

18TH MARCH 2020

Financial Results for the Year Ended 31 December 2019

Savannah Resources Plc ('Savannah' or the 'Company') is pleased to announce its audited financial results for the year ended 31 December 2019.

2019 Summary:

Mina do Barroso Lithium Project, Portugal

- Became sole project owner through the acquisition of the minority 25% stake
- Executed an option to acquire an adjacent lithium Mining Lease Application area
- Advanced negotiations around the project's future commercialisation and financing including engagement with several of the European Commission's lithium battery-related initiatives
- Progressed the Environmental Impact Assessment ('EIA') and Definitive Feasibility Study ('DFS')
- Expanded the DFS' metallurgical test programme to further de-risk the project's future production
- Increased the Li₂O resource by 37% y-o-y and announced a maiden 14.4Mt co-product resource

Mutamba Mineral Sands Project, Mozambique

- Received three 25-year Mining Concession Licences covering the project's 4.4Bt resource

Block 4 & 5 Copper Projects, Oman

- Received notice of the Oman authorities' 'intention to grant' two Mining Licences on Block 5
- Initiated a strategic review reflecting the lower priority ranking now given to these assets

Corporate

- Completed a £5m (gross) equity financing to allow expansion of the Mina do Barroso DFS
- Loss of £3.8m (2018: £3.4m)
- Year-end cash position of £3.5m

2020 Outlook

Mina do Barroso Lithium Project, Portugal

- Submit the project's EIA and other licencing related documents to the authorities for review and approval, plus expand the community engagement activities
- Commercialise the project by partnering with customers and other strategic groups
- Complete the project's DFS in support of securing construction financing

Mutamba Mineral Sands Project, Mozambique

- Progress the Project's Pre-Feasibility Study

Block 4 & 5 Copper Projects, Oman

- Complete the strategic review of these assets and action the conclusions

David Archer, Savannah's Chief Executive Officer said, "I believe the efforts of Savannah's staff during 2019 and the first quarter of 2020 have resulted in meaningful progress being made across our project portfolio which will ultimately result in Savannah being a more robust company, better able to offer beneficial outcomes for all our stakeholders. As a shareholder myself, I understand it may be difficult for our investors to appreciate this based on Savannah's current share price. However, the project updates we have provided over the last 12 months, along with those we hope to share with you during 2020, have, and will, evidence this. During 2019, the Company continued to deal resourcefully with the specific project challenges it faced as part of its ongoing project evaluation and development exercises. However, we could do little to nullify the negative external trends which emerged in the lithium sector, the broader commodities space, and now in the wider markets as a result of the Coronavirus pandemic.

"Coronavirus is, first and foremost, a deeply concerning global public health crisis which we all hope to see contained quickly, and Savannah has acted promptly itself to safeguard the wellbeing of both its employees and other stakeholders. One of its many secondary effects is the impact it has had on global supply chains which incorporate China and other Asian countries. Lithium batteries are one such supply chain, and we believe this indirect impact further highlights the need for a sustainable lithium battery supply chain to emerge in Europe. This would ensure the region has the security of raw material supply it needs to produce the batteries required to tackle climate change by curbing emissions from the transport sector.

"The car sales statistics show that the EV revolution is well underway in Europe and we are in the process of positioning Mina do Barroso, and Portugal, at the heart of the future lithium battery supply chain into this market. I'm pleased to report that Savannah made good progress during the year with the commercialisation of the project and is currently at an advanced stage of confidential negotiations with several counterparties regarding offtake agreements, provision of key services to the project and strategic partnerships. Investors should be assured that in the Board's opinion the groups we are negotiating with represent ideal counterparties for the project and we are confident of formalising commercial terms with them in a timely manner. We look forward to providing further details on these agreements once they are finalised.

"In the meantime, our focus remains firmly on completing the other aspects of the project's pre-development phase as soon as possible. This means lodging the EIA and other licence related documentation with the Portuguese authorities, finishing the DFS, obtaining popular acceptance for the project based on the social and economic benefits it can bring, and making preparations to secure the finance required to build the project.

"At nearly 3,000 pages combined, the EIA and accompanying Mine Plan document we are preparing to submit as part of the project's licencing process represent a huge effort by Savannah's staff and consultants. Not only are these documents critical for the project's approval by the Portuguese authorities, but they will be of great benefit in our continued development of our community relations plan and provide a significant amount of content for the DFS which we plan to complete later this year.

"Away from Portugal, we are making preparations to accelerate our work on the Mutamba Pre-Feasibility Study after three key Mining Concessions were awarded during December and January covering the project's 4.4Bt resource. We were delighted by the licence awards after the extensive review conducted by the Mozambique authorities during 2018 and 2019, and believe they add significant value to the project overall.

“There was also progress with the Mining Licence applications in Oman during the year. Although, the full award of these licences was not achieved, the announcement in August by Oman’s Public Authority of Mining of its ‘intention’ to grant the licences leaves the fixing (and payment) of fees under the new Mining Law as the only impediment to their approval. We welcomed this news as we continued the strategic review of these assets which was first announced in our annual results last year. We expect to conclude the review and undertake any related actions during the year.

“While further uncertainty must be expected over the coming months, primarily due to the Coronavirus outbreak and its impact on so many facets of everyday life, a recent \$200m financing package in our peer group provides an encouraging backdrop to the sector. We hope that the work and progress Savannah intends to complete during 2020, backed by growing demand in the lithium and mineral sands markets, will place the Company in a strong position to become a sustainable and responsible mine operate in the near future.”

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

Notice of the Company's AGM will be announced in due course.

Regulatory Information

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

For further information please visit www.savannahresources.com or contact:

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About Savannah

Savannah is an energy metals group focussed on becoming the first lithium raw material producer in Europe. A fast-paced development strategy is being implemented at the Mina do Barroso Project in Portugal, which hosts Western Europe's most significant spodumene lithium resource (currently 27Mt at 1.06% Li₂O). Following completion of a positive Scoping Study on the project in June 2018, which was based on the then 14Mt resource, an 11 year operation producing an average of 175,000t per annum of spodumene concentrate, the Company is currently undertaking a Definitive Feasibility Study and an Environmental Impact Assessment on the project. The Mina do Barroso project could produce enough lithium annually for approximately 500,000 electric vehicle battery packs.

The Company also has a Consortium Agreement with Rio Tinto on the world class Mutamba Mineral Sands Project in Mozambique and has rights to two blocks in the copper-rich Semail Ophiolite Belt in the Sultanate of Oman.

Savannah is listed and regulated on AIM and the Company's ordinary shares are also available on the Quotation Board of the Frankfurt Stock Exchange (FWB) and the Börse Stuttgart (SWB) under the ticker "SAV".

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.

