


savannah resources plc

SAVANNAH RESOURCES PLC

AIM: SAV

AN ENERGY METALS GROUP

RNS – 13 April 2018

Savannah Resources Plc

Financial Results for the Year Ended 31 December 2017
and
Notice of Annual General Meeting

HIGHLIGHTS

Operations

LIHTIUM IN PORTUGAL

- Fast-tracking the advanced Mina do Barroso Lithium Project in Portugal into production – provides an opportunity to become the first significant raw lithium producer in Europe
- Within less than a year of acquisition Savannah has established an Inferred Mineral Resource of 9.1Mt at 1.03% Li_2O containing 94,100t of Li_2O and outlined a rapid development strategy
- Significant further upside:
  - Resource remains open along strike with an Exploration Target* of 8-12Mt at 1.0% to 1.2% Li_2O giving a total project target of 17-21Mt at 1.0-1.2% Li_2O
  - In March 2018 drill testing of the Exploration Target to the west and southwest of the main Grandao Deposit led to the discovery of new high-grade lithium mineralisation, with grades as high as 1.71% Li_2O and lengths of up to 90m, which has been named "Grandao Extended"
  - Only three of at least eight pegmatites have been drilled to date
- Low cost development profile as proven, conventional metallurgical processes will produce a highly sought after spodumene concentrate with recoveries of at least 80% at a concentrate grade of over 6% Li_2O
- Near surface mineralisation indicates project will benefit from a very low stripping ratio
- Scoping study underway and due for completion Q2 2018
- With a Mining Lease, established resource, proximal infrastructure and strong market demand, Savannah is set to make a development decision by early 2019 with mining targeted to commence late 2019

*Cautionary Statement: The potential quantity and grade of the Exploration Targets is conceptual in nature, there has been insufficient exploration work to estimate a mineral resource and it is uncertain if further exploration will result in defining a mineral resource.

COPPER IN OMAN

- High-grade potential near term mine developments, with mining due to commence later this year
- Licencing approvals well advanced and strong interest received from copper off-takers
- Mines to utilise a central processing plant and tailings storage facility to minimise costs, with capacity to support multiple mine developments

HEAVY MINERAL SANDS IN MOZAMBIQUE

- World-class asset with significant scale being evaluated in a joint venture with Rio Tinto
- Following successful delivery of the Scoping Study, Savannah has increased its interest from 10% to 20% in the Mutamba Project
- Pre-Feasibility Study now underway
- Mining licence applications submitted and production 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)

Financials

- Raised a total of £8.47m in 2017 including private placements to both new and existing shareholders, and, post year end, raised a further £1.52m cash as well as receipt of letters of intent for subscriptions of £0.58m in March 2018
- Continued cornerstone support received from Al Marjan Limited
- Operating loss of £2.84m reflects the increased tempo of operational and investing activities in 2017
- £4.74m increase in Intangible assets and £1.18m increase in Property, plant and equipment
- Pro-forma cash balance of approximately £2.41m following the issue of new shares and receipt of letters of intent as announced on 3 April 2018

David Archer, Savannah's Chief Executive Officer said, "There is an unprecedented rise in demand for energy metals as a result of the rapid rise of electric vehicles and new forms of energy storage. Globally, all significant hard-rock lithium mines currently supplying export markets produce spodumene concentrates. Mina do Barroso continues to shape up as the European near-analogue to these highly successful Western Australian spodumene producers and our focus is now on advancing Mina do Barroso so that we can become the first significant spodumene lithium producer in Europe to cater to rapidly growing demand. We have already highlighted the significant potential of the project and the pace of our development approach through the establishment of a meaningful resource, and with a scoping study due for completion in Q2 2018, further drilling and metallurgical test work underway to improve our resource confidence still further, and a development on track due to be made early 2019, the coming year is set to be equally active.

“Alongside Mina do Barroso, we have wider development portfolio. Our copper project in Oman is on track to commence mining later this year, offering near term cash flow potential, whilst our mineral sands project in Mozambique continues to prove its world class scale as we advance it in a joint venture with Rio Tinto. With a strong portfolio of highly strategic and complementary assets, and multiple value accretive milestones due in the coming year, we look forward to building Savannah into a leading energy metals group.”

Savannah Resources plc (AIM: SAV and SWB: SAV) ('Savannah', the 'Company' or the 'Group'), the AIM quoted resource development company, is pleased to announce its audited financial results for the year ended 31 December 2017. The Company also gives notice that its Annual General Meeting ('AGM') will be held on 10 May 2018 at 10:00am at The Great Room, London Executive Offices, 25 Southampton Buildings, WC2A 1AL.

Availability of Annual Report and Financial Statements

Copies of the Company's full Annual Report and Financial Statements are expected to be posted to shareholders shortly and will also be made available to download today from the Company's website www.savannahresources.com.

