph (a) above, up to a maximum aggregate nominal amount of £300,000; and

(d) to the allotment (otherwise than pursuant to sub-paragraphs (a), (b) and (c) above) of equity securities up to an aggregate nominal amount of £2,100,000 (approximately 30% of the Company's issued share capital following the anticipated issue of shares in respect of the letters of intent, to subscribe to shares when the Company is not in a "close period" received in March 2018) in respect of any other issues for cash consideration;

and shall expire on the earlier of the date of the next Annual General Meeting of the Company or 15 months from the date of the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

If you are a registered holder of Ordinary Shares in the Company, whether or not you are able to attend the meeting, you may use the enclosed form of proxy to appoint one or more persons to attend and vote on a poll on your behalf. A proxy need not be a member of the Company.

A form of proxy is provided.

This may be sent by facsimile transfer to 01252 719 232 or by mail using the reply paid card to:

The Company Secretary
Savannah Resources Plc
c/o Share Registrars Limited
The Courtyard
17 West Street
Farnham
Surrey GU9 7DR

In either case, the signed proxy must be received no later than 48 hours (excluding non-business days) before the time of the meeting, or any adjournment thereof.

Registered Office:	By order of the Board
Salisbury House London Wall London EC2M 5PS	**Christopher Michael McGarty** Company Secretary

12 April 2018

Registered in England and Wales Number: 07307107

NOTICE OF ANNUAL GENERAL MEETING

Notes to the Notice of Annual General Meeting

Entitlement to Attend and Vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting.

Appointment of Proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Share Registrars Limited on 01252 821 390.

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of Proxy Using Hard Copy Proxy Form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

   To appoint a proxy using the proxy form, the form must be:

   – Completed and signed;

   – Sent or delivered to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR or by facsimile transmission to 01252 719 232; and

   – Received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

   In the case of a member which is a Company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company.

   Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of Proxy by Joint Members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing Proxy Instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

   Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited on 01252 821 390.

   If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of Proxy Appointments

9. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:

   By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR or by facsimile transmission to 01252 719 232. In the case of a member which is a Company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

   In either case, the revocation notice must be received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

   If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

   Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

10. As at 12 April 2018, the Company's issued share capital comprised 687,620,083 ordinary shares of £0.01 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 12 April 2018 is 687,620,083.

Communications with the Company

11. Except as provided above, members who have general queries about the Meeting should telephone the Company Secretary, Christopher Michael McGarty, on 0207 117 2489 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of general meeting; or any related documents (including the chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

CREST

12. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual.

    CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via euroclear.com/CREST).

The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID: 7RA36) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of Instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of CREST by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

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
	Manohar Pundalik Shenoy	Alternate Director
	Murtadha Ahmed Sultan	Alternate Director
SECRETARIES:	Dominic Traynor Salisbury House London Wall London EC2M 5PS	C M McGarty c/o Salisbury House London Wall London EC2M 5PS
REGISTERED OFFICE:	Salisbury House London Wall London EC2M 5PS	
REGISTERED NUMBER:	07307107 (England and Wales)	
AUDITORS:	BDO LLP Chartered Accountants & Statutory Auditors 55 Baker Street London W1U 7EU	
BANKERS:	NatWest Bank Plc St James' & Piccadilly Branch PO Box 2DG 208 Piccadilly London W1A 2DG	
NOMINATED ADVISOR:	Northland Capital Partners Ltd 40 Gracechurch Street 2nd Floor London EC3V 0BT	
BROKER:	finnCap Ltd 60 New Broad Street London EC2M 1JJ	
SOLICITORS:	Druces LLP Salisbury House London Wall London EC2M 5PS (Ronaldsons merger with Druces LLP took effect on 03.04.18)	
REGISTRARS:	Share Registrars The Courtyard, 17 West Street Farnham Surrey GU9 7DR	
WEBSITE:	www.savannahresources.com	

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