CHAIRMAN'S STATEMENT

2019 was another important year for Savannah and the lithium industry, of which the Group aims to be an integral part. Undeniably, lithium raw materials and the Savannah share price both performed poorly during 2019. Nonetheless, our company made significant progress last year in developing the potential of our Mina do Barroso asset, and we regard the fall in lithium raw material and chemical prices as an over-correction, masking the underlying global trend towards an electrified future in which lithium ion batteries will have a key role. The year was also marked by the award of the three, key mining licences in Mozambique. We look forward to providing further updates regarding the major milestones for all our projects in the coming months.

Mina do Barroso and Savannah have a vital, long term, role to play in the European lithium battery industry and have the potential to bring Portugal to the forefront of European lithium supply. Our next objectives are to complete the Environmental Impact Assessment ("EIA") and the Definitive Feasibility Study ("DFS") on the project, and obtain the legal authority and social acceptance required for its development, which will provide the foundation to secure construction finance.

Progress in Mozambique was confirmed towards the end of the year and into 2020 with the award of the three mining licences which are critical to the ultimate development of the Mutamba mineral sands project. These licence awards also coincided with a continuing improvement in the market price of mineral sands products. We are now making preparations to accelerate work on the Mutamba Pre-Feasibility Study.

We also made progress in Oman, where the authorities announced last August that they intended to issue the mining licences we submitted applications for in 2016 on the Block 5 project. Meanwhile, we have continued to examine our options under the strategic review we initiated last year, and we expect to complete this and commence a course of action during this year.

In respect of the Coronavirus pandemic we are proud to have already taken actions to safeguard the wellbeing of both our employees and other stakeholders at all our operating sites ahead of official recommendations or requirements by governments.

Notwithstanding the current impact of the Coronavirus pandemic on all international stock exchanges, we hope that completion of our objectives in 2020, while remaining cost conscious at all times, will provide support for the share price as the markets recognise the critical role future lithium producers such as Savannah will play in the developing EV revolution.

Portugal

Having become sole owner of the Mina do Barroso project through the acquisition of the residual 25% stake last June, Savannah immediately expanded the project's footprint by 50% by executing its option to acquire the adjacent three block "Aldeia" mining lease application. With the project's resource expanded last May to 27Mt (+37% vs. September 2018), the focus since summer 2019 has been on completing the project's technical appraisal, its permitting process, and the development of associated commercial relationships.

As we explained at the time of the fundraising last September, we concluded that further technical evaluation work was required in light of the challenges experienced in the commissioning of new spodumene operations in Australia. This work is now moving toward a conclusion and will be drawn together with all aspects of the project in the DFS due

later this year. The development decision we hoped to make last year will now be taken once the DFS has been completed.

The permitting process is underpinned by the project's EIA study. Hence, we will be shortly submitting this for review by APA (the Portuguese Environment Agency). This will be a major milestone. I would draw the attention of all our stakeholders to the comprehensive nature of the study, which is expected to extend to over 2,000 pages. In simple terms the study identifies the potential impacts the project may have on the natural environment and local communities, and provides detailed plans for eliminating or minimizing these impacts through project design, and for monitoring and mitigating these impacts during the project's operation and beyond. Hence, the study's content gives us the first real opportunity to provide fact-based answers to the questions local stakeholders have had about how the project will look and feel and what impact, if any, it will have on their daily lives and the environment. We welcome this engagement and the opportunity to work with all stakeholders to ensure the study's mitigating measures are fully utilised once it receives approval.

We are also in the process of planning and designing a series of programmes which, we hope, will see Savannah's lithium project become a significant support to the local economy and communities in the Boticas municipality in which we operate, as well as the wider region. Around the world, the mining industry has initiated, funded and operated a wide range of tailored programmes which have generated long lasting economic and social benefits for the communities that live alongside projects. This has always been Savannah's intention with Mina do Barroso, and we look forward to presenting our plans to the project stakeholders over the coming months.

Details of our more recent Corporate Social Responsibility ("CSR") programmes undertaken across all our projects can be found in the CSR section included in the Company's full Annual Report and Financial Statements.

For these benefits to be realised however, the project must become a commercial reality. This can only happen by having customers for our products. In that regard Savannah is making significant progress in positioning itself as Europe's most attractive project partner for industrial groups looking to build spodumene mineral conversion plants in Europe for the production of lithium hydroxide. Lithium hydroxide is a key component in lithium batteries.

We are also receiving interest from major Portuguese industrial groups around forming strategic partnerships with Savannah on what is planned to be a sustainable mine development, which puts Portugal at the heart of Europe's fast growing and highly strategic battery supply chain. We expect the project to generate significant direct and indirect economic benefits for Portugal and we continue to enjoy solid support for the project from the Portuguese Government. This has been further enhanced by our partnership with, and inclusion in, various EU-backed ventures relating to the development of our project and an end-to-end lithium battery supply chain in Europe.

The electric vehicle revolution is well underway, and 2020 will likely see EV penetration levels rise notably as the global market moves towards the expected c.10m sales in 2025 and c.30m in 2030 (source: Bloomberg NEF Electric Vehicle Outlook 2019). These numbers may seem staggering to some, but with growing consumer interest now adding to the impetus created by tightening emissions legislation, car companies globally are about to expand their EV model ranges significantly.

On 16 March 2020 the Portuguese government's guidelines came into force and include requiring all universities, schools, nurseries, public places, and bars be closed at least until the end of March, and request that the population avoid travelling and stay at home as much as possible.

To sum up, notwithstanding undue disruption from Coronavirus, 2020 should bring the evaluation and planning phase of the Mina do Barroso project to a close. During the year we expect to have completed the DFS and, assuming the development decision is positive, to have entered into offtake agreements, and advanced our financing and our long-term community relationship plans. We look forward to continuing to develop our relationships with all stakeholders.

Mozambique

Our effort in maintaining an open dialogue and a good relationship with the Government of Mozambique proved its worth with the award of full Mining Licences over the three contiguous concessions which cover the key resource-bearing ground on our Mutamba mineral sands joint venture. It is simply not possible to construct and operate a mine without the necessary licences being granted. Hence, we and our partner on the project, Rio Tinto, view these licence awards as a significant de-risking step for the project's ultimate development.

While the review and approval period extended beyond our original expectations, the long-term impact on the project was minimal in our view. In the intervening period, the market dynamics within the titanium feedstock sector remained favourable for the development of new, large scale, long life sources of supply such as Mutamba.

Furthermore, a mining operation in this region of Mozambique could provide the long-term foundation for meaningful economic and social development, and I again refer readers to the CSR section included in the Company's full Annual Report and Financial Statements for further details of our community programmes in the area.