Annual General Meeting

The Company's next AGM will be held at: The Great Room, London Executive Offices, 25 Southampton Buildings, WC2A 1AL, on 10 May 2018 at 10:00a.m. A formal Notice of AGM and proxy form are expected to be posted to shareholders shortly and will be available to download today from the Company's website at www.savannahresources.com.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

CONTACT US

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About Savannah

Savannah is a diversified resources group (AIM: SAV) with a portfolio of energy metals projects - lithium in Portugal and copper in Oman - together with the world-class Mutamba Heavy Mineral Sands Project in Mozambique, which is being developed in a consortium with the global major Rio Tinto. Savannah is committed to serving the interests of our shareholders and to delivering outcomes that will improve the lives of our staff and the communities the Company works with.

The group is listed and regulated on AIM and the Company's ordinary shares are also available on the Börse Stuttgart (SWB) under the ticker "SAV".

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% Li2O), 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 1,018km2. 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.

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).

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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 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 417.32km^2 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.

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.

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 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.

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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 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 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 417.32km^2. 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

Competent Person and Regulatory Information

The information in this announcement that relates to exploration results is based upon information compiled by Mr Dale Ferguson, Technical Director of Savannah Resources plc. Mr Ferguson is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Mr Ferguson consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

The Information in this report that relates to Mineral Resources and Exploration Targets is based on information compiled by Mr Paul Payne, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Payne is a full-time employee of Payne Geological Services. Mr Payne has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This announcement is based upon information compiled by Mr Colin Rothnie, an independent consultant. Mr Rothnie is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Rothnie consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
CONTINUING OPERATIONS		
Revenue	**-**	-
Administrative expenses	**(2,835,684)**	(1,669,203)
Gain on disposal of investments	**-**	42,871
Loss on disposal of assets	**-**	(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	**(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	**45,644**	44,840
Transfer to realised gain on disposal of investments	**-**	(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	**(0.53)**	(0.46)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	2017	2016
	£	**£**
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	**9,809,994**	5,066,750
Property, plant and equipment	**1,196,084**	16,170
Other receivables	**239,300**	33,171
Other non-current assets	**220,213**	-
TOTAL NON-CURRENT ASSETS	**11,465,591**	5,116,091
CURRENT ASSETS		
Investments	**170,203**	124,472
Trade and other receivables	**155,959**	126,557
Other current assets	**20,011**	-
Cash and cash equivalents	**2,455,968**	1,172,347
	2,802,141	1,423,376
Assets classified as held for sale	**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	**6,358,504**	4,509,465
Share premium	**18,105,108**	11,226,706
Foreign currency reserve	**194,878**	391,998
Warrant reserve	**1,405,958**	386,794
Share based payment reserve	**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	**22,847**	-
TOTAL NON-CURRENT LIABILITIES	**22,847**	-
CURRENT LIABILITIES		
Loans and borrowings	**10,276**	-
Trade and other payables	**1,228,757**	469,522
	1,239,033	469,522
Liabilities classified as held for sale	**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

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	2017	2016
	£	£
ASSETS		
NON-CURRENT ASSETS		
Investments	**342,883**	291,031
Other receivables	**13,699,270**	6,685,753
Other non-current assets	**19,035**	-
TOTAL NON-CURRENT ASSETS	**14,061,188**	6,976,784
CURRENT ASSETS		
Investments	**170,116**	124,472
Trade and other receivables	**44,841**	43,007
Cash and cash equivalents	**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	**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	**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).

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

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.

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.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
Cash flows used in operating activities		
Loss for the year	**(2,842,285)**	(1,759,250)
Depreciation and amortisation charges	**14,895**	9,536
Gain on disposal of investments	**-**	(42,871)
Share based payment reserve charge	**320,095**	26,301
Shares issued in lieu of payments to extinguish liabilities	**98,630**	20,992
Finance income	**(948)**	
Finance expense	**7,549**	4,413
Exchange losses	**75,156**	96,036
Loss on disposal of assets	**-**	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	**(87)**	(24,363)
Proceeds from sale of investments	**-**	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

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
Cash flows used in operating activities		
Loss for the year	**(1,932,367)**	(859,042)
Impairment of investments	**-**	76,147
Gain on disposal of investments	**-**	(42,871)
Share based payment reserve charge	**320,095**	26,301
Shares issued in lieu of payments to extinguish liabilities	**98,630**	20,992
Finance income	**(948)**	-
Finance expense	**4,348**	4,377
Exchange 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	**(51,643)**	(672,355)
Loans to subsidiaries	**(5,631,693)**	(1,610,058)
Purchase of investments	**-**	(24,363)
Purchase of intangible exploration assets	**-**	(61,900)
Proceeds from sale of investments	**-**	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

ENDS