Savannah will continue to work on the Mutamba project with Rio Tinto, focusing on the best way to draw value from the project for our stakeholders. The current task for Savannah is the Pre-Feasibility study on the project. Completion of that study would lift our ownership of the project from the current 20% to 35%.

Oman

We noted with sadness the passing of Oman's leader for nearly 50 years, His Majesty, Sultan Qaboos bin Said Al Said, in January and sent our condolences to all our Omani stakeholders at that time.

While we haven't enjoyed the same licencing success to date in Oman on the Mahab 4 and Maqail South project applications as we have in Mozambique, we announced in August that we had been advised by the Public Authority for Mining in Oman ("PAM") that it intends to grant the licences under the new mining law. Savannah maintains its dialogue with PAM and other relevant government departments and agencies, with the licence grants now only reliant on the government deciding on the licence fee schedule and these fees being paid.

During the year, work in the field was limited to ground programmes such as mapping with the emphasis placed firmly on cost control to reflect the lower priority now placed on these projects.

As discussed, Savannah's focus remains firmly on Portugal, but the award of the Block 5 mining licences remains important in our view as it would greatly de-risk the overall project. Resolution on the renewal of the Block 4 exploration licence applied for in 2018 is also deemed as important for the same reason. To this end, the strategic

review initiated last year on these assets continues. On a more positive note, Savannah did receive interest from a number of groups regarding the potential acquisition of these projects and discussions are continuing. Savannah expects to conclude its strategic review this year and provide a resolution for our shareholders, employees and stakeholders on these assets.

Corporate Update

We were delighted to receive a UK Department of International Trade's Overseas Direct Investment Award for Portugal in November 2019. The recognition of our commitment to the country to date by the UK Government, in addition to the Portuguese Government, is highly appreciated.

At the time of last year's annual report Savannah was in the process of finalising the acquisition of the minority 25% stake in Mina do Barroso to take sole ownership of the project. This was duly completed in June 2019 with the project's minority shareholders agreeing to receive USD \$11.9m worth of equity in Savannah as opposed to cash to maintain their own exposure to this exciting project. As a result, resource investment specialist Slipstream Resources Investments Pty Ltd ("Slipstream"), which was an existing shareholder in Savannah, significantly increased its interest to 12.9%. Furthermore, the vendors of the 25% stake, including Slipstream, agreed to a 12-month lock-in arrangement on the shares received and a further 9-month orderly market restriction, following completion of the transaction.

The deal has maximised our shareholders' exposure to one of the most important lithium projects in Europe and gives Savannah greater control and optionality in any future negotiations regarding project finance and strategic partnerships on the project.

A small issue of Savannah shares was also used in June 2019 in an Agreement with Gentor Resources Inc ('Gentor') to settle the USD \$3m deferred consideration element of the original 2014 acquisition of the Block 5 licence in Oman. USD \$200,000 (~£158,000) of stock, subject to a six-month orderly market agreement, was issued to Gentor along with a cash payment of USD \$100,000 (~£79,000).

Savannah's CEO, David Archer, receives the UK Department of International Trade's Overseas Direct Investment Award for Portugal, November 2019:



Source: Company photo

Financial Overview

With its project evaluation programmes continuing throughout the year, Savannah is reporting a loss before and after tax of £3.8m for 2019 (2018: £3.4m). The higher amount reflects an increase in administration costs associated with the corporate transactions completed during the year, a temporary modest increase in staff levels, additional professional advisory services and an adverse foreign exchange loss driven by the strengthening of the GBP, though these expenses were partially offset by no staff bonuses being awarded and a reduction in travel costs.

Cash spent on exploration activity fell to £4.2m (2018: £6.3m) overall. However, if the one-off £2.0m milestone payments made last year in relation to the original acquisition of a 75% stake in Savannah Lithium Lda, owner of the Mina do Barroso project, is taken into account, exploration expenditure was broadly unchanged. An amount of £294,000 relating to the Non-Controlling Interest value applicable to the additional 25% stake in Savannah Lithium Lda, which the Group acquired in June 2019 through the issue of 163m new ordinary shares in the Company, is reported in Exploration and Evaluation Assets. The agreed transaction value as per the signed term sheet was USD

\$11.9m, however in accordance with the financial reporting requirements of IFRS only the value of the Non-controlling interest (“NCI”) is recognised in intangible assets.

The Group finished the year with Cash and Cash Equivalents of £3.5m (2018: £7.7m). The cash position includes the £5m (£4.83m net of expenses) placement completed last September. As highlighted at the time, these additional funds are being used primarily to complete the DFS on the Mina do Barroso lithium project in the current year. Availability of funds from the equity capital markets for the mining sector was much reduced in 2019 due to a number of factors including the potential impact on the global economy of a US-China trade war.

Hence, we were extremely pleased to raise this sum which is understood to have been the sixth largest fundraise by an AIM listed mining company in 2019. As in other recent placings, the cornerstone of the financing was our largest shareholder, Al Marjan Limited (20.7%), with a £1.24m commitment. Al Marjan’s ongoing commitment to Savannah is greatly appreciated, and we were also pleased with the additional investment received from our existing institutional shareholders as well as a number of new investors.

Corporate Social Responsibility (‘CSR’)

Following on from our maiden Corporate Social Responsibility (“CSR”) section included in the Company’s full Annual Report and Financial Statements last year, here we provide an update on our Health & Safety record and our continuing community engagement programmes across our projects.

Health & Safety

The Health & Safety of our staff, contractors and visitors remains a top priority for Savannah. One incident was reported and subsequently reviewed in 2019 (2018: 1 incident) across all our projects and offices. We are pleased to report the member of staff involved made a quick and full recovery and was able to return to work.

Portugal

As we move nearer to a development decision point for the Mina do Barroso project, our CSR programmes are evolving as is our general engagement with all stakeholders in our project from those living in the villages nearby through to local administrators, government ministers and EU agencies.

On the ground, our Information Centre in Covas do Barroso village, which opened last April, continued to provide a fixed point where local people can meet with staff and receive information on the project. We also kept up our regular community newsletter correspondence (also available on our website), hosted community meetings, sponsored local events and made a donation to the local fire brigade, which is so vital in this area due to frequent forest fires.

From January 2020 we have been offering regular project visits for interested parties during which small groups are given a tour of the project and can discuss Savannah’s plans with our staff.

As outlined in the Chairman’s statement above, the submission of the project’s EIA study will allow us to provide stakeholders with a fact-based analysis and a comprehensive outline of our project plan. To complement this, we expect to present comprehensive community programmes and the Benefit Sharing Plans that we intend to follow during the development and operating phase of the Mina do Barroso project. We also hope that the Portuguese language website we launched last year, www.minadobarroso.com has been an additional source of useful information.

Savannah was also delighted to become a sponsor to FST Lisboa, a team of engineering students from Instituto Técnico de Lisboa, University of Lisbon, which has entered an electric vehicle and a driverless vehicle of their own design in the international Formula Student competitions, including the FS series. The team's innovative efforts on the racetrack perhaps represent the very furthest downstream part of the lithium battery value chain and goes to demonstrate that Portugal has the opportunity to encapsulate the whole chain from mine to motorway if the country so desires.

Savannah is looking forward to involving the local community and the wider Portuguese population in the Mina do Barroso project which could represent the country's first step into Europe's new lithium battery industry.

Mozambique

Savannah continued to contribute to community and social programmes in the Inhambane province where the Mutamba JV project is located. 2019 was the final year of our initial 3-year partnership on community programmes with the German Society for International Collaboration ('GIZ'). During the three years the partnership focused on the following key areas in its work within the communities which surround the project:

- Vocational training: 400 young people from the Inhambane province completed training in trades such as electrical maintenance, carpentry, plumbing and civil construction at the training centres in Inhambane and Jangamo which were funded by the partnership. Around 80% of the local youth trained to date have gained employment, and the electrical maintenance training programme curriculum that was initiated under this scheme is now being implemented at training centres across Mozambique.
- Value chain development: Small scale agriculture was a key pillar of the partnership with the focus on coconut and cassava production. 4,700 residents of Jangamo and Inharrime received coconut seedlings during the programme as part of the coconut palm reforestation programme. A coconut palm nursery with capacity for 20,000 seedlings was also set up during the project while a 'seeds for seedlings' exchange programme remains in place to ensure the reforestation project is sustained. The partnership also supported the formation of a cassava mill, managed by a newly formed Association which represents the 120 local small-scale farmers who have received training in cassava production. Overall, over 400 local small-scale farmers have seen a minimum 10% increase in income as a result of the training and support received from the partnership.
- Access to energy: 3,000 families have gained access to off grid solar systems through the partnership under a low cost 'Pay as you Go' model.

Following the success of the first phase of support, a new partnership with GIZ will be considered in 2020.

In addition, Savannah will also join with six other national and international groups including government agencies, NGOs and private sector entities in the new, five year, "IWAMAMBA" project. Through the project, the groups will share information and develop collaborative models for further community programmes in the Mutamba river basin. Savannah will contribute USD \$10,000/year as well as relevant water data and staff time.

Oman

With the initiation of the strategic review, work in the field on our projects in Oman was very limited in 2019. However, Savannah's Omani team maintained its engagement with the relevant communities and project stakeholders, keeping them informed of Savannah's activities and attending important community events to maintain a clear presence on the ground.

Outlook

We will continue to monitor developments relating to the Coronavirus pandemic and will take the appropriate and proportionate actions to safeguard both our employees' and other stakeholders' well-being. Such actions may impact the speed of delivering on our objectives. However, at Mina do Barroso our focus remains firmly on completing the pre-development phase as soon as possible. This means lodging the EIA, finishing the DFS, obtaining the necessary licences and commercial agreements, and making preparations to secure the offers of finance required to build the project. Work on the PFS at Mutamba continues and whilst firm cost controls are in place in respect of the Oman projects, we continue to shepherd our licence applications through the Oman administration.

My thanks go to all our staff. Their continuing efforts to progress our project portfolio in order to create value for shareholders and benefits for all our stakeholders is very much appreciated by myself and the Board. I would also like to express the Board's thanks to our many shareholders who have continued to support the company over the last year. We hope to repay your continuing support by growing Savannah into a valuable business based on responsible, sustainable mining operations which bring benefits to all stakeholders.

Matthew King

Chairman

Date: 17 March 2020

CHIEF EXECUTIVE'S REPORT

Savannah experienced some challenges during 2019 but our company worked hard to meet these market and operational challenges and we continued to make progress with our projects. This has resulted in a number of milestones which should provide the basis for the further progress and value creation during the year ahead.

At Mina do Barroso we are now busy with the project's EIA, the DFS, discussions with potential commercial partners and financing groups, and finalising our proposals for social and economic programmes for the communities living close to the project. The commercial agreements we are working towards and the imminent submission of the EIA confirm the project's status as Portugal's first significant contribution to the upstream part of Europe's developing lithium battery value chain.

Savannah is more than just the Mina do Barroso project, however, and the licence awards on the Mutamba mineral sands project after a thorough review period by the Mozambican authorities have changed the complexion of that project significantly. As a result, we are now increasing our work on the Mutamba Pre-Feasibility study.

Progress with the mine licence awards in Oman has been slower than in Mozambique but we continue our dialogue with the Omani authorities on this point alongside our own strategic review of the options available to Savannah on these assets. Concluding and actioning the findings of that review, ideally after the award of the Block 5 related mining licences and renewal of the Block 4 exploration licence, is a goal for the year. However, this remains a lower priority for the management team relative to permitting and financing the Mina do Barroso project and advancing the PFS on Mutamba.

Portugal

Mina do Barroso remains our flagship asset as its risk-reward profile continues to be the most attractive amongst our current portfolio. Despite the weakening of lithium prices in 2019 we believe the project's profile has been greatly enhanced over the past year by a number of factors including; a further increase in its lithium resource, the simplification of its ownership structure through Savannah's acquisition of the residual 25% stake, the addition of the adjacent Aldeia mining lease application ground; and the advanced nature of the discussions we are having with potential lithium and co-product customers/offtakers and other Portuguese strategic partners.

We believe that owing to the advanced nature of the offtake discussions our shareholders can take particular confidence that an offtake agreement with a significant and well positioned counterparty is within our grasp. From a wider market perspective, it also reiterates the view held by informed lithium consumers that the potential for supply shortages in the market exists in the medium term despite the inventory surplus which appeared last year. Furthermore, it also confirms the views of many, including the European Commission, that a European battery manufacturing industry must be supported by domestic raw materials as competition grows globally for access to lithium and risk associated with long supply chains are brought into stark relief by unexpected events such as the Coronavirus pandemic. Mina do Barroso would offer an excellent foundation for a short, low carbon, lithium supply chain in Europe.

I understand these long-term market trends were difficult to credit during 2019 when reduced subsidies on electric vehicles in China and increased inventories of lithium raw materials and chemicals were driving down the share prices of lithium companies. However, the short-term events masked the relentless evolution and expansion of the lithium battery industry driven by the transition to electrification in the transport sector, and growth in other applications

such as energy storage. In hindsight, 2019 should perhaps be seen as a transitional year in the automotive industry and the discomfort in the immature and rapidly expanding lithium supply industry, akin to growing pains.

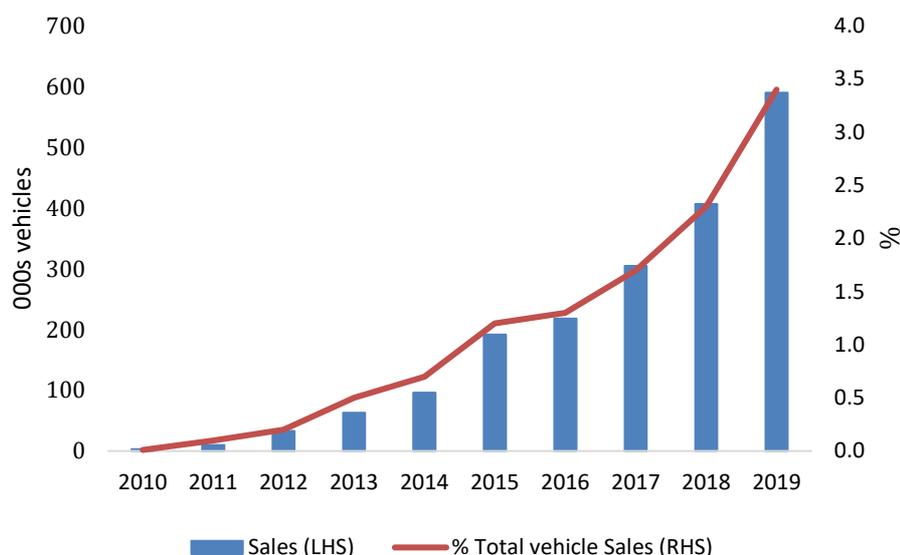
We believe the 2019 sales figures for the world's car market will bear this out with some analysis. While global car and light duty vehicle sales fell 4.4% to 90.3m (source: LMC Automotive) with Western Europe the only major growth market (+1.2%), website EV-volumes.com reports that this overall fall masked a 9% rise in plug-in vehicles sales to 2.3m. This lifts EV penetration in global new vehicle sales to 2.5% from 2.2% in 2018.

At present forecasts appear to be for a further decline in overall light vehicles sales in 2020 (e.g. Centre for Automotive Research, Germany), with this trend potentially exacerbated further by the impact of the Coronavirus on all markets. However, may present another opportunity for EVs to take market share as more models are released at a range of price points.

Digging deeper into the global EV market shows that China, still the largest market for EVs, saw sales impacted noticeably by the reduction in state subsidies in July, but sales in China still grew by 3% to 1.2m. Encouragingly the Chinese Government has subsequently confirmed that the planned subsidy reduction for 2020 would not be implemented. Sales in the US showed a fall year-on-year of 11%. However, this is believed to reflect the poor availability of affordable EVs in that market as opposed to a wider rejection of the technology, with 2020 expected to bring a return to EV sales growth. The real 2019 EV success story was Europe, the market in which Savannah believes Mina do Barroso has such an important role to play.

Website EV-volumes.com reports European sales of plug in vehicles reached 590,000 in 2019, 44% higher than 2018 with the overall penetration rate rising to 3.4% vs. 2.1% for 2018. Furthermore, 2020 could see plug-in EV sales in Europe approach 1m (3-7% of total sales; source: Transport & Environment) and comfortably surpass that level in 2021 (7-12% of total sales) as European auto manufacturers begin the multi-year roll out of numerous new models to avoid the significant fines faced if new emission targets are missed. Furthermore, with legislation then due to tighten from 2025 and again in 2030, the framework for mass adoption of EVs in the region is already in place. Overall, Transport & Environment estimate that the total investment in EVs by European car makers, which is already in the tens of billions of Euros, will equate to approximately 50% of the total fines that would be due if they took no action on the make up of their fleets. Based on those metrics it's very difficult to think that the EV revolution won't take place.

European Annual Plug-in Vehicle Sales & Market Share



Source: EV-volumes.com

The advanced discussions we are in with offtakers is not Savannah’s only commitment to the European lithium battery value chain. During the past year we have significantly strengthened our own ties with the European Union through a number of its agencies and initiatives.

We have also become a project partner in two initiatives run by EIT RawMaterials, which has a mission to enable sustainable competitiveness of the European minerals, metals and materials sector along the value chain. The first, the Certification of Raw Materials (“CERA”) project has the brief to produce a standardised certification scheme ensuring environmental, social and economic sustainability in extraction, processing, trading and manufacturing of all mineral raw materials. Savannah’s Mina do Barroso project has been chosen as the pilot mining project for evaluation to achieve the CERA standard, and we believe meeting this rigorous EU standard should give the project significant credit with potential industrial customers and Europe-based financiers.

The second project, “LiRef”, is validating two conversion processes with the target to develop one robust and flexible process to transform spodumene concentrate into battery grade lithium chemical. If a common processing technology can be found it could be used in European-based spodumene conversion plants with the capacity to treat ores from multiple sources including Mina do Barroso.

Back at the project, our focus for 2019 was on progressing the EIA, the Mine Plan Study, which is another report required in the project licencing process, and DFS. Hence, following the intense resource delineation campaigns of 2017 and 2018, there was less drilling on the project in 2019 (69 holes for 5,887m taking the total to date to 335 holes for 31,407m). However, the company was still able to publish two resource upgrades with the second estimate in May representing a 37% increase over the September 2018 estimate in terms of contained Li₂O (286kt). A 25% increase in the midpoint of the additional Exploration Target¹ estimate (15Mt vs. 12Mt) was also made in May, indicating the long-term potential to increase the project’s resource towards 50Mt. While resource expansion may have only modest significance to equity markets currently, to industrial consumers of lithium, the possibility of securing access to what

¹ Cautionary Statement: The potential quantity and grade of the Additional Resource Targets is conceptual in nature, there has been insufficient prospecting work to estimate a mineral resource and it is uncertain if further prospecting will result in defining a mineral resource.

may become decades of stable supply is very valuable. Savannah was also able to declare its first co-product resource on the project for the Grandao deposit. Further details of the resource estimates can be found in the Project Overviews section included in the Company's full Annual Report and Financial Statements.

As highlighted at the time of the fundraise last September, and based on the operating performances of new spodumene projects in Australia, we took the decision to expand the original DFS metallurgical test work programme to allow us to identify and optimise a lithium recovery process that would work effectively across all five orebodies on the project. This work has advanced and will be concluded by a final phase of pilot scale testing.

As we outlined in September, many of the DFS workstreams are at an advanced point, and the next task will be to re-evaluate what remains to be done once the EIA and the associated Mine Plan Study have been completed as much of the work prepared for those studies is relevant to the DFS.

Air monitoring equipment being used to collect baseline data for the Mina do Barroso EIA study:



Source: Company photo

In regard to the EIA, the submission will represent a huge effort on the part of Savannah's project team and consultants following a long period of data collection, interpretation, design and planning. We expect the consultation and approval process should take some six months during which time we plan a comprehensive programme of stakeholder engagement outlining and discussing specific areas of the EIA and our project plans.

To confirm, it is Savannah’s intention to develop the project with the minimum of impact on the natural environment and local communities. We are also committed to making our operation as sustainable as feasibly possible to attach the greatest environmental benefit we can to the lithium concentrate we produce.

To this end, Savannah is looking to form strategic partnerships with some of the high quality service providers available within Portugal to help move Mina do Barroso into development and bring maximum benefits to the local economy and population, and Portugal as a whole.

We are also very pleased with the continued strong support the project enjoys from the Portuguese Government, which remains keen to develop an in-country lithium industry based on Portugal’s substantial lithium resources. Management has met with a number of ministers in the last year and we were delighted to host the Secretary of State for Energy, João Galamba, at the project site during the year. We were also delighted to welcome to the project the British Ambassador to Portugal, Chris Santy, and to win the UK Department of International Trade’s Overseas Direct Investment Award for Portugal.

Secretary of State for Energy, João Galamba (3rd from left) visiting the Mina do Barroso project in 2019:



Source: Company photo

We expect Mina do Barroso to dominate our news flow in the next 12 months and look forward to the much-anticipated mass market EV ramp up in Europe in 2020 providing the sector with fresh momentum. Lithium inventories, as well as external factors such as the Coronavirus outbreak, may remain a drag on prices in the first half of the year at least and further volatility in this rapidly developing market must be considered ‘normal’ by lithium

industry investors. However, we hope that stock specific news will outweigh these factors. Maintaining the progress of the project towards a development decision point remains our goal and to get there we must obtain all the necessary project approvals, complete the DFS, enter into offtake agreements and financing commitments, and gain social acceptance of the project's development by clearly demonstrating the many benefits it can bring.

Mozambique

The final four months of 2019 and January 2020 marked a significant period for Savannah's Mutamba mineral sands joint venture with Rio Tinto in Mozambique. During that period the joint venture was granted first conditional and then full Mining Licences for the three contiguous concessions which cover the 4.4Bt Indicated and Inferred resources currently estimated on the project. These Mining Concession licences, granted by the Minister of Mineral Resources and Energy in Mozambique, are valid for an initial 25-year period (expiring in 2044) with the possibility of being extended for a further 25 years.

The Mining Licence application submitted for the standalone Chilubane concession, located approximately 180km southeast of the main Mutamba project concession, remains under consideration by the Minister.

We have long flagged the potential of the Mutamba project based on the scale of its resource, the commercial significance of the mineral sands sector to our JV partner, Rio Tinto and the positive findings of the 2017 Scoping Study. The investment case for the project continues to be further enhanced by the encouraging long-term outlook for underlying demand.

The market dynamics within the titanium feedstock have remained favourable for the development of new sources of supply such as Mutamba. Ilmenite is the dominant titanium mineral in the Mutamba deposit, and established Mozambique-based mineral sands producer, Kenmare Resources, reported in January 2020 that prices received for its ilmenite product resumed their previous upward trend in 2019, having eased in the second half of 2018, with second half 2019 prices more than 10% above those in the first half. We believe this reflects the continuing decline in supply from existing operations which began in 2015. The higher purity, higher value titanium mineral, rutile, which also features in the Mutamba ore has seen prices increase since 2017 as well, again reflecting the decline in production from existing operations. This trend is expected to continue over the next 3-4 years while demand, primarily from the pigment industry, is expected to remain robust and grow in-line with the global economy.

Mutamba's potential cannot be realised without the foundation of valid mining licences. The project now has these and given the risk perceived in the mining industry around 'licence to operate' these awards carry significant weight in our view. There remains much work to do in respect of making Mutamba an operating mine, beginning with the completion of a Pre-Feasibility Study, which would increase Savannah's stake in the project from 20% to 35%. We continue with our efforts on this front, but reiterate that our prime focus remains the Mina do Barroso lithium project with the majority of our finite cash reserves committed to moving that project forward.

Oman

I reiterate the condolences expressed by our Chairman to all our Omani stakeholders on the passing of His Majesty Sultan Qaboos bin Said Al Said in January.

It is expected by observers that Oman's new leader, His Majesty Sultan Haithum bin Tariq Al Said, who succeeded to the throne on the death of his cousin, will maintain the former Sultan's focus on domestic, economic and social reform.

However, it also must be expected that the change of leadership is likely to impact the operation of Oman's ministries in the short term.

Hence it will not surprise our shareholders to know that there is little further to report at this stage in regard to final mining licence awards over the Mahab 4 and Maqail South copper projects (Block 5) since we announced in August that we had been advised by PAM that it intends to grant them. Savannah maintains its dialogue with PAM and other relevant government departments with only confirmation of the licence fee structure and relevant payment required for the licences to be issued. During the year, work in the field was limited to 'surface' programmes such as mapping, with the emphasis placed firmly on cost control to reflect the lower priority now placed on these projects.

As discussed, Savannah's focus remains on Portugal and Mozambique, with the strategic review initiated last year on our Oman assets continuing. We intend to conclude this review and begin actioning its conclusions during the year and would welcome the award of the Block 5 mining licences and the renewal of the Block 4 exploration licence (which is pending due to certain areas that are required for further exploration currently not being included in the proposed licence renewal) as it would help to clarify the options available to us. As highlighted in the Chairman's statement, Savannah has received interest from a number of groups regarding the potential acquisition of these assets and discussions are ongoing.

Summary

My thanks go to Savannah's staff who have demonstrated enormous commitment during 2019 in dealing with the challenging setting.

We continue to welcome these challenges believing that the projects which Savannah manages can bring benefits to all our stakeholders, and in the case of Mina do Barroso play an important role in Europe's climate change action plan. 2020 is set to be another pivotal year for Savannah.

David Archer

Chief Executive Officer

Date: 17 March 2020

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	£	£
CONTINUING OPERATIONS		
Revenue	-	-
Other Income	35,325	-
Administrative Expenses	(3,861,344)	(3,258,458)
Impairment of Intangible Assets	-	(140,024)
OPERATING LOSS	(3,826,019)	(3,398,482)
Finance Income	25,621	17,321
Finance Costs	(1,528)	-
LOSS BEFORE AND AFTER TAX ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT	<u>(3,801,926)</u>	<u>(3,381,161)</u>
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:		
Net change in Fair Value Through Other Comprehensive Income of Equity Investments	2,496	(73,345)
Items that will or may be reclassified to profit or loss:		
Exchange Gains / (Losses) arising on translation of foreign operations	<u>(609,228)</u>	<u>384,248</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR	<u>(606,732)</u>	<u>310,903</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT	<u>(4,408,658)</u>	<u>(3,070,258)</u>
Loss per share attributable to equity owners of the parent expressed in pence per share:		
Basic and diluted		
From Operations	<u>(0.36)</u>	<u>(0.44)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	2019	2018
	£	£
ASSETS		
NON-CURRENT ASSETS		
Intangible Assets	21,068,376	17,413,168
Right-of-Use Assets	37,785	-
Other Intangible Assets	10,804	342,881
Property, Plant and Equipment	1,337,229	1,437,068
Other Non-Current Assets	248,275	253,188
Bank Deposits	742,363	-
TOTAL NON-CURRENT ASSETS	23,444,832	19,446,305
CURRENT ASSETS		
Investments	36,762	18,007
Trade and Other Receivables	285,699	330,774
Other Current Assets	19,171	223,733
Cash and Cash Equivalents	3,484,781	7,715,435
TOTAL CURRENT ASSETS	3,826,413	8,287,949
TOTAL ASSETS	27,271,245	27,734,254
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share Capital	12,974,598	8,814,518
Share Premium	33,511,787	31,060,554
Merger Reserve	6,683,000	-
Foreign Currency Reserve	(30,257)	579,126
Warrant Reserve	975,679	1,000,221
Share Based Payment Reserve	410,121	508,051
FVTOCI Reserve	(43,439)	(58,737)
Retained Earnings	(28,163,712)	(16,485,626)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	26,317,777	25,418,107
LIABILITIES		
NON-CURRENT LIABILITIES		
Loans and Borrowings	-	25,813
Lease Liabilities	12,059	-
TOTAL NON-CURRENT LIABILITIES	12,059	25,813
CURRENT LIABILITIES		
Loans and Borrowings	-	16,895
Lease Liabilities	18,990	-
Trade and Other Payables	922,419	2,273,439
TOTAL CURRENT LIABILITIES	941,409	2,290,334
TOTAL LIABILITIES	953,468	2,316,147
TOTAL EQUITY AND LIABILITIES	27,271,245	27,734,254

The Financial Statements were approved by the Board of Directors on 17 March 2020 and were signed on its behalf by:

David Archer

Chief Executive Officer

Company number: 07307107

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	2019	2018
	£	£
ASSETS		
NON-CURRENT ASSETS		
Investments in Subsidiaries	894,993	458,667
Other Intangible Asset	5,948	333,353
Other Receivables	33,265,297	20,844,330
Other Non-Current Assets	41,068	36,800
	<u>34,207,306</u>	<u>21,673,150</u>
TOTAL NON-CURRENT ASSETS		
CURRENT ASSETS		
Investments	33,935	17,225
Trade and Other Receivables	70,338	130,438
Other Current Assets	-	202,180
Cash and Cash Equivalents	3,277,943	7,368,469
	<u>3,382,216</u>	<u>7,718,312</u>
TOTAL CURRENT ASSETS		
TOTAL ASSETS		
	<u>37,589,522</u>	<u>29,391,462</u>
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share Capital	12,974,598	8,814,518
Share Premium	33,511,787	31,060,554
Merger Reserve	6,683,000	-
Warrant Reserve	975,679	1,000,221
Share Based Payment Reserve	410,121	508,051
FVTOCI Reserve	(43,439)	(58,737)
Retained Earnings	(17,341,234)	(12,883,510)
	<u>37,170,512</u>	<u>28,441,097</u>
TOTAL EQUITY		
LIABILITIES		
CURRENT LIABILITIES		
Trade and Other Payables	419,010	950,365
	<u>419,010</u>	<u>950,365</u>
TOTAL LIABILITIES		
TOTAL EQUITY AND LIABILITIES		
	<u>37,589,522</u>	<u>29,391,462</u>

The Company total comprehensive loss for the financial year was £4,598,068 (2018: £2,523,008).

The Financial Statements were approved by the Board of Directors on 17 March 2020 and were signed on its behalf by:

David Archer

Chief Executive Officer

Company number: 07307107

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share Capital £	Share Premium £	Merger Reserve £	Foreign Currency Reserve £	Warrant Reserve £	Share Based Payment Reserve £	FVTOCI Reserve £	Retained Earnings £	Total Equity £
At 1 January 2018	6,358,504	18,105,108	-	194,878	1,405,958	691,194	-	(13,612,758)	13,142,884
Loss for the year	-	-	-	-	-	-	-	(3,381,161)	(3,381,161)
Other Comprehensive Income	-	-	-	384,248	-	-	(58,737)	(14,608)	310,903
Total Comprehensive Income for the year	-	-	-	384,248	-	-	(58,737)	(3,395,769)	(3,070,258)
Issue of share capital (net of expenses)	2,056,014	12,967,604	-	-	-	-	-	-	15,023,618
Contingent consideration	-	-	-	-	-	283,283	-	-	283,283
Contingent consideration shares issued	400,000	-	-	-	-	(283,283)	-	(116,717)	-
Share based payment charges	-	-	-	-	-	38,580	-	-	38,580
Exercised options	-	-	-	-	-	(202,521)	-	202,521	-
Lapse of options	-	-	-	-	-	(19,202)	-	19,202	-
Issue of warrants	-	(12,158)	-	-	12,158	-	-	-	-
Exercised warrants	-	-	-	-	(326,755)	-	-	326,755	-
Lapse of warrants	-	-	-	-	(91,140)	-	-	91,140	-
At 31 December 2018	8,814,518	31,060,554	-	579,126	1,000,221	508,051	(58,737)	(16,485,626)	25,418,107
Loss for the year	-	-	-	-	-	-	-	(3,801,926)	(3,801,926)
Other Comprehensive Income	-	-	-	(609,383)	-	-	15,298	(12,802)	(606,887)
Total Comprehensive Income for the year	-	-	-	(609,383)	-	-	15,298	(3,814,728)	(4,408,813)
Issue of share capital (net of expenses)	2,500,000	2,326,400	-	-	-	-	-	-	4,826,400
Consideration for acquisition of non-controlling interest	1,630,000	-	6,683,000	-	-	-	-	(8,019,000)	294,000
Consideration for settlement deferred consideration	30,080	124,833	-	-	-	-	-	-	154,913
Share based payment charges	-	-	-	-	-	33,170	-	-	33,170
Lapse of options	-	-	-	-	-	(131,100)	-	131,100	-
Lapse of warrants	-	-	-	-	(24,542)	-	-	24,542	-
At 31 December 2019	12,974,598	33,511,787	6,683,000	(30,257)	975,679	410,121	(43,439)	(28,163,712)	26,317,777

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.
Merger Reserve	Amounts subscribed for share capital in excess of nominal value in respect of the consideration paid in an acquisition arrangement, when the issuing company takes its interest in another company from below 90% to 90% or above equity holding.
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 asset acquired and share options granted by Savannah Resources Plc, less transfers to retained losses in respect of options exercised, lapsed and forfeited.
FVTOCI Reserve	Cumulative changes in fair value of equity investments classified at fair value through other comprehensive income (FVTOCI).
Retained Earnings	Cumulative net gains and losses recognised in the Consolidated Statement of Comprehensive Income and other transactions recognised directly in Retained Earnings.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share Capital	Share Premium	Merger Reserve	Warrant Reserve	Share Based Payment Reserve	FVTOCI Reserve	Retained Earnings	Total Equity
	£	£	£	£	£	£	£	£
At 1 January 2018	6,358,504	18,105,108	-	1,405,958	691,194	-	(11,058,857)	15,501,907
Loss for the year	-	-	-	-	-	-	(2,449,663)	(2,449,663)
Other Comprehensive Income	-	-	-	-	-	(58,737)	(14,608)	(73,345)
Total Comprehensive Income for the year	-	-	-	-	-	(58,737)	(2,464,271)	(2,523,008)
Issue of share capital (net of expenses)	2,056,014	12,967,604	-	-	-	-	-	15,023,618
Shares issued	400,000	-	-	-	-	-	-	400,000
Share based payment charges	-	-	-	-	38,580	-	-	38,580
Exercised options	-	-	-	-	(202,521)	-	202,521	-
Lapse of options	-	-	-	-	(19,202)	-	19,202	-
Issue of warrants	-	(12,158)	-	12,158	-	-	-	-
Exercised warrants	-	-	-	(326,755)	-	-	326,755	-
Lapse of warrants	-	-	-	(91,140)	-	-	91,140	-
At 31 December 2018	8,814,518	31,060,554	-	1,000,221	508,051	(58,737)	(12,883,510)	28,441,097
Loss for the year	-	-	-	-	-	-	(4,600,564)	(4,600,564)
Other Comprehensive Income	-	-	-	-	-	15,298	(12,802)	2,496
Total Comprehensive Income for the year	-	-	-	-	-	15,298	(4,613,366)	(4,598,068)
Issue of share capital (net of expenses)	2,500,000	2,326,400	-	-	-	-	-	4,826,400
Consideration for acquisition of non-controlling interest	1,630,000	-	6,683,000	-	-	-	-	8,313,000
Consideration for settlement deferred consideration	30,080	124,833	-	-	-	-	-	154,913
Share based payment charges	-	-	-	-	33,170	-	-	33,170
Lapse of options	-	-	-	-	(131,100)	-	131,100	-
Lapse of warrants	-	-	-	(24,542)	-	-	24,542	-
At 31 December 2019	12,974,598	33,511,787	6,683,000	975,679	410,121	(43,439)	(17,341,234)	37,170,512

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.
Merger Reserve	Amounts subscribed for share capital in excess of nominal value in respect of the consideration paid in an acquisition arrangement, when the issuing company takes its interest in another company from below 90% to 90% or above equity holding.
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 asset acquired and share options granted by Savannah Resources Plc, less transfers to retained losses in respect of options exercised, lapsed and forfeited.
FVTOCI Reserve	Cumulative changes in fair value of equity investments classified at fair value through other comprehensive income (FVTOCI).
Retained Earnings	Cumulative net gains and losses recognised in the Consolidated Statement of Comprehensive Income and other transactions recognised directly in Retained Earnings.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows used in operating activities		
Loss for the year	(3,801,926)	(3,381,162)
Depreciation and amortisation charges	40,872	31,194
Impairment of assets	-	140,024
Share based payment charge	33,170	38,580
Finance income	(25,621)	(17,321)
Finance expense	1,528	-
Exchange losses / (gains)	196,229	(54,076)
Cash flow from operating activities before changes in working capital	(3,555,748)	(3,242,761)
Decrease/(Increase) in trade and other receivables	254,550	(179,376)
(Decrease)/Increase in trade and other payables	(589,705)	562,925
Net cash used in operating activities	<u>(3,890,903)</u>	<u>(2,859,212)</u>
Cash flow used in investing activities		
Purchase of intangible exploration assets	(4,169,238)	(6,317,118)
Purchase of other intangible assets	(1,278)	(131,173)
Purchase of tangible fixed assets	(21,296)	(328,768)
Purchase of investments	(28,371)	(695)
Proceeds from sale of investments	12,112	104,461
Bank deposits for mining licences	(742,363)	-
Guarantees for acquisition of intangible exploration assets	-	(202,180)
Interest received	25,621	17,321
Net cash used in investing activities	<u>(4,924,813)</u>	<u>(6,858,152)</u>
Cash flow from financing activities		
Proceeds from issues of ordinary shares (net of expenses)	4,826,400	14,986,546
Principal paid on lease liabilities	(20,488)	-
Interest paid on lease liabilities	(1,528)	-
Net cash from financing activities	<u>4,804,384</u>	<u>14,986,546</u>
(Decrease)/Increase in cash and cash equivalents	(4,011,332)	5,269,182
Cash and cash equivalents at beginning of year	7,715,435	2,455,968
Exchange losses on cash and cash equivalents	(219,322)	(9,715)
Cash and cash equivalents at end of year	<u>3,484,781</u>	<u>7,715,435</u>

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	£	£
Cash flows used in operating activities		
Loss for the year	(4,600,564)	(2,449,736)
Impairment of financial assets	1,035,627	1,325,790
Share based payment reserve charge	33,170	38,580
Finance income	(25,514)	(17,321)
Exchange losses / (gains)	1,718,168	(628,473)
Cash flow from operating activities before changes in working capital	(1,839,113)	(1,731,160)
Decrease/(Increase) in trade and other receivables	182,233	(103,289)
(Decrease)/Increase in trade and other payables	(512,038)	477,736
Net cash used in operating activities	(2,168,918)	(1,356,713)
Cash flow used in investing activities		
Investment in subsidiaries	(27,195)	(115,784)
Loans to subsidiaries	(6,512,623)	(8,049,798)
Purchase of other intangible assets	-	(131,173)
Guarantees for acquisition of intangible exploration assets	-	(202,180)
Purchase of investments	(26,326)	-
Proceeds from sale of investments	12,112	104,461
Interest received	25,514	17,321
Net cash used in investing activities	(6,528,518)	(8,377,153)
Cash flow from financing activities		
Proceeds from issues of ordinary shares (net of expenses)	4,826,400	14,986,546
Net cash from financing activities	4,826,400	14,986,546
(Decrease)/Increase in cash and cash equivalents	(3,871,036)	5,252,680
Cash and cash equivalents at beginning of year	7,368,469	2,125,504
Exchange losses on cash and cash equivalents	(219,490)	(9,715)
Cash and cash equivalents at end of year	3,277,943	7,368,469

**** ENDS ****